MRF

MRF Limited, Regd. Office: 114, Greams Road, Chennai - 600 006.
E-mail: mrfshare@mrfmail.com; Tel.: 044-28292777; Fax: 91-44-28295087
CIN : L25111TN1960PLC004306 Website: www.mrftyres.com

071/SH/SE/AGM/2023/KGG/3
03rd July, 2023

National Stock Exchange of India Ltd Exchange Plaza 5th Floor Plot No.C/1G Block Bandra-Kurla Complex Bandra (E) Mumbai 400 051	Bombay Stock Exchange Ltd Floor 24 P J Towers Dalal Street Mumbai 400 001

Dear Sir,

Annual Report and AGM Notice - 2023

Please refer to our earlier letter dated 20th June, 2023.

We would like to inform that the 62nd Annual General Meeting of the Company will be held on Thursday, 27th July, 2023 through Video Conferencing/Other Audio Visual Means (OAVM).

In this connection, please find enclosed herewith the following:

1) The Notice convening the Annual General Meeting of the Company.
2) Annual Report 2022-23.

This information is being submitted pursuant to Regulation 34 of the SEBI (Listing, Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Further, this to inform you that in compliance with Section 108 of the Companies' Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, as amended, the Company has fixed Thursday, 20th July 2023, as the cut-off date for the purpose of offering remote e-voting facility to the Members in respect of resolutions to be transacted at the Annual General Meeting scheduled to be held on 27th July, 2023 through Video Conferencing/Other Audio Visual Means (OAVM).

Kindly take the same on record.

Thanking you,

Yours faithfully

For MRF Limited

S DHANVANTH KUMAR

Digitally signed by S DHANVANTH KUMAR
Date: 2023.07.03 14:10:50 +05'30'

S DHANVANTH KUMAR
COMPANY SECRETARY

MRF LIMITED, Regd. Office: No. 114, Greams Road, Chennai 600 006, CIN: L25111TN1960PLC004306, Tel: 044-28292777, Fax: 91-44-28295087, E-mail: mrfshare@mrfmail.com, Website: www.mrftyres.com

NOTICE

NOTICE is hereby given that the Sixty Second Annual General Meeting of the shareholders of MRF Limited will be held on Thursday, the 27th July, 2023, at 11.00 A.M, through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and the Reports of the Auditors thereon.
2. To declare a final dividend on equity shares. The Board has recommended a final dividend of ₹169/- (1690%) per equity share of ₹10 each.
3. To appoint a Director in place of Mr Varun Mammen (DIN: 07804025), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Ambika Mammen (DIN: 00287074), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), and the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Act") and the Rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent of the Company be and is hereby accorded for payment of remuneration as per terms and conditions approved by the shareholders to Mr. K M Mammen (DIN: 00020202), Mr Arun Mammen (DIN: 00018558), Mr. Rahul Mammen Mappillai (DIN: 03325290), Mr Samir Thariyan Mappillai (DIN: 07803982) and Mr. Varun Mammen (DIN: 07804025), in their capacity as Managing Director(s) / Whole-time Director(s) of the Company, such that the aggregate remuneration payable to all of them, for the financial year ended 31st March, 2023, does not exceed 7.77% of the net profits calculated as per section 198 of the Companies Act, 2013."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, Mr. C. Govindan Kutty, Cost Accountant (Membership No. 2881), appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31st March, 2024, be paid a remuneration of ₹8.40 Lakhs (Rupees Eight Lakhs Forty thousand only) (excluding taxes, as applicable) in addition to reimbursement of out of pocket expenses and conveyance as recommended by the audit committee and approved by the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution".

By Order of the Board,

Chennai
Date: 03rd May, 2023

S DHANVANTH KUMAR
Company Secretary

Notes:

a) In accordance with the provisions of the Companies Act, 2013 ("Act"), read with the Rules made thereunder and General Circular dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 14th December, 2021 and 5th May, 2022, 28th December, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as ("the Circulars"), companies are allowed to hold Annual General Meeting (AGM) through VC or OAVM upto 30th September, 2023, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

b) The information required to be provided as per section 102 of the Companies Act, 2013, Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the explanatory statement which is annexed hereto.

c) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

d) In compliance with the aforementioned Circulars, Notice of the AGM along with the Annual Report 2022-2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-2023 will also be available on the Company's website: www.mrftyres.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.

   In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-2023 and Notice of the AGM of the Company, he/she may send a request to the Company by writing at mrfshare@mrfmail.com mentioning their DP ID and Client ID/Folio No.

e) The register of members and transfer books of the Company will remain closed from 21st July, 2023 to 27th July, 2023 both days inclusive, for the purpose of payment of final dividend.

f) Upon declaration of final dividend as recommended by the Directors payment of dividend, subject to deduction of tax at source, will be made on or after 21st August, 2023 to the shareholders whose names appear on the Company's Register of Members on 27th July, 2023.

g) In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.

h) Members are requested to notify immediately any change in their address/change in bank details or demise of any member as soon as possible to the Company's registered office quoting their ledger folio number. In respect of shares held in electronic form, members may notify these changes to their depository participants.

i) All relevant documents referred to in the accompanying notice and explanatory statement are available for inspection through electronic mode.

j) Members holding shares in electronic form may please note that their bank details as furnished by the respective depositories to the Company will be printed on the dividend warrants as per applicable regulations of the depositories and the Company will not entertain any direct request from such member for change/deletion in such bank details. Members may therefore give instructions regarding bank accounts to their respective depository participants only.

k) The Company is also extending the facility of NACH for the receipt of dividend. In case of shareholders holding shares is physical form who wish to avail of this facility, please send NACH mandate form, (which could be obtained from the Company) duly filled in, to the registered office of the Company at the earliest. Members holding shares in electronic form may forward their details to their respective depository participants only.

l) Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act 2020, mandates that dividends paid or distributed by a company after 1st April, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend.

For resident shareholders, tax shall be deducted at source under Section 194 of the IT Act at applicable rates.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2023-2024 does not exceed ₹5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. PAN is mandatory for members providing Form 15G/ 15H. The format of the aforementioned documents may also be accessed from the Company's website at https://www.mrftyres.com/shareholder-info. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to mrfshare@mrfmail.com.

Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

The aforesaid declarations and documents need to be submitted by the shareholders on or before 05.30 p.m. on 20th July, 2023.

TDS certificates will be sent to shareholders in hard copy form or by email after payment of dividend.

m) Under section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, unclaimed dividend amounts upto Second Interim Dividend 2014-2016 have been transferred to the said fund. The shareholders are advised to forward all unencashed dividend warrants from final dividend 2014-2016 to the registered office of the Company for revalidation and encash the same before the respective due date of transfer to IEPF.

Last date for claiming unclaimed dividend from the Company is given below:

Year	Dividend	Date of Declaration	Last date for claiming unclaimed dividend
2014-2016	Final	11-08-2016	11-09-2023
2016-2017	I-Interim	27-10-2016	27-11-2023
	II-Interim	03-02-2017	03-03-2024
	Final	04-08-2017	04-09-2024
2017-2018	I-Interim	10-11-2017	10-12-2024
	II-Interim	01-02-2018	01-03-2025
	Final	09-08-2018	09-09-2025
2018-2019	I-Interim	08-11-2018	08-12-2025
	II-Interim	07-02-2019	07-03-2026
	Final	09-08-2019	09-09-2026
2019-2020	I-Interim	08-11-2019	08-12-2026
	II-Interim	10-02-2020	10-03-2027
	Final	24-09-2020	24-10-2027
2020-2021	I-Interim	06-11-2020	06-12-2027
	II-Interim	11-02-2021	11-03-2028
	Final & Special	12-08-2021	12-09-2028
2021-2022	I-Interim	09-11-2021	09-12-2028
	II-Interim	10-02-2022	10-03-2029
	Final	04-08-2022	04-09-2029
2022-2023	I-Interim	08.11.2022	09.12.2029
	II-Interim	09.02.2023	11.03.2030

n) With respect to dividends which remain unclaimed for a period of 7 years or more, the Company in due compliance with Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, has transferred to IEPF authority the corresponding equity shares. Details of shares transferred to the IEPF Authority are available on the website of the Company: www.mrftyres.com and on the website of the IEPF Authority: www.iepf.gov.in.

   The members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in/IEPF/corporates.html. Members may contact Secretarial Department of the Company for any guidance required for lodging claim for refund of shares and/or dividend from the IEPF Authority.

o) As per the provisions of the Companies Act, 2013, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form in Form SH - 13 can be obtained from the Company. Members holding shares in electronic form may forward nomination form duly filled to their respective depository participants only.

p) The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN and KYC details pursuant to SEBI Circular dated 3rd November, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company: www.mrftyres.com. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR–1.

q) Members may please note that SEBI vide its Circular dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's website: www.mrftyres.com. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company, for assistance in this regard.

r) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the Company in prescribed Form ISR-1 and other forms pursuant to SEBI Circular dated November 3, 2021. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

s) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

t) Institutional / Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization along with a ID proof of the representative, authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to jandsca@gmail.com with a copy marked to evoting@nsdl.co.in by 24th July, 2023.

u) Instructions for members for attending the AGM through VC / OAVM are as under:

   i. NSDL will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM facility and e-Voting during the AGM.

   ii. Members may note that the VC/OAVM facility, allows participation of atleast 1,000 Members on a first-come-first-served basis.

   iii. Members will be able to attend the AGM through VC/ OAVM at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the link available against the EVEN (124175) for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.

iv. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come-first-served basis.

v. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in /022-24994360 or Ms. Prajakta Pawle, at 022-24994545.

vi. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

vii. Members are advised to send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number to mrfshare@mrfmail.com. Questions / queries received by the Company till 5.00 p.m. on 25th July,2023 shall only be considered and responded during the AGM.

viii. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/ folio number, email id, mobile number to mrfshare@mrfmail.com between 9.00 a.m. on 21st July, 2023 and 5.00 p.m. on 24th July, 2023.

ix. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

v) E-Voting:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

The remote e-voting period commences on 22nd July, 2023 (9.00 A.M.) and ends on 26th July, 2023 (5.00 P.M.). During this period, members holding shares either in physical form or in dematerialized form, as on 20th July, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode:

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode is allowed to vote through their Demat Account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat Accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL.	i. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services Home Page, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ii. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. iii. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/ IdeasDirectReg.jsp iv. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Demat mode with CDSL	i. Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System - Myeasi. ii. After successful login of Easi/Easiest the user will also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. iii. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration. iv. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in Demat mode) login through their depository participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login is complete, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the above mentioned websites.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue to login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue to login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at +91 22 2305 8738 or +91 22 2305 8542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 124175 then user ID is 124175001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8-digit of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered with the Company/ Depositories, please follow steps for registering email ID's.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting are in active status.

2. Select "EVEN" of company (EVEN No.: 124175) for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the Depositories/Company for procuring user id and password for e-Voting for the resolutions set out in this Notice:

Shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing below mentioned documents.

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card).

2. In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card).

   If you are an Individual shareholder holding securities in demat mode, you are requested to refer "Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode".

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter and ID proof of the person who is authorised to vote to the Scrutinizer by e-mail to jandsca@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" Option available on www.evoting.nsdl.com to reset the password.

3. In case of any query pertaining to e-voting, Members may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990 or send a request at evoting@nsdl.co.in. Any query or grievance connected with the remote e-voting may be addressed to Ms. Pallavi Mhatre, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in, 1800 1020 990 /1800 224 430.

   Members facing any technical issue in login can contact NDSL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000.

   Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free number 1800 22 55 33.

4. The voting rights of members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date i.e., 20th July, 2023.

5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e, 20th July, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

6. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

7. Mr. N C Sarabeswaran (Membership No.: 009861) Senior Partner, Messrs. Jagannathan & Sarabeswaran, Chartered Accountants, will be acting as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

8. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

9. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

10. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.mrftyres.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and also communicate the same to BSE Limited & National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

Item No. 3

In compliance with the provisions of section 152 of the Companies Act, 2013, Mr. Varun Mammen retires by rotation at the ensuing annual general meeting of the Company. Mr. Varun Mammen being eligible has offered himself for re-appointment.

Mr. Varun Mammen aged about 40 years is on the Board of the Company from 04th August, 2017. He is a graduate in Chemical Engineering from the University of Madras, Chennai. He holds a Masters degree (MSc) in Polymer Materials Science and Engineering from The University of Manchester, UK. He has also obtained a Masters degree in Business Administration (MBA) from The Wharton School, University of Pennsylvania, USA. He joined the Company as Deputy General Manager in the Manufacturing Division in 2011 and was later promoted as General Manager-Manufacturing in the Company. He has undertaken many projects within Manufacturing to make improvements to the existing processes, resulting in greater efficiency, smoother operations and significant cost savings across all factories. In 2022, he was re-appointed as Whole-time Director of the Company.

Mr. Varun Mammen holds 8706 shares of the Company. He is not holding any Directorship in other Companies. During the last financial year, Mr. Varun Mammen attended all the 4 Board meetings of the Company. The details of remuneration paid to Mr. Varun Mammen for the year 2022-23 in his capacity as Whole time Director of the Company is as follows: (a) Salary and perquisites – ₹40908506 (b) Commission – ₹25200000 (c) Total – ₹ 66108506. Mr. Varun Mammen has not resigned from any other listed entity in the past 3 years.

Mr. Varun Mammen and his relatives may be deemed to be concerned or interested in the resolution. None of the other Directors and key managerial personnel are related to Mr. Varun Mammen as envisaged under the Companies Act, 2013. Further, none of them or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Mr. Varun Mammen has the requisite skills and experience expected of a member of the Board and accordingly, the Board (on the basis of the recommendation of the Nomination and Remuneration Committee) recommends this ordinary resolution for the approval of the shareholders.

Item No. 4

In compliance with the provisions of section 152 of the Companies Act, 2013, Mrs. Ambika Mammen retires by rotation at the ensuing annual general meeting of the Company. Mrs. Ambika Mammen being eligible has offered herself for re-appointment.

Mrs. Ambika Mammen aged about 68 years is on the Board of the Company since 23rd April, 2015. Mrs. Ambika Mammen is a Commerce Graduate and graduated with honors from Kolkatta University. She did her schooling in Loreto House, Kolkatta. She has rich experience in administration and management. She is associated with various social associations and involved in social activities.

Mrs. Ambika Mammen holds directorships in Devon Machines Private Limited, Pearl Investments & Finance Co. Ltd., Comprehensive Investment & Finance Company Private Limited, Funskool (India) Ltd., Peninsular Investments Private Limited, Coastal Rubber Equipment Private Limited, Tranquil Investments P. Ltd., Kandathil Investments P. Ltd. and JCEE Manufacturing and Services Private Limited. Mrs. Ambika Mammen is not a member/chairman of any committees of the Board in which she is a Director.

Mrs. Ambika Mammen holds 2489 shares in the Company. During the last financial year, Mrs. Ambika Mammen attended all the 4 Board meetings of the Company. The sitting fees paid to Mrs. Ambika Mammen for the year 2022-23 is ₹100000. Mrs. Ambika Mammen has not resigned from any other listed entity in the past 3 years.

Mrs. Ambika Mammen (being the appointee) and her spouse Mr. K M Mammen, Chairman and Managing Director and her sons Mr. Rahul Mammen Mappillai, Managing Director and Mr Samir Thariyan Mappillai, Whole-Time Director and their relatives may be deemed to be concerned or interested in the above resolution.

Since Mr. K M Mammen is deemed to be interested in this resolution, he has not participated in the discussion or vote on this item during meeting of the Nomination and Remuneration Committee when this proposal was considered. Further, all the above directors have not participated in the discussion or vote on this item during meeting of the Board when this proposal was considered.

None of the other Directors and key managerial personnel are related to Mrs. Ambika Mammen as envisaged under the Companies Act, 2013. Further, none of them or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Mrs. Ambika Mammen has the requisite skills and experience expected of a member of the Board and accordingly, the Board (on the basis of the recommendation of the Nomination and Remuneration Committee) recommends this ordinary resolution for the approval of the shareholders.

Item No. 5

Mr. K M Mammen, Mr Arun Mammen, Mr Rahul Mammen Mappillai, Mr Samir Thariyan Mappillai and Mr Varun Mammen ("Promoter Executive Directors") were re-appointed/appointed as the Managing Directors/ Whole-time Directors of the Company by resolutions of shareholders passed on 5th January 2019, 9th August 2018 and 4th August 2017 for a period of 5 years.

In October 2021, in view of the uncertainties posed by the COVID Pandemic and the prospect of a steep drop in profitability, the shareholders, by special resolution dated 8th October, 2021 passed by postal ballot, accorded approval, pursuant to Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for continuing payment of remuneration to the Promoter Executive Directors as per the terms of appointment approved by shareholders, notwithstanding the aggregate remuneration of all the Promoter Executive Directors exceeding the threshold of 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 ("net profits"). This approval was accorded for the financial years 2021-22 and 2022-23. The aggregate remuneration was however subject to the ceiling of 10% of net profits prescribed under Section 197 of the Companies Act, 2013.

Subsequent to the passing of the above special resolution dated 8th October 2021, the tenure of the following promoter executive directors expired and they were re- appointed for a further period of 5 years.

1. Mr Rahul Mammen Mappillai – Managing Director – Re-appointed for a further period of 5 years w.e.f 04.05.2022.
2. Mr Samir Thariyan Mappillai, Whole Time Director – Re-appointed for a further period of 5 years w.e.f 04.08.2022.
3. Mr Varun Mammen, Whole Time Director – Re-appointed for a further period of 5 years w.e.f 04.08.2022.

Though the special resolution passed on 8th October 2021 for payment of aggregate remuneration exceeding 5% under Regulation 17(6)(e)(ii) applies to financial year 2022-23 also, in view of the re-appointment of Mr. Rahul Mammen Mappillai, Mr. Samir Thariyan Mappillai and Mr. Varun Mammen in May 2022 and August 2022, fresh approval is required to be taken for the financial year 2022-23.

As mentioned earlier, the unprecedented situation in the business scenario during the financial years 2021-22 and 2022-23 following the COVID pandemic resulted in steep increase in raw material prices thereby adversely impacting profitability. The situation was further aggravated by the invasion of Ukraine in February 2022 which led to supply chain issues. The overall market scenario limited the Company's ability to pass on cost increases fully. This scenario continued during a major part of 2022-23 and profitability continued to be under stress except the last quarter when the benefit of lower raw material prices could be realised. Consequently, the total remuneration of the Promoter Executive Directors, as per the approval granted by shareholders for the financial year 2022-23, has exceeded the 5% limit set by Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore approval of the shareholders by way of a special resolution is sought for the same. The total remuneration of ₹89.80 Crores payable to the Promoter Executive Directors works out to 7.77% of the net profits for the year.

The Board, on the recommendation of the Nomination and Remuneration Committee, taking into consideration the valuable contribution made by the Promoter Executive Directors to steer the Company in these challenging times, have approved the proposal to pay remuneration to them as per the terms and conditions in force, for the financial year ended 31st March, 2023, notwithstanding the aggregate remuneration exceeding the limit of 5% of net profits prescribed in Regulation 17(6)(e)(ii). The Committee noted that despite the challenges faced by the Company during these two years (2021-22 & 2022-23), the turnover of the Company has increased from ₹18989 crores to ₹22578 crores.

The Committee also noted that the aggregate remuneration paid to all Promoter Executive Directors till the financial year 2020-21 has remained well below 5% of the net profits of the Company. It is only subsequent to the COVID pandemic and the war in Ukraine, i.e. financial years 2021-22 and 2022-23, the aggregate remuneration has exceeded the 5% threshold prescribed under SEBI Regulations because of the difficult business scenario as explained earlier. Further the aggregate remuneration for 2022-23 works out to only 7.77% of the net profits as against 9.05% during the previous year (i.e. 2021-22). The Committee further noted that the overall growth in aggregate remuneration of the Promoter Executive Directors, over a five year period on a compounded annualized basis is only 3.40% (i.e. ₹75.97 Crores in 2018-19 to ₹ 89.80 Crores in 2022-23), which is lower than the prevailing inflation rates. Given the extraordinary circumstances under which the Company's business operations were carried on and the above mentioned factors, the Committee felt that it would be appropriate to recommend the proposal for approval of shareholders.

It may be noted that that there is no change in the remuneration package approved by the shareholders at the time of their appointment and the remuneration is in accordance with the remuneration policy of the Company.

It may be further noted that the aggregate remuneration to all Promoter Executive Directors, to the extent it exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013, will be paid after receipt of the approval of the shareholders as per Regulation 17(6)(e)(ii).

The remuneration package comprises of both a fixed pay and a variable component (which is linked to the performance of the company i.e. net profits). The detailed terms of remuneration of Promoter Executive Directors as applicable during financial year 2022-23 are follows:-

A) Monthly salary as applicable for financial year 2022-23

   (a) Mr. K M Mammen - ₹34,31,250/-; b) Mr. Arun Mammen - ₹32,00,750/; c) Mr. Rahul Mammen Mappillali - ₹28,21,400/; d) Samir Thariayan Mappillali - ₹7,00,000/-; and Mr. Varun Mammen ₹7,00,000/-.

B) Allowances, Commission, perquisites etc., (applicable to all Promoter Executive Directors)

(i) Furnished Residential Accommodation.

(ii) Perquisites and allowances restricted to two times his annual salary.

(iii) Commission at 1% of net profits, computed in the manner mentioned in Section 198 of the Companies Act, 2013, subject to a ceiling of 36 months' salary.

(iv) Other benefits like contribution to provident and superannuation funds, gratuity, annual leave with pay / leave encashment, reimbursement of medical expenses, provision of car, medical / personal accident / travel insurance, Club fees, Telephone etc.

Interest of Directors

Mr. K M Mammen, Mr. Arun Mammen, Mr. Rahul Mammen Mappillai, Mr. Samir Thariyan Mappillai, Mr. Varun Mammen, Mrs Ambika Mammen, (spouse of Mr. K M Mammen) and Dr. (Mrs.) Cibi Mammen, (spouse of Mr. Arun Mammen) and their relatives may be deemed to be concerned or interested in the above resolution.

It may be noted that Mr. KM Mammen being interested in this resolution, did not participate in the discussions of the Nomination & Remuneration Committee, when the Committee took up consideration of this proposal.

Further Mr. KM Mammen, Mr. Arun Mammen, Mr. Rahul Mammen Mappillai, Mr.Samir Thariyan Mappillai and Mr. Varun Mammen, Mrs Ambika Mammen and Dr. (Mrs.) Cibi Mammen did not participate in the discussions of the Board, when the Board took up consideration of this proposal.

None of the other Directors and key managerial personnel are related to the Managing Directors/ Whole-time Directors as envisaged under the Companies Act, 2013. Further, none of them or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Accordingly, approval of the shareholders by way of Special Resolution is sought for the above proposal.

The Board recommends the Special Resolution as set out in this notice for the approval of shareholders.

Item No. 6

The Board at its meeting held on 3rd May, 2023 on the recommendations of the Audit Committee, has appointed Mr. C Govindan Kutty, Cost Accountant as the Cost Auditor to conduct the audit of the cost record of the Company for the financial year ending 31st March, 2024 on a remuneration of ₹8.40 Lakhs (Rupees Eight Lakhs Forty thousand only) (excluding taxes, as applicable) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Accordingly, the Board recommends this Ordinary Resolution for the approval of the shareholders.

By Order of the Board,

Chennai
Date: 03rd May, 2023

S DHANVANTH KUMAR
Company Secretary

THE MASTERS OF INDIAN ROADS

ANNUAL REPORT 2022-23

CONTENT

CHAIRMAN'S MESSAGE

Dear Shareholders,

In the closing stages of last financial year we were still in the midst of a raw material crisis. The prices of raw materials were continually increasing necessitating increasing our prices too. Fortunately, over a period of time the raw material prices have stabilised and this has helped business in the current year.

In the current year we have recorded an all-time high consolidated total income of Rs.23,261 crores which is an increase of Rs.3,627 crores over the previous year. This huge increase in consolidated total income reveals the strength of MRF and its products. One of the resounding success of last year was the launching of our Scooter tyre Zapper C1. It has received excellent response from the customers and it has helped in increasing our 2 wheeler tyre sales.

Last year's problem of the semi-conductors shortage has more or less disappeared and the production level of automobile industries have reflected this. Electric vehicles are now coming out in each of the categories and it will take some time before we can see how this trend plays out.

The Tractor tyre sales, which was rather muted last year, has shown encouraging results in the current year. With MRF leading in product preference in Farm tyres, this has also helped increase our sale.

Brand Finance, the world's leading brand valuation consultancy has released the Automotive Industry 2023 study and ranked MRF Tyres as the 2nd Strongest Tyre Brand in the World.

As we continue to be the market leader, it is essential for us to play an active role in decarbonizing our operations thereby helping India meet the target of Net Zero emission by 2070. To support this goal, we have set phase-wise targets and commitments to improve our sustainability performance in the coming years.

I wish to thank the Shareholders, Investors, Central and State Governments, Lenders, Suppliers and Customers for their great support during these trying times. I also thank all my colleagues on the board for their continued support.

Best Wishes,

K.M. MAMMEN
Chairman & Managing Director

NEW PRODUCT LAUNCH

PASSENGER CAR TYRES

MRF PERFINZA

New sizes were introduced in the premium and luxury MRF Perfinza series of tyres for Audi, BMW, Jaguar, Mercedes-Benz and Volvo cars in 245/50 ZR18, 245/40 ZR18 and 235/55 ZR17 sizes.

MRF MARKUS

New sizes were introduced in the premium SUV tyre brand MRF Markus for the premium SUV's of Audi, BMW, Mercedes-Benz, Volvo, Jeep, Hyundai and VW in 225/50 R18, 225/55 R18 and 235/50 R18 sizes.

MRF CITIBUS

MRF Citibus was introduced exclusively for the Force Traveller and Toyota Innova. The tyre delivers outstanding comfort, superior grip in all road conditions and high mileage.

NEW PRODUCT LAUNCH

TWO WHEELER TYRES

110/90-18
MRF MOGRIP METEOR M TT

Block pattern rear tube-type tyre developed for Royal Enfield Classic 350.

110/90-10
MRF ZAPPER TL

Tubeless rear tyre for Yamaha Fascino125 BS6 scooter.

110/70-12, 90/90-12, 100/80-12
MRF ZAPPER N TL

Tubeless tyre developed for Electric Scooters.

NEW PRODUCT LAUNCH

COMMERCIAL VEHICLE TYRES

MRF SUPER MILER 99 PLUS

Steer-axle tyre with a superior compound for cooler running and higher tread mileage. Strong casing for better retreadability. Specially designed shoulder and tread for faster heat dissipation. Available in 10.00-20 and 295/95-D20 sizes.

MRF SUPER LUG FIFTY PLUS R

7.00-15 and 195/80 D15 tyres were launched under the Super Lug Fifty Plus R brand, improving on overall tyre life and load carrying capability.

MRF SAVARI EXTRA

MRF Savari Extra is a long-life tyre for SCV's with a premium skid depth and dual tread compound for cooler running. The footprint has been optimised for even wear. The sipe integrated 5-rib pattern delivers excellent dry and wet traction.

MRF T&S

DELIGHTING THE CUSTOMER WITH WORLD-CLASS TYRE CARE SERVICES

MRF T&S (Tyres & Service) is a world-class sales and service outlet offering a unique tyre buying and service experience. MRF T&S outlets stock the entire range of MRF tyres and tubes and are equipped to provide services like computerized wheel balancing and alignment, automated tyre changing, nitrogen filling and tubeless tyre repairs by MRF trained service personnel in a comfortable air-conditioned ambience.

AWARDS AND ACCOLADES

BRAND FINANCE AUTOMOTIVE INDUSTRY 2023

Brand Finance an International Brand Valuation consultancy has ranked MRF Tyres as the 2nd strongest tyre brand in the world and the most valuable Indian tyre brand. MRF Tyres was also ranked as the second fastest growing tyre brand in the world. In Sustainability Perceptions Value, Brand MRF is ranked among the Top 10 brands globally in the Tyre Sector.

MARUTI SUZUKI INDIA LIMITED

MRF was recognized for Overall Performance for the year 2022-23.

ISUZU MOTORS INDIA

MRF received the Supplier Quality Award 2023 for Best Quality Performance for the year 2022-23.

ESG

ENVIRONMENT

Renewable Energy

Agreements have been signed for purchasing solar power for the plants in Tamil Nadu and hybrid power (solar and wind) for the Gujarat plant which will reduce the carbon footprint.

Alternative Fuel

Replacement of furnace oil-based steam generation with alternate gas-based steam generation and use of biomass as alternate fuel for boilers have been initiated.

Water Conservation

Construction of waste water treatment facility in several plants is underway. Agreements have been signed for using treated municipal sewage water at the Perambalur plant. The treated water will be used in the manufacturing process.

Sustainable Sourcing

Most of MRF's purchases are from suppliers in the A and A+ categories (who are governed by MRF's Supplier Sustainable Policy and Green Procurement Policy) as well as from B category suppliers who are ISO 14001 certified.

SOCIAL

MRF continued its focus on employee well-being including their health, safety and upskilling. As a responsible corporate citizen, MRF carried out several CSR projects in education, health care, skill development and infrastructure for the communities in which it operates.

GOVERNANCE

Formal processes are in place to oversee key ESG initiatives. MRF continues to work towards creating sustained long-term value for its stakeholders by adopting prudent fiscal practices and sound business strategy.

MRF CORP

THE PAINT DIVISION

MRF Corp has achieved a value growth of 32% over the preceding year. The annual plant capacity utilization rose by 35% over the previous year. MRF Corp launched various new products like Zameen 2KPU Floor Coat, Altura Metalic, Vilasa Wall Putty, WoodCoat Total Matt and Italia.

MOTORSPORT

MRF TRIUMPHS IN EUROPE

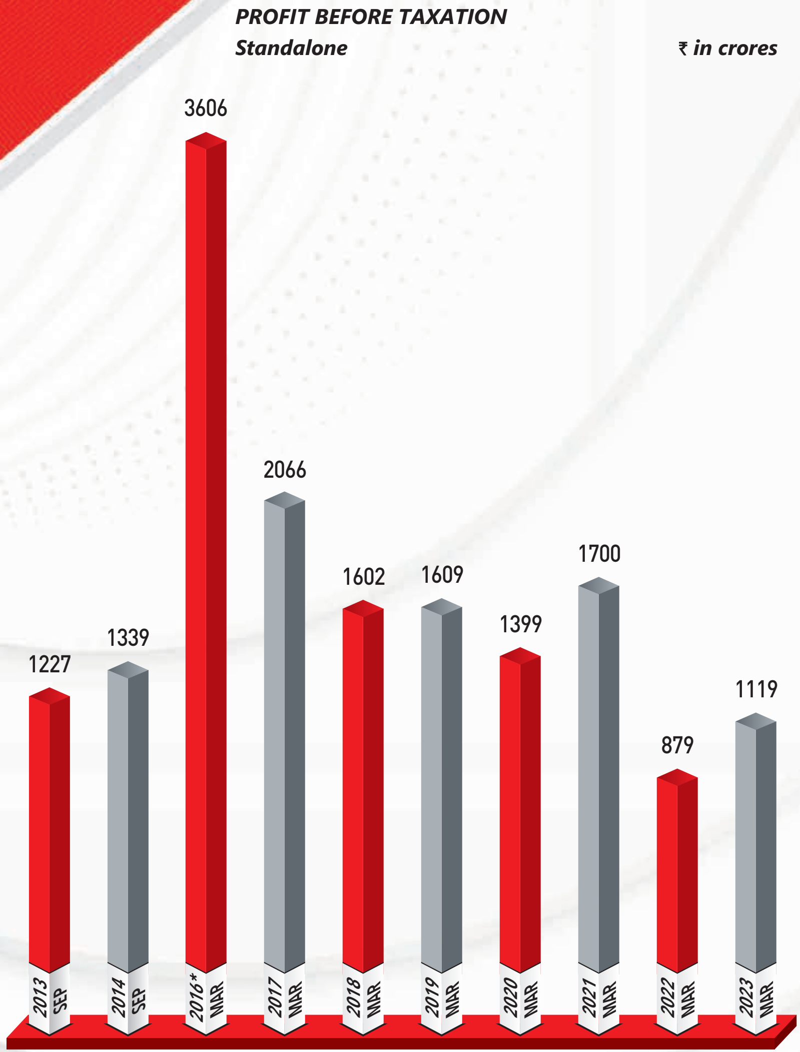
Motorsports in 2022-2023 saw Team MRF Tyres win the acclaimed FIA European Rally Championship (ERC) for the first time against International competition in the third year of participating in this top level competition. Efren Llarena and Sara Fernandez created history for MRF Tyres by winning the Championship.

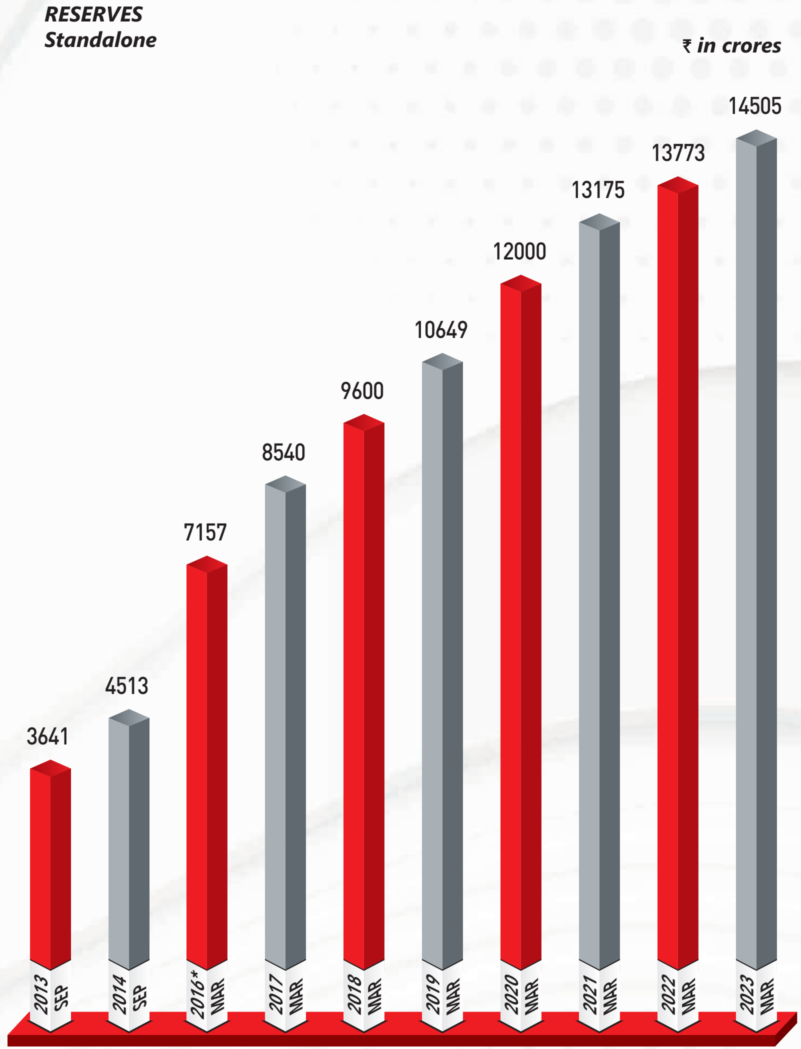
DOMESTIC NATIONAL CHAMPIONSHIPS

MRF Drivers not only shone abroad but were able to bring home the prestigious Indian National Rally Championships for the third consecutive Championship in 2022 thereby proving their mettle both abroad and at home.

MRF promoted motorsports across the country by conducting the National Championships for Indian Motorcycles in the Indian National Motorcycle Racing Championship, Indian National 2-Wheeler Rally Championship, the MRF Mogrip National Supercross Championship and the ever growing Indian National Car Racing Championships. This was promoting our Indian riders and drivers to achieve National level highs before going on to attempt International Championships.

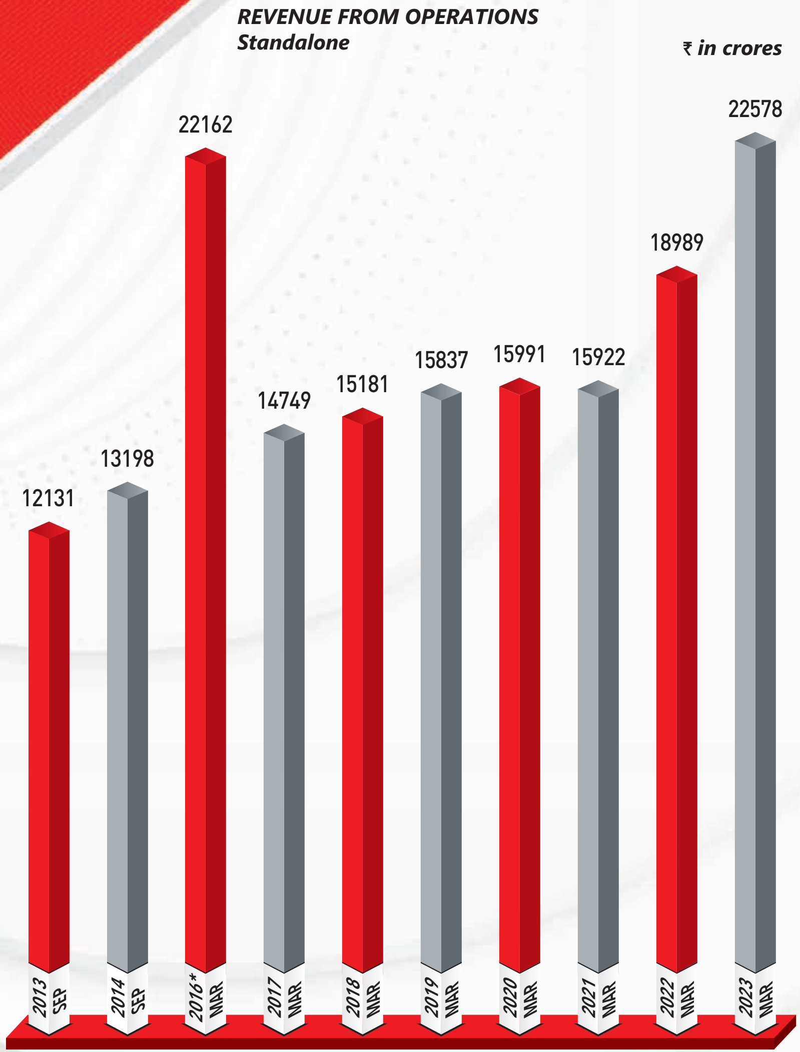
GROWTH STORY

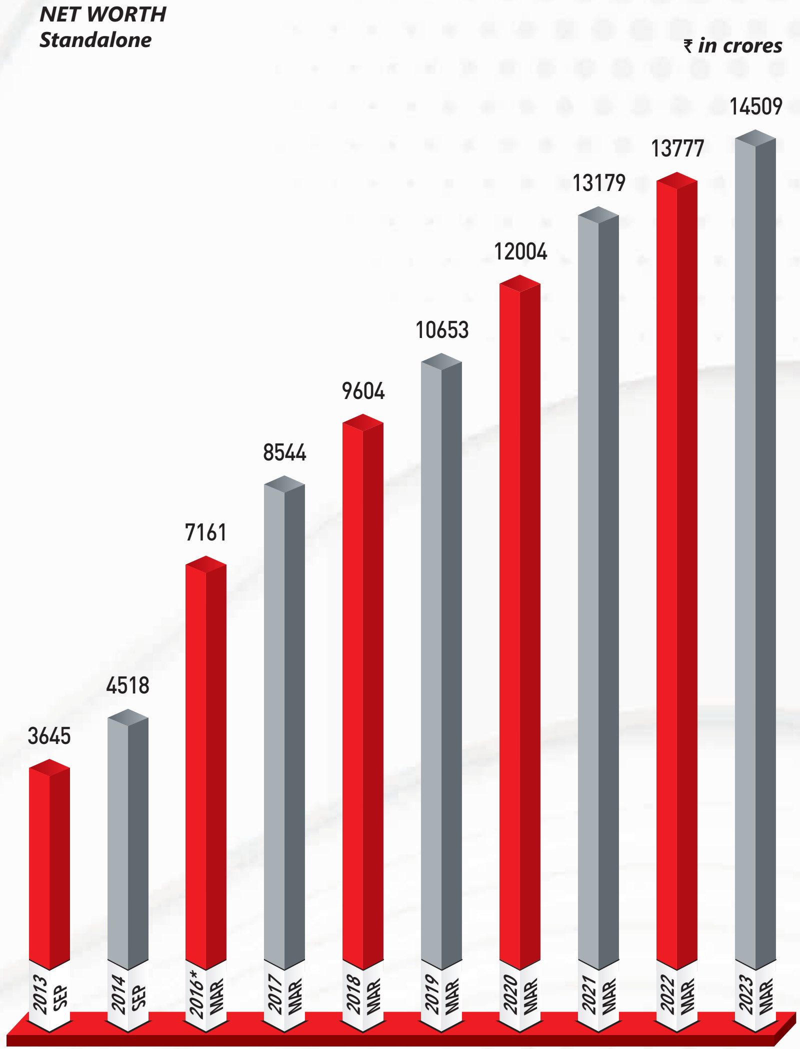




*For the 18 months period ended 31.03.2016

GROWTH STORY





*For the 18 months period ended 31.03.2016

BOARD OF DIRECTORS

K.M. MAMMEN
Chairman & Managing Director

ARUN MAMMEN
Vice Chairman & Managing Director

RAHUL MAMMEN MAPPILLAI
Managing Director

SAMIR THARIYAN MAPPILLAI
Whole-Time Director

VARUN MAMMEN
Whole-Time Director

ASHOK JACOB
V. SRIDHAR
VIJAY R. KIRLOSKAR
RANJIT I. JESUDASEN
Dr. SALIM JOSEPH THOMAS

JACOB KURIAN
Dr. CIBI MAMMEN
AMBIKA MAMMEN
VIMLA ABRAHAM
VIKRAM TARANATH HOSANGADY

RAMESH RANGARAJAN
DINSHAW KEKU PARAKH
ARUN VASU*
VIKRAM CHESETTY*
PRASAD OOMMEN*

*w.e.f. 09.05.2023

Company Secretary
S. DHANVANTH KUMAR

Auditors
M M NISSIM & CO LLP, *Mumbai*
SASTRI & SHAH, *Chennai*

Registered Office: No.114, Greams Road, Chennai - 600 006.

