



MRF

MRF Limited, Regd. Office : 114, Greams Road, Chennai 600 006.

Email : mrfshare@mrfmail.com ; Tel.:044-28292777; Fax : 91-44-28295087

CIN : L25111TN1960PLC004306; Website : www.mrftyres.com

071/SH/SE/AGM-2016/KGG/3

16th August, 2016

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 for the Financial Year 2014-2016

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find a copy of Annual Report for the financial year 2014 - 2016 duly approved and adopted by the members at its meeting held on Thursday, the 11th August, 2016 at 11.00 a.m at TTK Auditorium, "The Music Academy", No.168, TTK Road, Chennai 600 014.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For MRF LIMITED


RAVI MANNATH

 COMPANY SECRETARY

MRF

ANNUAL REPORT 2014-16



THE GREAT RED

BLAZING NEW RECORDS
FOR THREE DECADES

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Dear Shareholder,

With the change in our financial year, we have had an extended financial period from October 2014 to March 2016. This period was indeed challenging with the Automobile sector recording a lacklustre performance. This was compounded by increased tyre production capacity being added by major players. This scenario was further aggravated by significant import of Chinese truck radial tyres at prices far below those of domestic manufacturers thereby impacting the industry.

The Automotive sector is seeing a revival in the last two quarters especially in the heavy commercial segment and we are hopeful that this trend would continue in the coming year. MRF's turnover grew to an unprecedented Rs.22,495 crores for the 18 month period October 2014 - March 2016. MRF's entrenched position in the replacement market has been one major reason for our ability to do well even in such adverse circumstances. MRF's wide network, brand dominance and product superiority are major reasons for our continued customer preference in the market. This was recognised by our peers when we were featured on the Forbes India Super 50 list and the Brandz Top 50 list of India's most valuable brands.

Now with our global footprint broadening, significant investments continued in brand building through our sponsorship of the ICC Cricket World Cup fixtures.

Looking ahead, a growing economy coupled with our enhanced and upcoming production capacities should see us not just safeguard our position but also gain new ground. It is here that our understanding of the fast changing customer needs and our speed to market in addressing them with nimbleness, that will set us apart from the others in the coming years.

A handwritten signature in blue ink, appearing to read 'K. M. Mammen', with a horizontal line underneath.

K. M. Mammen

Chairman & Managing Director

INDIA'S MOST AWARDED TYRE BRAND

India's preferred tyre brand is also India's most awarded tyre brand and has been recognised for communication excellence and brand value.

INDIAA AWARDS - MRF received the best campaign award for the 2015 ICC World Cup "There's a lot riding on us" campaign.

BRANDZ-Top 50 - MRF was rated as one of India's 50 most valuable brands.



- A focus on growth and innovation coupled with the resilience to tide over tough times ensured that MRF featured in the Forbes listing of India's Super 50 Companies.



NEW PRODUCT LAUNCHES



Passenger Car Radial:

MRF ZLX tubeless radials are designed for absolute comfort and are perfect for long drives and weekend getaways.

Farm Tyres:

MRF Shakti Life Plus tyres are designed for excellent performance in the field and on the road. Its strong casing increases the retreadability factor.



OTR:

Musclerok-I, Musclerok G-2 and Musclerok L-3 OTR tyres are targeted at the port/container freight stations, road construction and infrastructure segments.



WORLD-CLASS TYRE CARE



MRF TireTok is a unique retail concept offering the complete range of MRF tyres and tubes and a range of services for premium cars from Robotic Wheel Alignment to A/C Recovery & Recharging.



MRF Musclezone is a state-of-the-art tyre servicing facility for commercial vehicles offering services like Wheel Balancing, Nitrogen Filling and many more.



MRF Tyredrome, Ernakulam is the ultimate destination for vehicle care. With an impressive host of services that range from robotic wheel alignment, diagnostic wheel balancing and automated car wash with robotic under chassis washing, MRF Tyredrome services are tailored to ensure absolute safety and comfort, making every drive a dream.

