



# 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/AGM/AUGUST-2017/KGG  
13<sup>th</sup> July, 2017

National Stock Exchange of India Ltd Exchange Plaza 5 <sup>th</sup> 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
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Dear Sir,

**Annual General Meeting - Notice & Remote e-voting cut-off date**

Please refer to our earlier letter dated 4<sup>th</sup> May, 2017 informing that the 56<sup>th</sup> Annual General Meeting of the Company will be held on 4<sup>th</sup> August, 2017.

Please find enclosed herewith a copy of Notice of Annual General Meeting scheduled to be held on 4<sup>th</sup> August, 2017.

We would like 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 Friday, 28<sup>th</sup> July, 2017, 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 4<sup>th</sup> August, 2017.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For MRF LIMITED,

  
S Dhanvanth Kumar  
Asst Company Secretary & Compliance Officer



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## NOTICE

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the shareholders of MRF Limited will be held on Friday, the 4th August, 2017, at 11.00 A.M. at TTK Auditorium, "The Music Academy", No.168, TTK Road, Chennai 600 014, 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, 2017 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, 2017 and the Reports of the Auditors thereon.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Dr. K C Mammen (DIN: 00019494), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013, and relevant rules made thereunder, Messrs. Mahesh, Virender & Sriram, Chartered Accountants (Firm Regn. No. 001939S) be and are hereby appointed as Joint Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the 56th Annual General Meeting of the Company until the conclusion of the 61st Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and the Board of Directors of the Company be and is hereby authorised to fix their remuneration".
5. To ratify the appointment of Messrs. SCA AND ASSOCIATES Chartered Accountants (Firm Regn. No. 101174W), as Joint Statutory Auditors of the Company to hold office from the conclusion of the 56th Annual General Meeting until the conclusion of the 57th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

### SPECIAL BUSINESS

6. 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 section 14 and all other applicable provisions, if any, of the Companies Act, 2013, the following Articles of the Articles of Association of the Company be amended as detailed below :
  - a. The first paragraph of Article 102 of the Articles of Association of the Company be deleted and the following be substituted in its place :  
"Until otherwise determined by the General Meeting and subject to the provisions of the Companies Act, 2013, the number of Directors shall be not less than three and not more than twenty".
  - b. The first sentence of Article 107(b)(iv) of the Articles of Association of the Company be deleted and the following be substituted in its place:  
"Any Managing Director so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account for determining the rotation of Directors, unless the Board, either at the time of appointment or any time thereafter, considers it necessary or convenient for the purpose of complying with the provisions of section 152 of the Companies Act, 2013, that any such Managing Director shall be liable to retire by rotation".
  - c. Existing Article 117 of the Articles of Association of the Company be deleted and the following new Article 117 be substituted in its place:  
Article 117 – "All Directors other than
    - a. Independent Directors appointed under section 149 of the Companies Act, 2013
    - b. Managing Director(s) (except those who are determined by the Board, either at the time of appointment or at any time thereafter, to be subject to retirement by rotation for the purpose of complying with the provisions of section 152 of the Companies Act, 2013)

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- c. Whole-time Director(s) who are declared pursuant to Article 107(d) as not being liable to retire by rotation (unless otherwise determined by the Board, either at the time of appointment or at any time thereafter, as necessary or convenient for the purpose of complying with the provisions of section 152 of the Companies Act,2013)

shall be liable to retirement by rotation”.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution”.

7. 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 section 149 and other applicable provisions, if any, of the Companies Act, 2013, the Company be and is hereby authorised to appoint more than 15 Directors, subject to the maximum limit as stipulated in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution”.

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

“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr. Samir Thariyan Mappillai (DIN:07803982), in respect of whom a notice has been received in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Mr Varun Mammen (DIN : 07804025), in respect of whom a notice has been received in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of section 196, 197 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 12-02-2015, approval of the Company be and is hereby accorded for revision in the remuneration payable to Mr. K M Mammen (DIN: 00020202),Chairman and Managing Director of the Company with effect from 04.05.2017 for the remaining period of his tenure as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. K M Mammen, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 196, 197 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting held on 07.02.2013 which stood amended by a resolution passed by shareholders through Postal Ballot on 30.09.2013 and by a resolution passed by the shareholders at the Annual General meeting held on 12.02.2015, approval of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Arun Mammen (DIN: 00018558), Vice Chairman and Managing Director of the Company with effect from 04.05.2017 for the remaining period of his tenure as set out in the explanatory statement annexed to the Notice.



RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Arun Mammen, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of section 196, 197 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013, and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Mr Rahul Mammen Mappillai, (DIN : 03325290) as Managing Director of the Company, liable to retire by rotation, for a period of 5 years commencing from 04.05.2017 on the remuneration, terms and conditions as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Rahul Mammen Mappillai, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act,

2013 and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Mr. Samir Thariyan Mappillai (DIN: 07803982), as Whole-time Director of the Company, liable to retirement by rotation, for a period of 5 years commencing from 04.08.2017 on the remuneration, terms and conditions as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr. Samir Thariyan Mappillai, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to Article 107 and any other applicable Article of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Mr. Varun Mammen (DIN:07804025), as Whole-time Director of the Company, liable to retirement by rotation, for a period of 5 years commencing from 04.08.2017 on the remuneration, terms and conditions as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Varun Mammen, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."



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15. 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, 2018, be paid a remuneration of ₹ 6,44,000/- (Rupees six lakhs forty four 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  
4th May, 2017

RAVI MANNATH  
Company Secretary

**Notes:**

- a) The information required to be provided as per section 102 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished in the explanatory statement which is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) A person can act as proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
- d) The register of members and transfer books of the Company will remain closed from 29.07.2017 to 04.08.2017, both days inclusive, for the purpose of payment of final dividend.
- e) If final dividend on the equity shares as recommended by the Directors is declared at the meeting, the payment will be made on or after 11.08.2017 to the shareholders whose names appear on the Company’s Register of Members on 04.08.2017.
- f) 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.
- g) 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.
- h) 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 the 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.
- i) The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to send soft copies of the annual report to all those shareholders who have registered their e-mail address with the Company/depository participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their e-mail address with the Company/depository participants. Accordingly, the Annual Report for the financial year ended 31st March, 2017, notice for Annual General Meeting etc, are being sent in electronic mode to those shareholders who have registered their e-mail address with the Company/depository participants. For those shareholders who have not opted for the above, the same are being sent in physical form.
- j) 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 can be obtained from the Company. Members holding shares in electronic form may



forward nomination form duly filled to their respective depository participants only.

- k) The Company is also extending the facility of NACH for the receipt of dividend. In case you 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) 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 final dividend 2008-09 have been transferred to the said fund. The shareholders are advised to forward all unencashed dividend warrants from interim dividend 2009-10 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
2009-2010	I-Interim	28-07-2010	28-08-2017
	II-Interim	21-10-2010	21-11-2017
	Final	10-02-2011	10-03-2018
	Special	10-02-2011	10-03-2018
2010-2011	I-Interim	28-07-2011	28-08-2018
	II-Interim	20-10-2011	20-11-2018
	Final	09-02-2012	09-03-2019
2011-2012	I-Interim	25-07-2012	25-08-2019
	II-Interim	25-10-2012	25-11-2019
	Final	07-02-2013	07-03-2020

Year	Dividend	Date of Declaration	Last date for claiming unclaimed dividend
2012-2013	I-Interim	25-07-2013	25-08-2020
	II-Interim	24-10-2013	24-11-2020
	Final	06-02-2014	06-03-2021
2013-2014	I-Interim	23-07-2014	23-08-2021
	II-Interim	30-10-2014	30-11-2021
	Final	12-02-2015	12-03-2022
2014-2016	I-Interim	27-07-2015	27-08-2022
	II-Interim	29-10-2015	29-11-2022
	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

- m) All relevant documents referred to in the accompanying notice and explanatory statement are available for inspection at the registered office of the Company during working hours upto the date of Annual General meeting.
- n) Annual Report of the Company circulated to the members of the Company is also available on Company's website: [www.mrftyres.com](http://www.mrftyres.com) and also on the website of the respective Stock Exchanges.
- o) E-Voting:

In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

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The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

The remote e-voting period commences on 01st August, 2017 (10.00 A.M.) and ends on 3rd August, 2017, (5.00 P.M.). During this period, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of 28th July, 2017, may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

1. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
  - (i) Open e-mail and open PDF file viz; "MRF LIMITED remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended that you take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "MRF Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) 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 etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jandsca@gmail.com](mailto:jandsca@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

2. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- (i) Initial password is provided at the bottom of the Proxy-cum Attendance slip:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

4. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

5. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

6. 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., 28th July, 2017.