Ten Year Financial Summary (Standalone)		2023	2022	2021	2020	2019	2018	2017	2014-16	2014	2013
₹ Crores	Revenue from Operations	22578	18989	15922	15991	15837	15181	14749	22162	13198	12131
	Other Income	248	315	207	331	417	329	329	321	65	29
	Total Income	22826	19304	16129	16322	16254	15510	15078	22483	13263	12160
	Profit Before Taxation	1119	879	1700	1399	1609	1602	2066	3606	1339	1227
	Provision for Taxation	303	232	451	4	512	510	615	1132	441	425
	Profit after Taxation	816	647	1249	1395	1097	1092	1451	2474	898	802
	Share Capital	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
	Reserves	14505	13773	13175	12000	10649	9600	8540	7157	4513	3641
	Net Worth	14509	13777	13179	12004	10653	9604	8544	7161	4518	3645
	Fixed Assets Gross	19930	16442	15018	14133	10780	9028	7560	6307	6954	5834

BOARD'S REPORT

Your Directors have pleasure in presenting to you the Sixty Second Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2023.

Standalone Financial Results

₹ Crores

	2022-2023	2021-2022
Total Income	22826	19304
Profit before tax	1119	879
Provision for taxation	303	232
Profit for the year	816	647

Performance Overview

During the financial year ended 31st March, 2023, your Company's total income was ₹ 22826 crores as against ₹ 19304 crores in the previous year, recording a growth of 18%. The profit before tax stood at ₹ 1119 crores for the year as against ₹ 879 crores for the previous financial year. The net provision for tax (current tax and deferred tax) for the year is ₹303 crores (previous year ₹ 232 crores). After making provision for income tax, the net profit for the year ended 31st March, 2023 is ₹ 816 crores as against ₹ 647 crores for the previous financial year.

The Company's exports (including Indian Rupee Exports) stood at ₹ 1866 crores for the financial year ended 31st March, 2023, as against ₹ 1779 crores for the previous year.

Revenue from operations for 2022-23 registered good growth over the previous year. The increase in sales was a result of growth in all product groups. The unprecedented increase in raw material prices, which was witnessed during financial year 2021-22 due to the COVID pandemic and also the war in Ukraine, extended into the current financial year. Despite efforts being taken to pass on the cost increases in a graduated manner, the profitability continued to be low during the first three quarters of the year. With easing of raw material prices during the later part of the year, the benefits of lower raw material cost resulted in better profitability in the fourth quarter.

It is a matter of pride that Brand Finance, which is one of the world's leading independent brand valuation and strategy consultancy, with headquarters in London, has rated MRF as the second strongest Tyre brand in the world besides being the most valued Tyre brand in India.

As required under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is attached and forms part of this Report.

Dividend

Two interim dividends of ₹ 3/- each per share (30% each) for the financial year ended 31st March, 2023 were declared by the Board of Directors on 8th November, 2022 and on 9th February, 2023. The Board of Directors is pleased to recommend a final dividend of ₹ 169/- (1690%) per share of ₹ 10 each on the paid up equity share capital of the Company, for consideration and approval of the shareholders at the forthcoming Annual General Meeting which shall be subject to deduction of applicable income tax at source. The total dividend for the financial year ended 31st March, 2023 works out to ₹ 175/- (1750%) per share of ₹ 10 each. The above dividend declared by the Company is in accordance with dividend distribution policy of the Company.

The Directors recommend that after considering provision for taxation and the dividend paid during the year, an amount of ₹ 753 crores be transferred to general reserve. With this, the Company's Reserves and Surplus stands at ₹ 14505 crores.

Industrial Relations

Overall, the industrial relations in all our manufacturing units have been harmonious and cordial. Long term wage settlements have been concluded in our factories at Thiruvottiyur in Tamil Nadu, Goa and Ankenpally in Telangana. Both production and productivity were maintained at the desired levels throughout the year in all Plants.

Consolidated Financial Results and Performance of Subsidiaries

The consolidated financial statements of the Company prepared in accordance with the Companies Act, 2013 and applicable accounting standards form part of the Annual Report. The consolidated total income for 2022-23 was ₹23261 Crores and consolidated profit before tax was ₹1070 Crores.

Pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statements, consolidated financial statements along with the relevant documents and audited accounts of subsidiaries are available on the website of the Company.

The Company has four subsidiaries viz. MRF Corp Limited, MRF International Limited, MRF Lanka (P) Ltd. and MRF SG PTE. LTD. The aggregate turnover of all four subsidiaries in equivalent Indian Rupees during the financial year ended 31st March, 2023 was ₹2326 crores and the aggregate Loss for the year was ₹ 48 crores. This is due to MRF SG PTE. LTD, paying a sum of ₹ 82 crores, being the price adjustment under Bilateral Advance Pricing Arrangement (BAPA) payable to MRF Limited for the financial year 2015-16 to 2023-24.

A statement in Form AOC-1, containing the salient features of the financial statements of the Company's subsidiaries is attached with the financial statements. The statement provides details of performance and financial position of each of the subsidiaries.

The contribution of the subsidiaries to the overall performance of the company is given in note 25d of the consolidated financial statements.

During the year under review, your Company has entered into transactions with MRF SG PTE. LTD, a wholly owned subsidiary of your Company for purchase of raw materials and the total value of transactions executed during financial year 2022-2023, exceeded the materiality threshold adopted by the Company. These transactions were in the ordinary course of business and were on an arms length basis, details of which are provided in Annexure IV of the Board's Report as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Directors' Responsibility Statement

As required under section 134(3)(c) of the Companies Act, 2013, your Directors state that:

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

b) They have, in selection of the accounting policies, consulted the statutory auditors and applied them consistently, making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2023;

c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) Annual accounts have been prepared on a going concern basis;

e) Internal financial controls had been laid down and followed by the Company and such internal financial controls are adequate and were operating effectively; and

f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

Risk Management

The company has developed and implemented a detailed risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company as required under the Companies Act, 2013 read with Regulation 21 of the Listing regulations. The Company has constituted a Risk Management Committee of the Board comprising of executive directors and an independent director of the Company as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the risk management initiatives taken by the Company on a half yearly basis and evaluate its impact and the plans for mitigation. During the year the Committee met on 9th September, 2022 and 3rd March, 2023.

Adequacy of Internal Financial Control

Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Company has put in place well defined procedures, covering financial and operating functions. Delegation of authority and segregation of duties are also addressed to ensure that the financial transactions are properly authorized. Further the Company has an integrated ERP system connecting head office, plant and other locations to enable timely processing and proper recording of transactions. Physical verification of fixed assets is carried out on a periodical basis. The Internal audit department reviews the effectiveness of the internal control systems and key observations are reviewed by the Audit Committee. These, in the view of the Board, are designed to collectively provide an adequate system of internal financial control with reference to the financial statements commensurate with the size and nature of business of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required to be given under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure I, forming part of this Report.

Corporate Social Responsibility (CSR)

As required under section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. CSR Policy is available on the Company's website: https://www.mrftyres.com/investor-relations/corporate-social-responsibilty The details of the CSR initiatives undertaken during the financial year ended 31st March, 2023 and other details required to be given under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended are given in Annexure II forming part of this Report.

Board and Key Management Personnel

During the year under review, the following Managing Directors / Whole-time Directors were re-appointed:

1. Mr. Rahul Mammen Mappillai (DIN: 03325290) as Managing Director for a term of five years with effect from 4th May, 2022. The aforesaid appointment was approved by the shareholders by postal ballot on 3rd May, 2022.

2. Mr. Samir Thariyan Mappillai (DIN: 07803982) and Mr.Varun Mammen (DIN: 07804025) as Whole-time Directors of the Company for a term of five years with effect from 4th August, 2022. The aforesaid appointment was approved by the shareholders at the Annual General Meeting of the Company held on 4th August, 2022.

3. Mr. Arun Mammen (DIN: 00018558) as Managing Director of the Company (with the designation "Vice Chairman and Managing Director" or such other designation as approved by the Board from time to time) for a term of five years with effect from 1st April 2023. The aforesaid appointment was approved by the shareholders by postal ballot on 31st March, 2023.

Further, in November 2022, the Board decided to induct new Independent Directors taking into consideration that six of the serving Independent Directors (viz. Mr. Ashok Jacob, Mr. V Sridhar, Mr. Vijay R Kirloskar, Mr. Ranjit I Jesudasen, Dr. Salim Joseph Thomas and Mr. Jacob Kurian) are due to retire in September 2024. Since these six Independent Directors are serving their second term, they will retire in September 2024 and will be stepping down from the Board. Therefore, as part of the plan for orderly succession to the Board of Directors and to facilitate a smooth transition, the Board at its meeting held on 8th November 2022 decided to induct three new Independent Directors and subsequently at its meeting held on 9th February 2023 three more Independent Directors. The details of these new Independent Directors are given below:

1. Mr. Vikram Taranath Hosangady (DIN: 09757469), Mr. Ramesh Rangarajan (DIN: 00141701) and Mr. Dinshaw Keku Parakh (DIN: 00238735) were appointed as Independent Directors by the shareholders of the Company by postal ballot on 21st December 2022. The appointment of the said Independent Directors took effect from 7th February 2023.
2. Mr. Arun Vasu (DIN: 00174675), Mr. Vikram Chesetty (DIN: 01799153) and Mr. Prasad Oommen (DIN: 00385082) were also appointed as Independent Directors by the shareholders of the Company by postal ballot on 31st March, 2023. The appointment of the said Independent Directors will take effect upon receipt of requisite regulatory approvals.

As required under Section 152 of the Companies Act, 2013, Mr Varun Mammen (DIN: 07804025), Whole time Director and Mrs. Ambika Mammen (DIN: 00287074), Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

The Company has received declarations of independence from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent from Management.

The Board is of the opinion that all the Independent Directors of the Company are person's of integrity and possess relevant expertise and experience (including the proficiency) to act as Independent Directors of the Company. The Independent Directors of the Company have confirmed that they have been registered with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Out of the above new Independent Directors, two Directors are required to appear for the online proficiency test within a period of two years.

Performance evaluation of the Board, its Committees and Directors

The Board of Directors has made a formal annual evaluation of its own performance and that of its committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The evaluation was done based on the evaluation criteria formulated by Nomination and Remuneration Committee which includes criteria such as fulfilment of specific functions prescribed by the regulatory framework, adequacy of meetings, attendance and effectiveness of the deliberations etc.

The Board also carried out an evaluation of the performance of the individual Directors (excluding the Director who was evaluated) based on their attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally in case of Independent Directors based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013 and fulfilment of independence criteria and independence from management.

Corporate Governance

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with the Auditors' Certificate confirming compliance is attached and forms part of this Report.

Following information required to be disclosed as per the Companies Act, 2013 are set out in the Corporate Governance Report:

a) Number of Board meetings held - Para 2(c) of the Corporate Governance Report.
b) Constitution of the Audit Committee and related matters - Para 3(ii) and 14(o) of the Corporate Governance Report.
c) Remuneration Policy of the Company (including directors remuneration)- Para 7a of the Corporate Governance Report.

d) Company's policy on directors' appointment including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 - Para 5, 6 of the Corporate Governance Report. The nomination and remuneration policy is also available on the website of the Company. https://www.mrftyres.com/downloads/download.php?filename=nominatio-%20and-remuneration-policy.pdf

e) Related Party Transactions - Para 14(a) of the Corporate Governance Report.

f) Vigil Mechanism - Para 14 (c) of the Corporate Governance Report

The details of related party transactions are given in note 28d of the financial statements.

Business Responsibility and Sustainability Report

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report of the Company for the financial year ended 31st March 2023 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective, forms part of this Annual Report.

Particulars of Employees

Disclosures with respect to the remuneration of the Directors, KMP's and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure V to this Report.

Further, the disclosures pertaining to remuneration of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in the appendix forming part of this report. Having regard to the provisions of Section 136(1) read with relevant provisions of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished to the members.

During the financial year under review, the Company has not received any complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Deposits

Your Company had discontinued acceptance of fixed deposits with effect from 31st March, 2019 and all deposits have been repaid. No fresh deposits have been accepted subsequently.

Auditors

M M Nissim & CO LLP, Chartered Accountants, (Firm Regn No. 107122W / W100672), Mumbai and Messrs. Sastri & Shah, Chartered Accountants (Firm Regn No.: 003643S), Chennai were appointed as joint statutory auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting of the company held on 12th August, 2021 and 4th August, 2022.

Auditors Report to the shareholders for the financial year ended 31st March, 2023, does not contain any qualification.

Cost Audit

The Board of Directors, on the recommendations of the Audit Committee, has approved the re-appointment of Mr. C. Govindan Kutty, Cost Accountant (Mem. No. 2881), as Cost Auditor of the Company for the financial year ending 31st March, 2024, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the forthcoming Annual General Meeting of the Company.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of Mr K Elangovan, Elangovan Associates, Company Secretaries, Chennai to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2023. The Secretarial Audit Report (in Form MR-3) is attached as Annexure-III, to this Report. The Secretarial Auditor's Report to the shareholders does not contain any qualification.

Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website: www.mrftyres.com. Weblink:https://www.mrftyres.com/investor-relations/annual-return

Other Matters

There are no material changes and commitments affecting the financial position of the Company between the financial year ended 31st March, 2023 and the date of this report.

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

The Competition Commission of India ('CCI') had on 2nd February, 2022 released its order dated 31st August, 2018, imposing penalty on certain tyre manufacturers including the Company and also the Automotive Tyre Manufacturers' Association, concerning the breach of the provisions of the Competition Act, 2002, during the year 2011-12. A penalty of ₹622.09 Crores was imposed on the Company. The appeal filed by the company before National Company Law Appellate Tribunal (NCLAT) has been disposed of by remanding the matter to CCI for review after hearing the parties. In February 2023 CCI has filed an appeal against the order of NCLAT before the Hon'ble Supreme Court and the same is pending disposal.

Details of investments as required under section 134 of the Companies Act, 2013 is given in note 3 to the financial statements.

During the year under review, the Board confirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year under review, no fraud has been reported by the auditors to the audit committee or the board.

During the year under review, there is no change in the nature of business of your Company.

During the year under review, the Company has allotted 15,000 listed, unsecured, rated, redeemable, taxable, non-convertible debentures aggregating to ₹ 150 Crores on a private placement basis.

As regards Cost Audit Records, it is confirmed that the Company is covered by Cost Audit Records Rules under section 148(1) of the Companies Act, 2013 and accordingly, such accounts and all relevant records are maintained by the Company.

Appreciation

Your Directors place on record their appreciation of the invaluable contribution made by the Company's employees which made it possible for the Company to achieve these results. They would also like to take this opportunity to thank customers, dealers, suppliers, bankers, financial institutions, business associates and valued shareholders for their continued support and encouragement.

On behalf of the Board of Directors

Chennai
03rd May, 2023

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

ANNEXURE I TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

Energy Conservation continuous to be a key focus area for the manufacturing plants and related functions. Scheduled monthly performance review, continuous improvement program help to optimize, reduce specific consumption of fuel, power and water. Benchmarking of best performance, base lining of best consumption and identification of losses is considered for setting targets. Energy Monitoring system section wise data is analysed to arrive at mitigation plans and improvements on renewable energy, alternate fuels, bio-fuels and clean sources of energy are being evaluated for immediate and future requirements.

(i) The steps taken or impact on energy conservation:

The following measures implemented to reduce specific fuel consumption.

a) Identifying losses in process lines and correction of leaks to reduce the steam consumption.

b) Improving utilization by isolation of lower utilized process lines to minimize thermal energy losses.

c) Targets were set based on best shift energy consumption from energy monitoring system.

d) Deployment of nitrogen based cure process to minimize the process energy requirement.

e) Reduction of process steam requirement by modifying the reduced process pipe lines.

f) Participation of process owners in data analysis from energy monitoring system to improve energy performance.

g) Utilization of process waste heat to improve steam generation efficiency.

The following measures were implemented to reduce specific power consumption.

a) Introduction of energy efficient air compressors for base load operation to optimize power requirements.

b) Air leak study, continuous monitoring and correction of air leaks in plants to reduce the compressor energy.

c) Replacement of old motors with new energy efficient motors.

d) Close monitoring of optimized scheduling in production equipment to avoid equipment idle time and to reduce the specific energy through Energy monitoring system.

e) Parallel implementation of pneumatic based system to hydraulic based system to reduce the compressor energy.

(ii) The following steps were taken by company to increase utilization/ alternate source of energy.

a) Usage of clean fuels like CNG for boilers.

b) Sourcing of more power from renewable energy and clean fuels with focus on reduction of carbon foot prints.

c) Installation of solar based outdoor lightings under consideration.

d) Evaluation of bio mass based steam generation in place of coal based steam generation.

e) Installation of waste water treatment plants to reuse in the process.

(iii) Capital Investment on Energy conservation projects:

Investments have been carried out for energy conservation proposals resulting in long term saving impact and reduction of losses in the system.

Key projects initiated are listed below.

a) Extension of nitrogen system to reduce the energy consumption.

b) Reduction of process steam and power consumption by process changes.

c) PLC based control system for evacuating hot air from the process.

d) Conversion of pneumatic based system to hydraulic based system to reduce the compressor energy.

Key On-going proposals are as listed below

a) Recycling of municipal waste water, effluent treatment plant (ETP) and sewage treatment plant (STP) to reuse in process.

b) Blending of bio fuel in coal based steam generation system.

c) Identifying lower specific energy consuming machines and utilizing to maximum level to reduce total energy consumption.

d) Increased rain water recovery to optimize the sourcing water requirement.

e) Undertaking of sustainability and net zero carbon initiatives to achieve targets.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

1. Efforts made towards technology absorption, adaptation and innovation:

a. Joint R&D with Indian and foreign universities and research institutes:

Our company has a robust in-house R&D for technology and product excellence. However, towards continued excellence in the ever-evolving tyre technology, we work on R&D projects with Institutions of Eminence in India and abroad. The projects cover a broad range of comprehensive scientific understanding of the interfaces in tyres, materials and design parameters on noise-vibration-harshness (NVH), exploration of new-and sustainable (bio-derived) materials, and nano- and nanostructured materials with the overall stated aim of the company to continuously advance green and sustainable tyre technologies. The joint R&D programs result in PhDs, international publications and patents.

b. New product and material development, elimination of hazardous materials, etc.:

To improve sustainability of products, our company is working on the multipronged 4R strategy, that is reduce (reduction in CO_2 emission by low RR tyres) – recycle (usage of recycled materials from end-of-life tyres as raw materials for new tyres) – reuse (by making multiple re-treadable tyres and doing the retreading process by itself) and renewable (critical raw materials with lower carbon footprint from environmentally sustainable sources such as biomass, waste, etc.).

Towards import substitution, we have initiated joint development programs for raw materials such as sulphur, resource-formaldehyde resin, accelerators, antioxidants, butyl rubber, halo butyl rubber, microcrystalline wax, super tackifier resin, etc. with domestic suppliers.

c. Key product developments:

Our company has adopted sustainability as an integral part of our business policy. We have improved the share of sustainable raw materials in all our tyres. To meet the emission norms under R117 and AIS 142 standards, we developed several low RR tyres which were approved by Indian and global passenger car OEMs. Similar activities are underway in tyres for commercial vehicles as well. Our company is in the process of adopting sustainability goals and targets in-line with the net-zero target of Govt. of India, Paris Climate Change Agreement and COP resolutions.

2. Benefits derived as a result of the above efforts:

The in-house and joint R&D programs resulted in knowledge and confidential information to maintain technological superiority in the market. Development of low rolling resistance tyres with an increased share of renewable materials resulted in more sustainable tyres. Efforts towards import substitution of raw materials such as resins, rubber, accelerators, antioxidants, wax, process aids, etc. resulted in cost-saving as well as a positive direction towards the Atmanirbhar Bharat initiative of the Govt. of India.

3. Details of imported technology (imported during last 3 years reckoned from the beginning of the financial year).

No technology was imported during the last 3 years and MRF is self reliant with regard to tyre technology for several decades.

4. Expenditure incurred on Research and Development:

	(₹ Crores) 2022-2023
R & D Expenses	
(a) Capital	25.15
(b) Recurring	109.92

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	(₹ Crores) 2022-2023
Foreign Exchange Earnings	1763.33
Foreign Exchange Outgo	5117.88

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
03rd May, 2023

ANNEXURE II TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH, 2023

1. Brief outline on CSR Policy of the Company:

   The CSR activities carried out by the Company are in accordance with the CSR Policy, as formulated by the CSR Committee and approved by the Board. The broad objectives, as stated in the CSR Policy, includes supporting causes concerning healthcare, education, rural development, provide safe drinking water, skill development, sports training, disaster management and environmental protection.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K M Mammen	Chairman & Managing Director & Chairman of CSR Committee	4	4
2	Mr. Arun Mammen	Vice Chairman & Managing Director & Member of CSR Committee	4	4
3	Mr. Rahul Mammen Mappillai	Managing Director & Member of CSR Committee	4	4
4	Mr. Ranjit I Jesudasen	Independent Director & Member of CSR Committee	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : https://www.mrftyres.com/investor-relations/corporate-social-responsibilty

4. Provide the executive summary along with the web link of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8, if applicable: Weblink : https://www.mrftyres.com/investor-relations/corporate-social-responsibilty

   As per Rule 8(3) of the Companies (CSR) Policy Rules, 2014, an impact assessment is required to be carried for projects whose outlay exceeds ₹1 crore after a period 12 months from the completion of the project. Accordingly impact assessment was carried out in respect of the MRF Pace Foundation and MRF Institute of Driver Development for the financial year 2020-21. The executive summary in respect of these assessments are given below:-

   Executive Summary of Impact Assessment Report

   Pace Foundation: Cricket is a religion and the most followed sport in India. MRF Pace Foundation was established by MRF Limited, as an Academy in 1988 to train pace bowlers, who eventually will get a chance to represent the country. This is the only exclusive pace academy in the world. Many trainees have represented the country or state. Mr. Glenn McGrath came to Pace Foundation as trainee (under exchange programme). Eventually now, he heads the academy as Director.

   From the beginning of 2020-21, the Foundation's activities were impacted by Covid Pandemonium. Despite the same, the Foundation continued its training activities in a limited way by taking the support of digital platform to monitor training activities of wards, correcting, motivating and fine tuning their abilities for betterment. These initiatives helped to keep the bowling skills of the trainees honed and thereby helped them get back to pre-COVID levels of fitness and performance within a short time after COVID restrictions were eased and tournaments restarted.

   Three trainees represented country in 2021 viz. Mr. Prasidh Krishna, Mr. Chetan Sakariya and Mr. Sandeep Warrier.

9 trainees represented various franchisees in the Indian Premier League in 2021 viz. Mr. K M Asif, Mr. Avesh Khan, Mr. Chetan Sakariya, Mr. Kaleel Ahmed, Mr. Prasidh Krishna, Mr. Akash Singh, Mr. Sandeep Warrier, Mr. Basil Thampi and Mr. Kamalesh Nagarkoti.

Driver Development: Having understood the risk of road driving and encouraging safe driving for commercial vehicles, MRF Ltd. started an institute MRF Institute of Driver Development ("MIDD") in 1988. The objective was to improve the driving skills especially of commercial vehicle drivers. They lacked basic awareness and etiquettes for safe driving despite having better road conditions and sophisticated vehicles.

From the beginning of 2020-21, MIDD could not conduct the regular courses due to lockdowns and Covid restrictions between March 2020 and October 2020. The new governmental regulations restricted the intake of students per course as all driving schools had to implement social distancing norms due to Covid.

During 2020-21, 9 courses were conducted and 69 trainees were imparted training. The trainees benefited in terms of improved driving skills and personal etiquette. The trainees displayed higher levels of confidence after the training. Their chances of employability also improved significantly.

5. (a) Average net profit of the company as per section 135(5) : ₹1456,60,56,631

   (b) Two percent of average net profit of the company as per section 135(5) : ₹ 29,13,21,133

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable

   (d) Amount required to be set off for the financial year, if any : Not Applicable

   (e) Total CSR obligation for the financial year ((b)+(c)-(d)) : ₹ 29,13,21,133

6. (a) Amount spent on CSR projects (both Ongoing project and other than ongoing project): ₹ 16,56,88,195

   (b) Amount spent in Administrative Overheads: ₹ 82,84,400

   (c) Amount spent on Impact Assessment, if applicable: ₹ 9,08,128

   (d) Total amount spent for the Financial Year ((a) + (b) + (c)): ₹17,48,80,723

   (e) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of Transfer
17,48,80,723	11,64,40,410	25.04.2023	NIL	NA	NA

   (f) Excess amount for set off, if any: NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account u/s 135 (6) (In ₹)	Balance amount in unspent CSR account u/s 135(6) (In ₹)	Amount spent in the reporting financial year (In ₹)	Amount transferred to any fund specified under schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (In ₹)	Deficiency If any
					Amount (In ₹)	Date of transfer		
1	2021-22	16,30,55,986	7,21,40,000	9,09,15,986	NIL	NA	7,21,40,000	NA
2	2020-21	NIL	NIL	NIL	NIL	NA	NIL	NA
3	2019-20	NIL	NIL	NIL	NIL	NA	NIL	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Yes. If yes, enter the number of capital assets created/ acquired – 29 nos.

Furnish the details relating to such assets so created or acquired through corporate social responsibility amount spent in the Financial Year:

Sl. No.	Short Particulars of the Asset(s) [including complete address and location of the property]	PIN code of the Property/ Assets	Date of Creation/ Acquisition of Assets	CSR amount spent (In ₹)	Details of Entity or Authority or Beneficiary of the registered owner		
					CSR Registration number, if applicable	Name	Registered Address
1	School Bus. Satguru Foundations, Educational Institute, Kundaim, Ponda, Goa.	403115	24.03.2023	25,01,673	CSR00007732	The Principal, Satguru Foundations	Satguru Foundations , Reg. No.1083/Goa/2011, Kundaim Industrial Estate, Kundaim, Ponda, Goa, Pin-403115, India.
2	Construction of Building. (Lower Ground Floor) Sai Nursing Institute, Near PHC, Bicholim Taluka, Sanquelim, Goa, India	403505	17.01.2023	94,70,000	CSR00016606	The Director Sai Nursing Institute	Director, Sai Nursing Institute, Sanquelim, Goa, Pin-403505. India
3	Vehicle, Kichen Appliances, Furniture & Digital Attendance Register. MRF Pace Foundation, Plot No. 3144, 2nd Street, AH Block, Anna Nagar, Chennai.	600040	23.03.2023	10,69,055	CSR00001396	The Trustee	MRF Foundation, No.114, Greams Road, Chennai 600006, Tamil Nadu, India.
4	Medical Equipment. Mundakapadam Mandiram Hospital, Manganam, Kalathilpady, Puthuppally Road, Kottayam, Kerala.	686018	22.12.2022	15,00,000	CSR00006814	Chairman	Mundakapadam Mandirams Society, Manganam PO, Kottayam – 686018 Kerala State, India.

5	Ambulance. Dr.Roque Ferreiras Memorial Hospital, Vascoda Gama, Verna S.O, Sacete, Goa, India	403722	23.01.2023	17,41,334	CSR00054656	President, Dr.Roque Ferreiras Memorial Hospital	Congregation of SRS of St. Joseph of Cluny, Cluny Convent, Vascoda Gama, Verna S.O, Sacete, Goa, Pin-403722, India
6(a)	E-Auto Rickshaw for imparting Training to Women Drivers. Government Automobile Workshops, Gnanapragasam Nagar, Saram, Puducherry, Tamil Nadu, India.	605013	16.01.2023	6,70,330	NA	Transport Commissioner	The Transport Commissioner, Govt. of Puducherry, 100 feet Road, Mudaliyarpet, Puducherry 605004, India.
6(b)	E-Auto Rickshaw for imparting training to Women Drivers. Government Automobile Workshop, No. 7, Kirambuthottam Street, Karaikal, Puducherry, India	609602					
7(a)	Medical Equipment. Government Hospital Arakonam, Ranipet District, Tamil Nadu.	631001	08.05.2022	18,61,875	NA	Chief Medical Officer	The Chief Medical Officer, Government Hospital, Gandhi Road, Arakonam, Pin-631001, Tamil Nadu, India.
7(b)	Medical Equipment. Govt. Primary Health Centre, Banavaram, Ranipet District, Tamil Nadu.	632505					
8	Motorized Wheelchair. Rehabilitation Institute, Department of Physical Medicine & Rehabilitation, Christian Medical College, Vellore. Tamil Nadu, India	632002	25.04.2022	10,46,450	CSR00001924	Head of Department- Department of Physical Medicine & Rehabilitation	Head of Department, Department of Physical Medicine & Rehabilitation, Christian Medical College, Ida Scudder Road, Vellore. 632002, Tamil Nadu, India.
9	Smart Class Room Equipment. Tagore Educational Institute, Surla Village, Kothambi, Amona, Bicholim, North Goa, Goa, India	403105	28.03.2023	7,13,438	NA	Chairman	Tagore Educational Institute, Kothambi-Surla Village, Kothambi, Amona, Bicholim District, North Goa, Goa, Pin-403105, India

10	Construction of School Building including Computer Lab, Dining Hall & Turf playground. KG to PG School, Gambhiraopet, Rajanna, Siricilla Dist, Karimnagar, Telangana State, India.	505301	15.11.2022	4,00,00,000	NA	The Principal	KG to PG School, Gambhiraopet, Rajanna, Siricilla District, Pin-505301, Telangana, India
11	Computer Systems. Indira Gandhi Medical College & Research Institute, Vazhudavur Road, Kadthirkaman, Puducherry, India.	605009	29.03.2023	27,53,530	NA	Director	Director, IGMC & RI, Govt. of Puducherry Institution, Vazhudavur Road, Kadthirkaman, Puducherry-605009, India
12	Drinking Water Facility. Venkata Subba Reddiar Government Girls Higher Secondary School, Maducarai, Puducherry, India	605105	08.03.2023	1,77,281	NA	Vice Principal	Venkata Subba Reddiar Government Girls Higher Secondary School, Maducarai, Puducherry, Pin-605105, India
13	Construction of Class Rooms. Government Arts and Science College For Women, Veppur, Perambalur Dist, Tamil Nadu, India.	621717	02.02.2023	85,00,000	NA	Regional Joint Director of College Education	Regional Joint Director of Collegiate Education, Khajamlai, Trichy 620023, Tamil Nadu, India.
14	96 CCTV Cameras in Arakonam Sub-division. Deputy Superintendent of Police, Arakonam Sub-Division, Arakonam, Ranipet District, Tamil Nadu, India	631001	23.08.2022	13,69,824	NA	Assistant superintendent of Police.	Assistant Superintendent of Police, Arakonam Sub-Division, Arakonam-631001, Ranipet District, Tamil Nadu, India.
15	Computer Systems & Accessories, Tables, Benches, Construction of toilets and bore-well. Government Higher Secondary School, Kumbinipet, Arakonam Taluka, Ranipet District. Tamil Nadu, India.	631003	21.03.2023	16,08,472	NA	Head Master	Government Higher Secondary School, Kumpinipet-631003, Arakonam. TK. Ranipet District, Tamil Nadu, India.
16	100 CCTV Cameras & its Surveillance System. Police Station, Sadashivpet, Sangareddy District, Telangana, India	502291	21.03.2023	36,26,140	NA	Inspector of Police	Inspector of Police, S.H O , Sadasivpet P S, Sangareddy-District, Telangana State, Pin-502291, India

17	Office Equipment & Electronic Equipment. Police Office Control Room, Deputy Superintendent of Police Office, Arakonam Sub-Division, Arakonam, Ranipet District. Tamil Nadu, India	631001	25.03.2023	6,42,876	NA	Assistant superintendent of Police	Assistant Superintendent of Police, Arakonam Sub-Division, Arakonam-631001, Ranipet District, Tamil Nadu, India
18	College Bus. Ponda Educational Society, Farmagudi, Ponda, Goa, India	403401	03.02.2023	19,37,451	NA	Secretary, Ponda Education Society	Ponda Educational Society, Farmagudi, Ponda, Pin-403401, Goa, India
19	Computer Systems & Furniture. Tara Government College (Autonomous), Sangareddy District, Jogipet, Sangareddy Road, Medak, Telangana, India.	502001	28.03.2023	33,48,250	NA	The Principal, Tara Government College	Tara Government College (Autonomous), Sangareddy District, Jogipet Sangareddy Road, Medak, Telangana 502001, India
20	Smart Class Room Equipment. Govt. Primary School, Maducaraipet. Zone- IV, Villianur, Puducherry, India.	605105	23.03.2023	6,99,083	NA	Head Mistress	Head Mistress, Subramani Govt. Primary School, Maducaraipet, Zone-IV, Villianur, Puducherry-605105, India.
21	Medical Equipment. Government Primary Health Centre, Thuraiyur Road, Super Nagar, Perambalur, Tamil Nadu., and 19 other Primary Health Centres in Perambalur District.	621212	16.02.2023	4,95,600	NA	Deputy Director of Medical Services (TB)	Deputy Director of Medical Services (TB), Government Primary Health Centres-Peramblur District, Pin -621212, Tamil Nadu, India
22	Mobile Toilet Facility and Rectification of Rain Water Gutter. Upper Bazar, Ponda Market, Ponda Municipality, Goa, India.	403401	17.01.2023	6,67,608	NA	Municipal Commissioner	Municipal Commissioner, Ponda Municipal Council, Upper Bazar, Ponda Market. Pin-403401
23	Garbage Collection Vans. Greater Chennai Corporation, Zone-7, (Ambattur) Division-88, No.536,Thiruvalluvar Road, Ambattur, Chennai, Tamil Nadu, India.	600053	03.03.2023	12,93,798	NA	The Commissioner, Greater Chennai Corporation	The Commissioner, Greater Chennai Corporation, Ripon Building, Chennai, 600003, Tamil Nadu, India.
24	Battery Operated Garbage Disposal Vehicle. Tiruttani Municipality, Tiruttani, Tamil Nadu, India.	631209	10.11.2022	6,10,500	NA	Municipal Commissioner	Municipal Commissioner, Tiruttani Municipality, Tiruttani-631209, Tiruvallur District, Tamil Nadu, India.

25	Steel Barricade Trollies. Ponda Police Station, Usgao Panchayat, Goa, India	403406	29.07.2022	3,87,335	NA	Inspector of Police	Ponda Police Station, Usgao Panchayat, Goa, Pin-403406, India
26	Computer Systems & Printer. Puducherry Fire Station, Subbaiya Salai, (Beach Road), Puducherry and 9 other offices of Fire Department in Puducherry.	605001	20.12.2022	6,77,320	NA	Divisional Fire Officer	Divisional Fire Officer, Fire Service Department, Puducherry, 607402, India.
27	Computers Systems & Laser Printer. Office of the Commissioner, Nettapakkam Commune Panchayat, Nettapakkam, Puducherry, India	605106	03.08.2022	1,38,969	NA	Panchayat Commissioner	Commissioner, Office of the Panchayat Commissioner, Nettapakkam Commune Panchayat, Nettapakkam, Puducherry-605106, India
28	Setting up of Public Park (Civil & Horticultural Work). Arakonam Municipality, Jothi Nagar, Near Taluk Office Arakonam, Ranipet District, Tamil Nadu, India.	631001	10.04.2022	47,87,552	NA	Municipal Commissioner	Municipal Commissioner, Arakonam Municipality, Jothi Nagar, Near Taluk Office Arakonam, Pin-631001, Ranipet District, Tamil Nadu, India
29	Construction of Dining Room including Furniture & Equipment. Office of The Superintendent of Police, Perambalur Dist. Perambalur, Tamil Nadu, India.	621212	06.12.2022	29,71,713	NA	Superintendent of Police	Superintendent of Police, SP Office, Dist. Collectorate, Perambalur Dist. Perambalur 621212,Tamil Nadu, India

9. Specify the reasons, if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135.

The shortfall in CSR expenditure was on account of delay in implementation of projects and the project duration extending beyond one financial year as per their original schedule of implementation. The unspent amount has been transferred to the Unspent CSR Account and the same will be spent in accordance with the CSR rules on the ten Ongoing projects.

K M MAMMEN
Chairman and Managing Director
and Chairman of CSR Committee
DIN: 00020202

ARUN MAMMEN
Vice Chairman & Managing Director
and Member of CSR Committee
DIN: 00018558

Chennai
03rd May, 2023

ANNEXURE III TO THE BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
(Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014)

To,
The Members,
MRF Limited, Chennai - 600 006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MRF LIMITED, Chennai – 600 006 (CIN: L25111TN1960PLC004306) (hereinafter called the Company), in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and I am expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2023 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner subject to the reporting made hereunder.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external commercial borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (wherever applicable):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

e) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by the Institute of Company Secretaries of India;

2. The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.;

3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above.

I have reviewed the systems and mechanisms established by the Company for ensuring compliance under applicable Acts, Rules, Regulations and other legal requirements of the Central, State and other Government and local authorities concerning the business and affairs of the Company categorized under the following major heads/groups, and report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
3. Industries (Development & Regulation) Act, 1951;
4. The Rubber Act, 1947 & Rubber Rules, 1955;
5. Acts and Rules relating to consumer protection;
6. Acts and Rules prescribed under prevention and control of pollution;
7. Acts and Rules relating to environmental protection and energy conservation;
8. Acts and Rules relating to hazardous substances and chemicals;
9. Acts and Rules relating to electricity, fire, petroleum, motor vehicles, explosives, boilers etc.;
10. Acts and Rules relating to protection of IPR;
11. Acts and Rules relating to the industry to which this Company belongs;
12. Other local laws as applicable to various plants and offices.

I further report that –

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors in compliance with Rules and provisions of the Companies Act, 2013, the regulations and directives of Securities Exchange Board of India (SEBI).

Special Resolutions were passed by Postal Ballot by voting through electronic means on 21st December 2022 for appointment of the following Independent Directors:

Sl. No.	DIN	Name of the Director	Designation
1.	09757469	Mr Vikram Taranath Hosangady	Independent Director
2.	00141701	Mr Ramesh Rangarajan	Independent Director
3.	00238735	Mr Dinshaw Keku Parakh	Independent Director

Special Resolutions were passed by Postal Ballot by voting through electronic means on 31st March 2023 for appointment of the following Independent Directors:

Sl.No	DIN	Name of the Director	Designation
1.	00174675	Mr. Arun Vasu	Independent Director
2.	01799153	Mr. Vikram Chesetty	Independent Director
3.	00385082	Mr. Prasad Oommen	Independent Director

Adequate notice was given to all directors on schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. All decisions carried are duly recorded in the minutes of the Meeting.