MRF Corp Limited has undertaken a number of projects with our premium products - AquaFresh, MetalCoat and Acrylic SuperFine in addition to the popular Wood Coatings range. These products have found favour for their superior performance characteristics along with high aesthetic value. The company has expanded its dealer network by over 400 dealers and added around 30 premium dealers for their "Colordrome" tinting system to provide over 3000 shades for the AquaFresh range of water-based PU wall finishes.



APRC/MRF CHALLENGE

Team MRF created history by winning the prestigious FIA Asia Pacific Rally Championship (APRC) for the 7th time. In addition to this, Team MRF also scored an emphatic victory in the Team Trophy and the Manufacturers Championship.

The MRF Challenge, an FIA sanctioned event, is India's fastest racing series featuring the MRF F2000 racing car. The 2015 edition of the MRF Challenge was held in Abu Dhabi, Bahrain and Dubai with the season finale in Chennai.



AB de VILLIERS - MRF BRAND AMBASSADOR

- The world's leading batsman in Tests and ODIs, South Africa's AB de Villiers, was signed on as MRF's brand ambassador. The popular South African ODI captain is the latest in an elite line of batsmen who have been associated with India's largest tyre brand.



- The International Cricket Council (ICC) and MRF announced a four-year partnership with MRF Tyres as a Global Partner for ICC events from 2016-19.

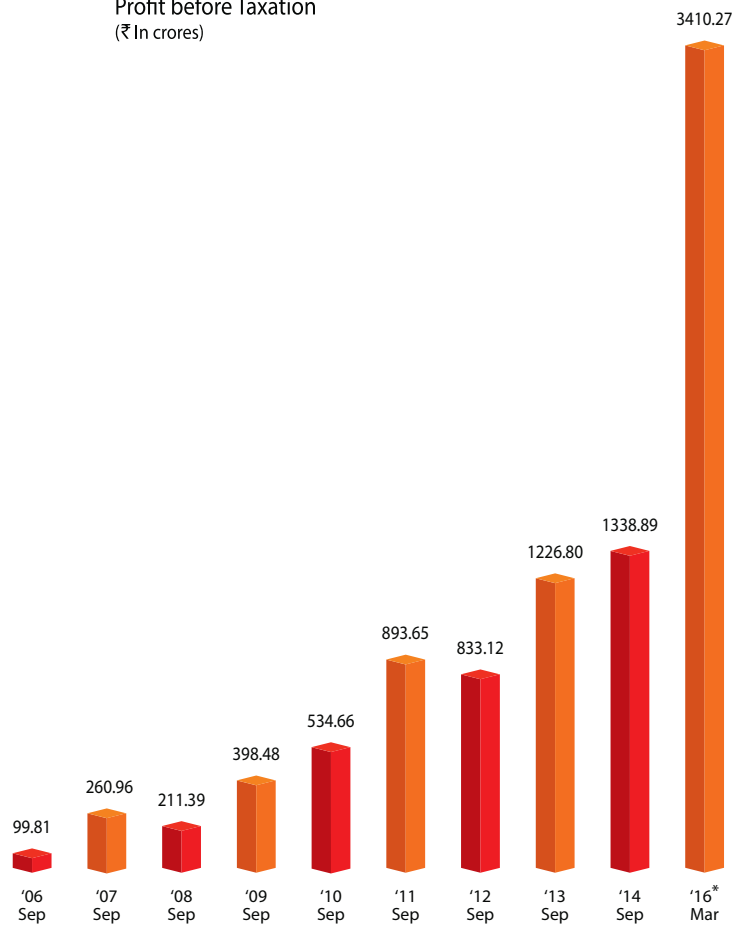
Association with the ICC and all its major tournaments presents a great opportunity for brand MRF to reach markets across the world.