7. Any person, who acquires shares of the Company and become member of the Company after despatch of the notice and holding



shares as of the cut-off date i.e, 28th July, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

8. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
9. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the Annual General Meeting through ballot paper.
10. Mr. N C Sarabeswaran, Chartered Accountant, will be acting as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
11. Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility will be permitted to vote on the resolutions by use ballot paper.
12. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall prepare, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
13. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company, [www.mrtyres.com](http://www.mrtyres.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 communicated to BSE Limited & National Stock Exchange of India Limited.

## EXPLANATORY STATEMENT

### Item No. 3

In compliance with the provision of section 152 of the Companies Act, 2013, Dr. K C Mammen is required to retire by rotation at the annual general meeting of the Company. Dr. K C Mammen being eligible has offered himself for re-appointment.

Dr. K C Mammen, M.B.B.S., F.R.C.P, aged 87 years, is on the Board of the Company since 1975. He was a Professor of Paediatrics at CMC Hospital, Vellore, from 1968-70. He was also the Director (Founder Director) of Malankara Orthodox Syrian Church Medical Mission Hospital from 1970 to 1987. Dr. K C Mammen holds directorships in Balanoor Plantations and Industries Ltd, Gokul Rubber and Tea Plantations Ltd, Indo Bloom Ltd, M. M. Housing Pvt. Ltd and Nanotech Printing Inks (India) Pvt. Ltd. Dr. K C Mammen is not a member/chairman of any committees of the Board in which he is Director.

Dr. K C Mammen holds 9043 shares in the Company. During the last financial year, 4 Board meetings of the Company were held, out of which Dr. K C Mammen attended 3 Board Meetings.

Dr. K C Mammen being the appointee, is interested in the resolution. None of the other Directors and key managerial personnel of the Company and their relatives are related to Dr. K C Mammen and consequently are not concerned or interested, in the aforesaid resolution.

The Board recommends the resolution for approval by the Members of the Company.

### Item No. 4

In accordance with the provisions of section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the members every year in the Annual General Meeting of the Company. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors. Further, Companies have been given time till the year 2017 to effect rotation of auditors, wherever necessary.

As per the Companies (Audit and Auditors) Rules, 2014, in case the Company appoints joint auditors, rotation of auditors shall be done in such a manner that both the joint auditors do not complete their term in the same year. Last year, Messrs. M M Nissim & Co. Chartered Accountants, Mumbai stepped down and Messrs. SCA AND ASSOCIATES, Chartered Accountants, Mumbai were appointed in their place.



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In the current year, Messrs. Sastri & Shah who have been the joint statutory auditors of the Company for more than 10 years will not be seeking re-appointment and in their place Messrs. Mahesh, Virender & Sriram, Chartered Accountants (Firm Regn. No. 001939S), a firm of long standing have been identified for appointment as the joint statutory auditors of the Company.

Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the joint statutory auditors, in terms of the second proviso to section 139(1) of the Companies Act, 2013 and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under section 141 of the Act. The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 4th May, 2017, proposed the appointment of Messrs. Mahesh, Virender & Sriram, Chartered Accountants, as the joint statutory auditors of the Company for a period of 5 years from the conclusion of the Fifty sixth Annual General Meeting until the conclusion of the Sixty first Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration.

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

The Board recommends the resolution for approval by the members of the Company.

**Item Nos. 6 & 7**

The total strength of the Board of the Company as on date is 14. To meet the increasing size and complexities of the business, it is proposed to broad base the Board and for this purpose it is necessary to delete first paragraph of Article 102 of the Articles of Association of the Company to increase the maximum strength of the Board to 20 from the present limit of 15. Further, as required under section 149 of the Companies Act 2013, approval of members by way of special resolution is sought to appoint more than 15 Directors on the Board, subject to the maximum limit prescribed under the Articles of Association.