The Competition Commission of India (“CCI”) had on 2nd February,2022 released its order dated 31st August, 2018, imposing penalty on certain Tyre Manufacturers including the Company and also the Automotive Tyre Manufacturers’ Association, concerning the breach of the provisions of the Competition Act 2002, during the year 2011-12. A penalty of ₹622.09 Crores was imposed on the Company. The appeal filed by the company before National Company Law Appellate Tribunal (NCLAT) has been disposed of by remanding the matter to CCI for review after hearing the parties. In February 2023, CCI has filed an appeal against the order of NCLAT before Hon’ble Supreme Court and the same is pending disposal.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

K ELANGOVAN
Company Secretary in Practice

Place: Chennai
Date: 03rd May, 2023

FCS No.1808, CP No. 3552, P R No. 892/2020
UDIN: F001808E000217463

This report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members
MRF Limited, Chennai 600006.
My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

K ELANGOVAN
Company Secretary in Practice

Place: Chennai
Date: 03rd May, 2023

FCS No.1808, CP No. 3552, P R No. 892/2020
UDIN: F001808E000217463

ANNEXURE IV TO THE BOARD'S REPORT

Form No. AOC–2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms length basis-

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis-

   The details of material contracts or arrangements or transactions at arms length basis for the year ended 31st March, 2023 is as follows:

   (a) Name(s) of the related party & Nature of Relationship: MRF SG PTE. LTD (Wholly Owned Subsidiary of the Company).

   (b) Nature of transactions: Purchase of raw materials.

   (c) Duration of transactions: April 2022-March 2023.

   (d) Salient terms of transactions including transactions value: ₹1970.03 Crores. Price - Transactional Net Margin Method (TNMM), Payment – As per applicable credit terms.

   (e) Date of approval by the board: Since these related party transactions are in the ordinary course of business and are at arms length basis, approval of the Board is not required. Necessary approvals were granted by the Audit Committee on 10th February, 2022, 10th May, 2022, 9th August, 2022 and 8th November, 2022.

   (f) Amount paid in advance: Nil.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
03rd May, 2023

ANNEXURE V TO THE BOARD'S REPORT

Remuneration details as required under Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2023.

1. The ratio of the remuneration of the Managerial Personnel to the median remuneration of the employees are as follows: Mr. K M Mammen, Chairman & Managing Director (488.27), Mr. Arun Mammen, Vice Chairman & Managing Director (407.86), Mr. Rahul Mammen Mappillai, Managing Director (357.83), Mr. Samir Thariyan Mappillai, Whole-time Director (107.91) and Mr. Varun Mammen, Whole-time Director (108.23).

   The percentage increase in remuneration for 2022-23 of the Managerial Personnel are as follows: Mr. K M Mammen (14.53%), Mr. Arun Mammen, Vice Chairman & Managing Director (14.57%), Mr. Rahul Mammen Mappillai, Managing Director (8.90%), Mr. Samir Thariyan Mappillai, Whole-time Director (15.92%) and Mr. Varun Mammen, Whole-time Director (15.91%). It may be noted that in the previous financial year 2021-22, because of lower profits, the commission paid to Mr. K M Mammen, Mr. Arun Mammen and Mr. Rahul Mammen Mappillai was lower than the maximum limit as permitted under the shareholders' approval. If this is adjusted, the percentage increase in remuneration for 2022-23 of Mr. K M Mammen is only 1.85%, Mr. Arun Mammen 3.13% and Mr. Rahul Mammen Mappillai 3.50%.
2. The percentage increase in the remuneration of S Dhanvanth Kumar, Company Secretary and Madhu P Nainan, Executive Vice President – Finance were 9% and 12% respectively.
3. The percentage increase in the median remuneration of employees during the financial year ended 31.03.2023 – 11.67%.
4. The total number of permanent employees as on 31.03.2023 is 19050.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration – Average percentage increase in salaries of employees other than managerial personnel in the last financial year was 11.73%. Percentage increase in the managerial remuneration (i.e. Chairman & Managing Director, Vice Chairman & Managing Director, Managing Director and Whole-time Directors) was 13.31%. It may be noted that in the previous financial year 2021-22, because of lower profits, the commission paid to the Managing Directors was lower than the maximum limit as permitted under the shareholders' approval. If this is adjusted, the percentage increase in total managerial remuneration for 2022-23 is only 4.48%. The remuneration of the managerial personnel is consistent with the industry standards and also the size, complexity of operations and market position of the Company.
6. It is affirmed that the remuneration paid to the directors, key managerial personnel, senior management and employees is as per the Remuneration Policy of the Company.

Notes:-

a. Employees who are covered by collective bargaining mechanism (in whose case revision in remuneration is effected only upon conclusion of long term settlements), have not been considered for this purpose.

b. The non-executive directors of the Company are only paid sitting fees and no remuneration in the form of salary or commission is being paid to them. As such, considering that the remuneration is attendance based and not a definite period linked remuneration and the amounts in question not being material, the information regarding ratio of remuneration and percentage is being furnished only in respect of the executive directors and other key managerial personnel. Details of sitting fees paid to directors have been furnished in the Corporate Governance Report.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
03rd May, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

(Within the limits set by Company's competitive position)

MRF maintained its leadership in the Indian market in the year gone by. Brand Finance rated MRF as the second strongest tyre brand in the world, besides rating MRF the most valued Indian tyre brand.

The world was largely free of the impact of Covid in 2022-23. The war in Ukraine dragged on with progressive reduction in the impact on commodities during the course of the year. Supply chain disruptions are receding while impact on food and energy markets have reduced. War on inflation continued with Central Banks around the world raising interest rates and tightening monetary conditions. Inflation appears to have peaked and seem to be slowly receding. However, tight labour markets in advanced economies ensured demand did not slacken even with multiple interest rate hikes which leaves us with prospects of more rate increases to rein in inflation. US Federal Reserve raised interest rates by a cumulative 3.5% in the past one year ending March 2023. The terminal rate that was initially thought to be around 4.6% is now seen crossing 5%, which shows that inflation is entrenched. The consistent rate increases have led to stress in some parts of the Banking system. Tighter financial conditions lead to forecasts of recession for parts of the western world. World Bank warned in a paper in September, 2022 that the world wide slow down and tightening financial conditions will give rise to significant financial stress and trigger a global recession in 2023. World economy performed better in the second half than what was forecasted in the earlier part of the year.

International Monetary Fund ("IMF") has estimated that world economy grew by 3.4% in calendar year 2022. As per IMF forecasts, growth will reduce to 2.8% in 2023 and improve modestly to 3% in 2024. Growth would depend on the trajectory of Inflation and the extent to which Central Banks would hike interest rates to combat inflation. The challenge before the world is to sustain growth in a situation where inflation is still not under control despite consistent rate hikes by Central Banks.

Market & Industry Overview

India retained the tag of the fastest growing major economy in the year gone by. During the year, India became the 5th largest economy in the world, overtaking Britain. RBI in its March, 2023 projection estimated India's Gross Domestic Product ("GDP") to grow at 7% in financial year 2023. Growth was led by the construction and infrastructure sectors while weakness in consumption impacted growth in manufacturing.

Global slow down acted as a drag on exports. India's merchandise exports grew by 6% while overall exports including both Goods and Services grew by 13.8%. Service exports was a bright spot with a growth of 27%. Electronics exports picked up showing the effectiveness of the make in India program and Production Linked ("PLI") scheme.

The year saw RBI continuously increasing interest rates, with a cumulative increase of 2.5% in financial year 2023. Inflation peaked in the 1st quarter and thereafter we saw a declining trend, reflecting the pass through in commodity prices. Government took several measures in the first quarter to rein in prices and improve availability of key products.

The budget was presented against a backdrop of a challenging global environment. The budget aims to give a bold push to growth with a 33% increase in the Capital expenditure budget to ₹10 lacs crore. The high Capex should further strengthen the private sector recovery. As in the past, this budget too aligned indirect tax rates to encourage domestic manufacturing. Import duty exemption on capital goods and machineries used for manufacture of lithium ion cells for batteries will give a further fillip to sales of Electric Vehicles. budget also nearly doubled allocation to subsidies under the FAME 2 scheme.

RBI has projected financial year 2024 growth for India at 6.5% while IMF has projected growth at 5.9%. The moderating inflation prompted RBI to pause interest rate hike in April, 2023. Monsoon is forecasted to be a little less than normal but spatial distribution is key. The Economic Survey noted a rebound in private consumption which together with strong public spending by Government is leading to private investments.

Union budget's focus on infrastructure spending coupled with moderating inflation should be a positive for growth. Export performance being linked to global economy is unlikely to be a growth driver. RBI in its monthly state-of-the-economy report (March, 2023 RBI Bulletin) said that India will likely maintain its growth trajectory. It said "The Indian economy is intrinsically better positioned than many parts of the world to head into a challenging year ahead, mainly because of its demonstrated resilience and its reliance on domestic drivers".

Global auto industry which was recovering from the effects of the Covid pandemic had further supply chain shocks arising from the war in Ukraine, with consequent adverse impact on input costs. Second half of calendar year 2022 showed improvement in supply chain issues with commodity prices moderating. Growth of Electric Vehicles ("EV") was robust in an otherwise challenging market. Along with managing the supply chain, Auto industry has to also manage the transition to Electric Vehicles and handle the regulatory push to meet the deadlines on phasing out the internal combustion engines.

Improvement in component supplies, consumer demand and new launches helped the Indian auto industry to improve volumes in financial year 2023. Industry had a good festive season with 2 million vehicles retailed in October, 2022, a nearly 50% growth over previous year. The industry reflected the overall trend in the economy where demand for the higher end of the product range is stronger than mass selling categories. Auto Industry was impacted by muted demand in its biggest export markets for 2 wheelers and 3 wheelers due to economic crisis in these markets.

The overall Medium and Heavy Commercial Vehicle (M&HCV) production increased by about 35% over 2021-22. Haulage and tippers segment saw robust growth during the year. The bus segment grew by almost three times with public transport recovering post Covid. Many state transport undertakings (STU) added Electric buses into their fleet for mainly city operations. 2023-24 should be a good year for the category with all segments expected to grow. Increased commercial activities is expected to positively impact the tipper and haulage segment. The push towards higher axle load vehicles is likely to continue. The bus segment should also get the benefit of the vehicle scrappage policy that is to be implemented during the year. The industry will continue to work on initiatives to meet the various regulatory requirements expected to be implemented during the year.

The passenger vehicle production has seen a growth of 25% in the year ended March, 2023 and the domestic car sales also recorded the highest ever sale in a financial year. The segment continued to witness preference for Sports Utility Vehicles (SUVs) and this is now the largest selling segment with a share of 52%. Despite price increases, a mix of improved chip supply, higher incomes and pent-up demand, especially for SUVs supported this sales. Though the supply bottlenecks have eased, there are still some challenges on components like semiconductor chips that are expected to continue for some more time. The waiting period for many car models have come down, with improvement in supply and inventory. From April 2023, the Phase 2 of the BS6 regulation and RDE (Real Drive Emission) requirements will come into effect which may impact the price of new vehicle. The shift to electric vehicle has intensified in 2022-23 with demand for EV coming from both big and small towns and also from rural areas.

Two wheeler production has seen a revival in the current year with a growth of close to 12% after 3 consecutive years of decline. In motorcycles, the growth has been fueled by domestic sales. Exports have declined because of various internal issues in some of the key markets. Scooter continues to be more of a domestic phenomenon with negligible exports. Electric vehicles business especially in the scooter segment made significant gains during the year. The subsidies under the FAME 2 scheme of the Government continues to ensure that these vehicles are price competitive. Companies also seem to be investing in developing the charging infrastructure. We continue to be a preferred choice of fitment of Original Equipment Manufacturer ("OEMs") in most of the new launches. During the year, we have also further strengthened our after market portfolio with new products both in the motorcycle and scooter segment.

Tractor production in financial year 2023 has shown a substantial increase of 11% and touched one million tractors for the first time. Various Government schemes and a better monsoon helped the tractor industry to register a robust growth during financial year 2023. Even though the IMD predicts a hotter climate during 2023-24, a healthy water reservoir level should ensure enough water for agriculture and good start to financial year 2024.

Growth in the automobile industry and replacement demand enabled Tyre industry to show a healthy growth in financial year 2023. However, export performance was muted considering the slowdown in the world markets. Higher volumes and price hikes taken by the Industry helped to maintain margins for the industry in financial year 2023.

Product wise Performance

During fiscal 2022-23, your company achieved a total income of ₹22826 crores. There was an overall increase of 8% in tyre production in financial year 2023, with all product groups showing growth. In the Heavy Commercial Vehicle product group, there was an increase of 7% over the previous year while Light Commercial Vehicle Tyres increased by around 2%. Small Commercial Vehicle tyres increased by 14%. Passenger & SUV showed a growth of 13%. The Farm product group grew by 9%. The Motorcycle and Scooter product group increased by 2% and 16% respectively. The Off the Road ("OTR") product group grew by 11%.

Exports

Exports business for the year 2022-23 was muted due to unexpected headwinds seen in Indonesia & Bangladesh and a few countries of Africa. Although exports revenue grew by only 5% in 2022-23, there were substantial growth in a few strong markets.

Export turnover for the year 2022-23 was ₹1866 crores as against ₹1779 crores in the previous year.

Our key markets of Bangladesh and Indonesia saw unforseen headwinds which impacted the total revenue for the year. The unprecedented forex crisis in Bangladesh since August 2022 led to a serious drop in the Letter of credit availability thus impacting exports and total revenue. Although the forex crisis has receded a bit we are yet to see the robust levels of early 2022.

Business from Indonesia was impacted due to the sudden suspension of quotas being released by the Ministry of Trade & Industry since September 2022.

The Philippines in the far east & the middle eastern region showed substantial growth and continue to maintain the momentum for brand MRF. Categories of Truck Radial, Light truck & passenger car tyres showed good growth in these markets and consumer preferences continue to be high.

Going forward we see immense opportunities in our existing strong markets of Middle East, Africa, Far East, Bangladesh and emerging markets of Europe, South America & USA.

Discussion on Financial Performance with respect to Operational Performance and Key financial Ratios

(₹ Crores)

	2022 - 2023	2021 - 2022
Revenue from operations	22578	18989
Other Income	248	315
Total Income	22826	19304
Profit before tax	1119	879
Provision for tax	303	232
Profit after tax	816	647

The revenue from operations of the Company for the 2022-2023 stood at ₹22578 Crores against ₹18989 Crores for the previous year ended 31st March, 2022. During the year ended 31st March, 2023, the earnings before interest and depreciation (EBIDTA) stood at ₹2666 Crores as against ₹2328 Crores in the previous year ended 31st March, 2022. After providing for depreciation and interest, the profit before tax for the year ended 31st March, 2023 is ₹1119 Crores as compared to ₹879 Crores in the previous year ended 31st March 2022. After making provision for income tax, the net profit for the year ended 31st March, 2023 is ₹816 Crores as against ₹647 Crores in the previous year ended 31st March, 2022.

There is no significant change (i.e. 25% or more) in key financial ratios viz. debtors turnover, inventory turnover, current ratio, debt equity ratio and Interest coverage ratio, net profit margin (%), operating profit margin and return on net worth.

The return on net worth increased from 4.80% in 2021-2022 to 5.77% in 2022-2023. This is due to the increase in current year's profit.

Opportunities and Threats

Macro indicators point to continued growth of the Indian economy. Infrastructure spending and continued emphasis to manufacture in India will provide impetus for growth. Private sector Capex is also picking up steam.

Inflation continues to be near the upper end of the RBIs tolerance band and is forecast for a gradual reduction. High Bank interest rates are likely to sustain. Monsoon forecast is a little to the lower side of normal and El Nino has been predicted. Any shortfall in the monsoon can impact rural demand. Extreme weather events can impact agriculture and other activities.

Outlook

Pent up demand in passenger vehicles will cool in financial year 2024 but secular economic growth should provide steady growth to the auto industry. Higher capital expenditure by the auto industry points to high levels of capacity utilization and is a pointer to higher levels of production in the future.

With new BS VI phase-2 transition effective 1st April, 2023, vehicle costs will go up. However, the reduction in input costs will be a positive for the auto industry.

Impact on the tyre industry would also be similar as outlined above.

Internal Control Systems and their Adequacy

Your Company has established internal control systems commensurate with the size and nature of business. It has put in place systems and controls across the Company covering various financial and operational functions. Company through its own Internal Audit Department carries out periodical audits at various locations and functions based on the audit plan as approved by the Audit Committee. Some of the salient features of the Internal control systems are:-

(i) An integrated ERP system connecting all plants, sales offices, head office, etc.

(ii) Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of company's operations.

(iii) Assets are recorded and system put in place to safeguard against any losses or unauthorized disposal.

(iv) Periodic physical verification of fixed assets and Inventories.

(v) Key observations arising out of the Internal Audit are reviewed at the Audit Committee meeting and follow up action taken.

Risks and Concerns

World economy continues to face uncertainties due to geopolitical tensions, forecasts of recession / slow down in growth in certain major economies of the world, impact of climate change and macro economic structural challenges. The overall scenario has triggered a spate of downsizing exercises across several organisations setting off a nervousness which could impact demand, both domestic and export. If the prediction of a lower than average monsoon in India materialises, it could adversely impact off-take from rural markets. While raw material prices are currently favourably positioned, any reversal in this trend could once again put pressure on profits. Uncertainty remains with regard to the price of crude oil which impacts the cost of several raw materials used by tyre industry. Availability of natural rubber towards the end of March 2023 was a concern and if this trend continues, prices would increase in the near future.

Human Resources

MRF is a value driven organization and the company has a rich organizational culture rooted in its core values of respect for people and belief in empowerment.

The core value underlying our corporate philosophy is "trusteeship" and "proprietary interest". In dealing with each other, the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, objectivity, self-respect and human dignity are upheld. The management is committed to the development and growth of its people and the core focus is on human resources for its continued success. We owe our success and dominance in the market to the dedication and hard work of our employees who have overcome all challenges to meet the daunting challenges of the market and the ever increasing quality expectations, customer taste and preferences of the customers across the length and breadth of the country as well as in overseas market.

The COVID-19 pandemic has arguably been the largest global shock to human capital, we together combated and efforts have been taken for building agile, resilient and adaptive Human Capital System.

We have focused on hiring the best resources available in tune with our growth needs, retaining and developing our existing talent pool to strengthen our human capital for meeting the future challenges. We leverage human capital for competitiveness by nurturing knowledge, entrepreneurship and creativity.

Our human resource development is focussed on our company's mission to have competitive edge in technology and excellence in manufacturing. All our training programs are designed and tailor made to meet our specific requirements. We continued imparting teambuilding and collaboration training to our workmen to enhance the team cohesiveness. Leadership training for union leaders and opinion makers also continued through the year, keeping with our commitment of shaping the future of our plants.

The total employee strength as on 31st March 2023 was 19,050.

We maintained cordial and harmonious Industrial relations in all our manufacturing units through our various employee engagement initiatives and focus on improving the work culture, enhancing productivity and enriching the quality of life of the workforce and maintaining our supremacy in the market.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
3rd May, 2023

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

As always, your Company continues to remain committed to good corporate governance practices by maintaining the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations and in all its interactions with its stakeholders.

Your Company's Corporate Governance framework is all about maintaining valuable relationship and trust with all stakeholders. We ensure that timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements, leadership and governance of the company are shared with all the stakeholders. It encourages cooperation between the Company and the stakeholders for better participation in the Corporate Governance processes.

Your Company continues to believe that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

2. Board of Directors

(a) Composition of the Board as on 31.03.2023

The Board comprises of 17 Directors which includes a Chairman & Managing Director, a Vice Chairman and Managing Director, a Managing Director, 2 Whole-time Directors, 2 Non-Executive Directors and 10 Independent Directors. None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all listed Companies and unlisted public limited Companies in which he/ she is a Director.

(b) Attendance of Directors at Board Meetings during the financial year ended 31.03.2023 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2023:

Name	Composition and Category	No. of Directorships in other Public Ltd. Companies	No. of Board Meetings attended during the financial year ended 31.03.2023	Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in other Public Limited Companies	Attended last AGM held on 04.08.2022	No. of Shares held
Mr. K M Mammen Chairman & Managing Director	Promoter Executive Director	4	4	Nil	Nil	Yes	16048
Mr. Arun Mammen Vice Chairman and Managing Director	Promoter Executive Director	3	4	Nil	1 –Chairman	Yes	27560
Mr. Rahul Mammen Mappillai Managing Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	4538
Mr. Samir Thariyan Mappillai Whole-time Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	4470
Mr. Varun Mammen Whole-time Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	8706

Name	Composition and Category	No. of Directorships in other Public Ltd. Companies	No. of Board Meetings attended during the financial year ended 31.03.2023	Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in other Public Limited Companies	Attended last AGM held on 04.08.2022	No. of Shares held
Mr. Ashok Jacob	Independent Director	Nil	4	Nil	Nil	Yes	1856
Mr. V Sridhar	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Mr. Vijay R Kirloskar	Independent Director	2	2	Kirloskar Electric Company Limited - Executive Chairman	1	Yes	355
Mr. Ranjit I Jesudasen	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Dr. Salim Joseph Thomas	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Mr. Jacob Kurian	Independent Director	Nil	4	Nil	Nil	Yes	129
Dr. (Mrs.) Cibi Mammen	Promoter Non-Executive Director	2	4	Nil	Nil	Yes	500
Mrs. Ambika Mammen	Promoter Non-Executive Director	2	4	Nil	Nil	Yes	2489
Mrs. Vimla Abraham	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Mr. Vikram Taranath Hosangady*	Independent Director	Nil	1	Nil	Nil	NA	Nil
Mr. Ramesh Rangarajan*	Independent Director	2	1	Nil	Nil	NA	Nil
Mr. Dinshaw Keku Parakh*	Independent Director	2	1	Nil	Nil	NA	150

*Appointed as Independent Directors of the Company with effect from 07.02.2023.

For Committee memberships, the chairmanship and membership in Audit / Stakeholders Relationship Committee in all public limited Companies, alone are considered. The Committee memberships of Directors are within the limits prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations").

Mr. K M Mammen and Mr. Arun Mammen are brothers. Mrs. Ambika Mammen is the wife of Mr. K M Mammen. Dr. (Mrs) Cibi Mammen is the wife of Mr. Arun Mammen. Mr. Rahul Mammen Mappillai and Mr Samir Thariyan Mappillai are the sons of Mr K M Mammen and Mrs Ambika Mammen. None of the other Directors are related to any Board Member.

(c) Dates of Board meetings

During the financial year ended 31st March, 2023, four Board Meetings were held on 10.05.2022, 09.08.2022, 08.11.2022 and 09.02.2023.

(d) Information placed before the Board

The Board of Directors periodically reviews reports regarding operations, capital expenditure proposals, statutory compliance and other required information as enumerated in Part A of Schedule II of the Listing regulations and as required under relevant provisions of the Companies Act, 2013.

(e) Familiarization Programme

Presentations/briefings are made at the meeting of the Board of Directors/Committees by KMP's/ Senior Executives of the Company on industry scenario, Company's operating and financial performance, raw material scenario, industrial relations status, risk management etc. The details of familiarization programme are available on the Company's web site at https://www.mrftyres.com/investor-relations/familiarization-programme-for-independent-director

3. Audit Committee

(i) Reference

The powers, role and terms of reference of the Audit Committee covers the areas as mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. These, inter alia, include oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly/annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

(ii) Composition

The Audit Committee comprises of 3 Directors and all of them being Independent Directors. The members of the Committee are as follows:

Mr. Jacob Kurian	Chairman
Mr. V Sridhar	Member
Mr. Ranjit I Jesudasen	Member

Mr. S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee.

Mr. K M Mammen, Chairman & Managing Director, Mr. Arun Mammen, Vice Chairman and Managing Director and Mr. Rahul Mammen Mappillai, Managing Director are permanent invitees. The Executive Vice President Finance, Head of Internal Audit, Statutory Auditors and other Executives, as considered appropriate, also attend the meetings by invitation.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2023, the Audit Committee met on the following dates: 10.05.2022, 09.08.2022, 08.11.2022 and 09.02.2023. All the members of the Committee were present for all the meetings.

4. Nomination and Remuneration Committee

(i) Reference

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of director, recommending to the Board a policy relating to remuneration of directors, key managerial personnel and other employees, formulation of criteria for evaluation of directors performance, devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal and also recommend to the Board remuneration payable to Senior Management.

(ii) Composition

The Committee comprises of 3 Non-Executive Independent Directors and an Executive Director. The Chairman is a Non-Executive Independent Director. The Committee comprises of:

Mr. Ranjit I Jesudasen	Chairman
Mr. V Sridhar	Member
Mr. Jacob Kurian	Member
Mr. K M Mammen	Member

Mr. S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2023, the Committee met on the following dates: 10.05.2022, 09.08.2022, 08.11.2022 and 09.02.2023. All the members of the Committee were present for all the meetings.

5. Criteria for determining the qualifications, positive attributes and Independence of a Director

Candidates for the position of a Director shall be a person of integrity and possess requisite education, experience and capability to make a significant contribution to the deliberations of the Board of Directors. Apart from the above, the Board candidate should be of the highest moral and ethical character. The candidate must exhibit independence, objectivity and be capable of serving as a representative of the stakeholder. The candidate should have the personal qualities to be able to make an active contribution to Board deliberations. These qualities include intelligence, inter-personal skills, independence, communication skills and commitment. The Board candidate should not have any subsisting relationships with any organization which is a competitor to the Company. The Board candidate should be able to develop a good working relationship with other Board members. This apart, the Directors must satisfy the qualification requirements laid down under the Companies Act, 2013, the Listing Regulations and any other applicable law and in case of Independent Directors, the criteria of independence as laid down in those laws.

6. Performance evaluation of Independent Directors

The criteria for evaluation of the Independent Directors is attendance, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013 and fulfilment of independence criteria and independence from management.

The Board carried out evaluation of the performance of the Independent Directors on the basis of the criteria laid down. The evaluation was done by the Board of Directors except the Director who was evaluated.

7. Remuneration of Directors

a. Remuneration Policy:

A policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management and other staff was put in place by Nomination and Remuneration Committee on 23.07.2014 and approved by the Board of Directors at its meeting held on 30.10.2014.

The Policy provides as follows:

(i) Non-Executive Directors:

The Non-Executive Directors (including Independent Directors) may be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof.

The Directors may also be reimbursed any expenses in connection with attending the meetings of the Board or Committee or in connection with the business of the Company.

The quantum of fees shall be determined, from time to time, by the Board subject to ceiling / limits as provided under Companies Act, 2013 and rules made thereunder.

(ii) Chairman & Managing Director, Managing Director(s) / Whole-time Director(s):

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate directors of quality to run the Company successfully. The remuneration package should adequately compensate them for the high level of responsibilities shouldered by them and sensitivity of the position held. The level of remuneration shall take into consideration the professional expertise, past credentials and potential of the person concerned. The compensation package may comprise of a fixed compensation package in the nature of monthly and annual pay-out, provision of perquisites, contribution to retirement benefits, health and insurance and any other benefits (including provision of loans on such terms as to interest, repayment and security as determined by the Board) and commission on profits, in such proportion and quantum as decided from time to time based on the Company's business needs and requirements and prevailing practices in industry.

Besides the above, the remuneration to be paid to Chairman & Managing Director, Managing Director(s) and Whole-time Director(s) shall be governed by the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

(iii) KMP's (other than MD's and WD's), Senior Management Personnel and other Staff:

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate persons of the quality required to handle appropriate management roles in the Company successfully. The level of remuneration may be based on the qualification, experience and expertise and potential of the person concerned and also the responsibilities to be shouldered, criticality of the job to the Company's business and any other criteria as considered appropriate. The compensation package may comprise of a fixed compensation package in the nature of monthly and annual payout, provision of perquisites, contribution to retirement benefits, health and insurance and any other benefits (including provision of loans on such terms as to interest, repayment and security as determined by the Board) and variable pay (having a clear relationship to performance which will meet appropriate benchmarks relevant to the working of the Company and its goals), in such proportion and quantum as decided from time to time based on the Company's business needs and requirements and prevailing practices in industry.

(iv) Directors and Officers Insurance:

Where any insurance is taken by the Company on behalf of its Directors, KMP's / Senior Management Personnel, Staff etc., for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

b. Details of Remuneration to all the Directors for the financial year ended 31.03.2023

(i) The remuneration of the Managing / Whole-time Directors comprises of a fixed component (viz., salary, allowances, perquisites and retirement benefits) and variable components (viz., commission on profit). Commission is paid as a percentage of net profits computed as per Section 198 of the Companies Act, 2013 and accordingly the performance metric for payment of commission is net profits computed as per section 198 of the Companies Act, 2013. The Commission is paid to the Managing Directors/Whole-time Directors only after adoption of the audited financial statements by the shareholders at the Annual General Meeting.

The details of remuneration for the financial year ended 31.03.2023 are as follows:

(a) Name (b) Designation (c) Salary and perquisites (₹) (d) Commission (₹) (e) Total (₹)

(a) Mr. K M Mammen (b) Chairman & Managing Director (c) 182616308 (d) 115636452 (e) 298252760; (a) Mr. Arun Mammen (b) Vice Chairman and Managing Director (c) 133910866 (d) 115227000 (e) 249137866;

(a) Mr Rahul Mammen Mappillai (b) Managing Director (c) 117005024 (d) 101570400 (e) 218575424; (a) Mr Samir Thariyan Mappillai (b) Whole-time Director (c) 40715654 (d) 25200000 (e) 65915654; (a) Mr Varun Mammen (b) Whole-time Director (c) 40908506 (d) 25200000 (e) 66108506.

Note: Salary and perquisites include all elements of remuneration i.e., salary, allowances and benefits but excluding gratuity and leave benefits. The above aggregate remuneration to the extent it exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013, will be paid subject to the approval of the shareholders as per Regulation 17(6)(e)(ii) of the Listing Regulations at the forthcoming Annual General Meeting of the Company.

The Company has not issued any stock options to any of the directors. The Managing Directors/ Whole-time Directors are appointed by shareholders for a period of five years at a time. Notice period and severance fees are not applicable.

(ii) The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee attended by them and also reimbursed expenses in connection with attending the meetings. The sitting fees paid for the financial year ended 31.03.2023 to Non-Executive Directors are as follows:

(a) Name (b) Sitting fees (₹)

(a) Mr. Ashok Jacob (b)100000; (a) Mr. V Sridhar (b) 230000; (a) Mr. Vijay R Kirloskar (b) 50000; (a) Mr. Ranjit I Jesudasen (b) 290000; (a) Dr. Salim Joseph Thomas (b) 100000; (a) Mr. Jacob Kurian (b) 220000; (a) Dr. (Mrs) Cibi Mammen (b) 100000; (a) Mrs. Ambika Mammen (b) 100000; (a) Mrs. Vimla Abraham (b) 100000; (a) Mr. Dinshaw Keku Parakh (b) 25000; (a) Mr. Ramesh Rangarajan (b) 25000; (a) Mr. Vikram Taranath Hosangady (b) 25000.

Sitting fees are paid to Non-Executive Directors within the limits prescribed under the Companies Act, 2013.

There were no material pecuniary relationships or transactions by Non-Executive Directors vis-a-vis the Company as per the materiality threshold laid down in Listing Regulations and also as per the Policy on Materiality of and dealing with Related Party Transactions framed pursuant to the said Regulations.

As required under the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors of the Company.

8. Stakeholders' Relationship Committee

(i) Reference

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to non-receipt of annual report, non-receipt of dividend, dematerialisation/rematerialisation of shares, complaint letters received from Stock Exchanges, SEBI, etc. The Board of Directors has delegated the power of approving transmission of shares.

(ii) Composition

The Committee comprises of 3 Directors. The Chairman of the Committee is a Non-Executive Independent Director. The members of the Committee are:

Mr. V Sridhar	Chairman
Mr. Ranjit I Jesudasen	Member
Mr. K M Mammen	Member

Mr. S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee and the Compliance Officer.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2023, the Stakeholders' Relationship Committee met on 09.08.2022. All the members of the Committee were present for the meeting. 9 investor complaints were received during the financial year ended 31.03.2023. All the complaints were redressed and no complaints were pending at the year end.

9. Risk Management Committee

(i) Reference

In accordance with Regulation 21 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of detailed risk management policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity recommendations and actions to be taken etc.

(ii) Composition

The Committee comprises of 3 Executive Directors and an Independent Director. The Chairman of the Committee is an Executive Director. The members of the Committee are:

Mr. K M Mammen	Chairman
Mr. Arun Mammen	Member
Mr. Rahul Mammen Mappillai	Member
Mr. Ranjit I Jesudasen	Member

(iii) Meeting and Attendance

During the financial year ended 31st March, 2023, the Risk Management Committee met on 09.09.2022 and 03.03.2023.

All the members of the Committee were present for all the meetings.

10. General Body Meetings

a. The Company held its last three Annual General Meetings as under:

AGM for the Year	Date	Time	Venue
2019-2020	24-09-2020	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").
2020-2021	12-08-2021	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").
2021-2022	04-08-2022	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

b. Details of Special resolution passed during the last 3 Annual General Meetings:

Date of AGM	Particulars of Special Resolution passed
24-09-2020	Nil
12-08-2021	Nil
04-08-2022	Nil

c. Postal Ballot:

During the financial year ended 31st March, 2023, the Board sought the consent of the shareholders of the Company for passing the following Special Resolutions through postal ballot as per the notice to the shareholders dated 08th November 2022 and 24th February 2023:

Date of Postal Ballot Notice	Particulars of Special Resolution passed
08.11.2022	1. Appointment of Mr.VikramTaranath Hosangady (DIN:09757469) as an Independent Director of the Company 2. Appointment of Mr.Ramesh Rangarajan (DIN: 00141701) as an Independent Director of the Company. 3. Appointment of Mr.Dinshaw Keku Parakh (DIN: 00238735) as an Independent Director of the Company. The above special resolutions were passed with requisite majority on 21st December 2022.

Voting pattern of the special resolutions passed through postal ballot on 21st December 2022, through the e-voting process, are as follows:

Particulars	Resolution No. 1	Resolution No. 2	Resolution No. 3
Votes in favour of the resolution			
Number of members	791	790	786
Number of votes cast by them	3170165	3170184	3166560
% of total number of valid votes cast	100	100	99.88
Votes against the resolution			
Number of members	22	21	25
Number of votes cast by them	245	217	3944
% of total number of valid votes cast	0.00	0.00	0.12
Invalid Votes	Nil	Nil	Nil

Date of Postal Ballot Notice	Particulars of Special Resolution passed
24.02.2023	1. Appointment of Mr. Arun Vasu (DIN: 00174675) as an Independent Director of the Company. 2. Appointment of Mr. Vikram Chesetty (DIN: 01799153) as an Independent Director of the Company. 3. Appointment of Mr. Prasad Oommen (DIN: 00385082) as an Independent Director of the Company. The above special resolutions were passed with requisite majority on 31st March 2023.

Voting pattern of the special resolutions passed through postal ballot on 31st March 2023, through the e-voting process, are as follows:

Particulars	Resolution No. 1	Resolution No. 2	Resolution No. 3
Votes in favour of the resolution			
Number of members	719	720	719
Number of votes cast by them	3283941	3283920	3283943
% of total number of valid votes cast	99.96	99.96	99.96
Votes against the resolution			
Number of members	26	24	26
Number of votes cast by them	1237	1233	1235
% of total number of valid votes cast	0.04	0.04	0.04
Invalid Votes	Nil	Nil	Nil

Mr. N C Sarabeswaran (Membership No. 009861) Senior Partner, Messrs. Jagannathan & Sarabeswaran, Chartered Accountants was appointed as the Scrutinizer for conducting the above postal ballots as per the notice to the shareholders dated 08th November 2022 and 24th February 2023 through the e-voting process in a fair and transparent manner.

d. As on date of this report, the company does not propose to pass any special resolution by way of Postal Ballot.

11. Means of Communication

Quarterly/half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (all over India) and Makkal Kural (Vernacular). As per the requirements of Regulation 46 of the Listing Regulations, the quarterly/half yearly results and the press release issued annually are displayed on the Company's website www.mrftyres.com. The Company provides information to the Stock Exchanges as per the requirements of the Listing Regulations. No presentations were made to institutional investors / analysts. The Company has a designated e-mail address viz., mrfshare@mrfmail.com, exclusively for investor servicing.

12. Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the Company is required to formulate a dividend distribution policy. The Policy is available on the website of the Company https://www.mrftyres.com/downloads/download.php?filename=Dividend-Distribution-Policy.pdf

13. General Shareholder Information

a) Annual General Meeting:

Date and Time	:	Thursday, 27th July, 2023 at 11 A.M.
Venue	:	The company is conducting meeting through Video Conference (VC) / Other Audio Visual Means (OAVM)

b) Financial Year : 1st April to 31st March.

c) Dividend payment date:

Interim Dividend	:	02.12.2022 ₹ 3 per share (30%)
II Interim Dividend	:	06.03.2023 ₹ 3 per share (30%)
Final Dividend	:	21.08.2023, ₹ 169/- per share (1690%) (subject to approval of shareholders)

d) Listing on Stock Exchanges:

Equity

1. National Stock Exchange of India Ltd., (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, 5 G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.
2. Bombay Stock Exchange Ltd., (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 001.

Equity ISIN : INE883A01011

Debt

National Stock Exchange of India Ltd., (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, 5 G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Debt ISIN: INE883A08016

Details of Debenture Trustee: Axis Trustee Services Limited, Corporate Office: The Ruby, 2nd Floor, SW 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400028, Tel No.: +91-22-62300451, Email: debenturetrustee@axistrustee.in

Listing fees upto the year ending 31st March, 2024 have been paid to the above mentioned Stock Exchanges.

During the financial year, none of the securities of the Company have suspended for trading.

During the year under review, the Company has allotted 15,000 listed, unsecured, rated, redeemable, taxable, non-convertible debentures aggregating to ₹150 crores on a private placement basis.

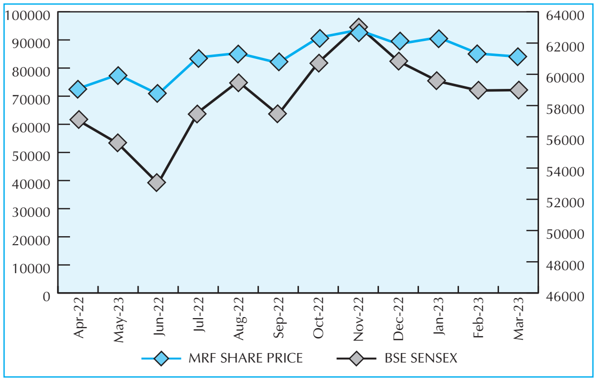
e) Stock Code

Bombay Stock Exchange	Code	500290
National Stock Exchange	Symbol	MRF

f) **Market Price Data**

Month	Bombay Stock Exchange [BSE]			National Stock Exchange [NSE]		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-2022	73317.50	65085.50	6138	73400.00	65099.95	196973
May-2022	78138.50	66685.10	13271	78165.65	66680.00	244859
Jun-2022	77500.00	65900.05	6918	77570.00	65878.35	178487
Jul-2022	83957.60	70294.25	10037	83970.00	70300.00	182364
Aug-2022	89333.00	82185.50	14803	89499.90	82101.00	274556
Sep-2022	93855.00	78000.00	19012	93887.00	78689.95	376855
Oct-2022	91200.00	80110.10	18096	91250.00	80100.00	227585
Nov-2022	95954.35	85208.80	16150	96000.00	85100.00	334533
Dec-2022	95150.00	85148.95	5891	95243.65	85201.05	177834
Jan-2023	94402.95	87000.00	6781	94480.00	86911.35	205933
Feb-2023	93219.90	84612.20	6404	93449.00	84640.00	180094
Mar-2023	87777.75	81390.95	4265	87399.40	81380.05	115080

g) **Stock Performance: (Monthly Closing Price) Performance in comparison to BSE Sensex**



h) **Registrars and Transfer Agents :**

Equity
In-house Share Transfer
MRF Limited No. 114, Greams Road,
Chennai - 600 006
Tel: 044-28292777,
Website: www.mrftyres.com;
E-mail: mrfshare@mrfmail.com

In terms of SEBI Circular No. O&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your Company is carrying out both physical share registry work as well as electronic connectivity, in-house. In-house Investor relations department provides various services viz., dematerialisation and rematerialisation of shares, share transmissions, disbursement of dividend, processing claims for unclaimed dividend/shares, issue of duplicate share certificates, dissemination of information etc. Members are therefore requested to communicate on matters pertaining to physical shares to Secretarial Department, MRF Limited, No. 114, Greams Road, Chennai 600 006.