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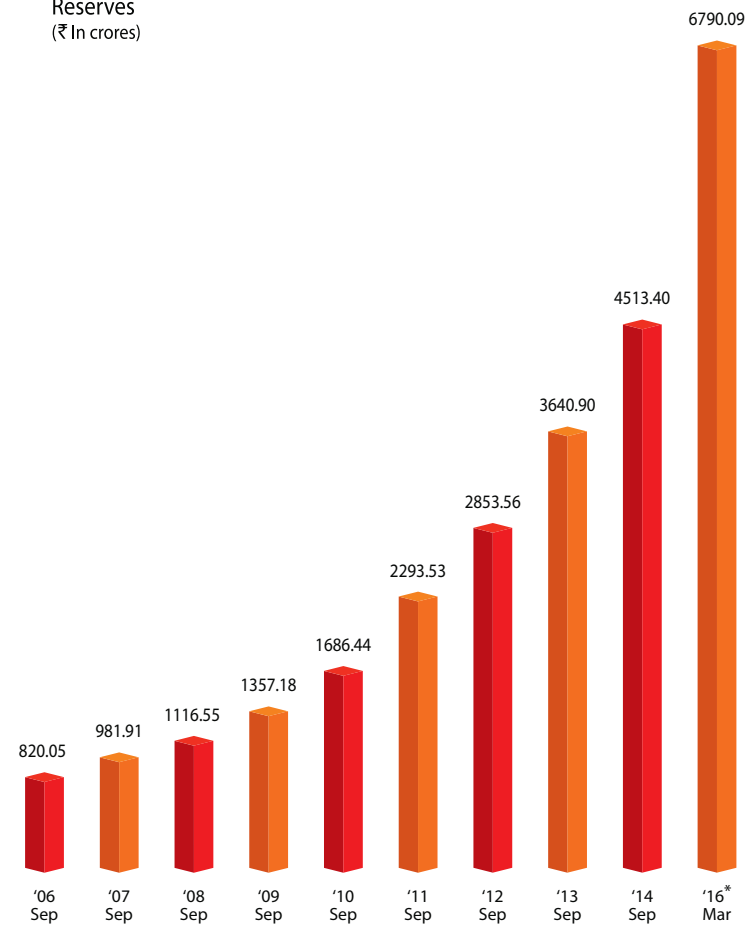


RACING AHEAD

Profit before Taxation
(₹ In crores)



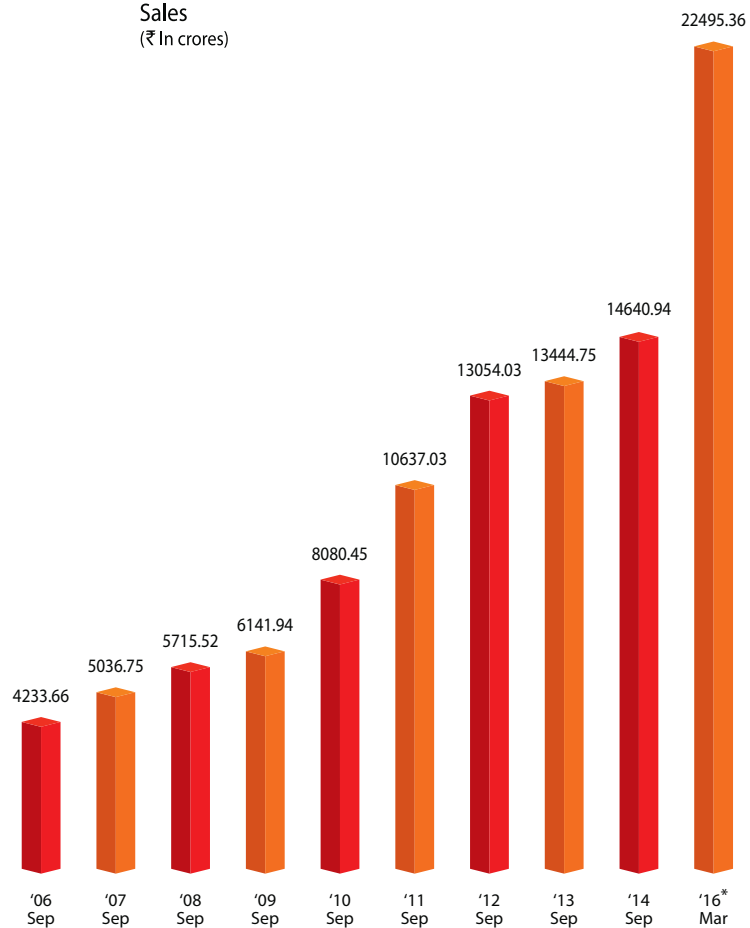
Reserves
(₹ In crores)