Moreover, in order to comply with the provisions of section 152 of the Companies Act, 2013, which requires a certain proportion of the Board of Directors to be subject to retirement by rotation, it may become necessary for the Managing Directors / Whole -time Directors to retire by rotation, if required. Further, as per the Companies Act, 2013, Independent directors

are not subject to retirement by rotation. Accordingly, it is proposed to delete the first sentence of Article 107(b)(iv) and Article 117 of the Articles of Association of the Company, to provide for the same.

None of the Directors or key managerial personnel or their relatives are concerned or interested in the aforesaid resolutions.

The Board recommends the resolutions set forth in item No. 6 & 7 for approval by the members of the Company.

**Item No. 8**

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to approval of the shareholders under section 149(1) of the Companies Act, 2013 for increasing the number of Directors of the Company, has decided to recommend the appointment of Mr Samir Thariyan Mappillai as a Director of the Company, liable to retire by rotation. The Company has received a notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr Samir Thariyan Mappillai for the office of Director of the Company.

A brief resume and other information required to be furnished under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings are provided in item No:13.

Accordingly, the Board recommends the resolution for appointment of Mr Samir Thariyan Mappillai as a Director liable to retire by rotation, for approval of the shareholders.

Mr Samir Thariyan Mappillai, being the appointee, Mr K M Mammen, Mr Rahul Mammen Mappillai and Mrs Ambika Mammen (being relatives of Mr Samir Thariyan Mappillai as defined under Companies Act, 2013) are interested in the resolution.

None of the other Directors and key managerial personnel of the Company and their relatives are concerned or interested, in the aforesaid resolution.

**Item No. 9**

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to approval of the shareholders under section 149(1) of the Companies Act, 2013 for increasing the number of Directors of the Company, decided to recommend the appointment of Mr Varun Mammen as a Director of the



Company, liable to retire by rotation. The Company has received a notice in writing from a Member along with deposit of requisite amount under section 160 of the Companies Act, 2013, proposing the candidature of Mr Varun Mammen for the office of Director of the Company.

A brief resume and other information required to be furnished under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings are provided in item no 14.

Accordingly, the Board recommends the resolution for appointment of Mr Varun Mammen as a Director liable to retire by rotation, for approval of the shareholders.

Mr Varun Mammen, being the appointee, is interested in the resolution. Mr Varun Mammen is not related to any of the Directors and key managerial personnel of the Company and their relatives as defined under the Companies Act, 2013.

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

#### **Item No. 10**

The shareholders will recall the re-appointment of Mr. K M Mammen as Chairman and Managing Director of the Company with effect from 01.04.2015 for a period of 5 years at the Annual General Meeting held on 12.02.2015.

Mr K M Mammen aged 68 years is on the Board of the Company since 20.02.1981. He is a graduate from The Madras Christian College. After graduation, he went to USA for training with MRF's erstwhile Collaborators viz., The Mansfield Tire & Rubber Co. He joined the Company as Whole-time Director in 1981, became its Vice-Chairman & Managing Director in 1986 and Chairman & Managing Director in 2003.

As you are all aware, the Company has achieved tremendous growth during the last few financial years. The Company is also aggressively exploring opportunities both in India and abroad besides expansion of existing facilities and setting up of new green field plants. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

The Board of Directors considered the contribution of the above managerial personnel to the overall progress of the Company and after taking into consideration the complexities of the responsibilities handled

by him and industry remuneration benchmarks have at their meeting held on 04.05.2017, based on the recommendation of the nomination and remuneration committee, approved the proposal to revise the salary payable to Mr K M Mammen from the present ₹25,25,000/- per month to ₹30,31,250/- per month with annual increment of ₹1,00,000/- subject to approval of the shareholders.

The revised terms of remuneration payable to Mr K M Mammen with effect from 04.05.2017 are as follows :

- A) Salary: ₹ 30,31,250/- per month with annual increment of ₹1,00,000/-
  - B) Residential accommodation: Shall be provided free furnished residential accommodation.
  - C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
    - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
    - ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the Company;
    - iii) Facility of car with driver;
    - iv) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination and remuneration committee.
- The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.
- D) Other Benefits:
    - i) Contribution to provident fund, pension/superannuation, gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
    - ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;

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- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
  - iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self and family;
  - v) Telephone: Free telephone facility at residence including mobile phone and other suitable communication facilities;
  - vi) Club Fees: Actual fees of clubs will be reimbursed.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.
- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of Mr. K M Mammen, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration.