Debt

Cameo Corporate Services Limited
"Subramanian Building", 1, Club House Road,
Chennai – 600 002. Tel: +91-44-28460390
Website: www.cameoindia.com
E-Mail: investor1@cameoindia.com

i) **Share Transfer System**

SEBI has mandated that, effective from 1st April, 2019, no share can be transferred in physical mode. Moreover, SEBI has also mandated that resubmitted cases shall not be accepted / taken up for transfer after 31st March, 2021. Dematerialisation requests received by the Company are normally processed within 10 days of its receipt.

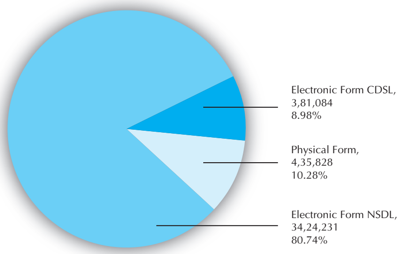
j) **Distribution of shareholding:** (as at 31.03.2023)

Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 100	41952	96.44	333914	7.87
101 - 500	1159	2.67	241995	5.71
501 - 1000	135	0.31	94004	2.22
1001 - 2000	101	0.23	145191	3.42
2001 - 3000	31	0.07	76062	1.79
3001 - 4000	22	0.05	80683	1.90
4001 - 5000	10	0.02	46460	1.10
5001 - 10000	31	0.07	213970	5.05
10001 and above	59	0.14	3008864	70.94
TOTAL	**43500**	**100.00**	**4241143**	**100.00**

k) **Dematerialization of Shares and Liquidity**

89.72% of total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2023. All requests for dematerialization of shares were processed within the stipulated time period and no share certificates were pending for dematerialization.

Trading in equity shares of the Company is permitted only in dematerialized form as per prevailing law.



l) **Outstanding GDR/Warrants/any other convertible instruments**

The Company does not have any outstanding GDR / Warrants / any other convertible instruments.

m) **Commodity price risk or foreign exchange risk and hedging activities:**

i) Risk Management Policy of the Company with respect to commodities including through hedging:

The Company's purchasing strategy does not involve hedging activities and speculative buying. The risks are limited by sourcing from different countries and regions and having long term contracts with prices linked to well accepted market indices and published reports.

ii) Exposure of the Company to commodity risks faced by the entity throughout the year.

A) Total exposure of the Company to commodities in INR: 4286.67 Crores

B) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Natural Rubber	₹ 4286.67 Crores	268445MT	NIL	NIL	NIL	NIL	NIL

iii) Foreign Currency Risks:

The Company's policy on hedging foreign currency risks is explained in the notes to the financial statements.

n) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

i. Number of complaints filed during the financial year: Nil

ii. Number of complaints disposed of during the financial year: Nil

iii. Number of complaints pending as on end of the financial year: Nil

o) **Plant Locations**

1. Tiruvottiyur — Tiruvottiyur High Road, Chennai, Tamil Nadu.
2. Kottayam — No. 2, Vadavathoor, Kottayam, Kerala.

3. Goa — No. 1, Ponda, Goa.

4. Arkonam — Arkonam – Tiruttani Road, Ichiputhur, Arkonam, Tamil Nadu.

5. Medak — No. 2, Sadasivapet, Sangareddy, Telangana.

6. Puducherry — Eripakkam Village, Nettapakkam Commune, Puducherry.

7. Ankenpally — No. 2, Sadasivapet, Sangareddy, Telangana.

8. Perambalur (2 plants) — Naranamangalam Village & Post, Alathur Taluk, Perambalur District, Tamil Nadu.

9. Dahej — Plot No. D-II-16, Dahej Industrial Area, Galenda Village, Taluka - Vagara Dist. Bharuch, Gujarat

p) **Address for Correspondence:** MRF Limited
No. 114, Greams Road,
Chennai – 600 006.
Tel: (044) 28292777
Fax: (044) 28295087
E-mail: mrfshare@mrfmail.com

14. Other Disclosures

(a) As required under applicable Listing Regulations, your Company has adopted a policy on materiality of and dealing with related party transactions which was approved by the Board of Directors and uploaded on the Company's Website: https://www.mrftyres.com/downloads/download.php?filename=policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf

Requisite approvals from the Audit Committee / Board have been obtained for the transactions as stipulated under applicable law.

The details of related party transactions during the financial year ended 31st March, 2023 are given in note 28d of the financial statements.

During the year under review, your Company has entered into transactions with MRF SG PTE. LTD, a wholly owned subsidiary of your Company for purchase of raw materials and the total value of transactions executed during financial year 2022-2023 exceed the materiality threshold adopted by the Company. These transactions were in the ordinary course of business and were on an arms length basis, details of which are provided in Annexure IV of the Board's Report as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

There are no transactions with any person or entity belonging to the promoters/promoter group which hold(s) 10% or more shareholding in the Company.

During the year under review, there are no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

(b) The Company has complied with the requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. No penalties, strictures were imposed on the Company by the Stock Exchange/SEBI or any other statutory authority in respect of the same.

(c) The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=Vigil-Mechanism.pdf

(d) The Company has complied with the mandatory requirements of Corporate Governance prescribed in Schedule II, Part A to D of the Listing Regulations.

(e) The Company has complied with all the applicable mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(f) The Board has laid down a Code of Conduct for all Directors and senior management staff of the Company. The code suitably incorporates for the Independent Directors their duties as Independent Directors as laid down in Schedule IV of the Companies Act, 2013. The code of conduct is available on the website: www.mrftyres.com. All Directors and members of the senior management have affirmed their compliance with the code of conduct.

Your Company has also adopted a Code of Conduct to regulate, monitor and report trading by Designated persons and their Immediate Relatives as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the Code. An annual disclosure was taken from the Directors and designated persons, as at the end of the year.

(g) The Audit Committee reviews the financial statements of the unlisted subsidiary companies. The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company including statement of all significant transactions and arrangements entered into by then unlisted subsidiary companies.

Your Company has formulated a policy on material subsidiary as required under Regulation 16 of the Listing Regulations and the policy is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=material-subsidary-policy.pdf The Company does not have any material unlisted subsidiary Company.

(h) The Company has issued a formal letter of appointment to all the Independent Directors. The terms and conditions of their appointment have been disclosed on the Company's website under the web link: https://www.mrftyres.com/investor-relations/terms-and-conditions-of-appoinment-of-independent

During the year, a meeting of the Independent Directors was held as prescribed under applicable Listing Regulations and the Companies Act, 2013. In the opinion of the Board, Independent Director(s) fulfils the conditions specified in the Listing Regulations and are Independent of the Management.

During the financial year, none of the Independent Directors of the Company have resigned before the expiry of their tenure.

(i) As required under the Listing Regulations, the Board of Directors have identified the following core skills / expertise/ competencies as required in the context of its business and sector for it to function effectively.

Core skills / expertise / competencies
General Business / Industry awareness
Functional Knowledge / General Management / Administration
Communication and collaborative approach

The Board collectively has the abovementioned skills / expertise / competence. The names of directors and the skills they possess are given below:

Name of the Director	General Business/ Industry awareness	Functional knowledge/ General Management/ Administration	Communication and Collaborative approach
Mr. K M Mammen	✓	✓	✓
Mr. Arun Mammen	✓	✓	✓
Mr. Rahul Mammen Mappillai	✓	✓	✓
Mr Samir Thariyan Mappillai	✓	✓	✓
Mr. Varun Mammen	✓	✓	✓
Mr. Ashok Jacob	✓	✓	✓
Mr. V Sridhar	✓	✓	✓
Mr. Vijay R Kirloskar	✓	✓	✓
Mr. Ranjit I Jesudasen	✓	✓	✓
Dr. Salim Joseph Thomas	✓	✓	✓
Mr. Jacob Kurian	✓	✓	✓
Dr. (Mrs) Cibi Mammen	✓	✓	✓
Mrs. Ambika Mammen	✓	✓	✓
Mrs. Vimla Abraham	✓	✓	✓
Mr. Vikram Taranath Hosangady	✓	✓	✓
Mr. Ramesh Rangarajan	✓	✓	✓
Mr. Dinshaw Keku Parakh	✓	✓	✓

(j) A Certificate has been received from Mr. K Elangovan, Elangovan Associates, Company Secretaries, Chennai, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

(k) Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. K Elangovan, Elangovan Associates, Company Secretaries, Chennai, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

(l) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors for the financial year ended 31st March, 2023 is ₹1.61 crores.

(m) List of Credit ratings obtained by the Company: The Ratings given by CARE Ratings Limited for Long term Bank Facilities to the extent of ₹ 2940 crores and Long term/ Short term Bank Facilities to the extent of ₹ 1000 crores of the Company are CARE AAA; Stable (Triple A; Outlook : Stable) and CARE AAA; Stable / CARE A1+ (Triple A; Outlook: Stable / A One Triple Plus), respectively.

CARE Ratings Limited has also given CARE A1+ (A One Plus) for Short term Bank Facilities, to the extent of ₹1500 crores.

All the above credit ratings were reaffirmed by CARE Ratings Limited.

Further, CARE Ratings Limited has also given CARE AAA; Stable (Triple A; Outlook : Stable) Ratings for the Non-Convertible Debentures of the Company aggregating to ₹150 Crores.

(n) There was no preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

(o) There was no instance during the financial year 2022-2023, where the Board of Directors has not accepted the recommendation of any committee of the Board which it was mandatorily required to accept.

(p) Your Company has formulated a policy for determination of materiality of any event or information as required under Regulation 30 of the Listing Regulations and the policy is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=Policy-for-determination-of-Materiality.pdf

(q) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Nil

(r) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Nil

(s) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. – Nil

15. Discretionary requirements

The Company has adopted the following discretionary requirements:-

a. The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website: www.mrftyres.com and in Stock Exchange websites namely https://neaps.nseindia.com and listing.bseindia.com. Therefore, no individual communications are sent to the shareholders in this regard.

b. There are no qualifications in the Auditors' Report on the accounts for the financial year ended 31.03.2023.

c. The internal audit head presents the internal audit observations to the Audit Committee.

16. CEO / CFO Certification

Mr. Rahul Mammen Mappillai, Managing Director and Mr. Madhu P Nainan, Executive Vice President Finance, have certified to the Board regarding the financial statements for the financial year ended 31st March, 2023 in accordance with Regulation 17(8) of Listing Regulations.

17. Equity shares in MRF - Unclaimed Suspense Account

As required by the provisions of Regulation 39 (4) read with Schedule V (F) of Listing Regulations, the Company has transferred the unclaimed shares lying in possession of the Company to MRF – Unclaimed Suspense Account. The status of unclaimed shares lying in MRF - Unclaimed Suspense Account as on 31.03.2023 are as under:

Particulars	Number of Members	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the financial year.	221	5697
Number of shareholders who approached the Company for transfer of the shares from suspense account during the financial year 2022-23	7	389
Shareholders to whom shares were transferred from the suspense account during the year.	7	389
Shares transferred to Investor Education and Protection Fund Authority as required by Section 124 (6) of the Companies Act, 2013 read with rules thereunder.	-	-
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on 31.03.2023.	214	5308

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

18. Transfer of shares to Investor Education and Protection Fund (IEPF)

Pursuant to the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), dividends that are unpaid or unclaimed for a period of seven years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the financial year 2022-23, the Company has transferred a total of 1115 Shares to IEPF Authority. The Company has also transferred a sum of ₹ 4,87,038 being unclaimed dividend to IEPF. The dividend amount and shares transferred to the IEPF Authority can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

19. Declaration

As required by Para D of Schedule V to the Listing Regulations, it is hereby confirmed and declared that all the members of the Board and senior management have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2023.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Place: Chennai
Date: 03rd May, 2023

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MRF LIMITED

1. We, M M NISSIM & CO LLP and SASTRI & SHAH, Chartered Accountants, the Statutory Auditors of MRF LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31 March, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paras C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations)

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paras C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

N Kashinath
Partner
Mem. No. 036490
UDIN: 23036490BGXRXQ6423
Place: Chennai
Date: 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Regn. No. 003643S

C.R.Kumar
Partner
Mem. No. 026143
UDIN: 23026143BGZEEH6111
Place : Chennai
Date: 03rd May, 2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A – GENERAL DISCLOSURES

Details of the Listed Entity:-

1.	Corporate Identity Number (CIN) of the Listed Entity	L25111TN1960PLC004306
2.	Name of the company	MRF Limited
3.	Year of incorporation	05/11/1960
4.	Registered office address	114, Greams Road, Chennai 600006
5.	Corporate address	114, Greams Road, Chennai 600006
6.	E-mail	mrfshare@mrfmail.com
7.	Telephone	044-28292777
8.	Website	www.mrftyres.com
9.	Financial year for which reporting is being done	01-04-2022 to 31-03-2023
10.	Name of the Stock Exchange(s) where shares are listed	(a) National Stock Exchange of India Ltd. (b) BSE Limited.
11	Paid-up Capital	₹42411430
12.	Name of contact details of the person who may be contacted in case of any queries on the BRSR Report	(a) Mr. K M Mammen (DIN: 00020202), Chairman & Managing Director, Tel. No.: +91 44 28292777, E-mail Id: mrfshare@mrfmail.com (b) Mr. Arun Mammen (DIN: 00018558), Vice Chairman and Managing Director, Tel. No.: +91 44 28292777, E-mail Id: mrfshare@mrfmail.com
13.	Reporting boundary	Standalone Basis

Products and Services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Manufacturing and sale of Automotive Tyres, Tube, Flap etc	Manufacturing and Sale of Truck, Farm, Passenger, Two-wheeler and other tyres, tubes, flaps etc.	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Manufacturing and sale of Automotive Tyres, Tube, Flap etc.	2211	100%

Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Manufacturing Units	Number of offices	Total
National	10	192	202
International	0	3	3

17. Markets served by the entity:

The company operates in the following markets mentioned below:

a. Number of locations

Locations	Number
National (No. of States)	The Company sells its products in all the 28 states and 8 Union territories in the country
International (No. of Countries)	The Company serves in more than 60+ countries

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

8.27%

c. **A brief on types of customers**

Institutional Customers (Orginal Equipments Manufacturers, State Transport Undertakings, Defence, Govt. Departments, Contractors) and Retail Markets.

Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	6804	6762	99	42	1
2.	Other than Permanent (E)	126	125	99	1	1
3.	Total employees (D + E)	6930	6887	99	43	1
Workers						
4.	Permanent (F)	12246	12246	100	0	0
5.	Other than Permanent (G)	15420	15121	98	299	2
6.	Total workers (F + G)	27666	27367	99	299	1

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees:						
1.	Permanent (D)	12	12	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	12	12	100	0	0
Differently abled workers:						
4.	Permanent (F)	56	56	100	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	56	56	100	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	17	3	17.64
Key Management Personnel (KMPs)	2*	0	0

Note: * Excluding Managing Directors / Wholetime Directors

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16%	7%	16%	13%	7%	13%	6%	5%	6%
Permanent Workers	4%	0	4%	1%	0	1%	0.34%	0	0.34%

Holding, subsidiary and associate companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

The company has a total of 4 subsidiaries.

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	MRF Corp. Ltd.	Subsidiary	100%	-No-
2	MRF International Ltd.	Subsidiary	94.66%	
3	MRF Lanka (P) Ltd.	Subsidiary	100%	
4	MRF SG PTE. LTD	Subsidiary	100%	

CSR

22. **(i)** **Whether CSR is applicable as per section 135 of Companies Act, 2013:** (Yes/No) - Yes

(ii) **Turnover (Revenue from Operations) (in ₹)** – 22578.23 Crores

(iii) **Net worth (in ₹)** – 14508.87 Crores

Transparency and Disclosure Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	1	0	[a]
Shareholders and Investors	Yes	9	0	-	16	0	-
Employees and workers	Yes	2	1	-	0	0	-
Customers	Yes	47837	1	-	35311	3	-
Value Chain Partners - Supplier	No	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-
Weblink: https://www.mrftyres.com/investor-relations/mrf-mechanism-for-grievance-redressal							

Note:

a A litigation is pending before the National Green Tribunal ('NGT') at Chennai alleging that the constructions of the new Warehouse and the R&D Centre at Tiruvottiyur, Chennai have not received requisite government approvals. The Committee appointed by the NGT has concluded that required approvals are in place. The matter is awaiting disposal by the National Green Tribunal.

24. **Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format .**

Overview of the entity's material responsible business conduct issues:

Sr. No.	Material identified issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Carbon Emissions	R	MRF is currently in the process of evaluating both direct and indirect green house gas emissions. MRF aspires to contribute to the national and international goal of reducing environmental impact.	MRF has taken multiple measures to reduce its emission through utilization of biofuels, renewable energy and improving its efficiency across operation.	Negative
2	Water Management	O	Water is a critical resource for our operations. We see it as an opportunity to improve our water efficiency and to minimise our water costs.		Positive
3	Energy Management	O	Better energy management would enable reduction in the cost of energy.		Positive
4	Opportunities in Renewable Energy	O	As we are in the process of reducing our carbon footprint, we are exploring renewable energy interventions apart from our consistent initiatives around improving energy efficiencies and improving conservation of resources year-on-year.		Positive
5	Toxic Emission & Waste	R	The hazardous waste generation and toxic emission from our operations are minimal in quantity and nature. These needs to be disposed and controlled responsibly.	The hazardous waste is disposed of through the authorised agencies prescribed under the respective State Pollution Control Board. In our operation, toxic emissions are at negligible level. We have adopted adequate engineering controls in our system to control toxic emission.	Negative
6	Occupational Health and Safety	O	Occupational Health and Safety System is an integral part of MRF operations. Our objective is to drive down accidents and ill health by monitoring health and safety performance and producing guidance.		Positive

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

At MRF, we have a robust management framework in place which enables us to align with the NGRBC Principles with respect to structure and policies to ensure we continue to deliver our best in an ethical and responsible way. This encompasses transparent and principled business practices that hold us accountable, as well as protects the interests of our stakeholders, including customers and employees.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	https://www.mrftyres.com/downloads/download.php?filename=Business-Responsibility-Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No) (Note: Currently the coverage is extended to all our A+ and A category suppliers)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	9 of our 10 plants are certified for ISO 45001:2018 - Occupational Health & Safety Management System Standard & ISO 14001:2015 Environmental Management System Standard. Since the 10th Plant (Dahej in Gujarat) is a new plant, it is in the process of being certified.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company is in the process of comprehensively evaluating and setting up its sustainability related goals and targets with a definitive timeline/implementation plan to achieve those in the near future.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance with respect to these targets would be tracked and assessed once these targets are set.								
Governance Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.									
Sustainability in the automotive space is a sectoral activity, where a synergised approach with a common goal across the value chain could yield the necessary impact. As we continue to be the leader in the space of automotive tyre manufacturing in India, it becomes essential for us to play an active role in helping the sector decarbonize thereby meeting India's target of net zero emission by 2070. To support the national goal, we plan to set phase-wise targets and commitments to improve our sustainability performance in the coming years. While we have embarked on this journey towards embedding sustainability in our business practices, we conducted our first materiality assessment to understand the key material issues of our business. We have also conducted an extensive exercise of understanding our environmental footprint across our 10 manufacturing sites in India in the current reporting period. Going forward MRF will continue to embark on this journey towards a sustainable future through the utilisation of clean energy, improving the efficiency of processes and optimisation of resources. Further, key performance regarding the 9 NGRBC principles are mentioned in section C of our Business Responsibility and Sustainability Report.									

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	(a) Mr. K M Mammen (DIN : 00020202), Chairman & Managing Director, Tel. No. : +91 44 28292777, E-mail Id : mrfshare@mrfmail.com (b) Mr. Arun Mammen (DIN : 00018558), Vice Chairman and Managing Director, Tel. No. : +91 44 28292777, E-mail Id : mrfshare@mrfmail.com
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, refer point 8 for the details.

Policy and management processes																		
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**									**Frequency (Annually/ Half - yearly/ Quarterly/ Any other – please specify)**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	Regular reviews of our company policies are conducted by the internal audit team of MRF. Additionally, certain policies like Health and Safety and Quality are subjected to external audits and certification processes.																	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

MRF is committed to conduct its business in accordance with the applicable laws, rules and regulations along with highest standards of business ethics. MRF has laid down a Code of Conduct for its operations which covers issues, inter alia, related to ethics etc and extends to all dealings between the Company and its stakeholders. The Board's commitment to governance is echoed throughout the organisation ensuring necessary procedures in place to uphold highest standards of ethical conduct, transparency and accountability while dealing with stakeholders.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of directors	3	Training and awareness program on Sustainability	100
Key managerial personnel*	3	Training and awareness program on Sustainability	100
Employees other than Board of Directors and KMPs	278	Code of conduct, workplace ethics, Leadership training, environmental Training, Safety Training, Skill upgradation Training	35
Workers	244	Safety Training, Quality Training, Process Training, Behavioural Training and Upskilling	24

* Excludes Managing Directors / Wholetime Directors

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agency/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes. The "MRF Principles of Sustainability and Responsible Business Conduct" declares the Company's commitment to conduct its business in all respects, according to ethical, professional and legal standards, which prevail in the industrial sector in which the Company conducts its normal business. Further it mandates every employee of the Company to ensure that the interests of the Company are not adversely impacted on account of their personal interests/dealings and avoid engaging in illegal practices.

Please refer the "MRF Principles of Sustainability and Responsible Business Conduct" which is available on our website in the following link: https://www.mrftyres.com/downloads/download.php?filename=Business-Responsibility-Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

There have been no complaints against our Board of Directors, KMPs, Employees and Workers.

6. Details of complaints with regard to conflict of interest:

	FY 2022-23	Remarks	FY 2021-22	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not applicable

Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.

MRF has adopted sustainability as a key business objective and protecting the environment is key to achieve this. MRF is committed to improve its sustainability index and is working on a multipronged 4R strategy "reduce, recycle, reuse & renewable" as its axiom. MRF demonstrates business excellence through process efficiency improvements and raw material circularity.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23 (Current financial year)	FY 2021-22 (Previous financial year)	Details of improvements in environmental and social impacts
R&D	17.5%	17.25%	The expenditure is for R&D related to product improvements in emission reduction and carbon footprint.
Capex	4.23%	4.54%	Conservation of water, energy, reduction of emission and carbon footprint, wastewater recycling and reusing across plants.

2. **(a) Does the entity have procedures in place for sustainable sourcing? (Yes/No) -**

   Yes. MRF promotes sustainable sourcing and continually works towards increasing the value of purchases made from such suppliers. To support sustainable sourcing, we encourage our suppliers and vendors to adopt suitable practices in their operations. Majority of our raw materials are naturally sourced and we further expect our suppliers to adhere to our Supplier Sustainability Policy & Green Procurement Policy.

   (b) If yes, what percentage of inputs were sourced sustainably?

   79.3% (% by value procured) for the financial year 2022-23. These are emanating out of purchase from A+ and A category suppliers, who are covered under Supplier Sustainable Policy & Green Procurement Policy and from B category suppliers who have ISO 14001 certification.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   All the plastic waste, E-waste, hazardous waste and other wastes are systematically segregated and disposed in accordance with regulatory requirements.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the EPR plan submitted to Pollution Control Boards?**

   Yes. The waste collection and processing plans are in line with the EPR plan submitted to Central Pollution Control Board.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

MRF considers well-being of employees and fair workplace practices crucial for the sustainable business growth. MRF has zero tolerance for any kind of workplace harassment, bullying or intimidation, including sexual, physical, verbal and psychological abuse. MRF is committed to holistic growth of the employees by imparting suitable training for skill upgradation and to establish a participative culture. Through effective communication, consultation and engagement with employees, MRF ensures safe and healthy working conditions for the workforce along with fair wages and focuses towards zero occupational injuries and ill-health.

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	6762	6762	100	6762	100	NA	-	NA	-	NA	-
Female	42	42	100	42	100	42	100	NA	-	NA	-
Total	6804	6804	100	6804	100	42	-	NA	-	NA	-
Other than Permanent employees											
Male	125	81	65	0	0	0	-	NA	-	NA	-
Female	1	1	100	0	0	0	0	NA	-	NA	-
Total	126	82	65	0	0	0	-	NA	-	NA	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	12246	12246	100	12246	100	0	0	NA	0	NA	0
Female	0	0	0	0	0	0	0	NA	0	NA	0
Total	12246	12246	100	12246	100	0	0	NA	0	NA	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2. **Details of retirement benefits.**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**	**No. of employees covered as a % of total employees**	**No. of workers covered as a % of total workers**	**Deducted and deposited with the authority (Y/N/N.A.)**
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI*	100%	100%	Yes	100%	100%	Yes
Others – please specify	-	-	-	-	-	-

*based on applicability

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, MRF's offices are accessible to differently abled employees and workers. Steps and ramps, corridors, entry gates, emergency exits, parking – as well as indoor and outdoor facilities including lighting, signage, alarm systems and toilets have been made across our offices. Further initiatives to improve accessibility across our plants are being assessed.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes, MRF is an equal opportunity employer. Aspects of equal opportunity and rights of persons with disabilities have been included in our Human Resource policies and further emphasised in our MRF Principles of Sustainability and Responsible Business Conduct.

Weblink: https://www.mrftyres.com/downloads/download.php?filename=Business-Responsibility-Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	**Retention rate**	**Return to work rate**	**Retention rate**
Male	NA	NA	NA	NA
Female	No Female staff have availed maternity benefits during the period	NA	NA*	NA
Total	-	-	-	-

*There are no permanent woman workers.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	(If yes, then give details of the mechanism in brief)
Permanent workers	Grievances of workmen are submitted either to the reporting supervisory authority or through recognised unions or as per the procedure set out in the Standing Orders.
Other than permanent workers	
Permanent employees	Employees can submit their grievances to their reporting supervisory authority or head of Human Resources function.
Other than permanent employees	Employees/workmen concerned can also use the Whistle Blower Policy / Vigil Mechanism or in case of grievances under the Prevention of Sexual Harassment Act, using the mechanism provided under the Act.

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees/workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees/workers in the respective category (C)	No. of employees/workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Employees						
Male	6762	0	0	6597	0	0
Female	42	0	0	44	0	0
Total permanent Employees	6804	0	0	6641	0	0
Workers						
Male	12246	10024	82	12093	9875	82
Female	0	0	0	0	0	0
Total permanent Workers	12246	10024	82	12093	9875	82

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	%(B/A)	No.(C)	%(C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	6762	1735	26	3151	47	6597	1442	22	3508	53
Female	42	5	12	18	43	44	2	5	5	11
Total	6804	1740	26	3169	47	6641	1444	22	3513	53
Workers										
Male	12246	1600	13	6195	51	12093	811	7	3916	32
Female	0	0	0	0	0	0	0	0	0	0
Total	12246	1600	13	6195	51	12093	811	7	3916	32

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	6597	6597	100	5594	5594	100
Female	44	44	100	40	40	100
Total	6641	6641	100	5634	5634	100
Workers						
Male	Workers are covered by Long Term Settlements between the Workers Union (on behalf of the workmen) and the Company which are renewed at a fixed periodicity. The remuneration terms are revised at the time of renewal and as such there is no annual performance appraisal process. However, workmen are considered for promotion to supervisor/staff category on a need basis based on their performance.					
Female						
Total						

* The data pertains to July 2022 and July 2021 as our annual appraisal cycle is completed in the month of July of the respective financial year.

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, an Occupational Health & Safety Management system is extended to all our manufacturing facilities.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification & Risk Assessment (HIRA) is used to identify all the hazards, assess risks based on the probability & severity and take controls based on the hierarchy of risk control.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. The following processes are available for the workers to report work related hazards.

1. Safety inspection is conducted by workmen representatives. Actions are tracked till closure using action trackers.
2. Near miss /Hazard reporting forms and registers are available through which the employees report the workplace hazards & near misses.
3. All our Manufacturing plants have Safety Committee which has participation from workers. This committee meets every quarter to discuss health & safety hazards issues. The discussed points are documented as minutes and tracked till closure. The feedback of this closure is shared with the workers.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes. All our Occupational Health centres extend services for non-occupational related medical services.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees	0.096	0.072
	Workers	0.82	0.88
Total recordable work-related injuries	Employees	8	6
	Workers	103	108
No. of fatalities	Employees	0	0
	Workers	1	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Organisation's Safety Performance is reviewed by the Top Management every month in the Corporate Steering Council Safety Meeting and the leadership directives are transferred through these meetings.
- Monthly Safety Review Meetings are held every month for all the Plants with participation from Vice President Manufacturing, Cluster heads and Plant heads.
- Safety Inspections are being carried out in the Plants jointly by Safety Officers and Worker Members of Safety Committee.
- Weekly Safety Review Meetings are conducted at all the plants and is being chaired by the respective Factory Managers.
- All Area In-charges at plant carry out safety audits on alternate days.

- MRF Safety week campaigns organised at all the plants to bring awareness among workforces. This is in addition to National Safety Day / Month Celebrations.

13. Number of complaints on the following made by employees and workers

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health & safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

- Activity based training modules have been prepared to impart training for all employees in addition to the existing training modules.
- Behavioural interventions carried out for all high risk and unsafe acts observed during night shift audits.
- Dock levellers have been installed to load and unload materials from trucks with the help of forklifts instead of doing it manually.
- In flap presses, both upper and lower moulds have been secured with two clamped wire ropes to prevent fall.
- Safety guards provided in battery operated pallet truck footrest platform.
- Sticky rubber stock fall protection guard provided in Hot Feed Extruder.
- Material handling equipment related near miss and unsafe act reporting campaign conducted.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

MRF believes stakeholder participation is pivotal for any organisation's success and hence endeavours to create long-term, sustainable value for all our stakeholders, including investors, customers, suppliers, employees, value chain partners, communities, regulatory agencies and policy makers. To accomplish this, MRF engages with various stakeholder groups both directly or through collective groups in a periodical manner to understand their expectations and requirements.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institutions that adds value to the value chain of the Company or is materially affected by entity's decision is identified as a core stakeholder. At present, the given stakeholder groups identified have immediate impact on the operations and working of the company. MRF has recognized both, internal stakeholder (i.e employees and leadership) and external stakeholder (i.e. regulators, investors, suppliers, customers and community).

We strive to create long-term value for all our stakeholders. In order to do so, we regularly engage and collaborate with our stakeholders to develop an understanding of their needs and expectations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Intranet Portal • Functional and cross-functional committees • Leader's talk • Regular Employee Communication Forums • Notice Board	On a regular basis	• Employee benefits • Equal opportunities • Recognition • Learning and development • Safety and well-being • Performance review and career development • Business update • Vision of the organisation
Customers	No	• Customer Service Support • Customer Satisfaction Survey	On a regular basis	• Customer feedback • Resolution of their queries • Advertising
Suppliers and Vendors	No	• Supplier and Vendor meets • Face-to-face and electronic correspondence • Supplier Audits	Half-yearly	• Resolving queries • Assessing performance • Recognition and engagement activities • Undertaking discussion on sustainability parameters
Investors / Shareholders	No	Newspaper advertisement, website, Annual General Meetings, disclosures to stock exchanges	Quarterly/ Annual / Event Based	To update them about developments in the Company
		Email, paper correspondence, physical meetings, telephone	Need based	Address their grievances
Community	Yes	• Community consultations • Community events • Government Authorities	Periodic	• Community development
Regulatory and government bodies	No	• Annual reports • Making representations whenever needed through trade associations • Formal dialogues	On a need basis	• Policy Advocacy • Deliberations and inputs on regulations and policies that have bearing on our operations

Principle 5: Businesses should respect and promote human rights

Respect for human rights is part of the core values of MRF. In dealing with each other, the values which are at the core of our HR Philosophy i.e trust, teamwork, mutuality and collaboration, objectivity, self-respect and human dignity are upheld.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6804	2347	34	6641	2309	35
Other than permanent	0	0	-	0	0	-
Total employees	6804	2347	34	6641	2309	35
Workers						
Permanent	12246	2847	23	12093	2533	21
Other than permanent	0	0	-	0	0	-
Total workers	12246	2847	23	12093	2533	21

2. Details of minimum wages paid to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	6804	-	0	6804	100	6641	-	0	6641	100
Other than permanent	0	-	0	0	0	0	-	0	0	0
Total employees	6804	-	0	6804	100	6641	-	0	6641	100

Workers										
Permanent	12246	-	0	12246	100	12093	-	0	12093	100
Other than permanent	0	-	0	0	0	0	-	0	0	0
Total workers	12246	-	0	12246	100	12093	-	0	12093	100

3 Details of remuneration/salary/wages

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category (In ₹)**	**Number**	**Median remuneration/ salary/ wages of respective category (In ₹)**
Board of Directors (BoD) Non-Executive	9	The non-executive board members receive only sitting fees for attending meetings of the board/ committee. Hence, computation of median remuneration is not relevant	3	The non-executive board members receive only sitting fees for attending meetings of the board/ committee. Hence, computation of median remuneration is not relevant
Board of Directors (BoD) Executive	5	218575424	0	-
Key managerial personnel	2	19206821	0	-
Employees other than BoD and KMP	6760	607169	42	905659
Workers	12246	543600*	-	-

* Median of Yearly Gross across Plants

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Head of Human Resources is the designated focal point for addressing human rights impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights related issues can be reported by our employees, workers, senior management and other stakeholders to their superiors (or through the whistle blower mechanism). Further we have internal committee to address any issues related to sexual harassments.

6. **Number of complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed During the year**	**Pending resolution at the end of year**	**Remarks**
Sexual harassment	Nil	-	-	Nil	-	-
Discrimination at workplace	Nil	-	-	Nil	-	-
Child labour	Nil	-	-	Nil	-	-
Forced labour/Involuntary labour	Nil	-	-	Nil	-	-
Wages	Nil	-	-	Nil	-	-
Other human rights-related issues	Nil	-	-	Nil	-	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

MRF strives to maintain a healthy, safe and productive work environment that is free from discrimination or any form of harassment for all internal and external stakeholders. An Internal Complaints Committee has been constituted for resolution for any complaints that may arise in this regard. Further our Code of Conduct and the mechanism under the Prevention of Sexual Harassment Act ensures that any discrimination and harassments are avoided.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, aspects of human rights are covered as part of our agreements with Vendors.

9. **Assessments of the year**

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Nil

Principle 6: Businesses should respect and make efforts to protect and restore the environment

MRF believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority. MRF continuously endeavours to use sustainably sourced ingredients in products and manufacture products that are not only safe to use but also environment friendly. MRF is committed to progressively adopt best practices prevailing in industry. MRF also believes in protecting the environment by efficient use of resources, reduction of emissions and minimizing wastage.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) Giga Joules ("GJ")	3150668	2999572
Total fuel consumption (B) GJ	4974712	4956037
Energy consumption through other sources (C) GJ	-	-
Total energy consumption (A+B+C) GJ	8125380	7955609
Energy intensity per rupee of turnover: GJ /Cr. (Total energy consumption/ turnover in rupees)	359.88	418.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No independent assessment/ evaluation/assurance has been carried out.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable.

There are no sites/facilities that have been identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1183267	1151083
(iii) Third-party water (municipal water supplies)	1595494	1574315
(iv) Seawater / desalinated water	0	0
(v) Others	119035	95193
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2897796	2820591
Total volume of water consumption (in kilolitres)	2897796	2820591
Water intensity per rupee of turnover: Kilolitres/ Cr. (water consumed / turnover)	128.34	148.53

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No independent assessment/ evaluation/assurance has been carried out.

4. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

All our units have Zero Liquid discharges mechanism as specified by the Pollution Control Board of respective states in their consent except Kottayam unit. In rainy seasons, Kottayam unit is permitted to discharge excess treated effluent if any as specified in their consent.

5. Please provide details of air emissions (other than Greenhouse Gas emissions ("GHG")) by the entity:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	µg/m3	Min: 11 - Max: 62	Min: 3 - Max: 39
SOx	µg/m3	Min: 4 - Max: 39	Min: 4 - Max: 38
Particulate matter (PM)	µg/m3	PM2.5- Min: 10 - Max: 58 / PM10 - Min: 29 - Max: 98	PM2.5- Min:10 - Max: 77 / PM10 - Min: 25 - Max: 96
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	mg/m3	We are in the process of establishing monitoring systems across all our plants.	
Hazardous air pollutants (HAP)	-	Below Detection Level	Below Detection Level
Others – ozone-depleting substances (HCFC - 22 or R-22)	-	NA	NA

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	567325	526290
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	603254	633588
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/ Cr. ₹	51.85	61.08

7. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details.

Yes, following are the overview of current projects and initiatives in reducing greenhouse gas emission:

- All plants are adopting specific power consumption and specific fuel consumption measures for the reduction of GHG emissions.
- Horizontal deployment of nitrogen gas-based process in place of hot water system.
- All plants are adopting specific water consumption reduction.

Future Endeavours:

- MRF has signed agreement for purchasing of 20MW solar power for Tamil Nadu plants and 7.5MW hybrid (Solar and Wind) power for Gujarat plant which will reduce its carbon footprint in future.

- Replacement of furnace oil-based steam generation with alternate gas-based fuel.
- MRF initiated usage of Biomass as alternate fuel for Boilers
- Installation of wastewater treatment plants with an aggregated capacity of 1200 KLD is in progress.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	**FY 2022-23**	**FY 2021-22**
Total waste generated (in metric tonnes)		
Plastic waste (A)	2881.14	3211.32
E-waste (B)	13.56	48.52
Bio-medical waste (C)	0.50	0.55
Construction and demolition waste (D)	0.00	100.00
Battery waste (E)	78.92	246.00
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	1611.34	1503.84
Other Non-hazardous waste generated (H).	51675.20	52859.81
Total (A+B + C + D + E + F + G + H)	56260.66	57970.04
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	17132	23147
(ii) Re-used	3519	2745
(iii) Other recovery operations	30571	25187
Total	51222	51079
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	134	315.5
(ii) Landfilling	2390	3392.5
(iii) Other disposal operations	0.00	0.00
Total	2524	3708

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Wastes are segregated and stored properly. Hazardous wastes are disposed to authorized agency as per the regulatory norms and the remaining wastes are disposed off to scrap vendors.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Tiruvottiyur, Chennai	Warehouse and R&D facility	Yes

11. **Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/no)	Relevant Web link
Expansion of manufacturing facility adjacent to existing location at Goa	SIA/GA/ MIN/235032/2021	22.10.2022	Yes	Yes	https://environmentclearance.nic.in/TrackState_proposal.aspx?type=EC&status=EC_new&statename=Goa&pno=SIA/GA/MIN/235032/2021&pid=192451

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:**

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
All plants are complying with the norms prescribed by the concerned Pollution Control Board.	NA	NA	NA	NA

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

MRF is a member of several industry associations and contributes to these forums to represent industry concerns and support in implementing measures to foster growth of industry. MRF is aware of its actions and is fully cognizant of its effects on the public and society at large. We ensure our actions bring forth a positive influence on the society and its various stakeholders.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

MRF is a member of the following four industry chambers and associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Tyre Manufacturers Association	National
2	Confederation of Indian Industry	National
3	Federation of Indian Chambers of Commerce and Industry	National
4	The Madras Chamber of Commerce and Industry	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
No case was filed by any stakeholder against MRF regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during the financial year.		