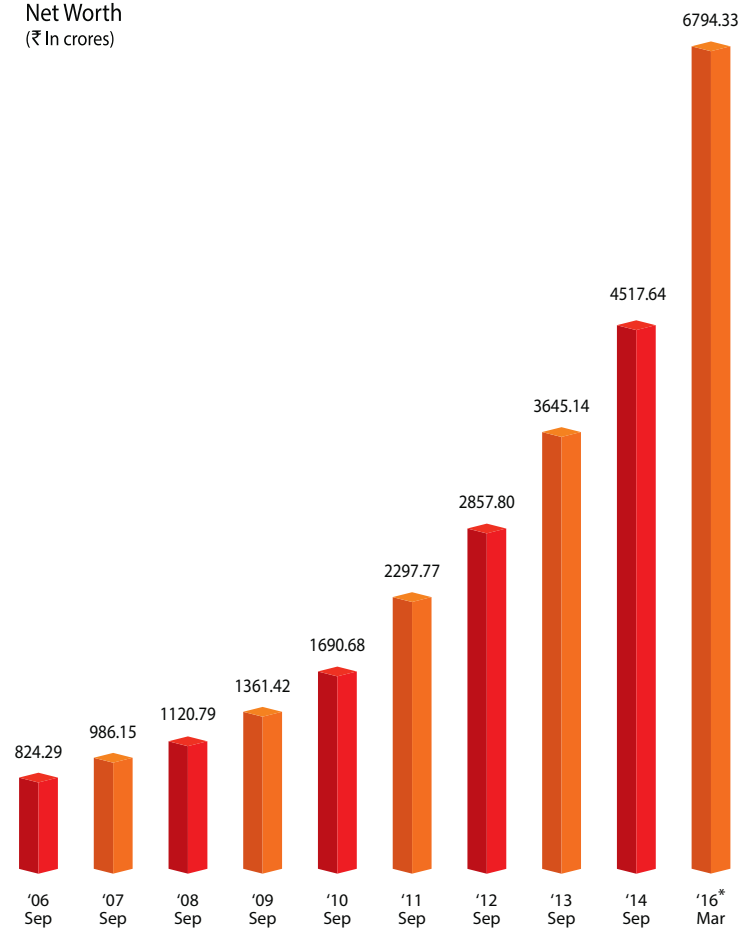
*For the 18 months period ended 31.03.2016

RACING AHEAD

Sales
(₹ In crores)



Net Worth
(₹ In crores)



*For the 18 months period ended 31.03.2016

BOARD OF DIRECTORS

K.M. MAMMEN

Chairman & Managing Director

ARUN MAMMEN

Managing Director

RAHUL MAMMEN MAPPILLAI

Whole-time Director

Dr. K. C. MAMMEN

ASHOK JACOB

V. SRIDHAR

VIJAY R. KIRLOSKAR

N. KUMAR

RANJIT I. JESUDASEN

Dr. SALIM JOSEPH THOMAS

JACOB KURIAN

M. MEYYAPPAN

Dr. CIBI MAMMEN

AMBIKA MAMMEN

Company Secretary

RAVI MANNATH

Auditors

SASTRI & SHAH, Chennai

M.M. NISSIM & Co., Mumbai

Registered Office:

No.114, Greams Road, Chennai - 600 006.