As the terms of revised remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, approval of Central Government is not required for the above revision in remuneration.

The details of remuneration paid to Mr K M Mammen for the year 2016-2017 are provided in the financial statements of the Company and in the Corporate Governance Report.

Mr K M Mammen holds directorships in MRF Corp Ltd, MRF International Limited, Stable Investments and Finance Co. Ltd, Badra Estates and Industries Ltd, MRF SG Pte Limited and Madras Christian College. He is associated with several Chambers of Commerce and is a sponsor and promoter of sports. His personal attention in cricket resulted in the success of MRF Pace Foundation which imparts training in fast bowling, not only to Indian bowlers but also to players of other cricket playing countries. He has taken keen interest in motor racing and rallies in which he has

carved out a place for India on the world map. Mr K M Mammen is the President of Madras Christian College Alumni Association. He is a member, executive committee, FICCI. He held the Chairmanship of the CII National Committee on sports and was a member in the CII National Council.

Mr K M Mammen holds 16048 shares of the Company. He is not a member/chairman of any committee of the Board in which he is a Director, other than MRF Ltd. During the last financial year, Mr K M Mammen attended all the 4 Board meetings of the Company.

Mr K M Mammen and his spouse Mrs Ambika Mammen, Director, Mr Rahul Mammen Mappillai, Managing Director (Son) and Mr Arun Mammen, Vice Chairman and Managing Director (Brother) and Mr. Samir Thariyan Mappillai (Son) may be deemed to be concerned or interested in the above resolution.

None of the other Directors and key managerial personnel and their relatives are concerned or interested in the above resolution.

#### **Item No. 11**

The shareholders will recall the re-appointment of Mr Arun Mammen as Managing Director of the Company with effect from 01.04.2013 for a period of 5 years at the Annual General Meeting held on 07.02.2013. The above resolution were amended by a resolution passed by shareholders through Postal Ballot on 30.09.2013 and by a resolution passed by the shareholders at the Annual General Meeting of the Company held on 12.02.2015.

Mr Arun Mammen aged 53 years is on the Board of the Company since 29.03.1990. He is a graduate from the Madras Christian College. After graduation, he went to USA and obtained his Master's Degree in Business Administration (MBA) from the Ashland University. During his stay in USA, he had training from M/s. B F Goodrich Tire & Co., and Uniroyal Goodrich Tire & Co., who were the leading manufacturers in the world. He became the Whole-time Director of MRF Limited in the year 1990. He presently serves as Vice Chairman and Managing Director of MRF.

As you are all aware, the Company has achieved tremendous growth during the last few financial years. The Company is also aggressively exploring opportunities both in India and abroad besides expansion of existing facilities and setting up of new green field plants. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

The Board of Directors considered the contribution of the above managerial personnel to the overall progress of the Company and after



taking into consideration the complexities of the responsibilities handled by him and industry remuneration benchmarks have at their meeting held on 04.05.2017, based on the recommendation of the nomination and remuneration committee, approved the proposal to revise the salary payable to Mr Arun Mammen from the present ₹22,95,000/- per month to ₹28,00,750/- per month with annual increment of ₹1,00,000/- subject to approval of the shareholders.

The revised terms of remuneration payable to Mr Arun Mammen with effect from 04.05.2017 is as follows :

- A) Salary: ₹ 28,00,750/- per month with annual increment of ₹ 1,00,000/-
- B) Residential accommodation: Shall be provided free furnished residential accommodation.
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
  - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
  - ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
  - iii) Facility of car with driver;
  - iv) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination & remuneration committee.The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.
- D) Other Benefits:
  - i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
  - ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
  - iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization

expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;

- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone and other suitable communication facilities;
- vi) Club Fees: Actual fees of clubs will be reimbursed.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.
- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of Mr. Arun Mammen, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration.

As the terms of the revised remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, approval of Central Government is not required for the above revision in remuneration.

The details of remuneration paid to Mr Arun Mammen for the year 2016-2017 are provided in the financial statements of the Company and in the Corporate Governance Report.