Principle 8: Businesses should promote inclusive growth and equitable development

As a responsible corporate entity, MRF believes in fulfilling its responsibility towards the community through its Corporate Social Responsibility projects. MRF strives to procure inputs and services from Micro, Small and Medium Enterprises. The Company has in place a Corporate Social Responsibility Policy framed as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. MRF's CSR projects have been primarily focused on disaster management including relief, promotion of education, livelihood enhancement, vocational skill development, promoting health care, safe drinking water, training for sports, sanitation and hygiene and rural development projects.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year - Not applicable**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain(Yes/No)	Relevant web link
-	-	-	-	-	-

2. **Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**
   1. Meeting with the representatives of the community to understand the requirements.
   2. Interactions with government agencies.
4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	23%	27%
Sourced directly from within the district and neighbouring districts	29%	28%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

MRF strives to adopt customer-oriented processes for achieving customer satisfaction including privacy of their data. MRF endeavours to offer products that are most appropriate to the customers. We ensure that products supplied are as per stated quality and specifications to ensure customer satisfaction. We strive to promptly respond to all queries, handle complaints in a fair manner and ensure that products comply with regulatory requirements including packaging, labelling and adopt fair standards of advertising and promotion.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Customer complaints are addressed by the local sales offices by inspection of the tyre by an accredited trained person. Such complaints are normally disposed of in about 3 days' time.
2. **Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:**

	As a % to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Receive during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-		Nil	-	
Advertising	Nil	-		Nil	-	
Cyber-security	Nil	-		Nil	-	
Delivery of essential services	Nil	-		Nil	-	
Restrictive trade practices	Nil	-		Nil	-	
Unfair trade practices	Nil	-		Nil	-	
Other	Nil	-		Nil	-	

4. **Details of instances of product recalls on account of safety issues.**

	Number	Reasons for Recall
Voluntary Recalls	0	N/A
Forced Recalls	0	N/A

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.**

   Yes, MRF's Cyber Security framework and privacy policy are published on the company's website. https://www.mrftyres.com/privacy-policy

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

   Not applicable

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
03rd May, 2023

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF LIMITED

1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **MRF Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, 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, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2023, 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 (SAs) 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. Emphasis of Matter

We draw attention to Note 28(r(i)(a)) to the Standalone Financial Statement which describe the following matter :

In terms of the Order dated 31st August 2018 the Competition Commission of India (CCI) has on 2nd February 2022 released its Order imposing penalty on the Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹622.09 Crores on the Company. The appeal filed by the Company has been disposed of by the National Company Law Appellate Tribunal (NCLAT) in December 2022, by remanding the matter to CCI for review after hearing the parties. CCI has in February 2023 filed an appeal against the Order of NCLAT before the Hon'ble Supreme Court. Pending disposal of the same, the Company is of the view that no provision is considered necessary in respect of this matter in the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

4. 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 year. 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.

Sr. No.	Key Audit Matter	Our Response
1	**Defined Benefit Obligation** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates.	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.

Sr. No.	Key Audit Matter	Our Response
	Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.	We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.
2.	**Warranty Provision** The Company makes an estimated provision for assurance type warranties at the point of sale. This estimate is based on historical claims data.	We understood and tested the controls over the assumptions applied in arriving at the warranty provision, particularly vouching of relevant data elements with provision calculations; validation of formula used in the warranty spread sheet; management review control of the relevant internal and external factors impacting the provision.
3.	**Litigation, Claims and Contingent Liabilities** (Refer Note 28(r), to be read along with Emphasis of matter in Independent Auditor's Report) The Company is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims. • Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter. • These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. • Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.	• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • Examined the Company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. • With respect to tax matters, involving our tax specialists, and discussing with the Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. • Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. • For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company's disclosures.

Sr. No.	Key Audit Matter	Our Response
4.	**Property, Plant & Equipment (Including Capex)** • Tracking and monitoring capex requires more attention to ensure reasonable accurateness and completeness of financial reporting in respect of Property, plant and equipment. • Further, technical complexities require management to assess and make estimates/ judgements about capitalization, estimated useful life, impairment etc. which has material impact on Balance sheet and operating results. Refer note 1 to Standalone financial statements.	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We assessed company's process regarding maintenance of records and accounting of transactions pertaining to Property, plant and equipment including capital work-in-progress with reference to Indian Accounting Standard 16. • We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, plant & equipment. • We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, plant and equipment in accordance with Schedule II of the Companies Act, 2013. • We have relied on physical verification conducted by management and management representations.

5. 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, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability 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.

6. 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 including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is responsible for overseeing the Company's financial reporting process.

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

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 year 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.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure 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 specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 28 (r) to the Standalone Financial Statements;

   ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (b) As represented to us by the management and to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year, interim dividends declared and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting; and

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N KASHINATH
Partner
Mem. No. 036490
UDIN: 23036490BGXRXO3653
Place: Chennai
Date: 3rd May 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
UDIN: 23026143BGZEEF8566
Place: Chennai
Date: 3rd May 2023

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

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and right-of-use assets;

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification. All discrepancies have been properly dealt with in the books of accounts.

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title in respect of self–constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and where the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, plant and equipment (including of right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.

(ii) (a) The inventory, except for goods in transit and stocks held with third parties, has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. For stocks held with third parties at the year end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2023 and there are no material discrepancies.

(iii) The Company has made investments in companies and other entities. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii) (a), (c), (d), (e) and (f) of the order are not applicable.

(b) In our opinion, the investments made in companies are, prima facie, not prejudicial to the company's interest.

(iv) In our opinion, in respect of investments made, the Company has complied with the provisions of Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the provisions of clause 3(v) of Para 3 of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, 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. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2023 on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where dispute is pending	₹ Crores
CENTRAL SALES TAX ACT, 1956 and VAT LAWS			
Sales tax / VAT and Penalty	1996-97 to 2004-05, 2006-07, 2009-10 to 2018-19	Appellate Commissioner	161.12
	2003-04, 2005-06 to 2009-10, 2011-12, 2014-15 and 2016-17	Appellate Tribunal/Board	15.26
	1996-97, 2006-07 to 2017-18	High Court	22.06
CUSTOMS ACT, 1962			
Customs Duty and Penalty	2021-22	Appellate Commissioner	0.29
	2010-11 to 2019-20, 2021-22	Appellate Tribunal	56.42
	1992-93 to 1994-95	High Court	74.70
CENTRAL EXCISE ACT, 1944 and FINANCE ACT 1994			
Excise duty, Service tax and penalty	2012-13 to 2016-17	Director General Goods and Service Tax	221.31
	1997-98, 1998-99, 2006-07 to 2010-11, 2014-15 to 2017-18	Appellate Commissioner	0.28
	2008-09 to 2017-18	Appellate Tribunal	24.51
	2001-02	Supreme Court	0.33
INCOME TAX ACT 1961			
Income Tax	2013-14 to 2015-16	Appellate Commissioner	24.06
	2014-15, 2018-19 and 2019-20	Appellate Tribunal	116.44
	2002-03 to 2005-06, 2008-09 to 2011-12	High Court	3.53
GOODS & SERVICES TAX			
GST	2017-18, 2019-20, 2020-21 and 2022-23	Appellate Commissioner	0.42
	2017-18	Appellate Tribunal	0.14

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any moneys by way of Initial public offer or further public offer (Including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.

(xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) 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.

(xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Standalone Financial Statements in Note 28(d) as required by the applicable Indian Accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Sec.192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi) (a) of Para 3 of the Order are not applicable to the Company.

(b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi) (b) of Para 3 of the Order are not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi) (c) of Para 3 of the Order is not applicable to the Company.

(d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi) (d) of Para 3 of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on 'other than ongoing' projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the provision of sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) of Para 3 of the Order is not applicable for the year.

(b) In respect of 'ongoing' projects, the company has transferred unspent CSR amount, to a special account within a period of 30 days from the end of the said financial year in compliance with the provisions of sub-section (6) of section 135 of the said Act.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N KASHINATH
Partner
Mem. No. 036490
UDIN: 23036490BGXRXO3653
Place: Chennai
Date: 3rd May 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
UDIN: 23026143BGZEEF8566
Place: Chennai
Date: 3rd May 2023

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

1. OPINION

We have audited the internal financial controls with reference to Standalone Financial Statements of MRF Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal financial control with reference to standalone financial statements 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 (ICAI).

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements 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 (ICAI). 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements.

4. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M M NISSIM & CO. LLP	For SASTRI & SHAH
Chartered Accountants	Chartered Accountants
Firm Reg. No. 107122W / W100672	Firm Reg. No. 003643S
N KASHINATH	C R KUMAR
Partner	Partner
Mem. No. 036490	Mem. No. 026143
UDIN: 23036490BGXRXO3653	UDIN: 23026143BGZEEF8566
Place: Chennai	Place: Chennai
Date : 3rd May 2023	Date : 3rd May 2023

MRF LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ Crores)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a (1, 2))	10024.10	9445.06
Capital Work-in-Progress	2 (b)	3045.22	1225.81
Other Intangible Assets	2 (c)	25.94	21.21
Financial Assets			
- Investments	3	1130.92	1155.53
- Loans	4	1.19	0.82
- Other Financial Assets	5	24.08	72.94
Non Current Tax Asset (Net)		263.24	241.77
Other Non-current Assets	6	547.90	586.05
Current Assets			
Inventories	7	4042.68	4061.72
Financial Assets			
- Investments	3	1974.84	2509.69
- Trade Receivables	8	2442.36	2283.26
- Cash and Cash Equivalents	9	146.31	113.11
- Bank Balances other than Cash and Cash Equivalents	10	9.98	1.74
- Loans	4	2.95	3.18
- Other Financial Assets	5	103.66	757.72
Other Current Assets	6	238.38	213.79
TOTAL ASSETS		24023.75	22693.40
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	4.24	4.24
Other Equity	SOCE	14504.63	13773.03
Total Equity		14508.87	13777.27
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	11	823.58	817.21
- Lease Liability		508.62	350.87
- Other Financial Liabilities	16	-	106.83
Provisions	12	215.02	218.67
Deferred Tax Liabilities (Net)	13	381.67	393.30
Other Non-current Liabilities	14	234.79	182.54
Current Liabilities			
Financial Liabilities			
- Borrowings	11	1153.50	1186.51
- Lease Liability		75.49	60.08
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	15	72.72	58.26
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	2684.73	2716.06
- Other Financial Liabilities	16	807.08	399.47
Other Current Liabilities	14	2324.74	2246.29
Provisions	12	232.94	180.04
Total Liabilities		9514.88	8916.13
TOTAL EQUITY AND LIABILITIES		24023.75	22693.40
Significant Accounting Policies	1		

Accompanying Notes are an integral part of these Financial Statements
This is the Balance Sheet referred to in our report of even date

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
Chennai

MADHU P NAINAN
Executive Vice
President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

MRF LIMITED, CHENNAI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

	Note	Year ended 31.03.2023	Year ended 31.03.2022
INCOME			
Revenue from Operations	17	22578.23	18989.51
Other Income	18	248.21	314.92
TOTAL INCOME		22826.44	19304.43
EXPENSES			
Cost of materials consumed	19	15526.90	13254.45
Purchases of Stock-in-Trade	28(s(2))	35.23	17.01
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(339.63)	(844.92)
Employee Benefits Expense	21	1558.87	1471.94
Finance Costs	22	298.06	247.01
Depreciation and Amortisation Expense	2 (a (1, 2)) and (c)	1248.60	1201.41
Other Expenses	23	3459.54	3078.37
TOTAL EXPENSES		21787.57	18425.27
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1038.87	879.16
Exceptional Items	24	80.33	-
PROFIT BEFORE TAX		1119.20	879.16
TAX EXPENSE			
Current Tax (Includes provision for earlier years ₹23.30 Crores (Previous year - ₹7.78 Crores))		309.10	221.95
Deferred Tax		(6.13)	9.87
TOTAL TAX EXPENSE		302.97	231.82
PROFIT FOR THE YEAR		816.23	647.34
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss net of tax			
Remeasurements of Defined benefit plans	28(g(iv))	(1.80)	10.53
Items that may be reclassified to Profit or Loss net of tax			
Fair value of cash flow hedges through other comprehensive income		0.25	1.69
Fair value of debt instruments through other comprehensive income		(19.46)	2.45
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		(21.01)	14.67
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		795.22	662.01
EARNINGS PER EQUITY SHARE	28 (n)		
Basic After Exceptional Item		1924.56	1526.34
Basic Before Exceptional Item		1735.15	1526.34
Diluted After Exceptional Item		1924.56	1526.34
Diluted Before Exceptional Item		1735.15	1526.34
Significant Accounting Policies	1		

Accompanying Notes are an integral part of these Financial Statements

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

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 03rd May, 2023

C R KUMAR
Partner
Mem. No. 026143
Chennai

MADHU P NAINAN
Executive Vice
President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

EQUITY SHARE CAPITAL	As at 31 March 2023 Number	As at 31 March 2022 Number	As at 31 March 2023 Amount	As at 31 March 2022 Amount
Authorised Share Capital	9000000	9000000	9.00	9.00
Issued Share Capital (Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)	4241143	4241143	4.24	4.24
Subscribed Share Capital	4241143	4241143	4.24	4.24
Fully Paid-up Share Capital	4241143	4241143	4.24	4.24
Balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	**4241143**	**4241143**	**4.24**	**4.24**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividends 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.

The Company has declared two interim dividends aggregating to ₹ 2.54 Crores (Previous year - ₹ 2.54 Crores) which has already been distributed during the Financial Year 2022-23.

Shares in the Company held by each shareholder holding more than five percent shares	As at 31 March 2023		As at 31 March 2022	
	No.	%	No.	%
Comprehensive Investment and Finance Company Private Limited	441834	10.42%	441834	10.42%
MOWI Foundation	507984	11.98%	507984	11.98%
SBI Mutual Fund (Through its various Funds)	212453	5.01%	158010	3.73%

(₹ Crores)

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income (OCI)		TOTAL
	Securities Premium	General Reserve	Remeasure-ments of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	
Balance at the beginning of the comparative reporting year - 1st April 2021	**9.42**	**13243.13**	**(72.78)**	**-**	**1.59**	**(6.74)**	**13174.62**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	9.42	13243.13	(72.78)	-	1.59	(6.74)	13174.62
Profit for the Comparative Year ending 31st March 2022	-	-	-	647.34	-	-	647.34
Other Comprehensive (Loss) / Income for the Year ending 31st March 2022	-	-	10.53	-	1.69	2.45	14.67
Total Comprehensive Income for the Comparative year	**-**	**-**	**10.53**	**647.34**	**1.69**	**2.45**	**662.01**
Transactions with owners in their capacity as owners:							
- Interim Dividends (₹6 per share)	-	-	-	(2.54)	-	-	(2.54)
- Final Dividend and Special Dividend (₹144 per share)	-	-	-	(61.06)	-	-	(61.06)
Transfer to General Reserve	-	583.74	-	(583.74)	-	-	-
Balance at the beginning of the reporting year	**9.42**	**13826.87**	**(62.25)**	**-**	**3.28**	**(4.29)**	**13773.03**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-		-
Restated balance as at 1st April 2022	9.42	13826.87	(62.25)	-	3.28	(4.29)	13773.03
Profit for the reporting year ending 31st March 2023	-	-	-	816.23	-	-	816.23
Other Comprehensive (Loss) / Income	-	-	(1.80)	-	0.25	(19.46)	(21.01)
Total Comprehensive Income for the Reporting year	**-**	**-**	**(1.80)**	**816.23**	**0.25**	**(19.46)**	**795.22**
Transactions with owners in their capacity as owners:							
- Interim Dividends (₹ 6 per share)	-	-	-	(2.54)	-	-	(2.54)
- Final Dividend (₹144 per share)	-	-	-	(61.08)	-	-	(61.08)
Transfer to General Reserve	-	752.61	-	(752.61)	-	-	-
Balance at the end of the reporting year ending 31st March 2023	**9.42**	**14579.48**	**(64.05)**	**-**	**3.53**	**(23.75)**	**14504.63**

Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Retained Earnings	Retained earnings are the Profits that the company has earned till date, less any transfer to General reserve and Dividend.
Cash Flow Hedges	Gains / Losses on Effective portion of cashflow hedges are initially recognized in Other Comprehensive Income as per IND AS 109. These gains or losses are reclassified to the Statement of Profit or Loss when the forecasted transaction affects earnings,except for hedge transactions resulting in recognition of non financial assets which are included in the carrying amount of the asset (" Basis Adjustments")
Debt Instruments	The fair value change of the debt instruments measured at fair value through Other Comprehensive Income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
Remeasurements of Defined Benefit Plans	Gains/Losses arising on Remeasurements of Defined Plan at the end of each reporting period is separately disclosed under Reserves and Surplus and shall not be reclassified to the Statement of Profit or Loss in the Subsequent years.

Significant Accounting Policies 1

Accompanying Notes are an integral part of these Financial Statements

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

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N. KASHINATH
Partner
Mem. No. 036490
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Dated 03rd May, 2023

For SASTRI & SHAH
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Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

Disclosure of Shareholding of Promoters and Promoter Group

Sl. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
1	ACCAMMA KURUVILLA	2,328	0.05	(0.01)	2,338	0.06	(0.00)
2	ADARSH MAMMEN VERGHESE	2,000	0.05	-	2,000	0.05	-
3	ADITH POULOSE MAMMEN	1,185	0.03	(0.01)	1,635	0.04	-
4	ADITI MAMMEN GUPTA	4,744	0.11	-	4,744	0.11	-
5	AMBIKA MAMMEN	2,489	0.06	-	2,489	0.06	-
6	AMIT MATHEW	3,570	0.08	(0.03)	4,520	0.11	-
7	AMMU MATHEW	2,650	0.06	-	2,650	0.06	-
8	ANITA MANI	1,304	0.03	(0.00)	1,334	0.03	(0.00)
9	ANNA PHILIP	350	0.01	-	350	0.01	-
10	ANNA RAPHAEL	258	0.01	-	258	0.01	-
11	ANNA THOMAS CHACKO	1,291	0.03	-	1,291	0.03	-
12	ANNAMMA MAMMEN	3,755	0.09	(0.18)	11,265	0.27	-
13	ANNAMMA PHILIP	8,900	0.21	(0.01)	9,500	0.22	0.11
14	ANNU KURIEN	15,695	0.37	0.08	12,490	0.29	(0.01)
15	ARJUN JOSEPH	1,850	0.04	-	1,850	0.04	-
16	ARUN MAMMEN	27,560	0.65	-	27,560	0.65	-
17	ASHOK KURIYAN	1,878	0.04	-	1,878	0.04	-
18	ASHWATHI JACOB	151	0.00	-	151	0.00	-
19	ASWATHY VARGHESE	9,450	0.22	-	9,450	0.22	-
20	BADRA ESTATES AND INDUSTRIES LIMITED	6,530	0.15	-	6,530	0.15	-
21	BEEBI MAMMEN	20,237	0.48	-	20,237	0.48	-
22	BINA MATHEW	1,568	0.04	-	1,568	0.04	-
23	BRAGA INDUSTRIES LLP	29,457	0.69	-	29,457	0.69	0.11
24	CHALAKUZHY POULOSE MAMMEN	530	0.01	-	530	0.01	-
25	CIBI MAMMEN	500	0.01	-	500	0.01	-
26	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LTD.	441,834	10.42	-	441,834	10.42	0.03
27	DEVON MACHINES PVT LTD	1,000	0.02	-	1,000	0.02	-
28	ELIZABETH JACOB MATTHAI	4,000	0.09	-	4,000	0.09	-
29	GEETHA ZACHARIAH	6,113	0.14	-	6,113	0.14	-
30	GEETHA MAMMEN MAPPILLAI	250	0.01	-	250	0.01	-
31	GEORGE MAMMEN	808	0.02	-	808	0.02	-
32	HANNAH KURIAN	600	0.01	-	600	0.01	-
33	HARSHA MATHEW	2,000	0.05	0.02	1,250	0.03	-
34	JACOB MAMMEN	35,120	0.83	-	35,120	0.83	-
35	JACOB MATHEW	20,027	0.47	(0.02)	20,977	0.49	-
36	JAYANT MAMMEN MATHEW	2,190	0.05	-	2,190	0.05	-

Sl. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
37	JCEE MANUFACTURING AND SERVICES PVT LTD	13,415	0.32	0.03	12,415	0.29	0.03
38	JOSEPH KANIANTHRA PHILIPS	1,000	0.02	-	1,000	0.02	-
39	K C MAMMEN	9,043	0.21	-	9,043	0.21	-
40	K K MAMMEN MAPPILLAI	7,399	0.17	-	7,399	0.17	-
41	K M MAMMEN	16,048	0.38	-	16,048	0.38	-
42	K S JOSEPH	483	0.01	-	483	0.01	-
43	K Z KURIYAN	650	0.02	-	650	0.02	-
44	KARUN PHILIP	4,000	0.09	-	4,000	0.09	-
45	KAVITA PHILIP	-	-	-	-	-	(0.12)
46	KAVYA VERGHESE	2,000	0.05	-	2,000	0.05	-
47	KIRAN JOSEPH	1,850	0.04	-	1,850	0.04	-
48	KIRAN KURIYAN	403	0.01	-	403	0.01	-
49	KMMMF PVT. TRUST	37,387	0.88	0.01	36,987	0.87	-
50	LATHA MATTHEW	5,723	0.13	-	5,723	0.13	-
51	M A MATHEW	6,595	0.16	-	6,595	0.16	-
52	M M HOUSING PRIVATE LIMITED	179	0.00	-	179	0.00	-
53	M.M.PUBLICATIONS LIMITED	300	0.01	-	300	0.01	-
54	MALINI MATHEW	2,000	0.04	0.00	1,800	0.04	-
55	MAMMEN EAPEN	4,128	0.10	-	4,128	0.10	-
56	MAMMEN MAPPILLAI INVESTMENTS LTD	1,209	0.03	-	1,209	0.03	-
57	MAMMEN MATHEW	11,015	0.26	-	11,015	0.26	-
58	MAMMEN PHILIP	8,480	0.20	0.01	7,880	0.19	(0.02)
59	MAMY PHILIP	6,922	0.16	(0.01)	7,350	0.17	-
60	MARIA MAMMEN	84	0.00	-	84	0.00	-
61	MARIAM MAMMEN MATHEW	100	0.00	-	100	0.00	-
62	MARIEN MATHEW	160	0.00	-	160	0.00	-
63	MARIKA MAMMEN APPIAH	100	0.00	-	100	0.00	-
64	MARY KURIEN	14,594	0.34	0.08	10,839	0.26	-
65	MEERA NINAN	6,167	0.15	-	6,167	0.15	-
66	MEERA PHILIP	23,441	0.55	(0.24)	33,627	0.79	-
67	MEERA MAMMEN	15,840	0.37	-	15,840	0.37	-
68	MICAH MAMMEN PARAMBI	100	0.00	-	100	0.00	-
69	NISHA SARAH MATTHEW	164	0.00	-	164	0.00	-
70	NITHYA SUSAN MATTHEW	169	0.00	-	169	0.00	-
71	OMANA MAMMEN	4,703	0.11	-	4,703	0.11	-
72	PENINSULAR INVESTMENTS PRIVATE LIMITED	124,367	2.93	-	124,367	2.93	-
73	PETER K PHILIPS	240	0.01	(0.05)	2,341	0.06	-
74	PETER PHILIP	12,538	0.30	0.24	2,352	0.06	-

Sl. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
75	PHILIP MATHEW	11,762	0.28	-	11,762	0.28	-
76	PREMA MAMMEN MATHEW	10,881	0.26	-	10,881	0.26	-
77	PREMINDA JACOB	98	0.00	-	98	0.00	-
78	RACHEL KATTUKARAN	16,647	0.39	(0.02)	17,247	0.41	-
79	RADHIKA MARIA MAMMEN	600	0.01	-	600	0.01	-
80	RAHUL MAMMEN MAPPILLAI	4,538	0.11	-	4,538	0.11	-
81	RAMANI JOSEPH	2,509	0.06	-	2,509	0.06	-
82	RANJEET JACOB	28	0.00	-	28	0.00	0.00
83	REENU ZACHARIAH	517	0.01	-	517	0.01	-
84	RIYAD MATHEW	4,520	0.11	-	4,520	0.11	-
85	ROHAN MATHEW MAMMEN	1,635	0.04	-	1,635	0.04	-
86	ROSHIN VARGHESE	6,679	0.16	-	6,679	0.16	-
87	ROY MAMMEN	12,439	0.29	(0.01)	12,894	0.30	-
88	SAMIR THARIYAN MAPPILLAI	4,470	0.11	-	4,470	0.11	-
89	SARA KURIYAN	1,880	0.04	-	1,880	0.04	-
90	SARAH CHERIAN TRUST	4,950	0.12	-	4,950	0.12	-
91	SARAH THOMAS	12,433	0.29	(0.01)	12,608	0.30	(0.00)
92	SARASU JACOB	13,984	0.33	(0.00)	14,114	0.33	(0.00)
93	SHANTA MAMMEN	4,938	0.12	-	4,938	0.12	-
94	SHILPA MAMMEN	4,412	0.10	-	4,412	0.10	-
95	SHIRIN MAMMEN	1,450	0.03	-	1,450	0.03	-
96	SHONA BHOJNAGARWALA	50	0.00	-	50	0.00	-
97	SHREYA JOSEPH	5,120	0.12	-	5,120	0.12	-
98	SOMA PHILIPS	-	-	-	-	-	(0.05)
99	STABLE INVESTMENTS AND FINANCE COMPANY LTD.	3,964	0.09	-	3,964	0.09	-
100	SUSAN ABRAHAM	68	0.00	-	68	0.00	-
101	SUSAN KURIAN	9,137	0.22	-	9,137	0.22	-
102	SUSY THOMAS	5,278	0.12	-	5,278	0.12	-
103	TARA JOSEPH	3,150	0.07	-	3,150	0.07	-
104	THANGAM MAMMEN	5,981	0.14	-	5,981	0.14	-
105	THE MALAYALA MANORAMA COMPANY LIMITED	6,109	0.14	-	6,109	0.14	-
106	USHA EAPEN GEORGE	1,210	0.03	(0.00)	1,220	0.03	-
107	VARUN MAMMEN	8,706	0.21	-	8,706	0.21	-
108	VIKRAM KURUVILLA	109	0.00	-	109	0.00	-
109	ZACHARIAH KURIYAN	3,411	0.08	-	3,411	0.08	-
Total		**1,180,831**			**1,185,320**		

Note : Figures in brackets represents reduction in percentage change as compared to previous period.

MRF LIMITED, CHENNAI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

	Year ended 31.03.2023		Year ended 31.03.2022	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		1119.20		879.16
Adjustment for :				
Depreciation	1248.60		1201.41	
Unrealised Exchange (Gain) / Loss	(1.28)		(0.37)	
Government Grant Accrued	(1.35)		(0.99)	
Impairment of Financial Assets	-		0.30	
Finance Cost	298.06		247.01	
Interest Income	(101.59)		(99.08)	
Dividend Income	(0.12)		(0.15)	
Loss / (Gain) on Sale / Disposal of Property,Plant and Equipment	7.65		2.20	
Provision for Impairment of Assets(other than Financial Assets)	-		7.10	
Fair Value changes in Investments	(103.85)		(155.43)	
Fair Value changes in Financial Instruments	21.86		34.39	
Loss / (Gain) on Sale of Investments	(2.64)		(6.83)	
Bad debts written off	-	1365.34	0.21	1229.77
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		2484.54		2108.93
Trade Receivables	(159.71)		(171.82)	
Other Receivables	30.88		(94.55)	
Inventories - Finished goods	(354.05)		(775.34)	
Inventories - Raw materials and Others	373.09		(406.05)	
Trade Payable				
- Supplier Finance	-		(983.40)	
- Import acceptance and Others	(16.14)		(352.33)	
Provisions	39.88		1.80	
Other Liabilities	348.73	262.68	222.53	(2559.16)
CASH GENERATED FROM OPERATIONS		2747.22		(450.23)
Direct Taxes paid		(330.57)		(207.12)
NET CASH FROM OPERATING ACTIVITIES		2416.65		(657.35)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property,Plant and Equipment	(3280.42)		(1690.76)	
Proceeds from sale of Property,Plant and Equipment	1.05		2.36	
Purchase of Investments	(135.99)		(649.97)	
Proceeds from sale of Investments	775.30		3025.80	
Fixed Deposits Others - Proceeds / (Placed)	600.00		(600.00)	
Loans (Financial assets) repaid / (given)	(0.76)		1.29	
Interest Income	112.85		86.85	
Dividend Income	0.12		0.15	
NET CASH USED IN INVESTING ACTIVITIES		(1927.85)		175.72

MRF LIMITED, CHENNAI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ Crores)

		Year ended 31.03.2023		Year ended 31.03.2022	
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayments) / Proceeds from Working Capital Facilities (Net)		112.34		844.98	
Proceeds from Term Loans		-		299.99	
Proceeds from SIPCOT Loan		7.76		-	
Repayment of Term Loans		(288.59)		(86.00)	
(Repayments) / Proceeds of Debentures		150.00		(180.00)	
Government Grant Accrued		1.35		0.99	
Deferred payment Credit		(0.78)		(0.68)	
Payment of Lease Liability		(121.30)		(96.78)	
Interest paid		(253.90)		(228.04)	
Dividend		(63.62)		(63.62)	
NET CASH FROM FINANCING ACTIVITIES			(456.74)		490.84
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			32.06		9.21
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	Refer Note 9		113.11		102.80
Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents			1.14		1.10
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Refer Note 9		146.31		113.11

Refer Note No. 28m for amount spent during the year ended 31st March, 2023 and 31st March, 2022 on construction / acquisition of assets relating to CSR activities

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities (Refer Note 11)

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

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For SASTRI & SHAH
Chartered Accountants
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N. KASHINATH
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Dated 03rd May, 2023

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Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Note 1 - Significant Accounting Policies under IND AS

A) General Information

MRF Limited (the "Company") is a limited company, incorporated on 5th November, 1960 in India, whose shares are publicly traded.

The Company is India's largest tyre manufacturer and ranked amongst the top 20 Global Manufacturers, with 10 state-of-the-art factories across India with an expansive tyre range from two-wheelers to fighter aircrafts.

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

The Company is the ultimate parent of MRF Group.

B) Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out in Para C below. These policies have been consistently applied to all the years presented.

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 the following material item that has been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (Refer Note 1 (C 20)) and

b) Any other item as specifically stated in the accounting policy. (Refer Note 28 (g))

The Financial Statement are presented in INR and all values are rounded off to Rupees Crores unless otherwise stated.

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Financial Statements of the Company for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the directors on 03rd May, 2023.

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:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets 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. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. (Refer Note 1 (C 1))

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the

Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset. (Refer Note 1 (C 4))

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 includes 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 months 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. (Refer Note 1 (C 21(a))

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 28 (g))

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. (Refer Note 1 (C 20))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 1 (C 17))

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

IND AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer Note 1 (C 6))

Allowance for credit losses on receivables :

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

C) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (Refer Note C (15)) and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

Description of the Asset	Estimated Useful life (On Single shift working)
Tangible (Owned Assets) :	
Building – Factory – Other than factory buildings	30 Years 60 Years
Plant and Equipment	5-21 Years
Moulds	6 Years
Furniture and Fixtures	5 Years
Computer Servers	5 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils	10 Years
Renewable Energy Saving Device – Windmills	22 Years
Vehicles	5 Years
Aircraft	10 and 20 Years
Right of Use Assets (Leased Assets) :	
- Buildings - Other than factory buildings	1-21 Years
- Vehicles	2 Years
- Land – Leasehold	Primary period of lease
Intangible (Owned Assets):	
Software	5 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets except Renewable Energy Saving Devices is provided on straight line basis whereas depreciation on renewable energy saving devices is provided on reducing balance basis. Plant and Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering 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.

Depreciation on property, plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further, the Company has identified and determined separate useful life for each major component of Property, Plant and Equipment, if they are materially different from that of the remaining assets, for providing depreciation.

2) <u>Intangible Assets:</u>

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.
An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

The Company undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The Company recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Intangible

Assets under Development till the time they are available for use in the manner intended at which moment they are treated as Intangible Assets and amortised over their estimated useful life.

3) **Assets held for Sale:**

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that cease to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the "Held for Sale" criteria.

4) **Impairment of tangible (PPE) and intangible assets:**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

5) **Inventories:**

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for stores and spares which are on daily moving Weighted Average Cost basis and is net of inputs tax credits under various tax laws.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognised as expenses in the period in which the related revenue is recognised.

6) **Leases:**

The Company has applied IND AS 116 using the modified retrospective approach.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

7) **Government Grants:**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset or by deducting the grant in arriving at the carrying amount of the assets. Where the assets have been fully depreciated with no future related cost, the grant is recognised in profit or loss.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistance received subsequent to the date of transition.

8) 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. Unavoidable cost is determined based on cost that are directly attributable to having and executing the contracts.

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.

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognised, however, disclosed in Financial Statement when inflow of economic benefits is probable.

9) 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.

10) Share Capital and Securities 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 securities premium.

11) Dividend Distribution to Equity Shareholders:

The Company recognises 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 recognised directly in other equity.

12) Cash Flows and Cash and Cash Equivalents:

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. 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.

13) Revenue Recognition:

The Company derives revenues primarily from sale of goods comprising of Automobile Tyres, Tubes, Flaps and Tread Rubber. The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/product/prompt payment discounts and schemes offered by the company as part of the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Company provides warranties for general repairs and does not provide extended warranties or maintenance services in its contracts with customers and are assurance type warranties. Claims preferred during the year against such obligations are netted off from revenue, consistent with its current practice. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

Use of significant judgements in Revenue Recognition:

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

14) Other Income:

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.

15) Borrowing costs:

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition/ construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The capitalisation of borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

16) Employee Benefits:

a) Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and performance incentives, are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) Post Employment Benefits:

The Company provides the following post employment benefits:

i) Defined benefit plans such as gratuity, trust managed Provident Fund and post-retirement medical benefit (PRMB); and

ii) Defined contribution plans such as provident fund, pension fund and superannuation fund.

d) Defined benefits Plans:

The cost of providing benefits on account of gratuity and post retirement medical benefits / obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Eligible employees of the Company receive benefits from a provident fund trust which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Company contributes a part of the contribution to the provident fund trusts. The trusts invests in specific designated instruments as permitted by Indian Law. The remaining portion is contributed to the Government Administered Pension Fund. The rate at which the annual interest is payable to the beneficiaries by the trusts is administered by the Government. The Company has obligation to make good the shortfall, if any, between the return from investments of the Trusts and the notified interest rate. However, as at the year-end no shortfall remains unprovided for.

e) Defined Contribution Plans:

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution.

17) Taxes on Income:

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

a) Current Tax:

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are 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.

18) <u>Earnings per Share:</u>

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 year.

19) <u>Current versus Non-current classification:</u>

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.

20) <u>Fair value measurement:</u>

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 on 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 recognised 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.

21) 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 recognises 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.

Investments in subsidiaries

Investments in equity shares of subsidiaries are carried at cost less impairment. Impairment is provided for on the basis explained in Paragraph (4) of Note C above.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, Investment in units of Mutual Funds, loans/Debt instrument/ advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised 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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and 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 recognised in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy 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 – Debt Instruments
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials 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 financials 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 recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are mandatorily 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 relating to financial assets measured at FVTOCI are recognised in the other comprehensive income (OCI). However, the Company recognises 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 recognised 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 recognises 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) recognised during the period is recognised as expense/income in the statement of profit and loss.

B) Financial Liabilities

The Company's financial liabilities includes borrowings, trade payable, lease liabilities, 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 recognised 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 recognised in the statement of profit and 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 recognised 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 recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised 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. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as “Basis Adjustment”).

D) Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable.

E) **Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

a) **IND AS 1 – Presentation of Financial Statements** – This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

b) **IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

c) **IND AS 12 – Income Taxes** - This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

NOTE 2 (a) : PROPERTY, PLANT AND EQUIPMENT

(₹ Crores)

Property, Plant and Equipment	As at 31.03.2023	As at 31.03.2022
Owned Assets	9414.12	8999.09
Leased Assets	609.98	445.97
Total	10024.10	9445.06

NOTE 2 (b) : CAPITAL WORK-IN-PROGRESS (CWIP) 3045.22 1225.81

CWIP Ageing Schedule

(₹ Crores)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2492.73	306.07	116.46	127.14	3042.40
	(833.09)	(199.73)	(164.84)	(25.18)	(1222.84)
Projects temporarily suspended	0.11	-	0.07	2.64	2.82
	-	-	(0.75)	(2.22)	(2.97)

Figures in brackets are in respect of Previous year

Note: There were no material projects which have exceeded their original planned cost and timelines.

(₹ Crores)

NOTE 2 (a 1) : Owned Assets												NOTE 2 (c) INTANGIBLES
Particulars	**Land Freehold**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Air Craft**	**Office equipment**	**Computers**	**Moulds**	**Other Assets**	**Total**	**Computer Software**
GROSS BLOCK												
Carrying Value as at 31 March 2021	**577.26**	**3029.71**	**8396.45**	**31.65**	**53.38**	**83.98**	**40.07**	**53.33**	**705.00**	**440.55**	**13411.38**	**61.25**
Additions	0.87	141.73	828.07	3.77	9.91	-	3.83	6.22	124.44	45.43	1164.27	6.73
Disposals	-	(2.57)	(39.62)	(0.72)	(2.20)	-	(1.15)	(4.17)	(4.77)	(2.62)	(57.82)	(9.25)
Carrying Value as at 31 March 2022	**578.13**	**3168.87**	**9184.90**	**34.70**	**61.09**	**83.98**	**42.75**	**55.38**	**824.67**	**483.36**	**14517.83**	**58.73**
Additions	2.70	384.16	949.86	3.67	11.39	-	5.50	15.20	158.81	41.01	1572.30	13.46
Disposals	-	(0.02)	(73.06)	(1.60)	(3.28)	-	(3.24)	(5.29)	(56.95)	(4.25)	(147.69)	(0.60)
Carrying Value as at 31 March 2023	**580.83**	**3553.01**	**10061.70**	**36.77**	**69.20**	**83.98**	**45.01**	**65.29**	**926.53**	**520.12**	**15942.44**	**71.59**
Accumulated depreciation / Amortisation as at 31 March 2021	**-**	**358.51**	**3388.51**	**17.42**	**25.51**	**16.23**	**25.40**	**34.75**	**365.63**	**221.97**	**4453.93**	**36.94**
Depreciation / Amortisation for the year	-	100.27	828.64	4.87	6.93	5.92	6.08	9.49	105.84	50.02	1118.06	9.83
Disposals	-	(0.70)	(37.62)	(0.65)	(1.84)	-	(1.12)	(4.16)	(4.77)	(2.39)	(53.25)	(9.25)
Accumulated depreciation / Amortisation as at 31 March 2022	**-**	**458.08**	**4179.53**	**21.64**	**30.60**	**22.15**	**30.36**	**40.08**	**466.70**	**269.60**	**5518.74**	**37.52**
Depreciation / Amortisation for the year	-	107.17	845.45	4.96	7.64	5.91	5.76	9.47	113.28	48.93	1148.57	8.73
Disposals	-	(0.01)	(70.83)	(1.52)	(3.04)	-	(3.24)	(5.29)	(51.09)	(3.97)	(138.99)	(0.60)
Accumulated depreciation / Amortisation as at 31 March 2023	**-**	**565.24**	**4,954.15**	**25.08**	**35.20**	**28.06**	**32.88**	**44.26**	**528.89**	**314.56**	**6528.32**	**45.65**
Net Block												
As at 31 March 2022	**578.13**	**2710.79**	**5005.37**	**13.06**	**30.49**	**61.83**	**12.39**	**15.30**	**357.97**	**213.76**	**8999.09**	**21.21**
As at 31 March 2023	**580.83**	**2987.77**	**5107.55**	**11.69**	**34.00**	**55.92**	**12.13**	**21.03**	**397.64**	**205.56**	**9414.12**	**25.94**

Note:

1. Freehold land includes agricultural land - ₹0.12 Crores (31st March, 2022 - ₹0.12 Crores).
2. Other assets represents Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils.
3. The amount of Borrowing Cost capitalised during the year ended 31st March, 2023 - ₹6.38 Crores (31st March, 2022 - ₹ 1.85 Crores.)
4. Capital expenditure on Research and Development during the year - ₹25.15 Crores (31st March, 2022, - ₹6.71 Crores) Refer Note 28 h (ii).
5. Title deeds of Freehold Land are held in the name of the Company. Title deeds in respect of Buildings which are constructed on company's Freehold Land is based on documents constituting evidence of legal ownership of the Buildings.

NOTE 2 (a 2): Leased Assets

(₹ Crores)

Particulars	Land	Buildings	Vehicles	Total
Gross Block				
Carrying Value as at 31 March 2021	**97.84**	**421.66**	**24.93**	**544.43**
Additions	-	123.03	9.14	132.17
Disposals	-	(36.84)	-	(36.84)
Carrying Value as at 31 March 2022	**97.84**	**507.85**	**34.07**	**639.76**
Additions	3.11	250.69	26.12	279.92
Disposals	-	**(48.73)**	-	**(48.73)**
Carrying Value as at 31 March 2023	**100.95**	**709.81**	**60.19**	**870.95**
Depreciation Block				
Accumulated depreciation / Amortisation as at 31 March 2021	**4.46**	**110.93**	**19.66**	**135.05**
Depreciation / Amortisation for the year	1.06	63.03	9.43	73.52
Disposals	-	(14.78)	-	(14.78)
Accumulated depreciation / Amortisation as at 31 March 2022	**5.52**	**159.18**	**29.09**	**193.79**
Depreciation / Amortisation for the year	1.06	81.39	8.85	91.30
Disposals	-	(24.12)	-	(24.12)
Accumulated depreciation / Amortisation as at 31 March 2023	**6.58**	**216.45**	**37.94**	**260.97**
Net Block				
As at 31 March 2022	**92.32**	**348.67**	**4.98**	**445.97**
As at 31 March 2023	**94.37**	**493.36**	**22.25**	**609.98**

Note:

1. The Company has incurred ₹27.89 Crores (Previous year ₹21.94 Crores) for the year ended 31st March, 2023 towards expenses relating to short-term leases and leases of low-value assets (Refer Note 23). The total cash outflow for leases is ₹149.19 Crores (Previous year ₹118.72 Crores) for the year ended 31st March, 2023, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 48.70 Crores (Previous year ₹36.29 Crores) for the year ended 31st March, 2023 (Refer Note 22).