Ten Year Financial Summary (₹ Crore)	2014-16 Sales	2014	2013	2012	2011	2010	2009	2008	2007	2006
	22495.36	14640.94	13444.75	13054.03	10637.03	8080.45	6141.94	5715.52	5036.75	4233.66
Other Income	210.92	73.47	37.40	39.73	33.14	29.13	34.40	40.83	24.17	27.07
Total Income	22706.28	14714.41	13482.15	13093.76	10670.17	8109.58	6176.34	5756.35	5060.92	4260.73
Profit before Taxation	3410.27	1338.89	1226.80	833.12	893.65	534.66	398.48	211.39	260.96	99.81
Provision for Taxation	1082.55	441.00	424.59	260.76	274.23	180.68	145.45	66.83	89.18	19.90
Profit after Taxation	2327.72	897.89	802.21	572.36	619.42	353.98	253.03	144.56	171.78	79.91
Share Capital	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
Reserves	6790.09	4513.40	3640.90	2853.56	2293.53	1686.44	1357.18	1116.55	981.91	820.05
Net Worth	6794.33	4517.64	3645.14	2857.80	2297.77	1690.68	1361.42	1120.79	986.15	824.29
Fixed Assets Gross	9205.63	6954.43	5834.14	5477.16	4874.07	3865.62	3020.57	2866.24	2289.77	1955.99

BOARD'S REPORT

Your Directors have pleasure in presenting to you the Fifty Fifth Annual Report and the Audited Financial Statements for the 18 months period ended 31st March, 2016.

As per section 2(41) of the Companies Act, 2013, all Companies are required to have a uniform financial year ending 31st March of every year. This requirement is to be complied within two years from the commencement of the Companies Act, 2013. Therefore, the Board of Directors have extended the financial year that commenced on 1st October 2014 to an eighteen months period ending 31st March, 2016 and the same has been approved by the Registrar of Companies, Chennai. Consequently, this Report which is attached to the financial statements is for a period of 18 months i.e., 1st October, 2014 to 31st March, 2016. Hence, the figures for the period under review are not comparable with the previous financial year ended 30th September, 2014.

Financial Results

(₹ Crore)

	1st October, 2014 to 31st March, 2016 [18 months period]	1st October, 2013 to 30th September, 2014 [12 months period]
Total Income	22706	14714
Profit before tax	3410	1339
Provision for taxation	1082	441
Net Profit	2328	898

Performance Overview

During the 18 months period ended 31st March, 2016, your Company's total income increased to ₹ 22,706 crore from ₹ 14,714 crore in the previous 12 months period ended 30th September, 2014. Across the board, there was an overall increase in production in all segments adding up to a 9% increase in total tyre production. During the period under review, the price of natural rubber and the fuel price have softened, resulting in lower raw material cost. Reduction in material cost has been passed on to customers by way of selling price reduction. This has finally resulted in lower top line growth. This apart, your Company could achieve improved results due to the various initiatives taken to improve its operating efficiencies and also through the cost reduction measures undertaken over a period of time.

The Company's exports stood at ₹ 1,856 crore for the 18 months period ended 31st March, 2016 as against ₹ 1,332 crore for the 12 months period ended 30th September, 2014.

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 Annual Report.

Dividend

Two interim dividends of ₹ 3 each per share (30% each) for the 18 months period ended 31st March, 2016 were declared by the Board of Directors on 27th July, 2015 and on 29th October, 2015. The Board of Directors is

now pleased to recommend a final dividend of ₹ 94 per share (940%) on the paid up equity share capital of the Company, for consideration and approval of the shareholders at the annual general meeting. With this, the total dividend for the entire 18 months period works out to ₹ 100 per share (1000%). The total amount of dividends aggregates to ₹ 42.41 Crore.