Apart from MRF, Mr. Arun Mammen also holds directorship in other companies, including Funskool (India) Limited, leading toy Company in India offering wide range of brands; MRF Corp Limited, manufacturers of speciality coating and polyurethane finishes, finding use in decorative and industrial applications; MRF International Limited, M.M. Housing Pvt. Ltd, MRF Lanka Pvt Limited, Chennai Wellingdon Corporate Foundation and MRF SG Pte Ltd, Singapore. Mr. Arun Mammen has great passion towards cricket and motorsports.

Mr Arun Mammen holds 27560 shares of the Company. He is the Chairman of Audit Committee of MRF Corp Limited. During the last financial year, Mr Arun Mammen attended all the 4 Board meetings of the Company.

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Mr Arun Mammen and his spouse Dr.(Mrs) Cibi Mammen, Director and Mr. K M Mammen, Chairman and Managing Director (Brother) may be deemed to be concerned or interested in the above resolution.

None of the other Directors and key managerial personnel and their relatives are concerned or interested in the above resolution.

**Item No. 12**

The shareholders will recall the appointment of Mr. Rahul Mammen Mappillai as Whole-time Director of the Company with effect from 01.04.2015 for a period of 5 years at the annual meeting held on 12.02.2015. The Board of Directors at its meeting held on 04.05.2017, based on the recommendations of the Nomination and Remuneration Committee appointed Mr. Rahul Mammen Mappillai as Managing Director of the Company with effect from 04.05.2017 for a period of 5 years.

Mr Rahul Mammen Mappillai aged 39 years is on the Board of the Company since 25.11.2010. He holds a B.A. (Hons.) Economics degree from St Stephen's College, Delhi and a Masters degree in Business Administration (MBA) from the University of Michigan Ross School of Business, Ann Arbor, USA. He joined the Company as Corporate Manager- Planning and Development in 2003 and rose to the position of Vice President - Planning and Development. In 2010, he was appointed as Whole- time Director of the Company.

The Board of Directors considered his contribution to the overall progress of the Company and after taking into consideration the complexities of the responsibilities handled by him, industry remuneration benchmarks, the Board approved the proposal to appoint Mr Rahul Mammen Mappillai as Managing Director of the Company, subject to approval of the shareholders.

The terms of remuneration payable to Mr Rahul Mammen Mappillai with effect from 04.05.2017 is as follows :

- A) Salary: ₹ 24,21,400/- per month with annual increment of ₹ 1,00,000/-.
- B) Residential accommodation: Shall be provided free furnished residential accommodation.
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:

- i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
- ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
- iii) Facility of car with driver;
- iv) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination and remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

D) Other Benefits:

- i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities;
- vi) Club Fees: Actual fees of clubs will be reimbursed.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.





- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Rahul Mammen Mappillai, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, approval of Central Government is not required for this appointment.

The details of remuneration paid to Mr Rahul Mammen Mappillai for the year 2016-2017 are provided in the financial statements of the Company and in the Corporate Governance Report.

Apart from MRF, Mr Rahul Mammen Mappillai also holds Directorships in MRF SG Pte Limited, Singapore and Chennai International Centre. He has varied experience in all major departments such as Corporate Planning, Manufacturing, Finance, Logistics, Research and Development and Engineering. He is currently overseeing the Finance, Engineering and Corporate Planning Departments.

Mr Rahul Mammen Mappillai holds 4538 shares of the Company. He is not a member/chairman of any committee of the Board in which he is a Director other than MRF Ltd. During the last financial year, 4 Board meetings of the Company were held, out of which Mr. Rahul Mammen Mappillai attended 3 Board Meetings.

Mr Rahul Mammen Mappillai, Mr K M Mammen, Chairman and Managing Director (Father), Mrs. Ambika Mammen, Director (Mother) and Mr Samir Thariyan Mappillai (Brother) may be deemed to be concerned or interested in the above resolution.

None of the other Directors and key managerial personnel and their relatives are concerned or interested in the above resolution.

#### **Item No. 13**

The Board of Directors at their meeting held on 04.05.2017 approved the appointment of Mr. Samir Thariyan Mappillai as Whole-time Director of the Company, subject to approval of the shareholders for a period of 5 years commencing from 04.08.2017.