2. The Company's leases mainly comprise of land, buildings and vehicles. The Company mainly leases land and buildings for its manufacturing, warehouse facilities and sales offices. The Company has leased vehicles for its Goods Transporation.

NOTE 3: INVESTMENTS

Particulars	Face Value ₹	No. of Shares / Units As at 31.03.2023	No. of Shares / Units As at 31.03.2022	(₹ Crores) As at 31.03.2023	(₹ Crores) As at 31.03.2022
Non-Current Investments					
Fully Paid-up					
Quoted					
Equity Shares (at fair value through Profit or Loss)				13.04	11.00
In Debt Instruments-Bonds (at fair value through OCI)				1096.16	1122.81
Unquoted					
Non-Trade - Unquoted					
Others: (at fair value through Profit or Loss) *				0.07	0.07
*Note: The Company had invested in Co-operative Societies, MRF Foundation and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at its transaction value considering it to be its fair value.					
Unquoted					
Subsidiary Companies: (At Cost)					
Ordinary Shares in MRF SG PTE LTD	-	1273200	1273200	6.11	6.11
Equity Shares in MRF Corp Ltd. - ₹ 1500 (31.03.2022- ₹ 1500)	10	50100	50100	-	-
Equity Shares in MRF International Ltd.	10	532470	532470	0.53	0.53
Equity Shares in MRF Lanka Pvt. Ltd.	Sri Lankan Rupee 10	34160324	34160324	15.01	15.01
Total				**1130.92**	**1155.53**
Aggregate Market Value of Quoted Investments				1109.20	1133.81
Aggregate Amount of Unquoted Investments				21.72	21.72
Current Investments					
Fully paid up - Unquoted					
In Mutual Fund Units: (at fair value through Profit or Loss)					
Income Plan: Growth Option				1974.84	2509.69
Aggregate Amount of Unquoted Investments				1974.84	2509.69

NOTE 4 : LOANS (Unsecured, considered good)

(₹ Crores)

	Non-Current As at 31.03.2023	Non-Current As at 31.03.2022	Current As at 31.03.2023	Current As at 31.03.2022
Loans to employees	1.19	0.82	2.95	3.18
Total	1.19	0.82	2.95	3.18

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

NOTE 5 : OTHER FINANCIAL ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Carried at Amortised cost:				
Bank deposits with more than 12 months maturity	0.06	0.06	-	-
Export Benefits Receivables	-	-	1.72	0.85
Interest Accrued on Loans and Deposits	-	-	39.09	51.50
Fixed Deposits - others	-	-	-	600.00
Others	-	52.69	62.85	105.37
Carried at Fair value through Profit & Loss:				
Security Deposits	2.06	2.72	-	-
Deposits	21.96	17.47	-	-
Total	24.08	72.94	103.66	757.72

NOTE 6 : OTHER ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Capital Advances	454.24	527.94	-	-
Advances other than capital advances;				
Security Deposits (excludes Interest accrued and due – ₹ 2.51 Crore, Previous year - ₹ 1.71 Crore)	87.36	54.97	-	-
Advances to Employees	-	-	26.24	19.82
Sub Total	**541.60**	**582.91**	**26.24**	**19.82**
Others				
Advances recoverable in cash or kind	6.30	3.14	120.23	100.39
Salary and Wage Advance	-	-	4.32	9.25
Prepaid Expenses	-	-	44.35	41.24
Others	-	-	43.24	43.09
Sub Total	**6.30**	**3.14**	**212.14**	**193.97**
Total	547.90	586.05	238.38	213.79

NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Raw Materials	1210.28	1616.15
Raw Materials in transit	112.78	98.38
Work-in-progress	365.03	394.46
Finished goods	1915.17	1561.12
Stock-in-trade	51.33	36.32
Stores and Spares	388.09	355.29
Total	4042.68	4061.72

NOTE 8 : TRADE RECEIVABLES

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Trade receivables		
Secured, considered good	1683.63	1580.15
Unsecured, considered good	758.73	703.11
Trade Receivables - credit impaired	2.08	2.08
Less: Expected Credit Loss Provision (Refer Note 25 (B) ii)	(2.08)	(2.08)
Total	2442.36	2283.26
Of the above, trade receivables due from a subsidiary Company (Refer Note 28 d)	2.93	0.66

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables Ageing Schedule

(₹ Crores)

Particulars	**Outstanding for following periods from due date of payment**					**Total**
	Less than 6 months	**6 months - 1 year**	**1-2 Years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade Receivables – considered good	209.67 (270.93)	0.57 (6.51)	- -	- -	- -	210.24 (277.44)
(ii) Undisputed Trade Receivables – credit impaired	- -	- (0.07)	0.07 (0.09)	0.09 (1.92)	1.92 -	2.08 (2.08)
(iii) Amount Not Due	- -	- -	- -	- -	- -	2232.12 (2005.82)
Total Gross						2444.44 (2285.34)
Allowance for Expected Credit Loss						2.08 (2.08)
Total						2442.36 (2283.26)

Figures in brackets are in respect of Previous year

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2023

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

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks		
- In Current accounts	107.94	81.80
Cheques, drafts on hand; and	37.62	30.55
Cash on hand	0.75	0.76
Total	146.31	113.11

NOTE 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Unclaimed Dividend Account	2.76	1.74
Unspent CSR Account	7.22	-
Total	9.98	1.74

NOTE 11 : BORROWINGS

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
NON CURRENT		
Secured		
Term loans from Banks;		
Soft loan from SIPCOT (At amortised cost)	71.37	64.12
Unsecured		
Debentures;		
Floating Rate linked to 6 months T Bill - 15000 Nos. Unsecured Redeemable Non-convertible Debentures of ₹1,00,000/- each.	150.00	-
Term loans from Banks;		
- Rupee Term Loan (At amortised cost)	599.99	749.99
Others		
Deferred Payment Liabilities (At amortised cost)	2.22	3.10
Sub Total	823.58	817.21
CURRENT		
Secured (At amortised cost)		
Loans repayable on demand		
- From banks	997.34	885.00
- Interest accrued on above	1.11	1.31
Unsecured		
Current maturities of long-term debt	150.88	291.69
- Interest accrued on above	4.17	8.51
Sub Total	1153.50	1186.51
Total	1977.08	2003.72

Note: Security and terms of repayment in respect of above borrowings are detailed in Note 28 i

Reconciliation of Financing Liabilities

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Opening balance		
- Long Term Borrowings	817.21	811.76
- Current borrowings	885.00	40.02
- Current maturities of long term debt	291.69	267.11
- Interest accrued on debt	9.82	27.14
Total - A	2003.72	1146.03
a) Cash flow movements		
- Proceeds from borrowings	270.10	1,144.97
- Repayment of borrowings	(289.37)	(266.68)
b) Non-cash movements		
- Effect of amortization of loan origination costs	(0.51)	0.99
- Foreign exchange translation	(2.32)	(4.27)
- Interest Accrued on debt	(4.54)	(17.32)
Total - B	(26.64)	857.69
Closing Balance (A+B)	1977.08	2003.72
Closing Balance Break Up		
- Long Term Borrowings	823.58	817.21
- Current borrowings	997.34	885.00
- Current maturities of long term debt	150.88	291.69
- Interest accrued on debt	5.28	9.82

NOTE 12 : PROVISIONS

(₹ Crores)

	Non-Current		**Current**	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits (Refer Note 28 c)	53.62	51.09	45.92	17.65
Others:				
- Warranty and others (Refer Note 28 c)	161.40	167.58	187.02	162.39
Total	215.02	218.67	232.94	180.04

NOTE 13 : DEFERRED TAX LIABILITIES - (NET)

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liabilities:		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	424.90	428.45
- Unrealised gain/(loss) on FVTPL debt Mutual Funds	45.29	30.20
- Other adjustments	13.73	12.11
Sub Total	483.92	470.76
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	42.35	28.69
- On remeasurements of defined benefit plans	28.48	26.74
- Unrealised gain/(loss) on FVTOCI Debt Instruments	7.98	1.44
- On revaluation of designated cash flow hedges	6.38	6.29
- On Right of Use Asset	17.06	14.30
Sub Total	102.25	77.46
Total	381.67	393.30

NOTE 14 : OTHER LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Contract Liabilities	-	-	32.82	43.27
Others;				
Dealers' Security Deposit	-	-	1770.68	1679.81
Retention Money	13.18	16.90	139.02	76.23
Statutory Dues	-	-	341.26	410.51
Deferred Income	220.62	164.27	21.84	23.54
Others	0.99	1.37	19.12	12.93
Total	234.79	182.54	2324.74	2246.29

Movement of contract liabilities is as under:

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
As at beginning of the year	43.27	31.41
Recognised as revenue from contracts with customers	(43.27)	(31.41)
Advance from customers received during the year	32.82	43.27
Balance at the close of the year	32.82	43.27

NOTE 15 : TRADE PAYABLES

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Outstanding dues of Micro and Small Enterprises (Refer Note 28 f)	72.72	58.26
Outstanding dues of Creditors other than Micro and Small Enterprises	2,684.73	2,716.06
Total	2,757.45	2,774.32
Of the above;		
- Acceptances	413.00	427.14
- Payable to Subsidiary Companies (net of receivables of ₹ 0.60 Crores, Previous year - ₹ 0.74) (Refer Note 28 d)	437.15	808.28

Trade Payables ageing schedule

(₹ Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.15	0.03	0.14	0.01	2.33
	(1.58)	-	-	-	(1.58)
(ii) Others	186.67	7.70	6.70	32.30	233.37
	(374.34)	(2.46)	(14.02)	(20.67)	(411.49)
(iii) Amounts not due					2521.75
	-	-	-	-	(2361.25)

Figures in brackets are in respect of Previous year

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Carried at Amortised Cost :				
Unclaimed dividends	-	-	2.76	1.74
Employee benefits	-	-	121.86	101.15
Liabilities for expenses	-	106.83	187.38	111.62
Others	-	-	493.99	180.95
Carried at Fair Value :				
Derivative Financial Liabilities (FVTOCI)	-	-	(0.53)	3.59
Derivative Financial Liabilities (FVTPL)	-	-	1.62	0.42
Total	-	106.83	807.08	399.47

NOTE 17 : REVENUE FROM OPERATIONS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Contracts with Customers:		
Sale of Goods (Refer note 28 e)	22395.20	18679.33
Sale of Services	26.44	20.87
Other Operating Revenues:		
Scrap Sales	138.89	121.91
Subsidy from State Government	17.70	167.40
Total	22578.23	18989.51

The Management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under IND AS 115 "Revenue from contracts with customers". Hence no separate disclosure of disaggregate revenues are reported. (Refer Note 28 e)

Reconciliation of revenue recognised with the contracted price is as follows: (₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Gross Sales (Contracted Price)	23345.01	19635.01
Reductions towards variable consideration (Product, Turnover and Prompt payment discount)	(446.24)	(399.53)
Claims preferred against obligation(Note 1(C-13) and 28(c(i)))	(320.54)	(245.97)
Revenue recognised	22578.23	18989.51

NOTE 18 : OTHER INCOME

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Income	101.59	99.08
Dividend Income from Non-Current Investment		
- From a Subsidiary	0.10	0.10
- Others	0.02	0.05
Government Grant :		
- Export Incentives	6.52	15.09
- Others	20.15	17.40
Net gain on sale of Investments classified as FVTPL	2.64	6.83
Net gain on fair value changes on financial assets classified as FVTPL	103.85	155.43
Miscellaneous Income	13.34	20.94
Total	248.21	314.92

Net gains (losses) on fair value changes (₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Equity Investments designated at FVTPL	2.04	2.57
Debt Mutual Fund Investments designated at FVTPL	101.81	152.86
Total Net gains (losses) on fair value changes	103.85	155.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 19 : COST OF MATERIALS CONSUMED

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock of Raw Materials	1714.53	1402.32
Purchases during the year	15135.43	13566.66
Closing Stock of Raw Materials	(1323.06)	(1714.53)
Total	15526.90	13254.45

NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Closing Stock:		
Finished Goods	1915.17	1561.12
Stock-in-Trade	51.33	36.32
Work-in-Progress	365.03	394.46
	2331.53	1991.90
Less: Opening Stock:		
Finished Goods	1561.12	785.78
Stock-in-Trade	36.32	36.15
Work-in-Progress	394.46	325.05
	1991.90	1146.98
Total	(339.63)	(844.92)

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Salaries and Wages	1274.22	1189.24
Contribution to provident and other funds	119.00	112.15
Staff welfare expenses	165.65	170.55
Total	1558.87	1471.94

NOTE 22 : FINANCE COSTS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest on Loans and Deposits	244.27	203.00
Interest on Debentures*	-	2.78
Interest on Deferred Payment Credit	0.41	0.50
Interest on Lease liabilities (Refer Note 2 (a 2))	48.70	36.29
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	4.36	3.98
Other Charges	0.32	0.46
Total	298.06	247.01

*Interest on Debenture capitalised during the year ₹0.90 Crores (Previous year ₹Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

NOTE 23 : OTHER EXPENSES

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Stores and Spares	414.54	386.20
Power and Fuel	1134.47	930.93
Processing Expenses	255.82	266.42
Rent (Refer Note 2 (a 2))	27.89	21.94
Rates and Taxes	15.41	14.18
Insurance	58.15	61.30
Printing and Stationery	10.05	9.36
Repairs and Renewals:		
Buildings	25.70	20.39
Plant and Machinery	159.08	152.33
Other Assets	91.48	82.38
Travelling and Conveyance	41.82	25.00
Communication Expenses	7.61	6.72
Vehicle Expenses	12.25	10.93
Auditors' Remuneration:		
As Auditors:		
Audit fee	0.89	0.79
Tax Audit fee	0.16	0.14
Other Services	0.12	0.06
Reimbursement of Expenses	0.13	0.06
	1.30	1.05
Cost Auditors Remuneration:		
Audit fee	0.08	0.08
Directors' Fees	0.14	0.13
Directors' Travelling Expenses	9.04	2.81
Advertisement	223.29	178.62
Warranty (Refer note 28c)	18.99	14.06
VAT absorbed by the company	-	0.02
Bad debts written off	-	0.21
Commission	1.35	1.75
Freight and Forwarding (Net)	714.14	693.45
Loss on Sale of Fixed Asset (Net)	7.65	2.20
Net Loss on Foreign Currency Transactions	26.87	46.23
Bank Charges	6.00	7.56
Provision for Impairment of Assets (other than Financial Assets)	-	7.10
Provision for Impairment of Financial Assets	-	0.30
Corporate Social Responsibility Expenditure (Refer Note 28m)	29.13	33.92
Miscellaneous Expenses	167.29	100.80
Total	3459.54	3078.37

NOTE 24 :

(₹ Crores)

Exceptional Items	Year Ended 31.03.2023	Year Ended 31.03.2022
Additional Income arising out of Arm's Length Pricing on Covered Transaction as per the Bilateral Advance Pricing Agreement (Refer Note)	80.33	-
Total	80.33	-

Consequent to the Bilateral Advance Pricing Agreement (BAPA) signed by the Company with the Central Board of Direct Taxes (CBDT) for the financial years 2015-16 to 2023-24, with respect to Arm's Length Price (ALP) of the transactions under the Income Tax Act, with MRF SG PTE LTD (MRF SG), the wholly owned subsidiary, the amount determined as payable by MRF SG to the Company is ₹80.33 Crores (net of interest on tax of ₹2.10 Crores), which has since been received by the company. The income tax impact on account of this refund has been disclosed as relating to earlier years.

NOTE 25 :

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Share Holder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(₹ Crores)

Particulars	31.03.2023	31.03.2022
Interest bearing Loans and Borrowings	1989.10	2008.38
Less: Cash and Short Term Deposits	(146.31)	(113.11)
Net Debt	1842.79	1895.27
Equity	4.24	4.24
Other Equity	14504.63	13773.03
Total Capital	14508.87	13777.27
Capital and Net Debt	16351.66	15672.54
Gearing Ratio %	11.27%	12.09%

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds, bonds, cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial instruments.

i) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risk :

The Company borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements.The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. The Company due to its AAA rated status commands one of the cheapest source of funding. Interest rate is fixed for the tenor of the Long term loans availed by the Company. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

The Company had issued floating interest rate Non convertible debenture linked to 6 month T-Bill rate, to meet the long term funding requirements.

If the interest rates had been 0.50% to 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2023 would have been decreased / increased by ₹10.66 Crores (Previous year ₹4.54 Crores).

b) Currency Risk :

Foreign currency risks from financial instruments at the end of the reporting period expressed in INR:

Unhedged Short Term Exposures: (₹ Crores)

	31.03.2023	31.03.2022
Financial Assets	199.27	253.61
Financial Liabilities	178.79	212.40

The company is mainly exposed to changes in US Dollar. The sensitivity to a 4% (Previous year 2%) increase or decrease in US Dollar against INR with all other variables held constant will be +/(-) ₹1.37 Crores (previous year ₹0.87 Crores).

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

Hedged Foreign Currency Exposures:

Foreign Exchange forward Contracts on External Commercial borrowings and certain highly probable forecast transactions, are measured at fair value through OCI on being designated as Cash Flow Hedges."

The Company also enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of expected purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The outstanding position and exposures are as under :

i) Foreign Currency forward contracts designated as Hedge Instruments:

	Currency	Amount		₹ Crores	Nature	Cross Currency
Currency/Interest Rate Swap	USD	-	Million	-	ECB Loan	
		(45.00)	Million	(288.59)		INR
Forward Contract	USD	101.68	Million	844.11	Import purchase	
		(135.18)	Million	(1042.38)		

Figures in brackets are in respect of Previous year

The terms of the foreign currency forward contracts match the terms of the transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

ii) Other Forward Contract Outstanding :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Forward Contract	USD	30.49	Million	252.84	Import purchase	INR
		(24.96)	Million	(190.91)		

Figures in brackets are in respect of Previous year

iii) The following table provides the reconciliation of cash flow hedge for the year ended 31st March, 2023:

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Balance at the beginning of the year	3.28	1.59
Gain / (Loss) recognized in other comprehensive income during the year net of tax	0.25	1.69
Balance at the end of the year	3.53	3.28

c) Price Risk :

The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like Natural Rubber, Synthetic Rubber and other Chemicals, the Company enters into purchase contracts on a short to medium Term and forward foreign exchange contracts are entered into to bring in stability of price fluctuations.

The Company's investments in Quoted and Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The company manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March 2023 the investments in debt mutual funds and bonds amounts to ₹3071 Crores (Previous year ₹3632.50 Crores). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹31 Crores (Previous year ₹36 Crores) on either side in the statement of profit and loss.

ii) Credit Risk

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Bonds, Debt Funds, Fixed Deposits, Others and Balances with Banks.

The Company's marketing policies are well structured and all replacement sales are predominantly through dealers and the outstanding are secured by dealer deposits. As regards sales to O.E., and other institutional sales, the Company carries out periodic credit checks and also limits the exposure by establishing maximum payment period for customers and by offering prompt payment discounts. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2023 is 0.02%(31st March, 2022 0.25%) of the total trade receivables.

There are no transactions with single customer which amounts to 10% or more of the Company's revenue.

The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The allowance for lifetime ECL on customer balances for the year ended 31 March, 2023 was ₹ 2.08 Crores and for the year ended 31 March, 2022 was ₹ 2.08 Crores.

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Balance at the beginning	2.08	2.45
Impairment loss recognised	-	0.30
Impairment loss reversed	-	0.67
Balance at the end	2.08	2.08

The Company holds cash and deposits with banks which are having highest safety rankings and hence has a low credit risk.

Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Company is of the opinion that its mutual fund investments have low credit risk.

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting rolling three months cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debt maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements.

Trade and other payables are plugged into the three months rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The details of the contractual maturities of significant financial liabilities as at 31st March, 2023 are as under:

(₹ Crores)

Particulars	**Refer Note**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Borrowings	Note 11 and 14	1153.50	452.22	299.99	88.67
		(1186.51)	(251.87)	(401.21)	(180.92)
Trade Payable	Note 15	2757.45	-	-	-
		(2774.32)	(-)	(-)	(-)
Other Financial Liabilities	Note 16	682.46	-	-	-
		(296.58)	(106.83)	(-)	(-)
Employee Benefit liabilities	Note 16	121.86	-	-	-
		(101.15)	(-)	(-)	(-)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Unclaimed dividends	Note 16	2.76	-	-	-
		(1.74)	(-)	(-)	(-)
Lease Liabilities		75.49	155.79	151.01	201.82
		(60.08)	(108.02)	(106.63)	(136.22)

Figures in brackets are in respect of Previous year

NOTE 26 :

A) Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ Crores)

Particulars	Hierarchy	Carrying Value/ Fair Value	
		As at 31.03.2023	As at 31.03.2022
Financial Assets			
- Investments	Level One	3084.04	3643.50
- Others financial assets	Level One	21.96	17.47
Financial Liabilities			
- Borrowings	Level Two	-	290.91
- Derivative Financial Liabilities (Net)	Level Two	1.09	4.01

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets and liabilities included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Debt Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date. Further, the Company had invested in Co-operative Societies and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at it transaction value considering it to be its fair value.

2. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The Interest Rate swaps, foreign exchange forward contracts are valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

NOTE 27 : Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Accounting Profit before Income Tax	1119.20	879.16
At statutory income tax rate of 25.168%	281.68	221.27
Short provision of tax for earlier assessment years	13.18	-
Effect of non-deductible expenses/other adjustments	9.15	11.59
Effect of deductions available under Income Tax Act	(1.04)	(1.04)
Total	302.97	231.82

NOTE 28: ADDITIONAL/EXPLANATORY INFORMATION

a. Disclosure required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and section 186(4) of the Companies Act, 2013:

1. Details of Investments made are given in Note 3
2. Amount of Loans and advances in the nature of loans outstanding from /to subsidiaries ₹ Nil (Previous year - ₹ Nil)
3. Loans to employees have been considered to be outside the purview of disclosure requirements.
4. Investment by Loanee in the shares of the Parent company - Nil (Previous year - Nil).

b. Lease Disclosure:

Maturity analysis of lease liabilities

(₹ Crores)

Maturity Analysis - Contractual undiscounted cash flows	31.03.2023	31.03.2022
Less than 1 year	127.17	100.80
1-5 years	467.96	369.82
More than 5 years	238.85	158.24
Total undiscounted lease liabilities as at 31st March, 2023	833.98	628.86

c. Movement in provisions as required by IND AS - 37 - "Provisions, Contingent Liabilities and Contingent Asset".

(₹ Crores)

	As at 31.03.2022	**Provided during the year**	**Used during the year**	**Reversed during the year**	**Unwinding discounts**	**As at 31.03.2023**
(i) Warranty	255.58	338.84	320.54	-	(3.46)	277.34
	(238.82)	(263.86)	(245.97)	-	(1.13)	(255.58)
(ii) Employee Benefits	68.74	30.80	-	-	-	99.54
	(102.16)	(12.58)	(46.00)	-	-	(68.74)
(iii) Litigation and related disputes	58.09	0.20	0.71	5.35	-	52.23
	(70.00)	(4.20)	-	(16.11)	-	(58.09)
(iv) Corporate Social Responsibility (CSR)	16.30	11.64	9.09	-	-	18.85
	-	(16.30)	-	-	-	(16.30)

Notes :

(i) Cash outflow towards warranty provision would generally occur during the next two years.

(ii) Provision for employee benefits includes gratuity, post retirement benefits and compensated absence.

(iii) Litigation and related disputes represents estimates mainly for probable claims arising out of litigation/disputes pending with authorities under various statutes (i.e. Service Tax, Excise and Customs Duty, Electricity/Fuel Surcharge, Cess). The probability and the timing of the outflow with regard to these matters will depend on the final outcome of the litigations/disputes.

(iv) Cash outflow towards CSR provision would generally occur during the next three years.

(v) Figures in brackets are in respect of Previous year.

d. Related party disclosures:

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

Subsidiary Companies :	i)	MRF Corp Ltd.
	ii)	MRF International Ltd.
	iii)	MRF Lanka (Private) Ltd.
	iv)	MRF SG PTE. LTD

(b) Names of related parties and nature of relationship with whom transactions have taken place:

Key Management Personnel (KMP) :	i)	Mr. K.M. Mammen, Chairman and Managing Director
	ii)	Mr. Arun Mammen, Vice Chairman and Managing Director
	iii)	Mr. Rahul Mammen Mappillai, Managing Director
	iv)	Mr. Samir Thariyan Mappillai, Whole-time Director
	v)	Mr. Varun Mammen, Whole-time Director
	vi)	Mr. S. Dhanvanth Kumar, Company Secretary
	vii)	Mr. Madhu P Nainan, Executive Vice President Finance
Close Members of the family of KMP :	i)	Mrs. Ambika Mammen, Director (Wife of Chairman and Managing Director)
	ii)	Dr. (Mrs) Cibi Mammen, Director (Wife of Vice Chairman and Managing Director)
	iii)	Mrs. Meera Mammen (Mother of Mr. Varun Mammen)
Companies in which Directors are interested :		Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd. Braga Industries LLP, Jcee Manufacturing & Services Pvt Ltd, Balanoor Plantations and Industries Limited, Funskool (India) Ltd., VPC Freight Forwarders Pvt. Ltd, The Malayala Manorama Co. Private Limited, Tarapore and Company, Tarapore Constructions Private Limited, The J.H Tarapore Foundation.
Other Related Parties		Mr.Jacob Kurian-Director, MRF Ltd. Executives Provident Fund Trust, MRF Management Staff Gratuity Scheme, MRF Employees Gratuity Scheme, MRF Managers' Superannuation Scheme, MRF Foundation. Mr. Philip Eapen, Mr. Mammen Eapen, Mr. Zachariah Kurian, Mr. George Mammen, Mr. Mammen A Mathew

(c) Transactions with related parties (excluding reimbursements) (₹ Crores)

	Nature of Transaction	Subsidiary Companies	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023
i)	Sale of Materials	3.95	-	-	0.90	0.15
		(0.01)	-	-	(5.00)	(0.55)
ii)	Purchase of Materials/Machinery	1971.55	-	-	249.78	-
		(2049.50)	-	-	(180.84)	-
iii)	Sale of Finished Goods	2.10	-	-	-	-
		(1.43)	-	-	-	-
iv)	Payment towards Service	-	-	-	16.24	-
		-	-	-	(17.82)	-
v)	Selling and Distribution Expenses	-	-	-	1.48	-
		-	-	-	(1.72)	-
vi)	Dividend Received	0.10	-	-	-	-
		(0.10)	-	-	-	-
vii)	Other Receipts	82.58	-	-	2.02	-
		(0.15)	-	-	(1.84)	-
viii)	Professional charges	-	-	-	-	0.49
		-	-	-	-	(0.17)
ix)	Contribution to Retirement Benefit fund /Others	-	-	-	-	60.91
		-	-	-	-	(94.87)
	Compensation*					
x)	Short term Employee benefit (including Commission payable to KMP)	-	93.86	2.63	-	1.52
		-	(82.96)	(2.40)	-	-
xi)	Sitting fees	-	-	0.02	-	-
		-	-	(0.02)	-	-

* Remuneration does not include provisions made for Gratuity and Leave benefits as they are determined on an actuarial basis for the Company as a whole.

	Nature of Transaction	Subsidiary Companies	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023	Year Ended 31 March 2023
	Outstanding as at Year End					
xii)	Investments	21.65	-	-	-	-
		(21.65)	-	-	-	-
xiii)	Trade Receivables	2.93	-	-	-	-
		(0.66)	-	-	-	-
xiv)	Other Receivables	0.60	-	-	1.78	0.04
		(0.74)	-	-	(26.55)	(0.04)
xv)	Trade Payables	437.75	-	-	29.34	-
		(809.02)	-	-	(16.44)	-
xvi)	Commission Payable	-	38.28	-	-	-
		-	(30.57)	-	-	-
xvii)	Contribution payable to Retirement Benefit fund/	-	-	-	-	40.61
	Others	-	-	-	-	(13.43)

Figures in brackets are in respect of Previous year

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e. Disclosures under IND AS 108 - "Operating Segment":

The Company is engaged interalia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber. These in the context of IND AS - 108 - 'Operating Segment' are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the IND AS. Non-reportable segments has not been disclosed as unallocated reconciling item in view of its materiality. In view of the above, operating segment disclosures for business/geographical segment are not applicable to the Company.

Entity wide disclosure required by IND AS 108 are as detailed below:

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(i) Products:		
Automobile Tyres	20665.22	17048.83
Automobile Tubes	1336.42	1233.43
Others	393.56	397.07
	22395.20	18679.33

(ii)	Revenue from Customers:		
	India	20529.08	16900.00
	Outside India	1866.12	1779.33
		22395.20	18679.33
(iii)	Non Current Assets:		
	India	15062.53	12749.13
	Outside India	0.06	0.06

(iv) There are no transactions with single customer which amounts to 10% or more of the Company's revenue.

f. Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under:

(₹ Crores)

	Particulars	31.03.2023	31.03.2022
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	72.72	58.26
(ii)	Interest accrued and due to suppliers on above amount, unpaid	0.19	0.18
(iii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	0.23	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.05	0.04
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	0.22
(vi)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	1.10	1.09

g. Disclosures as per IND AS - 19 - Employee Benefits

1) The contributions to MRF Limited Executives Provident Fund Trust is a defined benefit plan in terms of the definition mentioned in para 7 of IND AS -19 the accounting for which is to be done on an actuarial basis. The actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2023 and for the year ended 31st March 2022.

The details of fund and plan assets are given below :

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Fair value of plan assets	371.01	326.07
Present value of defined benefit obligations	355.94	317.59
Net excess/(Shortfall)	15.07	8.48

The plan assets have been primarily invested in Government securities, Corporate bonds and Exchange Traded Funds

The principal assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Projection is restricted to five years or earlier, if retirement occurs.

Expected guaranteed interest rate - 8.15%(Previous Year -8.10%)

Discount rate -7.50% (Previous Year - 7.30%)

2) During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

(₹ Crores)

Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
i)	Employer's contribution to Provident Fund and Family Pension Fund	68.02	63.34
ii)	Employer's contribution to Superannuation Fund	20.64	18.74
iii)	Leave Encashment - Unfunded	13.83	10.62
iv)	Defined benefit obligation:		
	a) Post Retirement Medical Benefit - Unfunded	0.24	0.23

b) The valuation results for the defined benefit gratuity plan as at 31-3-2023 are produced in the tables below:

i) Changes in the Present Value of Obligation

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Present Value of Obligation as at the beginning	450.87	434.13
Current Service Cost	24.24	23.21
Interest Expense or Cost	32.89	29.50
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(8.66)	(21.36)
- experience variance (i.e. Actual experience vs assumptions)	9.38	8.18
Past Service Cost	-	-
Benefits Paid	(24.25)	(22.79)
Present Value of Obligation as at the end	484.47	450.87

ii) Changes in the Fair Value of Plan Assets

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Fair Value of Plan Assets as at the beginning	438.67	388.28
Investment Income	32.00	26.38

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Employer's Contribution	-	46.00
Benefits Paid	(24.25)	(22.79)
Return on plan assets, excluding amount recognised in net interest expense	(1.29)	0.80
Fair Value of Plan Assets as at the end	445.13	438.67

iii) Expenses Recognised in the Income Statement

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Current Service Cost	24.24	23.21
Past Service Cost	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	0.89	3.12
Payable/(Recoverable) to/ from a subsidiary company	(0.74)	(0.64)
Expenses Recognised in the Income Statement	24.39	25.69

iv) Other Comprehensive Income

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(8.66)	(21.36)
- experience variance (i.e. Actual experience vs assumptions)	9.38	8.18
Return on plan assets, excluding amount recognised in net interest expense	1.29	(0.80)
Payable/(Recoverable) from a subsidiary company	0.14	(0.09)
Components of defined benefit costs recognised in other comprehensive income	2.15	(14.07)

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

Particulars	As at 31.03.2023	As at 31.03.2022
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

- The group gratuity Policy with LIC includes employees of MRF Corp Ltd., a Subsidiary Company.

vi) Actuarial Assumptions

a. Financial Assumptions

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

Particulars	As at 31.03.2023	As at 31.03.2022
Discount rate (per annum)	7.50%	7.30%
Salary growth rate (per annum)	5.50%	5.50%

b. Demographic Assumptions

Particulars	As at 31.03.2023	As at 31.03.2022
Mortality Rate % of IALM 2012-14 (% of IALM 2006-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ Crores)

Particulars	As at 31.03.2023	As at 31.03.2022
Defined Benefit Obligation (Base)	484.47	450.87

Particulars	31.03.2023		31.03.2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	530.74	444.60	495.50	412.48
(% change compared to base due to sensitivity)	9.60%	-8.20%	9.90%	-8.50%
Salary Growth Rate (- / + 1%)	443.48	531.27	411.48	495.92
(% change compared to base due to sensitivity)	-8.50%	9.70%	-8.70%	10.00%
Attrition Rate (- / + 50%)	481.65	487.04	448.63	452.90
(% change compared to base due to sensitivity)	-0.60%	0.50%	-0.50%	0.50%
Mortality Rate (- / + 10%)	483.67	485.27	450.12	451.61
(% change compared to base due to sensitivity)	-0.20%	0.20%	-0.20%	0.20%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to Section 6 above, where assumptions for prior period, if applicable, are given.

b. Asset Liability Matching Strategies
The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows
- Funding arrangements and Funding Policy

  The scheme is managed on funded basis.

(₹ Crores)

	31.03.2023	31.03.2022
- Expected Contribution during the next annual reporting period		
The Company's best estimate of Contribution during the next year	33.41	32.28

- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	9 years	10 years

(₹ Crores)

- Expected cash flows over the next (valued on undiscounted basis):	31.03.2023	31.03.2022
1 year	58.34	46.12
2 to 5 years	163.81	148.35
6 to 10 years	220.41	203.02
More than 10 years	682.50	645.96

v) Other Long Term Employee Benefits:

(₹ Crores)

Particulars	As at 31.03.2023	As at 31.03.2022
Present value of obligation as at:		
Leave Encashment	53.42	49.98
Post Retirement Medical Benefits	6.78	6.56

h. (i) Revenue expenditure on Research and Development activities during the year ended 31st March, 2023:

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
1) Salaries Wages and Other Benefits	47.87	43.19
2) Repairs, and Maintenance	15.43	15.63
3) Power	10.13	7.81
4) Travelling and Vehicle Running	4.03	2.48
5) Cost of Materials/Tyres used for Rallies / Test Purpose	16.23	11.36
6) Other Research and Development Expenses	16.23	15.15
	109.92	95.62

(ii) Capital Expenditure on Research and Development during the year, as certified by the management is ₹ 25.15 Crores (Previous year - ₹ 6.71 Crores).

This information complies with the terms of the Research and Development recognition granted upto 31st March, 2024 for the Company's in-house Research and Development activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their Letter No.TU/IV-RD/118/2021 dated 20th October, 2021.

i. Terms of Repayment and Security Description of Borrowings: (refer note 11)

a) Current Borrowings

i) Loans repayable on demand from banks are secured by hypothecation of Inventories and book debts, equivalent to the outstanding amount and carries interest rates at the rate of 4.00% to 7.90% (Previous year 3.8% to 6.85%).

Quarterly returns or statements of current assets filed by the Company with the banks in connection with the working capital limit sanctioned are in agreement with the books of accounts.

b) Non Current Borrowings

i) Indian Rupee Term Loan (Unsecured) from the HSBC Bank

a) Indian Rupee Term Loan of ₹ 150 Crores availed in February, 2019 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.49% (Previous year- 1.49%) payable monthly. The said Loan is repayable in one full installment in Febuary, 2024.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in July, 2021 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.33% payable monthly. The said Loan is repayable in three equal annual installment in July, 2025/ July 2026/July 2027.

ii) Indian Rupee Term Loan (Unsecured) from the HDFC Bank.

a) Indian Rupee Term Loan of ₹ 300 Crores availed in June, 2020 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 1.70% payable monthly. The said Loan is repayable in three equal annual installment in June, 2024/June 2025/June 2026.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in June, 2021 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 0.75% payable monthly. The said Loan is repayable in three equal annual installment in June, 2025/June 2026/June 2027.

iii) 15,000 [Floating Interest rate linked to 6 months T-Bill rate] Listed Unsecured rated redeemable Taxable Non-Convertible Debentures of ₹ 1,00,000/- each aggregating to ₹150 Crore issued on 24th February 2023, are to be redeemed on 24th February, 2026.

iv) Secured Loan of ₹80.92 Crores was availed under SIPCOT soft loan in March 2020, further, additional SIPCOT Loan (secured) of ₹7.75 Crores was availed in March 2023. Interest is payable quarterly at a rate of 0.10% (Previous year - 0.10%). These loans are secured by way of second charge on the Fixed Assets created at the company's plants at Perambalur, near Trichy,Tamil Nadu.These loans will be repaid in full in April 2033 and April 2036 respectively.

v) Deferred payment credit is repayable along with interest (at varying rates) in 240 consecutive monthly instalments ending in March 2026.

j. Inventories

Provision for obsolescence and Non-moving stocks for the year amounts to ₹0.01 Crores (Previous year - ₹16.70 Crores) net of reversal.The amount of write down of inventories to net realizable value recognised as an expenses was ₹4.31 crores(Previous year - ₹15.44 crores). The reversal of write-down is on account of offtake/usage and better price realization.The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹15637.04 Crores (Previous year - ₹12812.74 Crores).

k. Managerial Remuneration

During the current financial year ended 31st March 2023, the company has complied with the provisions of Sections 197 & 198 of the Companies Act, 2013 in respect of payment of remuneration to managerial personnel. Further, necessary approval is being sought from the shareholders of the Company in compliance with the provision of Regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of remuneration of Promoter Executive Directors of the Company.

l. The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.05 Crores (Previous year - ₹ 0.38 Crores).

m. Corporate Social Responsibility

As per Section 135 of the Companies Act,2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) Activities, which for the financial year ended 31st March 2023 amounts to ₹29.13 crores (Previous year ₹33.92 crores). A CSR Committee has been formed by the Company as per the Act. During the financial year ended 31st March 2023, the Company has incurred an amount of ₹17.49 Crores.

Amount spent during the year on:

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
1) Amount required to be spent by the company during the year	29.13	33.92
2) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	7.60	8.57
(ii) On Purposes other than (i) above	9.89	9.05
3) Shortfall at the end of the year	11.64	16.30
4) Total of previous years shortfall	-	-
5) Reason for shortfall	- *	-
6) Nature of CSR activities	- **	- **
7) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
- Contribution to MRF Foundation in relation to CSR expenditure	15.66	16.42

*The shortfall in CSR expenditure was on account of delay in implementation of projects and project duration extending beyond one financial year as per their original schedule of implementation. The shortfall is transfered to unspent CSR Bank account on 25th April, 2023 (Previous year 27th April, 2022). The amount spent, during the year, out of the shortfall at the end of the previous year is ₹ 9.09 Crores.

**Disaster Management including Relief, Promotion of Education, Environmental Sustainability, Livelihood enhancement, Vocational Skill development, Promoting Health care, Safe drinking water, Training for Sports, Sanitation and Hygiene, Rural Development projects.

n. Earnings Per Share (Basic and Diluted)

Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
Profit after taxation after Exceptional Item	₹ Crores	816.23	647.34
Profit after taxation before Exceptional Item	₹ Crores	735.90	647.34
Number of equity shares (Face Value ₹10/-)	Nos.	4241,143	4241,143
Earnings per share after Exceptional Item	₹	1924.56	1526.34
Earnings per share before Exceptional Item	₹	1735.15	1526.34

o. Events Occuring after the Balance Sheet date

The proposed final dividend for Financial Year 2022-23 amounting to ₹71.68 Crores will be recognised as distribution to owners during the financial year 2023-24 on its approval by Shareholders. The proposed final dividend amounts to ₹169/- per share.

p. Capital and Other Commitments

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 2185.02 Crores (Previous Year ₹3031.32 Crores)

(ii) Guarantees given by the Banks - ₹ 130.78 Crores (Previous Year - ₹ 43.84 Crores)

(iii) Letters of Credit issued by the Banks - ₹ 265.58 Crores (Previous Year - ₹ 182.45 Crores)

(iv) Commitments relating to Lease arrangements - Refer Note 28 (b)

(v) Derivative contract related commitments - Refer Note 25B(i)(b)

q. (i) Key Financial Ratios

Sl. No.	Description	Numerator	Denominator	2022-23	2021-22	Change in Percentage (%)	Reasons for Change if variation is more than 25%
1.	Current Ratio	Current Assets	Current Liabilities	1.22	1.45	(16)	
2.	Debt Equity Ratio	Long Term Debt	Shareholder's Equity	0.07	0.08	-	
3.	Debt Service Coverage Ratio	EBITDA	Interest Expense + Principal Repayments	4.71	4.83	(2)	
4.	Return on Equity (%)	PAT (After Exceptional item)	Average Shareholder's Equity	5.77%	4.80%	20	
5.	Inventory Turnover Ratio	Cost of Sales	Average Inventory	5.47	5.45	-	
6.	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	9.55	8.56	12	
7.	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.55	3.88	17	
8.	Net Capital Turnover Ratio	Net Sales	Working Capital	14.02	6.13	129	Increase in ratio is due to reduction in working capital for current year
9.	Net Profit Margin (%)	PAT (After Exceptional item)	Total Income	3.58%	3.35%	7	

SI. No.	Description	Numerator	Denominator	2022-23	2021-22	Change in Percentage (%)	Reasons for Change if variation is more than 25%
10.	Return on Capital Employed (%)	EBIT (Excl Other income and Exceptional item)	Capital Employed	6.54%	5.13%	28	Increase in percentage is due to increase in EBIT for current year
11.	Return on Investment	Income generated from Invested funds	Time weighted average of investments (includes Quoted Equity shares,Debt instruments-Bonds and Unquoted mutual funds)	5.99%	7.62%	(21)	

(ii) The company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year.

r. (i) Contingent Liabilities not provided for:

Claims not acknowledged as debts:

(a) Competition Commission of India (CCI) matter - Refer Note 1 below

(b) Disputed Sales Tax demands pending before the Appellate Authorities /High Court - ₹198.44 Crores (Previous Year- ₹ 196.00 Crores)

(c) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹377.84 Crores (Previous Year - ₹378.66 Crores)

(d) Disputed Income Tax Demands - ₹275.64 Crores (Previous Year - ₹159.87 Crores). Against the said demand the company has deposited an amount of ₹131.61 Crores (Previous Year ₹97.52 Crores)

(e) Disputed Goods and Service Tax demands pending before the Appellate Authorities - ₹0.56 Crores (Previous Year- ₹1.70 Crores)

(f) Contested EPF Demands pending before Appellate Tribunal- ₹1.10 Crores (Previous year ₹1.10 Crores)

Note 1 : The Competition Commission of India (CCI) had on 2nd February, 2022 released its order dated 31st August, 2018,imposing penalty on certain Tyre Manufacturers including the Company and also the Automotive Tyre Manufacturers' Association, concerning the breach of the provisions of the Competition Act, 2002, during the year 2011-12. A penalty of ₹622.09 Crores was imposed on the Company. The appeal filed by the Company has been disposed off by National Company Law Appellate Tribunal (NCLAT) in December 2022 by remanding the matter to CCI for review after hearing the parties. CCI has in February 2023 filed an appeal against the Order of NCLAT before the Hon'ble Supreme Court. Pending disposal of the same, the Company is of the view that no provision is considered necessary in respect of this matter in the Standalone Financial Statements.

s. Other Notes:

Particulars	Year Ended 31.03.2023 % of total Consumption	Year Ended 31.03.2023 Value ₹ Crores	Year Ended 31.03.2022 % of total Consumption	Year Ended 31.03.2022 Value ₹ Crores
1) Value of imported/indigenous raw material/ stores and spares consumed :				
Raw Materials				
Imported at landed cost	30.40	4720.46	29.92	3965.34
Indigenous	69.60	10806.44	70.08	9289.11
	100.00	15526.90	100.00	13254.45
Stores and Spares				
Imported at landed cost	7.07	29.32	8.86	34.21
Indigenous	92.93	385.22	91.14	351.99
	100.00	414.54	100.00	386.20

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
2) Details of Purchase of Traded Goods under broad heads:		
T and S Equipments	21.10	3.47
Sports Goods	11.18	10.61
Others	2.95	2.93
	35.23	17.01
3) CIF Value of Imports:		
a. Raw Materials	3836.70	4048.35
b. Components and Spare Parts	72.28	54.10
c. Capital Goods	1136.83	413.38
4) Earnings in Foreign Exchange:		
FOB Value of Exports	1646.96	1521.29
Freight and Insurance	33.94	43.75
Others	82.43	-

Note: FOB Value of Exports excludes export sales in Indian Rupee

(₹ Crores)

	Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
5)	Expenditure in Foreign Currency paid or payable by the Company:		
	a. Interest and Finance Charges	2.98	2.70
	b. Professional and Consultation Fees	15.32	12.30
	c. Travelling	2.79	1.20
	d. Advertisements	71.19	100.65
	e. Traded goods	2.79	0.86
	f. Insurance	5.50	4.39
	g. Product warranty claims	0.77	1.20
	h. Others	21.16	18.51

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N. KASHINATH
Partner
Mem. No. 036490
Chennai

Dated 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
Chennai

MADHU P NAINAN
Executive Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF LIMITED

1. Opinion

We have audited the accompanying Consolidated Financial Statements of **MRF Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year ended on that date and notes to financial statements, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2023, and its Consolidated profit (financial performance including Other Comprehensive Income), the Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) 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 Consolidated financial Statements* section of our report. We are independent of the Group 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 Consolidated 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 Consolidated Financial Statements.

3. Emphasis of Matter

We draw attention to Note 25 (j) (a) to the Consolidated Financial Statement which describe the following matter :

In terms of the Order dated 31st August 2018 the Competition Commission of India (CCI) has on 2nd February 2022 released its Order imposing penalty on the Holding Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹622.09 Crores on the Holding Company. The appeal filed by the Holding Company has been disposed of by the National Company Law Appellate Tribunal (NCLAT) in December 2022, by remanding the matter to CCI for review after hearing the parties. CCI has in February 2023 filed an appeal against the Order of NCLAT before the Hon'ble Supreme Court. Pending disposal of the same, the Company is of the view that no provision is considered necessary in respect of this matter in the Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.

4. Key Audit Matters

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

S. No.	Key Audit Matter	Our Response
1.	**Defined Benefit Obligation** The valuation of the retirement benefit schemes in the Group is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.
2.	**Warranty Provision** The Holding Company makes an estimated provision for assurance type warranties at the point of sale. This estimate is based on historical claims data.	We understood and tested the controls over the assumptions applied in arriving at the warranty provision, particularly vouching of relevant data elements with provision calculations; validation of formula used in the warranty spread sheet; management review control of the relevant internal and external factors impacting the provision.
3.	**Litigation, Claims and Contingent Liabilities** (Refer Note 25 (j), to be read along with Emphasis of matter in Independent Auditor's Report.) • The Group is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims. • Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter. • These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. • Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.	• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities. • We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'. • Examined the Holding Company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness. • With respect to tax matters, involving our tax specialists, and discussing with the Holding Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws. • Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. • For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the disclosures.

S. No.	Key Audit Matter	Our Response
4.	**Property, Plant & Equipment (Including Capex)** • Tracking and monitoring capex requires more attention to ensure reasonable accurateness and completeness of financial reporting in respect of Property, plant and equipment. • Further, technical complexities require management to assess and make estimates/ judgements about capitalization, estimated useful life, impairment etc. which has material impact on Balance sheet and operating results. • Refer note 1 to consolidated financial statements.	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows : • We assessed company's process regarding maintenance of records and accounting of transactions pertaining to property, plant and equipment including capital work in progress with reference to Indian Accounting Standard 16. • We have carried out substantive audit procedures at financial and assertion level to verify the capitalization of assets as Property, Plant & Equipment. • We have reviewed management judgement pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment in accordance with Schedule II of the Companies Act, 2013. • We have relied on physical verification conducted by management and management representations.

5. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility and Sustainability Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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.

6. Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

7. Auditor's Responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 and its subsidiary companies which are companies incorporated in India, 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 in the consolidated financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the

Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 Consolidated Financial Statements of the current year 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.

8. Other Matters

We did not audit the financial statements / financial information of certain subsidiaries whose financial statements / financial information reflect total assets of ₹345.66 Crores as at 31st March, 2023, total revenues of ₹434.73 Crores, total net profit/(Loss) after tax of ₹(47.27) Crores and net cash inflows of ₹24.52 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards 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 of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its subsidiary companies incorporated in India, has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

h) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 25 (j) to the Consolidated Financial Statements;

ii. The Group has long-term contracts including derivative contracts for which there were no material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been received by the Company and its subsidiary companies incorporated in India, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company and its subsidiary companies incorporated in India have complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year, interim dividends declared and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023; and

vii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor's Report) order, 2020 (the order/CARO) issued by the central government in terms of section 143 (11) of the act, to be included in the Auditor's Report, according to the information and explanation given to us, and based on CARO reports issued by us and the component auditor for the Holding company and its subsidiaries incorporated in India included in the consolidated financial statements of the company, to which the reporting under CARO is applicable. We report that there are no qualifications or adverse remarks in these CARO reports.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N KASHINATH
Partner
Mem. No. 036490
UDIN: 23036490BGXRXP9499
Place: Chennai
Date: 3rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
UDIN: 23026143BGZEEG3060
Place: Chennai
Date: 3rd May, 2023

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MRF LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Financial Statements of **MRF LIMITED** (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and internal financial controls were operating effectively as at 31 March 2023, based on the internal financial control with reference to Consolidated Financial Statement criteria established by the respective Companies 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 (ICAI).

1. MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the internal financial control reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

2. AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company and its subsidiary companies which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to Consolidated Financial Statements were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of a subsidiary company incorporated in India, in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiary companies which are incorporated in India.

3. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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.

4. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

5. OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to subsidiary companies, incorporated in India, is based on the report of the auditors.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N KASHINATH
Partner
Mem. No. 036490
UDIN: 23036490BGXRXP9499
Place: Chennai
Date: 3rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
UDIN: 23026143BGZEEG3060
Place: Chennai
Date: 3rd May, 2023

MRF LIMITED, CHENNAI

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ Crores)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a (1, 2))	10092.03	9500.59
Capital Work-in-Progress	2 (b)	3045.86	1233.07
Other Intangible Assets	2 (c)	25.94	21.23
Financial Assets:			
- Investments	3	1110.27	1135.02
- Loans	4	1.28	0.95
- Other financial assets	5	26.90	75.74
Non Current Tax Asset (Net)		263.24	241.77
Other non-current assets	6	560.21	587.72
Current Assets			
Inventories	7	4141.05	4129.67
Financial Assets:			
- Investments	3	1974.84	2521.44
- Trade Receivables	8	2503.27	2332.68
- Cash and Cash Equivalents	9	248.51	254.39
- Bank Balances other than Cash and Cash Equivalents	10	9.98	1.74
- Loans	4	2.97	3.18
- Other financial assets	5	104.86	757.91
Other Current Assets	6	258.20	262.64
TOTAL ASSETS		24369.41	23059.74
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	4.24	4.24
Other Equity	SOCE	14703.42	14027.51
Non Controlling Interest		0.16	0.15
Total Equity		14707.82	14031.90
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities:			
- Borrowings	11	823.58	817.21
- Lease Liability		508.62	350.87
- Other Financial Liabilities	16	-	106.83
Provisions	12	215.25	218.91
Deferred Tax Liabilities (Net)	13	384.63	395.49
Other non-current liabilities	14	234.19	181.80
Current Liabilities			
Financial Liabilities:			
- Borrowings	11	1605.92	2000.79
- Lease Liability		75.49	60.08
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	15	72.72	58.26
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	2363.05	1998.52
- Other Financial Liabilities	16	809.87	403.05
Other Current Liabilities	14	2331.07	2251.43
Provisions	12	233.53	180.78
Current Tax Liabilities (Net)		3.67	3.82
Total Liabilities		9661.59	9027.84
TOTAL EQUITY AND LIABILITIES		24369.41	23059.74
Significant Accounting Policies and key accounting estimates and Judgement	1		

Accompanying Notes are an integral part of these Financial Statements.

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

For M M NISSIM & CO LLP	For SASTRI & SHAH					
Chartered Accountants	Chartered Accountants					
Firm Reg. No. 107122W / W100672	Firm Reg. No. 003643S					
N. KASHINATH Partner Mem. No. 036490 Chennai	C R KUMAR Partner Mem. No. 026143 Chennai	MADHU P NAINAN Executive Vice President Finance	S DHANVANTH KUMAR Company Secretary Chennai	JACOB KURIAN Director DIN: 00860095	V SRIDHAR Director DIN: 00020276	K M MAMMEN Chairman & Managing Director DIN: 00020202

Dated 03rd May, 2023

MRF LIMITED, CHENNAI

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

	Note	Year ended 31.03.2023	Year ended 31.03.2022
INCOME			
Revenue from Operations	17	23008.50	19316.72
Other Income	18	252.67	316.99
TOTAL INCOME		23261.17	19633.71
EXPENSES			
Cost of materials consumed	19	15751.09	13419.57
Purchases of Stock-in-Trade		35.40	17.32
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(346.91)	(856.15)
Employee Benefits expense	21	1595.38	1501.95
Finance Costs	22	319.00	253.80
Depreciation and Amortisation expense	2 (a (1, 2)) and (c)	1253.05	1205.05
Other Expenses	23	3584.42	3184.24
TOTAL EXPENSES		22191.43	18725.78
PROFIT BEFORE TAX		1069.74	907.93
TAX EXPENSE			
Current Tax		306.15	228.38
Deferred Tax		(5.37)	10.31
TOTAL TAX EXPENSE		300.78	238.69
PROFIT FOR THE YEAR		768.96	669.24
NON-CONTROLLING INTEREST - ₹ 53,105 (Previous year - ₹ 53,631)		(0.01)	(0.01)
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans net of tax		(1.70)	10.46
Items that may be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		(8.52)	(2.16)
Fair value of cash flow hedges through other comprehensive income net of tax		0.25	1.69
Fair value of debt instruments through other comprehensive income net of tax		(19.46)	2.45
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		(29.43)	12.44
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		739.52	681.67
EARNINGS PER EQUITY SHARE	25 (b)		
Basic		1813.10	1577.97
Diluted		1813.10	1577.97
Significant Accounting Policies and key accounting estimates and Judgement	1		

Accompanying Notes are an integral part of these Financial Statements.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N. KASHINATH
Partner
Mem. No. 036490
Chennai

Dated 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
Chennai

MADHU P NAINAN
Executive Vice
President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

EQUITY SHARE CAPITAL	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Number	Number	Amount	Amount
Authorised Share Capital	9000000	9000000	9.00	9.00
Issued Share Capital (Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)	4241143	4241143	4.24	4.24
Subscribed Share Capital	4241143	4241143	4.24	4.24
Fully Paid-up Share Capital	4241143	4241143	4.24	4.24
Balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in Equity Share Capital during the reporting year:	-		-	-
Balance at the end of the reporting year	4241143	4241143	4.24	4.24

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividends 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

The Holding Company has declared two interim dividends aggregating to ₹ 2.54 Crores (Previous year ₹ 2.54 Crores) which has already been distributed during the Financial Year 2022-23.

Shares in the Company held by each shareholder holding more than five percent shares	As at 31.03.2023		As at 31.03.2022	
	No.	%	No.	%
Comprehensive Investment and Finance Company Private Limited	441834	10.42%	441834	10.42%
MOWI Foundation	507984	11.98%	507984	11.98%
SBI Mutual Fund (Through its various Funds)	212453	5.01%	158010	3.73%

(₹ Crores)

OTHER EQUITY	Reserves and Surplus						Other Comprehensive Income			TOTAL
	Securities Premium	Capital Reserve	General Reserve	Capital Redemption Reserve	Remeasurements of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	Foreign Currency Translation Reserve	
Balance at the beginning of the comparative reporting year - 1st April 2021	**9.42**	**0.05**	**13466.89**	**0.44**	**(72.14)**	**-**	**1.59**	**(6.74)**	**9.92**	**13409.43**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	9.42	0.05	13466.89	0.44	(72.14)	-	1.59	(6.74)	9.92	13409.43
Profit for the Comparative Year ending 31st March 2022	-	-	-	-	-	669.23	-		-	669.23
Other Comprehensive Income for the Comparative Year ending 31st March 2022	-	-	-	-	10.46	-	1.69	2.45	(2.16)	12.44
Total Comprehensive Income for the Comparative Year	**-**	**-**	**-**	**-**	**10.46**	**669.23**	**1.69**	**2.45**	**(2.16)**	**681.67**
Transactions with owners in their capacity as owners:										
- Interim Dividends (₹ 6 per share)	-	-	-	-	-	(2.54)	-	-	-	(2.54)
- Final Dividend and Special Dividend (₹144 per share)	-	-	-	-	-	(61.05)	-	-	-	(61.05)
Add/(Less) Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	605.64	-	-	(605.64)	-	-	-	-
Balance at the beginning of the reporting year	**9.42**	**0.05**	**14072.53**	**0.44**	**(61.68)**	**-**	**3.28**	**(4.29)**	**7.76**	**14027.51**
Balance at the end of the comparative reporting period B/F	**9.42**	**0.05**	**14072.53**	**0.44**	**(61.68)**	**-**	**3.28**	**(4.29)**	**7.76**	**14027.51**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2022	9.42	0.05	14072.53	0.44	(61.68)	-	3.28	(4.29)	7.76	14027.51
Profit for the Current Reporting Year ending 31st March 2023	-	-	-	-	-	768.95	-	-	-	768.95
Other Comprehensive (Loss) / Income	-	-	-	-	(1.70)	-	0.25	(19.46)	(8.52)	(29.43)
Total Comprehensive Income attributable to the Owners of the Company for the Reporting Year	**-**	**-**	**-**	**-**	**(1.70)**	**768.95**	**0.25**	**(19.46)**	**(8.52)**	**739.52**

(₹ Crores)

OTHER EQUITY (Contd.)	Reserves and Surplus						Other Comprehensive Income			TOTAL
	Securities Premium	Capital Reserve	General Reserve	Capital Redemp-tion Reserve	Remeasure-ments of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	Foreign Currency Translation Reserve	
Transactions with owners in their capacity as owners:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends & Dividend Distribution Tax;										
- Interim Dividends (₹ 6 per share)	-	-	-	-	-	(2.53)	-		-	(2.53)
- Final Dividend (₹144 per share)	-	-	-	-	-	(61.08)	-		-	(61.08)
Add/(Less) Adjustments during the year			-		-	-	-		-	-
Transfer to General Reserve	-	-	705.34	-	-	(705.34)	-		-	-
Balance at the end of the reporting year ending 31st March 2023	**9.42**	**0.05**	**14777.87**	**0.44**	**(63.38)**	**-**	**3.53**	**(23.75)**	**(0.76)**	**14703.42**

Nature and Purpose of each component of equity	Nature and Purpose
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
Capital Reserve	Capital reserve was created on purchase of shares by the parent company.
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss.
Capital Redemption Reserve	Capital Redemption Reserve represents statutory reserve created upon buyback of equity shares in the earlier years.
Retained Earnings	Retained earnings are the Profits that the group has earned till date, less any transfer to General reserve and Dividend.
Cash Flow Hedges	Gains / Losses on Effective portion of cashflow hedges are initially recognized in Other Comprehensive Income as per IND AS 109. These gains or losses are reclassified to the Statement of Profit or Loss when the forecasted transaction affects earnings,except for hedge transactions resulting in recognition of non financial assets which are included in the carrying amount of the asset ("Basis Adjustments")
Debt Instruments	The fair value change of the debt instruments measured at fair value through Other Comprehensive Income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
Foreign Currency Translation Reserve	Exchange differences relating to the transalation of the results and net assets of the groups foreign operations from their functional currencies to the Group's presentation currency, i.e, Indian Rupees.

This is the Consolidated Statement of Equity(SOCE) referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N. KASHINATH
Partner
Mem. No. 036490
Chennai

Dated 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

C R KUMAR
Partner
Mem. No. 026143
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President Finance

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Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

Disclosure of Shareholding of Promoters and Promoter Group

S. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
1	ACCAMMA KURUVILLA	2,328	0.05	(0.01)	2,338	0.06	(0.00)
2	ADARSH MAMMEN VERGHESE	2,000	0.05	-	2,000	0.05	-
3	ADITH POULOSE MAMMEN	1,185	0.03	(0.01)	1,635	0.04	-
4	ADITI MAMMEN GUPTA	4,744	0.11	-	4,744	0.11	-
5	AMBIKA MAMMEN	2,489	0.06	-	2,489	0.06	-
6	AMIT MATHEW	3,570	0.08	(0.03)	4,520	0.11	-
7	AMMU MATHEW	2,650	0.06	-	2,650	0.06	-
8	ANITA MANI	1,304	0.03	(0.00)	1,334	0.03	(0.00)
9	ANNA PHILIP	350	0.01	-	350	0.01	-
10	ANNA RAPHAEL	258	0.01	-	258	0.01	-
11	ANNA THOMAS CHACKO	1,291	0.03	-	1,291	0.03	-
12	ANNAMMA MAMMEN	3,755	0.09	(0.18)	11,265	0.27	-
13	ANNAMMA PHILIP	8,900	0.21	(0.01)	9,500	0.22	0.11
14	ANNU KURIEN	15,695	0.37	0.08	12,490	0.29	(0.01)
15	ARJUN JOSEPH	1,850	0.04	-	1,850	0.04	-
16	ARUN MAMMEN	27,560	0.65	-	27,560	0.65	-
17	ASHOK KURIYAN	1,878	0.04	-	1,878	0.04	-
18	ASHWATHI JACOB	151	0.00	-	151	0.00	-
19	ASWATHY VARGHESE	9,450	0.22	-	9,450	0.22	-
20	BADRA ESTATES AND INDUSTRIES LIMITED	6,530	0.15	-	6,530	0.15	-
21	BEEBI MAMMEN	20,237	0.48	-	20,237	0.48	-
22	BINA MATHEW	1,568	0.04	-	1,568	0.04	-
23	BRAGA INDUSTRIES LLP	29,457	0.69	-	29,457	0.69	0.11
24	CHALAKUZHY POULOSE MAMMEN	530	0.01	-	530	0.01	-
25	CIBI MAMMEN	500	0.01	-	500	0.01	-
26	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LTD.	441,834	10.42	-	441,834	10.42	0.03
27	DEVON MACHINES PVT LTD	1,000	0.02	-	1,000	0.02	-
28	ELIZABETH JACOB MATTHAI	4,000	0.09	-	4,000	0.09	-
29	GEETHA ZACHARIAH	6,113	0.14	-	6,113	0.14	-
30	GEETHA MAMMEN MAPPILLAI	250	0.01	-	250	0.01	-
31	GEORGE MAMMEN	808	0.02	-	808	0.02	-
32	HANNAH KURIAN	600	0.01	-	600	0.01	-
33	HARSHA MATHEW	2,000	0.05	0.02	1,250	0.03	-
34	JACOB MAMMEN	35,120	0.83	-	35,120	0.83	-
35	JACOB MATHEW	20,027	0.47	(0.02)	20,977	0.49	-
36	JAYANT MAMMEN MATHEW	2,190	0.05	-	2,190	0.05	-

S. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
37	JCEE MANUFACTURING AND SERVICES PVT LTD	13,415	0.32	0.03	12,415	0.29	0.03
38	JOSEPH KANIANTHRA PHILIPS	1,000	0.02	-	1,000	0.02	-
39	K C MAMMEN	9,043	0.21	-	9,043	0.21	-
40	K K MAMMEN MAPPILLAI	7,399	0.17	-	7,399	0.17	-
41	K M MAMMEN	16,048	0.38	-	16,048	0.38	-
42	K S JOSEPH	483	0.01	-	483	0.01	-
43	K Z KURIYAN	650	0.02	-	650	0.02	-
44	KARUN PHILIP	4,000	0.09	-	4,000	0.09	-
45	KAVITA PHILIP	-	-	-	-	-	(0.12)
46	KAVYA VERGHESE	2,000	0.05	-	2,000	0.05	-
47	KIRAN JOSEPH	1,850	0.04	-	1,850	0.04	-
48	KIRAN KURIYAN	403	0.01	-	403	0.01	-
49	KMMMF PVT. TRUST	37,387	0.88	0.01	36,987	0.87	-
50	LATHA MATTHEW	5,723	0.13	-	5,723	0.13	-
51	M A MATHEW	6,595	0.16	-	6,595	0.16	-
52	M M HOUSING PRIVATE LIMITED	179	0.00	-	179	0.00	-
53	M.M.PUBLICATIONS LIMITED	300	0.01	-	300	0.01	-
54	MALINI MATHEW	2,000	0.04	0.00	1,800	0.04	-
55	MAMMEN EAPEN	4,128	0.10	-	4,128	0.10	-
56	MAMMEN MAPPILLAI INVESTMENTS LTD	1,209	0.03	-	1,209	0.03	-
57	MAMMEN MATHEW	11,015	0.26	-	11,015	0.26	-
58	MAMMEN PHILIP	8,480	0.20	0.01	7,880	0.19	(0.02)
59	MAMY PHILIP	6,922	0.16	(0.01)	7,350	0.17	-
60	MARIA MAMMEN	84	0.00	-	84	0.00	-
61	MARIAM MAMMEN MATHEW	100	0.00	-	100	0.00	-
62	MARIEN MATHEW	160	0.00	-	160	0.00	-
63	MARIKA MAMMEN APPIAH	100	0.00	-	100	0.00	-
64	MARY KURIEN	14,594	0.34	0.08	10,839	0.26	-
65	MEERA NINAN	6,167	0.15	-	6,167	0.15	-
66	MEERA PHILIP	23,441	0.55	(0.24)	33,627	0.79	-
67	MEERA MAMMEN	15,840	0.37	-	15,840	0.37	-
68	MICAH MAMMEN PARAMBI	100	0.00	-	100	0.00	-
69	NISHA SARAH MATTHEW	164	0.00	-	164	0.00	-
70	NITHYA SUSAN MATTHEW	169	0.00	-	169	0.00	-
71	OMANA MAMMEN	4,703	0.11	-	4,703	0.11	-
72	PENINSULAR INVESTMENTS PRIVATE LIMITED	124,367	2.93	-	124,367	2.93	-
73	PETER K PHILIPS	240	0.01	(0.05)	2,341	0.06	-
74	PETER PHILIP	12,538	0.30	0.24	2,352	0.06	-

S. No.	Name	As at 31st March, 2023		% Change during the year as compared to 31st March, 2022	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021
		No. of Shares	% of total shares		No. of Shares	% of total shares	
75	PHILIP MATHEW	11,762	0.28	-	11,762	0.28	-
76	PREMA MAMMEN MATHEW	10,881	0.26	-	10,881	0.26	-
77	PREMINDA JACOB	98	0.00	-	98	0.00	-
78	RACHEL KATTUKARAN	16,647	0.39	(0.02)	17,247	0.41	-
79	RADHIKA MARIA MAMMEN	600	0.01	-	600	0.01	-
80	RAHUL MAMMEN MAPPILLAI	4,538	0.11	-	4,538	0.11	-
81	RAMANI JOSEPH	2,509	0.06	-	2,509	0.06	-
82	RANJEET JACOB	28	0.00	-	28	0.00	0.00
83	REENU ZACHARIAH	517	0.01	-	517	0.01	-
84	RIYAD MATHEW	4,520	0.11	-	4,520	0.11	-
85	ROHAN MATHEW MAMMEN	1,635	0.04	-	1,635	0.04	-
86	ROSHIN VARGHESE	6,679	0.16	-	6,679	0.16	-
87	ROY MAMMEN	12,439	0.29	(0.01)	12,894	0.30	-
88	SAMIR THARIYAN MAPPILLAI	4,470	0.11	-	4,470	0.11	-
89	SARA KURIYAN	1,880	0.04	-	1,880	0.04	-
90	SARAH CHERIAN TRUST	4,950	0.12	-	4,950	0.12	-
91	SARAH THOMAS	12,433	0.29	(0.01)	12,608	0.30	(0.00)
92	SARASU JACOB	13,984	0.33	(0.00)	14,114	0.33	(0.00)
93	SHANTA MAMMEN	4,938	0.12	-	4,938	0.12	-
94	SHILPA MAMMEN	4,412	0.10	-	4,412	0.10	-
95	SHIRIN MAMMEN	1,450	0.03	-	1,450	0.03	-
96	SHONA BHOJNAGARWALA	50	0.00	-	50	0.00	-
97	SHREYA JOSEPH	5,120	0.12	-	5,120	0.12	-
98	SOMA PHILIPS	-	-	-	-	-	(0.05)
99	STABLE INVESTMENTS AND FINANCE COMPANY LTD.	3,964	0.09	-	3,964	0.09	-
100	SUSAN ABRAHAM	68	0.00	-	68	0.00	-
101	SUSAN KURIAN	9,137	0.22	-	9,137	0.22	-
102	SUSY THOMAS	5,278	0.12	-	5,278	0.12	-
103	TARA JOSEPH	3,150	0.07	-	3,150	0.07	-
104	THANGAM MAMMEN	5,981	0.14	-	5,981	0.14	-
105	THE MALAYALA MANORAMA COMPANY LIMITED	6,109	0.14	-	6,109	0.14	-
106	USHA EAPEN GEORGE	1,210	0.03	(0.00)	1,220	0.03	-
107	VARUN MAMMEN	8,706	0.21	-	8,706	0.21	-
108	VIKRAM KURUVILLA	109	0.00	-	109	0.00	-
109	ZACHARIAH KURIYAN	3,411	0.08	-	3,411	0.08	-
Total		**1,180,831**			**1,185,320**		

Note : Figures in brackets represents reduction in percentage change as compared to previous period.

MRF LIMITED, CHENNAI

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ Crores)

	Year ended 31.03.2023		Year ended 31.03.2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		1069.74		907.93
Adjustment for :				
Depreciation	1253.05		1205.05	
Unrealised Exchange (Gain) / Loss	(1.75)		(0.32)	
Provision for Impairment of Assets (other than Financial Assets)	-		7.10	
Impairment of Financial Assets	0.36		0.42	
Finance Cost	319.00		253.80	
Government Grant Accrued	(1.35)		(0.99)	
Interest Income	(105.83)		(100.49)	
Dividend Income	(0.03)		(0.06)	
Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment	7.51		2.20	
Fair Value changes in Investments	(105.31)		(155.49)	
Fair Value changes in Financial Instruments	13.34		32.23	
Loss / (Gain) on Sale of Investments	(1.19)		(7.38)	
Bad debts written off	-	1377.80	0.21	1236.28
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		2447.54		2144.21
Trade receivables	(171.56)		(187.60)	
Other receivables	49.82		(102.97)	
Inventories - Finished Goods	(365.72)		(785.57)	
Inventories - Raw materials and Others	354.34		(405.29)	
Trade Payable				
- Supplier Finance	-		(983.40)	
- Import acceptance and Others	379.72		(266.45)	
Provisions	39.83		2.38	
Other liabilities	349.27	635.70	220.14	(2,508.76)
CASH GENERATED FROM OPERATIONS		3083.24		(364.55)
Direct Taxes paid		(327.77)		(213.46)
NET CASH FROM OPERATING ACTIVITIES		2755.47		(578.01)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

(₹ Crores)

		Year ended 31.03.2023		Year ended 31.03.2022	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(3291.24)		(1707.01)	
Proceeds from sale of Property, Plant and Equipment		1.18		2.37	
Purchase of Investments		(135.99)		(649.97)	
Proceeds from sale of Investments		787.19		3033.02	
Fixed Deposits Others - Proceeds / (Placed)		600.00		(600.00)	
Fixed Deposits with Banks - Proceeds / (Placed)		-		(0.41)	
Loans (Financial assets) repaid / (given)		(0.72)		1.19	
Interest Income		116.08		88.38	
Dividend income		0.03		0.06	
NET CASH USED IN INVESTING ACTIVITIES			(1923.47)		167.63
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayments) / Proceeds from Working Capital Facilities (Net)		(254.53)		785.94	
Proceeds from Term Loans		-		299.99	
Proceeds from SIPCOT Loan		7.76		-	
Repayments of Term Loans		(288.59)		(86.00)	
(Repayments) / Proceeds of Debentures		150.00		(180.00)	
Government Grant Accrued		1.35		0.99	
Deferred payment Credit		(0.78)		(0.68)	
Payment of Lease Liability		(121.30)		(96.78)	
Interest paid		(269.83)		(236.10)	
Dividend		(63.62)		(63.62)	
NET CASH FROM FINANCING ACTIVITIES			(839.54)		423.74
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			(7.54)		13.36
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	Refer Note 9		254.39		239.93
Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents			1.66		1.10
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Refer Note 9		248.51		254.39

Notes to Consolidated Cash Flow Statement:

1. The above Consolidated Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities (Refer Note. 11)

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

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S

N. KASHINATH
Partner
Mem. No. 036490
Chennai

C R KUMAR
Partner
Mem. No. 026143
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MADHU P NAINAN
Executive Vice
President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

Dated 03rd May, 2023

NOTE 1 – BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

A) General Information:

The Consolidated Financial Statements comprise Financial Statements of MRF Limited (the Holding Company) and its Subsidiaries (collectively, the Group) for the year ended 31st March 2023.

The Group, except for MRF Corp Ltd., a subsidiary company, is engaged interalia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber and dealing in rubber. MRF Corp Ltd., is engaged in the manufacture of specialty coatings.

B) Principles of Consolidation:

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on 31st March 2023:

Name	Country of incorporation	Proportion of ownership interest	Financial Statement as on	Accounting Period covered for consolidation
MRF Corp Ltd.	India	100%	March 31, 2023	1st April 2022 – 31st March 2023
MRF International Ltd.	India	94.66%	March 31, 2023	1st April 2022 – 31st March 2023
MRF Lanka Pvt. Ltd.	Sri Lanka	100%	March 31, 2023	1st April 2022 – 31st March 2023
MRF SG PTE LTD.	Singapore	100%	March 31, 2023	1st April 2022 – 31st March 2023

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31st March 2023. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Holding Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Holding Company's voting rights and potential voting rights
- The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Holding Company obtains control over the Subsidiary and ceases when the Holding Company loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the Subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiaries to bring their accounting policies in line with the Holding Company's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Holding Company loses control over a Subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the Subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Holding Company had directly disposed of the related assets or liabilities

C) <u>Basis of preparation of Financial Statements</u>

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented.

i. <u>Statement of Compliance</u>

The Consolidated 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. <u>Basis of preparation and presentation</u>

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act, 2013, except for the following items that have been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (Refer Note 1 (D 20)) and

b) Any other item as specifically stated in the accounting policy.

The Consolidated Financial Statement are presented in INR and **all values are rounded off to Rupees Crores** unless otherwise stated.

The group reclassifies comparative amounts, unless impracticable and whenever the group changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Consolidated Financial Statements of the Group for the year ended 31st March, 2023 were authorised for issue in accordance with a resolution of the directors on 3rd May, 2023.

iii. Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in para (D) 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:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets 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. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. (Refer Note 1 (D 1))

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset. (Refer Note 1 (D 4))

Impairment of Financial Assets:

The Group 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 months 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. (Refer Note 1 (D 21(a)))

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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. (Refer Note 1 (D 20))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 1 (D 17))

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. (Refer Note 1 (D 6))

Allowance for credit losses on receivables:

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

D) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Group has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. Cost includes purchase price after deducting trade discount /

rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (Refer Note D15) and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amounts of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

Description of the Asset	**Estimated Useful life (On Single shift working)**
Tangible (Owned Assets) :	
Building – Factory – Other than factory buildings	30 Years 60 Years
Plant and Equipment	5-21 Years
Moulds	6 Years
Furniture and Fixtures	5 Years
Computer Servers	5 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils	10 Years
Renewable Energy Saving Device – Windmills	22 Years
Vehicles	5 Years
Aircraft	10 and 20 Years
Right of Use Assets (Leased Assets) :	
- Buildings-Other than factory buildings	1-21 Years
- Vehicles	2 Years
- Land – Leasehold	Primary period of lease
Intangible (Owned Assets):	
Software	5 Years

Depreciation on the Property, Plant and Equipment, is provided over the useful life of assets based on management estimates which is generally in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets except Renewable Energy Saving Devices is provided on straight line basis whereas depreciation on renewable energy saving devices is provided on reducing balance basis. Plant and Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering 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.

Depreciation on property, plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further, the Group has identified and determined separate useful life for each major component of Property, Plant and Equipment, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013.

In respect of Property, Plant & Equipment of MRF Lanka Pvt. Ltd. and MRF SG PTE Ltd. depreciation is provided on straight line method based on management estimate of useful life of assets based on internal technical evaluation, except for certain Property, Plant and Equipment namely Building, Plant and Machinery, Moulds and Equipments of MRF Lanka Pvt Ltd, which are depreciated on Written Down Value method. The proportion of depreciation of the Subsidiaries to the total depreciation of the group is not material.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated statement of profit and loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

The group undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The group recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Intangible Assets under Development till the time they are available for use in the manner intended at which moment they are treated as Intangible Assets and amortised over their estimated useful life.

3) Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the "Held for Sale" criteria.

4) Impairment of tangible (PPE) and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Consolidated statement of profit and loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Consolidated statement of profit and loss.

5) Inventories:

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost. The cost is computed on FIFO basis except for stores and spares which are on daily moving Weighted Average Cost basis and is net of input tax credits under various tax laws.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognized.

6) Leases:

The Group has applied Ind AS 116 using the modified retrospective approach.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

<u>The Group as a lessor</u>

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

7) <u>Government Grants:</u>

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset or by deducting the grant in arriving at the carrying amount of the assets. Where the assets have been fully depreciated with no future related cost, the grant is recognised in profit or loss.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistance received subsequent to the date of transition.

8) <u>Provisions, Contingent Liabilities and Contingent Assets:</u>

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 Group 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. Unavoidable cost are determined based on cost that are directly attributable to having and executing the contracts.

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.

Provisions for warranty-related costs are recognized when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

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

9) <u>Foreign Currency Transactions:</u>

The Financial Statements of Group 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.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at the exchange rate prevailing on the date of transactions. For practical reasons, the group uses an average rate to translate income and expense items, if they average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on the translation for consolidation are recognised in consolidated statement of OCI. On disposal of foreign operation, the relevant component of OCI is reclassified to consolidated statement of profit and loss.

10) <u>Share Capital and Securities Premium:</u>

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 securities premium.

11) <u>Dividend Distribution to Equity Shareholders:</u>

The Group 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 group. 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.

12) <u>Cash Flows and Cash and Cash Equivalents:</u>

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. 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.

13) **Revenue Recognition:**

The Group derives revenues primarily from sale of goods comprising of Automobile Tyres, Tubes, Flaps, Tread Rubber, Speciality Coatings and dealing in rubber.

The following is a summary of significant accounting policies related to revenue recognition:

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of turnover/product/prompt payment discounts and schemes offered by the Group as part of the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Holding Company provides warranties for general repairs and does not provide extended warranties or maintenance services in its contracts with customers and are assurance type warranties. Claims preferred during the year against such obligations are netted off from revenue, consistent with its current practice. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

Use of significant judgments in revenue recognition:

- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

14) **Other Income:**

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.

15) **Borrowing Costs**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition / construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The capitalisation of borrowing costs commences when the group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

16) **Employee Benefits:**

a) **Short term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) **Long Term Employee Benefits:**

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated statement of profit and loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) **Post Employment Benefits:**

The Group provides the following post employment benefits:

i) Defined benefit plans such as gratuity, trust managed Provident Fund and post-retirement medical benefit (PRMB); and

ii) Defined contributions plans such as provident fund, pension fund and superannuation fund.

d) **Defined Benefits Plans:**

The cost of providing benefits on account of gratuity and post retirement medical benefits / obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated statement of profit and loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognized in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Consolidated statement of profit and loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognized in the Consolidated statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

Eligible employees of the Group receive benefits from a provident fund trust which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Group contributes a part of the contribution to the provident fund trusts. The trusts invests in specific designated instruments as permitted by Indian Law. The remaining portion is contributed to the Government Administered Pension Fund. The rate at which the annual interest is payable to the beneficiaries by the trusts is administered by the Government. The Group has obligation to make good the shortfall, if any, between the return from investments of the Trusts and the notified interest rate. However, as at the year end no shortfall remains unprovided for.

e) <u>Defined Contribution Plans</u>

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognized as an expense when employees have rendered the service entitling them to the contribution.