Mr Samir Thariyan Mappillai aged 35 years has completed his B.A., Economics from St. Stephens College, Delhi and M.A.,(Economics)

from the University of Madras. Thereafter, he did his Master Degree in Business Administration (M.B.A.), from Kellogg School of Management, North-Western University, Illinois, USA. Mr Samir Thariyan Mappillai joined the Company as Corporate Manager in the Marketing department in 2010 and was later promoted as Deputy General Manager- Marketing in 2011 and presently he is the General Manager – Marketing in the Company. He has varied experience in all major functions in marketing and product development.

Taking into consideration the duties and responsibilities of the Whole-time Director, the prevailing managerial remuneration in industry and considering the increasing size and complexity of the business and on the recommendation of the nomination and remuneration committee, the Board has approved the following terms of remuneration for Mr Samir Thariyan Mappillai.

The terms of remuneration payable to Mr Samir Thariyan Mappillai with effect from 04.08.2017 is as follows :

- A) Salary: ₹ 3,00,000/- per month with annual increment of ₹ 1,00,000/-.
- B) Residential accommodation: Shall be provided free furnished residential accommodation.
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
  - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
  - ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
  - iii) Facility of car with driver;
  - iv) Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

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D) Other Benefits:

- i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities;
- vi) Club Fees: Actual fees of clubs will be reimbursed.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.
- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Samir Thariyan Mappillai, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, approval of Central Government is not required for this appointment.

Mr Samir Thariyan Mappillai holds 4470 shares of the Company. He is not holding any Directorship in other Companies.

Mr Samir Thariyan Mappillai, Mr.K M Mammen, Chairman and Managing Director (Father), Mrs.Ambika Mammen, Director (Mother) and Mr Rahul Mammen Mappillai, Managing Director (brother) may be deemed to be concerned or interested in the above resolution.

None of the other Directors and key managerial personnel and their relatives are concerned or interested in the above resolution.

**Item No. 14**

The Board of Directors at their meeting held on 04.05.2017 approved the appointment of Mr. Varun Mammen as Whole-time Director of the Company, subject to approval of the shareholders for a period of 5 years commencing from 04.08.2017.

Mr. Varun Mammen aged 35 years 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. Currently, he is General Manager- Manufacturing. 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.

Taking into consideration the duties and responsibilities of the Whole-time Director, the prevailing managerial remuneration in industry and considering the increasing size and complexity of the business and on the recommendation of the nomination and remuneration committee, the Board has approved the following terms of remuneration for Mr Varun Mammen.

The terms of remuneration payable to Mr Varun Mammen with effect from 04.08.2017 is as follows :

- A) Salary: ₹ 3,00,000/- per month with annual increment of ₹1,00,000/.
- B) Residential accommodation: Shall be provided free furnished residential accommodation.
- C) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:



- i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
- ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
- iii) Facility of car with driver;
- iv) Allowances and other perquisites: Special allowance and/or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

D) Other Benefits:

- i) Contribution to provident fund, pension/superannuation/gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- ii) One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- iii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
- iv) Medical/Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
- v) Telephone: Free telephone facility at residence including mobile phone & other suitable communication facilities;
- vi) Club Fees: Actual fees of clubs will be reimbursed.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

- E) Commission: In addition to the above, an amount by way of commission calculated at a rate not exceeding 1% of the net profits of the Company, subject to a ceiling of 36 months' salary and subject also to the overall ceilings laid down in section 197 read with section 198 of the Companies Act, 2013.

- F) Minimum remuneration: Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Varun Mammen, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013, as minimum remuneration.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, approval of Central Government is not required for this appointment.

Mr. Varun Mammen holds 8706 shares of the Company. He is not holding any Directorship in other Companies.

Mr. Varun Mammen, being the appointee, is interested in the resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are related to Mr. Varun Mammen and are consequently not concerned or interested, in the aforesaid resolution.

**Item No. 15**

The Board at its meeting held on 04.05.2017, 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 records of the Company for the financial year ending 31st March, 2018 on a remuneration of ₹ 6,44,000/- (Rupees six lakhs forty four 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, in the aforesaid resolution.

By Order of the Board,

Chennai  
4th May, 2017

RAVI MANNATH  
Company Secretary

Route Map for the Venue of Annual General Meeting of MRF Limited to be held on Friday, 4th August, 2017, at 11.00 A.M.