17) <u>Taxes on Income:</u>

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

a) <u>Current Tax:</u>

Current tax includes provision for Income Tax computed under normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis of 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) <u>Deferred Tax:</u>

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 Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

The deferred tax assets (Net) and deferred tax liabilities (Net) are determined separately for the parent and each subsidiary Group, as per their applicable laws and then aggregated.

18) <u>Earnings per Share:</u>

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

19) <u>Current versus non-current classification:</u>

The Group 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.**

20) <u>Fair value measurement:</u>

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 Group 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 on 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 Group 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

21) 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 Group 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 Group.

Financial assets other than investment in Subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in Subsidiaries, investment in units of Mutual Funds, loans/advances to employee / related parties / others, security deposit, claims recoverable etc.

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. However, Trade receivables that do not contain a significant financing component are measured at Transaction Price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Consolidated statement of profit and 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 Consolidated statement of profit and loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy 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 – Debt Instruments
- 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 consolidated statement of profit and loss. The losses arising from impairment are recognized in the consolidated statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are mandatorily 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 relating to financial assets measured at FVTOCI are recognized in the other comprehensive income (OCI). However, the Group 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 Consolidated statement of profit and loss.

Derecognition

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Group 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 Group 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 Group 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 Group 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 Group assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Group 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 consolidated statement of profit and loss.

b) Financial Liabilities

The Group’s financial liabilities includes borrowings, 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 consolidated 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 consolidated 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and 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 consolidated 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. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as "Basis Adjustment").

E) The Ministry of Corporate Affairs (MCA) vide notification dated 24th March 2021, has amended Schedule III to the Companies Act, 2013 to enhance the disclosure requirements in financial statements. The financial statements have been prepared after incorporating the amendments to the extent they are applicable.

F) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 31st March 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after 1st April, 2023.

a) **IND AS 1 – Presentation of Financial Statements –** This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies.

The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

b) **IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors -** This amendment has changed the definition of a "change in accounting estimates" to a definition of "accounting estimates". The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

c) **IND AS 12 – Income Taxes -** This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

NOTE 2 (a) : PROPERTY, PLANT AND EQUIPMENT

(₹ Crores)

Property, plant and equipment	As at 31.03.2023	As at 31.03.2022
Owned Assets	9482.05	9054.62
Leased Assets	609.98	445.97
Total	10092.03	9500.59

NOTE 2 (b) : CAPITAL WORK-IN-PROGRESS (CWIP)	3045.86	1233.07

CWIP Ageing Schedule

(₹ Crores)

CWIP	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	2493.37	306.07	116.46	127.14	3043.04
	(839.63)	(200.45)	(164.84)	(25.18)	(1230.10)
Projects temporarily suspended	0.11	-	0.07	2.64	2.82
	-	-	(0.75)	(2.22)	(2.97)

Figures in brackets are in respect of previous year

(₹ Crores)

NOTE 2 (a 1) : Owned Assets												NOTE 2 (c) INTANGIBLES
Particulars	**Land Freehold**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Air Craft**	**Office equipment**	**Computers**	**Moulds**	**Other Assets**	**Total**	**Computer Software**
GROSS BLOCK												
Carrying Value as at 31 March 2021	**579.49**	**3053.99**	**8421.08**	**33.55**	**53.93**	**83.98**	**40.52**	**53.97**	**706.24**	**446.06**	**13472.81**	**61.32**
Additions	0.87	145.66	832.17	3.97	10.04	-	3.85	6.93	124.44	45.93	1173.86	6.73
Disposals	-	(2.57)	(39.62)	(0.72)	(2.20)	-	(1.15)	(4.17)	(4.77)	(2.62)	(57.82)	(9.25)
Carrying Value as at 31 March 2022	**580.36**	**3197.08**	**9213.63**	**36.80**	**61.77**	**83.98**	**43.22**	**56.73**	**825.91**	**489.37**	**14588.85**	**58.80**
Additions	2.70	385.39	964.13	3.89	11.58	-	5.57	15.38	158.81	41.69	1589.14	13.46
Disposals	-	(0.02)	(73.06)	(1.60)	(3.28)	-	(3.24)	(5.29)	(56.95)	(4.25)	(147.69)	(0.60)
Carrying Value as at 31 March 2023	**583.06**	**3582.45**	**10104.70**	**39.09**	**70.07**	**83.98**	**45.55**	**66.82**	**927.77**	**526.81**	**16030.30**	**71.66**
DEPRECIATION BLOCK												
Accumulated depreciation/ Amortisation as at 31 March 2021	**-**	**359.94**	**3394.18**	**18.47**	**25.90**	**16.23**	**25.75**	**35.19**	**365.92**	**224.19**	**4465.77**	**36.99**
Depreciation / Amortisation for the year	-	101.10	830.41	5.11	6.99	5.92	6.11	9.68	105.86	50.52	1121.71	9.83
Disposals	-	(0.70)	(37.62)	(0.65)	(1.84)	-	(1.12)	(4.16)	(4.77)	(2.38)	(53.24)	(9.25)
Accumulated depreciation / Amortisation as at 31 March 2022	**-**	**460.34**	**4186.97**	**22.93**	**31.05**	**22.15**	**30.74**	**40.71**	**467.01**	**272.33**	**5534.23**	**37.57**
Depreciation / Amortisation for the year	-	108.08	847.73	5.23	7.71	5.91	5.80	9.80	113.29	49.47	1153.02	8.73
Disposals	-	(0.01)	(70.83)	(1.52)	(3.04)	-	(3.24)	(5.29)	(51.09)	(3.98)	(139.00)	(0.58)
Accumulated depreciation / Amortisation as at 31 March 2023	**-**	**568.41**	**4963.87**	**26.64**	**35.72**	**28.06**	**33.30**	**45.22**	**529.21**	**317.82**	**6548.25**	**45.72**
NET BLOCK												
As at 31 March 2022	**580.36**	**2736.74**	**5026.66**	**13.87**	**30.72**	**61.83**	**12.48**	**16.02**	**358.90**	**217.04**	**9054.62**	**21.23**
As at 31 March 2023	**583.06**	**3014.04**	**5140.83**	**12.45**	**34.35**	**55.92**	**12.25**	**21.60**	**398.56**	**208.99**	**9482.05**	**25.94**

Note:

1. Freehold land includes agricultural land - ₹0.12 Crores (31st March, 2022 - ₹0.12 Crores).
2. Other assets represents Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils.
3. The amount of Borrowing Cost capitalised during the year ended 31st March, 2023 - ₹ 6.38 Crores (31st March, 2022 - ₹1.85 Crores.)
4. Capital expenditure on Research and Development during the year - ₹25.15 Crores (31st March, 2022 ₹6.71 Crores)
5. Title deeds of Freehold Land are held in the name of the Company. Title deeds in respect of Buildings which are constructed on company's Freehold Land is based on documents constituting evidence of legal ownership of the Buildings.

NOTE 2 (a 2): Leased Assets

(₹ Crores)

Particulars	Land	Buildings	Vehicles	Total
GROSS BLOCK				
Carrying Value as at 31 March 2021	**97.84**	**421.66**	**24.93**	**544.43**
Additions	-	123.03	9.14	132.17
Disposals	-	(36.84)	-	(36.84)
Carrying Value as at 31 March 2022	**97.84**	**507.85**	**34.07**	**639.76**
Additions	3.11	250.69	26.12	279.92
Disposals	-	(48.73)	-	(48.73)
Carrying Value as at 31 March 2023	**100.95**	**709.81**	**60.19**	**870.95**
DEPRECIATION BLOCK				
Accumulated depreciation/Amortisation as at 31 March 2021	**4.46**	**110.93**	**19.66**	**135.05**
Depreciation / Amortisation for the year	1.06	63.03	9.43	73.52
Disposals	-	(14.78)	-	(14.78)
Accumulated depreciation / Amortisation as at 31 March 2022	**5.52**	**159.18**	**29.09**	**193.79**
Depreciation / Amortisation for the year	1.06	81.39	8.85	91.30
Disposals	-	(24.12)	-	(24.12)
Accumulated depreciation / Amortisation as at 31 March 2023	**6.58**	**216.45**	**37.94**	**260.97**
NET BLOCK				
As at 31 March 2022	**92.32**	**348.67**	**4.98**	**445.97**
As at 31 March 2023	**94.37**	**493.36**	**22.25**	**609.98**

Note:

1. The Group has incurred ₹33.18 Crores (Previous year ₹25.53 Crores) for the year ended 31st March, 2023 towards expenses relating to short-term leases and leases of low-value assets (Refer Note 23). The total cash outflow for leases is ₹154.48 Crores (Previous year ₹122.31 Crores) for the year ended 31st March, 2023, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹48.70 Crores (Previous year ₹36.29 Crores) for the year ended 31st March, 2023 (Refer Note 22).
2. The Group's leases mainly comprise of land, buildings and Vehicles. The Group mainly leases land and buildings for its manufacturing, warehouse facilities and sales offices. The Company also has leased vehicles for its Goods Transporation.

NOTE 3: INVESTMENTS

(₹ Crores)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-Current Investments		
Fully Paid-up		
Quoted		
Equity Shares (at fair value through Profit or Loss)	14.04	12.14
In Debt Instruments - Bonds (at fair value through OCI)	1096.16	1122.81
Others: (at fair value through Profit or Loss)*	0.07	0.07
*Note: The Holding Company had invested in Co-operative Societies and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Holding Company has carried these investments at its transaction value considering it to be its fair value.		
Total	**1110.27**	**1135.02**
Aggregate Market Value of Quoted Investments	1110.20	1134.95
Aggregate Amount of Unquoted Investments	0.07	0.07
Grand Total	1110.27	1135.02
Current Investments		
Fully paid up - Unquoted		
In Mutual Fund Units: (at fair value through Profit or Loss)		
Income Plan: Growth Option	1974.84	2521.44
Aggregate Amount of Unquoted Investments	1974.84	2521.44
Grand Total	1974.84	2521.44

NOTE 4 : LOANS (Unsecured, considered good)

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Loans to employees	1.28	0.95	2.97	3.18
Total	1.28	0.95	2.97	3.18

NOTE 5 : OTHER FINANCIAL ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Carried at Amortised cost :				
Bank deposits with more than 12 months maturity	2.72	2.72	-	-
Export Benefits receivables	-	-	1.72	0.85
Interest Accrued on Loans, Deposits etc.	-	-	40.29	51.69
Fixed Deposits - Others	-	-	-	600.00
Others	-	52.69	62.85	105.37
Carried at Fair value through Profit & Loss :				
Security Deposits	2.06	2.72	-	-
Deposits	22.12	17.61	-	-
Total	26.90	75.74	104.86	757.91

NOTE 6 : OTHER ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Capital Advances	456.39	529.50	-	-
Advances other than capital advances;				
Security Deposits	87.48	55.08	-	-
Advances to Employees	-	-	26.24	19.82
Sub Total	543.87	584.58	26.24	19.82
Others				
Balance with statutory authorities	10.04	-	1.74	1.77
Advances recoverable in cash or kind	6.30	3.14	136.64	146.21
Salary and wage advance	-	-	4.32	9.25
Prepaid Expenses	-	-	46.02	42.50
Others	-	-	43.24	43.09
Sub Total	16.34	3.14	231.96	242.82
Total	560.21	587.72	258.20	262.64

NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Raw Materials	1246.85	1633.30
Raw Materials in transit	112.60	98.30
Work-in-progress	366.28	395.29
Finished goods	1969.88	1604.16
Stock-in-trade	52.61	42.41
Stores and spares	392.83	356.21
Total	4141.05	4129.67

NOTE 8 : TRADE RECEIVABLES

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Trade receivables		
Secured, considered good	1684.56	1580.95
Unsecured, considered good	818.71	751.73
Trade Receivables - credit impaired	3.16	2.99
Less: Expected Credit Loss provision (Refer Note 24 (B) ii)	(3.16)	(2.99)
Total	2503.27	2332.68

Note: The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables Ageing Schedules

(₹ Crores)

Particulars	**Outstanding for following periods from due date of payment#**					**Total**
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade Receivables — considered good	268.33 (316.64)	5.47 (10.22)	- -	- -	- -	273.80 (326.86)
(ii) Undisputed Trade Receivables — credit impaired	- -	0.43 (0.33)	0.32 (0.34)	0.28 (2.11)	2.13 (0.21)	3.16 (2.99)
(iii) Amount Not Due						2229.47 (2005.82)
Total Gross						2506.43 (2335.67)
Allowance for Expected Credit Loss						3.16 (2.99)
Total						2503.27 (2332.68)

#Figures in brackets are in respect of Previous year

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

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Balances with Banks		
- In Current accounts	161.14	133.27
- In Term deposits with original maturity of less than 3 months	48.97	89.79
Cheques, drafts on hand; and	37.62	30.55
Cash on hand	0.78	0.78
Total	248.51	254.39

NOTE 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Others:		
Unclaimed Dividend Account	2.76	1.74
Unspent CSR Account	7.22	-
Total	9.98	1.74

NOTE 11 : BORROWINGS

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
NON CURRENT		
Secured		
Softloan from SIPCOT (At amortised cost)	71.37	64.12
Unsecured		
Debentures;		
Floating Rate linked to 6 months T Bill - 15000 Nos. Unsecured Redeemable Non-convertible Debentures of ₹1,00,000/- each	150.00	-
Term loans from Banks;		
- Rupee Term Loan	599.99	749.99
Others		
Deferred payment liabilities	2.22	3.10
Sub Total	823.58	817.21
CURRENT		
Secured		
Loans repayable on demand		
- from banks	997.34	885.00
Interest accrued on above	1.11	1.31
Unsecured		
- from banks	445.92	812.79
Interest accrued on above	6.50	1.49
(The interest rate on the above said loans range from 1.27% to 5.28% p.a (Previous Year 0.665% to 2.98% p.a)).		
Current maturities of long-term debt	150.88	291.69
Interest accrued on above	4.17	8.51
Sub Total	1605.92	2000.79
Total	2429.50	2818.00

Note: Security and terms of repayment in respect of above borrowings are detailed in Note 25 f and 25 g.

Reconciliation of Financing Liabilities: (₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Opening balance		
- Long Term Borrowings	817.21	811.76
- Current borrowings	1697.79	911.85
- Current maturities of long term debt	291.69	267.11
- Interest accrued on debt	11.31	29.90
Total - A	2818.00	2020.62
a) Cash flow movements		
- Proceeds from borrowings	157.76	1,085.93
- Repayment of borrowings	(543.90)	(266.68)
b) Non-cash movements		
- Effect of amortization of loan origination costs	(0.51)	0.99
- Foreign exchange translation	(2.32)	(4.27)
- Interest accrued on debt	0.47	(18.59)
Total - B	(388.50)	797.38
Closing Balance (A+B)	2429.50	2818.00
Closing Balance Break Up		
- Long Term Borrowings	823.58	817.21
- Current borrowings	1443.26	1697.79
- Current maturities of Long term borrowings	150.88	291.69
- Interest accrued on debt	11.78	11.31

NOTE 12 : PROVISIONS

(₹ Crores)

	Non-Current		**Current**	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits	53.85	51.33	46.52	18.39
Others:				
- Warranty and others	161.40	167.58	187.01	162.39
Total	215.25	218.91	233.53	180.78

NOTE 13 : DEFERRED TAX LIABILITIES (NET)

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liabilities:		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	427.55	430.10
- Unrealised (gain)/loss on FVTPL debt Mutual Funds	45.29	30.20
- Other adjustments	14.04	12.65
Total	486.88	472.95
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	42.35	28.69
- Unrealised gain/(loss) on FVTOCI Debt Instruments	7.98	1.44
- On remeasurements of defined benefit plans	28.48	26.74
- On revaluation of designated cash flow hedges	6.38	6.29
- On Right of Use Asset	17.06	14.30
Total	102.25	77.46
Total	384.63	395.49

NOTE 14 : OTHER LIABILITIES

(₹ Crores)

	Non-Current		**Current**	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Contract Liabilities	-	-	35.09	44.86
Others:				
Dealers' Security Deposit	-	-	1773.44	1682.57
Retention Money	13.18	16.90	139.02	76.23
Statutory Dues	-	-	341.94	410.95
Liabilities for expenses	-	-	0.61	0.34
Deferred Income	220.62	164.27	21.84	23.54
Others	0.39	0.63	19.13	12.94
Total	234.19	181.80	2331.07	2251.43

Movement of contract liabilities is as under:

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
As at beginning of the year	44.86	33.04
Recognised as revenue from contracts with customers	(43.27)	(31.41)
Advance from customers received during the year	33.50	43.23
Balance at the close of the year	35.09	44.86

NOTE 15 : TRADE PAYABLES

(₹ Crores)

	As at 31.03.2023	As at 31.03.2022
Outstanding dues of Micro and Small Enterprises	72.72	58.26
Outstanding dues of Creditors other than Micro and Small Enterprises	2363.05	1998.52
Total	2435.77	2056.78
Of the above;		
- Acceptances	413.00	427.14

Trade Payables ageing schedule

(₹ Crores)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.15 (1.58)	0.03 -	0.14 -	0.01 -	2.33 (1.58)
(ii) Others	266.75 (441.55)	8.20 (3.85)	7.17 (14.06)	32.33 (20.70)	314.45 (480.16)
(iii) Amounts not due					2118.99 (1575.04)

#Figures in brackets are in respect of Previous year

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Carried at Amortised Cost :				
Unclaimed dividends	-	-	2.76	1.74
Employee benefits	-	-	122.27	101.33
Liabilities for expenses	-	106.83	187.55	112.76
Others	-	-	496.20	182.99
Carried at Fair Value :				
Derivative Financial Liabilities (FVTOCI)	-	-	(0.53)	3.59
Derivative Financial Liabilities (FVTPL)	-	-	1.62	0.64
Total	-	106.83	809.87	403.05

NOTE 17 : REVENUE FROM OPERATIONS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Revenue from Contracts with Customers :		
Sale of Goods (Refer Note 25 e)	22824.12	19006.28
Sale of Services	26.44	20.87
Other Operating Revenues:		
Scrap Sales	140.24	122.17
Subsidy from State Government	17.70	167.40
Total	23008.50	19316.72

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under IND AS 115 "Revenue from contracts with customers". Hence no separate disclosure of disaggregate revenues are reported.(refer note 25 e).

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

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Gross Sales (Contracted Price)	23792.77	19976.42
Reductions towards variable consideration (Product, Turnover and Prompt payment discount)	(463.73)	(413.73)
Claims preferred against obligation (Note 1(D-13))	(320.54)	(245.97)
Revenue recognised	23008.50	19316.72

NOTE 18 : OTHER INCOME

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest Income	105.83	100.49
Dividend Income from Non Current Investment	0.03	0.06
Government Grant :		
- Export Incentives	6.52	15.09
- Others	20.15	17.40
Net gain on sale of Investments classified as FVTPL	1.19	7.38
Net gains on fair value changes on financial assets classified as FVTPL	105.31	155.49
Profit on sale of Investments	0.14	-
Doubtful Debt provision written back	0.05	0.13
Miscellaneous Income	13.45	20.95
Total	252.67	316.99

Net gains (losses) on fair value changes

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Equity Investments designated at FVTPL	2.04	2.63
Debt Mutual Fund Investments designated at FVTPL	103.27	152.86
Total Net gains (Losses) on fair value changes	105.31	155.49

NOTE 19 : COST OF MATERIALS CONSUMED

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock of Raw Materials	1731.61	1421.26
Purchases during the year	15378.93	13729.92
Closing Stock of Raw Materials	(1359.45)	(1731.61)
Total	15751.09	13419.57

NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Closing Stock:		
Finished Goods	1969.88	1604.16
Stock-in-Trade	52.61	42.41
Work-in-Progress	366.28	395.29
	2388.77	2041.86
Less: Opening Stock:		
Finished Goods	1604.16	818.59
Stock-in-Trade	42.41	40.76
Work-in-Progress	395.29	326.36
	2041.86	1185.71
Total	(346.91)	(856.15)

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Salaries and Wages	1306.32	1215.89
Contribution to provident and other funds	121.12	113.86
Staff welfare expenses	167.94	172.20
Total	1595.38	1501.95

NOTE 22 : FINANCE COSTS

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Interest on Loans and Deposits	265.21	209.79
Interest on Debentures*	-	2.78
Interest on Deferred Payment Credit	0.41	0.50
Interest on Lease liabilities (Refer Note 2 (a 2))	48.70	36.29
Other Borrowing Costs		
Unwinding of discount relating to Long Term Liabilities	4.36	3.98
Other Charges	0.32	0.46
Total	319.00	253.80

*Interest on Debenture capitalised during the year ₹ 0.90 Crores (Previous year ₹ Nil.)

NOTE 23 : OTHER EXPENSES

(₹ Crores)

	Year Ended 31.03.2023	Year Ended 31.03.2022
Stores and Spares Consumed	417.70	387.63
Power and Fuel	1136.03	931.94
Processing Expenses	262.82	271.40
Rent (Refer Note 2 (a 2))	33.18	25.53
Rates and Taxes	15.89	15.02
Insurance	59.41	62.56
Printing and Stationery	10.40	9.66
Repairs and Renewals:		
Buildings	25.77	20.45
Plant and Machinery	159.46	152.78
Other Assets	92.33	83.03
Travelling and Conveyance	46.29	27.11
Communication Expenses	8.07	7.17
Vehicle Expenses	12.79	11.34
Auditors' Remuneration:		
As Auditors:		
Audit fee	1.09	0.93
Tax Audit fee	0.26	0.18
Other Services	0.12	0.06
Reimbursement of Expenses	0.14	0.07
	1.61	1.24
Cost Auditors Remuneration:		
Audit fee	0.08	0.08
Directors' Fees	0.25	0.24
Directors' Travelling Expenses	9.04	2.81
Advertisement	258.31	205.58
Warranty	18.99	14.06
Sales tax absorbed by the company	0.17	0.07
Bad debts written off	-	0.21
Commission	27.45	18.64
Freight and Forwarding (Net)	739.47	712.43
Loss on Sale of Fixed Asset (Net)	7.65	2.20
Net Loss on Foreign Currency Transactions	24.70	61.89
Bank Charges	7.44	9.00
Provision for Impairment of Assets (other than Financial Assets)	-	7.10
Provision for Impairment of Financial Assets	0.36	0.42
Corporate Social Responsibility Expenditure	29.62	34.33
Miscellaneous Expenses	179.14	108.32
Total	3584.42	3184.24

NOTE 24 :

A. Capital Management

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Group. The primary objective of the Group's Capital Management is to maximise the Share Holder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain an optimal capital structure, the group allocates its capital for distribution as dividend or reinvestment into business based on its long term financial plans.

B. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The principal financial assets include trade and other receivables, investments in mutual funds, cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial instruments.

i) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risk:

The Group borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements.The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. The Group due to its AAA rated status commands one of the cheapest source of funding. Interest rate is fixed for the tenor of the Long term loans availed by the Group. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

The Group had issued floating interest rate Non convertible debenture linked to 6 month T-Bill rate, to meet the long term funding requirements.

If the interest rates had been 0.50% to 1% higher / lower and all other variables held constant, the Group's profit for the year ended 31st March, 2023 would have been decreased/increased by ₹16.56 Crores (Previous year ₹13.17 Crores).

b) Currency Risk:

Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures: (₹ Crores)

	31.03.2023	31.03.2022
Financial Assets	199.27	253.61
Financial Liabilities	178.79	212.40

The company is mainly exposed to changes in US Dollar. The sensitivity to a 4% (Previous year 2%) increase or decrease in US Dollar against INR with all other variables held constant will be +/(-) ₹1.37 Crores (Previous year ₹ 0.87 Crores).

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

Hedged Foreign Currency exposures:

Foreign Exchange forward Contracts on External Commercial borrowings and certain highly probable forecast transactions, are measured at fair value through OCI on being designated as Cash Flow Hedges.

The Group also enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of expected purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The outstanding position and exposures are as under :

i) Foreign Currency forward contracts designated as Hedge Instruments :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Currency/Interest Rate Swap	USD	-	Million	-	ECB Loan	
		(45.00)	Million	(288.59)		INR
Forward Contract	USD	101.68	Million	844.11	Import purchase	
		(135.18)	Million	(1042.38)		

Figures in brackets are in respect of Previous year.

The terms of the foreign currency forward contracts match the terms of the transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

ii) Other Forward Contract Outstanding :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Forward Contract	USD	30.49	Million	252.84	Import purchase	INR
		(24.96)	Million	(190.91)		
Forward Contract	USD	-	Million	-	Sales	USD
		(19.03)	Million	(144.04)		

Figures in brackets are in respect of Previous year.

c) Price Risk :

The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like Natural Rubber, Synthetic Rubber and other Chemicals, the Group enters into purchase contracts on a short to medium Term and forward foreign exchange contracts are entered into to bring in stability of price fluctuations.

The Group's investments in Quoted and Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The group manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March 2023 the investments in debt mutual funds and Bonds amounts to ₹3071.00 Crores (Previous year ₹3644.25 Crores). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹31 Crores (Previous Year ₹36 Crores) on either side in the statement of profit and loss.

ii) Credit Risk

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Bonds, Debt Funds, Fixed Deposits-others and Balances with Banks.

The Group's marketing policies are well structured and all replacement sales are predominantly through dealers and the outstanding are secured by dealer deposits. As regards sales to O.E., and other institutional sales, the Group carries out periodic credit checks and also limits the exposure by establishing maximum payment period for customers and by offering prompt payment discounts. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2023 is 0.02 % (31st March, 2022 - 0.25%) of the total trade receivables.

The group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The allowance for lifetime ECL on customer balances for the year ended 31st March 2023 was ₹3.16 Crores and for the year ended 31st March 2022 was ₹2.99 Crores.

(₹ Crores)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Balance at the beginning	2.99	3.24
Impairment loss recognised	0.17	0.42
Impairment loss reversed	-	0.67
Balance at the end	**3.16**	**2.99**

The Group holds cash and deposits with banks which are having highest safety rankings and hence has a low credit risk.

Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Group is of the opinion that its mutual fund investments have low credit risk.

iii) Liquidity Risk

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has a system of forecasting rolling three months cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Group has access to various source of Short term funding and debt maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements.

Trade and other payables are plugged into the three months rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The details of the contractual maturities of significant financial liabilities as at 31st March, 2023 are as under:

(₹ Crores)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 11 and 14	1605.92	452.22	299.99	88.67
		(2000.79)	(251.87)	(401.21)	(180.92)
Trade Payable	Note 15	2435.77	-	-	-
		(2056.78)	(-)	(-)	(-)
Other Financial Liabilities	Note 16	684.84	-	-	-
		(299.98)	(106.83)	(-)	(-)
Employee Benefit liabilities	Note 16	122.27	-	-	-
		(101.33)	(-)	(-)	(-)
Unclaimed dividends	Note 16	2.76	-	-	-
		(1.74)	(-)	(-)	(-)
Lease Liabilities		75.49	155.79	151.01	201.82
		(60.08)	(108.02)	(106.63)	(136.22)

Figures in brackets are in respect of Previous year.

NOTE 25 : ADDITIONAL / EXPLANATORY INFORMATION

a. Disclosures

(i) The Notes to these consolidated Ind AS financial statements are disclosed to the extent relevant and necessary for presenting a true and fair view of the consolidated Ind AS financial statements based on section 129(4) of The Companies Act, 2013 and as clarified vide Circular No. 39/2014 dated 14th October, 2014.

(ii) Movement in Provisions as required by IND AS - 37 - "Provisions, Contingent Liabilities and Contingent Assets" are the same as disclosed in the Standalone Ind AS Financial Statements.

(iii) Consolidated Employee benefit disclosures are not materially different from the employee benefit disclosures of the standalone Ind AS financial statements of the Company.

b. Earnings Per Share

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
Profit after taxation	₹ Crores	768.96	669.24
Number of equity shares (Face Value ₹10/-)	Nos.	4241143	4241143
Earnings per share (Basic & Diluted)	₹	1813.10	1577.97

c. Related party disclosures:

(a) Names of related parties and nature of relationship with whom transactions have taken place:

Key Management Personnel (KMP):
i) Mr. K.M. Mammen, Chairman and Managing Director
ii) Mr. Arun Mammen, Vice Chairman and Managing Director
iii) Mr. Rahul Mammen Mappillai, Managing Director
iv) Mr. Samir Thariyan Mappillai, Whole time Director
v) Mr. Varun Mammen, Whole time Director
vi) Mr. S. Dhanvanth Kumar, Company Secretary
vii) Mr. Madhu P Nainan, Executive Vice President Finance

Close Members of the family of KMP:
i) Mrs. Ambika Mammen, Director (Wife of Chairman and Managing Director)
ii) Dr. (Mrs) Cibi Mammen, Director (Wife of Vice Chairman and Managing Director)
iii) Mrs. Meera Mammen (Mother of Mr. Varun Mammen)

Companies in which Directors are interested: Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd. Braga Industries LLP, Jcee Manufacturing & Services Pvt. Ltd., Balanoor Plantations and Industries Limited. Funskool (India) Ltd, VPC Freight Forwarders Pvt. Ltd, The Malayala Manorama Co. Private Limited, Tarapore and Company, Tarapore Constructions Private Limited, The J. H Tarapore Foundation

Other Related Parties: Mr. Jacob Kurian-Director, MRF Ltd. Executives Provident Fund Trust, MRF Management Staff Gratuity Scheme, MRF Employees Gratuity Scheme, MRF Managers' Superannuation Scheme, MRF Foundation. Mr. Philip Eapen, Mr. Mammen Eapen, Mr. Zachariah Kurian, Mr. George Mammen, Mr. Mammen A Mathew.

(b) Transactions with related parties (excluding reimbursements)

(₹ Crores)

Nature of Transaction		KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31.03.2023	Year Ended 31.03.2023	Year Ended 31.03.2023	Year Ended 31.03.2023
i.	Sale of Materials	-	-	0.90	0.15
		-	-	(5.00)	(0.55)
ii.	Purchase of Materials/Machinery	-	-	249.78	-
		-	-	(180.84)	-
iii.	Payment towards Service	-	-	16.68	-
		-	-	(17.82)	-
iv.	Selling and Distribution Expenses	-	-	1.48	-
		-	-	(1.72)	-
v.	Other Receipts	-	-	2.02	-
		-	-	(1.84)	-
vi.	Professional charges	-	-	-	0.49
		-	-	-	(0.17)
vii.	Contribution to Retirement Benefit fund /Others	-	-	-	60.91
		-	-	-	(94.87)
	Compensation*				
viii.	Short term Employee benefit (including Commission payable to KMP)	93.86	2.63	-	1.52
		(82.96)	(2.40)	-	-
ix.	Sitting fees	-	0.02	-	-
		-	(0.02)	-	-

* Remuneration does not include provisions made for Gratuity and Leave benefits as they are determined on an actuarial basis for the Company as a whole.

(₹ Crores)

Nature of Transaction		KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31.03.2023	Year Ended 31.03.2023	Year Ended 31.03.2023	Year Ended 31.03.2023
	Outstanding as at Year End				
x.	Other Receivables	-	-	1.78	0.04
		-	-	(26.55)	(0.04)
xi.	Trade Payables	-	-	29.34	-
		-	-	(16.44)	-
xii.	Commission Payable	38.28	-	-	-
		(30.57)	-	-	-
xiii.	Contribution payable to Retirement Benefit fund/Others	-	-	-	40.61
		-	-	-	(13.43)

(Figures in brackets are in respect of Previous year)

(c) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (Previous year: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d. (i) Additional information on Net Assets and Share of Profit as at 31st March, 2023

Name of the entity		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)	
		As % of consolidated net assets	Amount (₹ Crores)	As % of net Profit	Amount (₹ Crores)	As a % of OCI	Amount (₹ Crores)
Parent							
- MRF Ltd.	2022-23	98.64	14507.39	104.70	1120.03	100.48%	(21.01)
	2021-22	98.17	13774.61	96.82	879.07	100.48%	14.67
Subsidiaries							
Indian							
- MRF Corp. Ltd.	2022-23	0.97	143.08	2.12	22.71	(0.48%)	0.10
	2021-22	0.90	126.75	2.28	20.70	(0.48%)	(0.07)
- MRF International Ltd.	2022-23	0.01	2.08	0.01	0.13	-	-
	2021-22	0.01	1.99	0.01	0.13	-	-
Foreign							
- MRF Lanka (P) Ltd.	2022-23	0.04	5.22	0.24	2.58	-	-
	2021-22	0.03	3.74	0.01	0.05	-	-
- MRF SG PTE. LTD.	2022-23	0.34	49.89	(7.07)	(75.71)	-	-
	2021-22	0.89	124.66	0.88	7.98	-	-
Minority Interest							
Indian Subsidiary	2022-23	-	0.16	-	-	-	-
	2021-22	-	0.15	-	-	-	-

(ii) The Group does not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act,1956 during the financial year.

e. Disclosures under Ind AS 108 - "Operating Segment" :

The group except for MRF Corp Ltd., is engaged in the manufacture of rubber products such as Tyre, Tubes, Flaps, Tread Rubber and / or Trading in Rubber and Rubber Chemicals. In the context of IND AS 108 operating segment are considered to constitute one single primary segment. MRF Corp Ltd. is engaged in the manufacture of Speciality Coatings and its revenues, results and assets do not meet the criteria specified for reportable segment prescribed in the IND AS. The group's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the IND-AS. Non-reportable segments have not been disclosed as unallocated reconciling item in view of their materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable.

Entity wide disclosure as per paragraph 31 of IND AS 108:

(₹ Crores)

Particulars		Year Ended 31.03.2023	Year Ended 31.03.2022
(i)	Products:		
	Automobile Tyres	20665.22	17048.83
	Automobile Tubes	1336.42	1233.43
	Speciality Coating	421.03	318.16
	Others	401.45	405.86
		22824.12	19006.28
(ii)	Revenue from Customers:		
	India	20947.24	17215.06
	Outside India	1876.88	1791.22
		22824.12	19006.28
(iii)	Non Current Assets :		
	India	15113.14	12869.26
	Outside India	12.59	2.52

(iv) There are no transactions with single customer which amounts to 10% or more of the Group's revenue.

f. Terms of Repayment and Security Description of Current Borrowings:

i) Loans repayable on demand from banks are secured by hypothecation of Inventories and book debts, equivalent to the outstanding amount and carries interest rates at the rate of 4.00% to 7.90% (Previous year 3.8% to 6.85%).

g. Terms of Repayment and Security Description of Non Current Borrowings:

i) Indian Rupee Term Loan (Unsecured) from the HSBC Bank

a) Indian Rupee Term Loan of ₹150 Crores availed in February, 2019 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.49% (Previous year-1.49%) payable monthly. The said Loan is repayable in one full installment in February, 2024.

b) Indian Rupee Term Loan of ₹150 Crores availed in July, 2021 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.33% payable monthly. The said Loan is repayable in three equal annual installment in July, 2025/July 2026/July 2027.

ii) Indian Rupee Term Loan (Unsecured) from the HDFC Bank

a) Indian Rupee Term Loan of ₹300 Crores availed in June, 2020 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 1.70% payable monthly. The said Loan is repayable in three equal annual installment in June, 2024/June 2025/June 2026.

b) Indian Rupee Term Loan of ₹150 Crores availed in June, 2021 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 0.75% payable monthly. The said Loan is repayable in three equal annual installment in June, 2025/June 2026/June 2027.

iii) 15,000 [Floating Interest rate linked to 6 months T Bill rate] Listed Unsecured rated redeemable Taxable Non-convertible Debentures of ₹1,00,000/- each aggregating to ₹150 Crore issued on 24th February, 2023, are to be redeemed on 24th February, 2026.

iv) Secured Loan of ₹80.92 Crores was availed under SIPCOT soft loan in March 2020, further, additional SIPCOT Loan (secured) of ₹7.75 Crores was availed in March 2023. Interest is payable quartely at a rate of 0.10% (Previous year - 0.10%). These loans are secured by way of second charge on the Fixed Assets created at the company's plants at Perambalur, Near Trichy, Tamil Nadu. These loans will be repaid in full in April 2033 and April 2036 respectively.

v) Deferred payment credit is repayable along with interest (at varying rates) in 240 consecutive monthly instalments ending in March 2026.

h. Events Occurring after the Balance Sheet date

The proposed final dividend for Financial Year 2022-23 amounting to ₹71.68 Crores will be recognised as distribution to owners during the financial year 2023-24 on its approval by Shareholders. The proposed final dividend amounts to ₹169/- per share.

i. Commitment:

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹2185.02 Crores (Previous year ₹3031.32 Crores)

(ii) Guarantees given by the Banks - ₹130.78 Crores (Previous year-₹ 43.84 Crores)

(iii) Letters of Credit issued by the Banks - ₹265.58 Crores (Previous year - ₹182.45 Crores)

j. Contingent Liabilities not provided for:

Claims not acknowledged as debts:

(a) Competition Commission of India (CCI) matter - Refer Note 1 below

(b) Disputed Sales Tax demands pending before the Appellate Authorities /High Court - ₹198.44 Crores (Previous year - ₹196.00 Crores)

(c) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹377.84 Crores (Previous year - ₹378.66 Crores)

(d) Disputed Income Tax Demands - ₹275.64 Crores (Previous year - ₹159.87 Crores). Against the said demand the company has deposited an amount of ₹131.61 Crores (Previous year ₹97.52 Crores)

(e) Disputed Goods and Service Tax demands pending before the Appellate Authorities - ₹ 0.56 Crores (Previous year- ₹1.70 Crores)

(f) Contested EPF Demands pending before Appellate Tribunal- ₹1.10 Crores (Previous year ₹1.10 Crores)

Note 1: The Competition Commission of India (CCI) had on 2nd February, 2022 released its order dated 31st August, 2018, imposing penalty on certain Tyre Manufacturers including the Holding Company and also the Automotive Tyre Manufacturers' Association, concerning the breach of the provisions of the Competition Act, 2002, during the year 2011-12. A penalty of ₹622.09 Crores was imposed on the Holding Company. The appeal filed by the Holding Company has been disposed off by National Company Law Appellate Tribunal (NCLAT) in December 2022 by remanding the matter to CCI for review after hearing the parties. CCI has in February 2023 filed an appeal against the Order of NCLAT before the Hon'ble Supreme Court. Pending disposal of the same, the Holding Company is of the view that no provision is considered necessary in respect of this matter in the Consolidated Financial Statements.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672
N. KASHINATH
Partner
Mem. No. 036490
Chennai

Dated 03rd May, 2023

For SASTRI & SHAH
Chartered Accountants
Firm Reg. No. 003643S
C R KUMAR
Partner
Mem. No. 026143
Chennai

MADHU P NAINAN
Executive Vice
President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

SUBSIDIARIES

₹ Crores

S. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting Period of the Subsidiary	Reporting Currency	Exchange Rate as on 31.03.2023	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Extent of Shareholding (in %)
1	MRF Corp Ltd.	26.08.1985	1st April, 2022 to 31st March, 2023	INR	1	0.05	143.07	238.43	95.31	1.00	421.03	22.71	6.38	16.33	0.10*	100.00%
2	MRF International Ltd.	23.10.1992	1st April, 2022 to 31st March, 2023	INR	1	0.56	2.21	2.77	-	-	0.14	0.13	0.03	0.10		94.66%
3	MRF Lanka (P) Ltd.	15.06.2005	1st April, 2022 to 31st March, 2023	LKR	0.25	15.01	5.22	23.76	3.53	-	16.81	2.57	0.55	2.02		100.00%
4	MRF SG PTE LTD	23.07.2014	1st April, 2022 to 31st March, 2023	USD	82.17	6.11	49.89	544.85	488.85	-	1887.60	(75.70)	(8.91)	(66.79)		100.00%

* The Proposed Dividend is not recognised in books as per Ind AS.

MADHU P NAINAN	S DHANVANTH KUMAR	JACOB KURIAN	V SRIDHAR	K M MAMMEN
Executive Vice President Finance	Company Secretary Chennai	Director DIN: 00860095	Director DIN: 00020276	Chairman & Managing Director DIN: 00020202

Dated 03rd May, 2023

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