The Directors recommend that after making provision for taxation, debenture redemption reserve and proposed dividend, an amount of ₹ 2,284.62 Crore be transferred to general reserve. With this, the Company's Reserves and Surplus stands at ₹ 6,790.09 Crore.

Industrial Relations

Overall, the industrial relations in all our manufacturing units had been harmonious as well as cordial, except in Thiruvottiyur unit wherein long-term wage settlement is pending. Efforts are being made to resolve the issue. Both production & productivity were maintained at the desired satisfactory levels throughout the period under review.

Prospects for the Current Year

Two successive monsoon failures has hit the automobile industry quite hard in 2015-16, but Indian industry's tenacity has seen off this sluggish phase with optimism and a modest level of success despite the agrarian distress that characterized the period. Further, hopes of recovery in the tyre industry are tied to a resurgence of growth in the overall economy. The positive sentiment shown by the manufacturing sector in recent months will definitely have an impact on the demand in the tyre industry, both for the Original Equipment Manufacturer [OEM] and the Replacement markets. The increased capacity built up by the various industry players will see heated competition with severe price discounting being the norm and it is critical to protect your Company's turf in the commercial tyres and the two wheeler segments which will be under severe pressure.

A normal monsoon is predicted for the new season and it is believed this will help the farm sector to show stronger performance in the coming year, with an attendant spike in rural demand that will, hopefully, help drive an all-round recovery in the next fiscal. With the above, your Company hopes to record satisfactory results on account of MRF's high brand preference and trust reposed by customers in MRF products.

Performance of Subsidiaries

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and applicable accounting standards form part of the Annual Report. The consolidated financial statements include the financial results of its subsidiary companies.

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

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 also provides details of performance and financial position of the subsidiaries.

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 and loss of the Company for that period;
 - c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 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. The Board and the Audit Committee periodically undertake a review of the major risks affecting the Company's business and also the policies/measures evolved to mitigate these risks.

Adequacy of Internal Financial Control

Your Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the nature and size of its business operations.

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

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 <http://www.mrfityres.com/downloads/download.php?filename=csr-Policy.pdf>.

The details of the CSR initiatives undertaken during the 18 months period ended 31st March, 2016 and other details required to be given under section 135 of the Companies Act, 2013 read with rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure II forming part of this Report.

Board

Mr. K M Philip, Whole-time Director of the Company stepped down from the Board of the Company with effect from 31st March, 2015 on account of his advancing age. Mr. K M Philip has been on the Board of MRF from its inception in 1961. The Board places on record its sincere appreciation and gratitude to Mr. K M Philip for the valuable services rendered by him during his tenure on the Board and in his capacity as the Whole-time Director of the Company.

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribe gender diversity in the Board. Accordingly, the Board has appointed Dr. (Mrs) Cibi Mammen and Mrs. Ambika Mammen as additional directors of the Company with effect from 12th February, 2015 and 23rd April, 2015, respectively and they will hold office till the ensuing annual general meeting. Notices along with the requisite deposit in terms of section 160 of the Companies Act, 2013, have been received from members proposing their candidature for the office of director, liable to retire by rotation, at the forthcoming annual general meeting of the Company.

As required by section 152 of the Companies Act, 2013, Mr. Rahul Mammen Mappillai, Whole-time Director of the Company, retires by rotation at the ensuing annual general meeting and is eligible for re-appointment.

The notice convening the annual general meeting includes the proposal for appointment/re-appointment of the above Directors.

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.

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. 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 board meetings, attendance and effectiveness of the deliberations etc.,

The Board and the nomination and remuneration committee 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.

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 Annual Report.

The information pertaining to the number of Board meetings held, the constitution of the Audit Committee, Remuneration Policy of the Company, criteria under section 178(3) of the Companies Act, 2013, Related Party Transactions and the Vigil Mechanism under the various provisions of the Companies Act, 2013, have been disclosed in the Corporate Governance Report which forms part of this report.

Particulars of Employees

The disclosures pertaining to remuneration and other details of directors and employees as required under section 197(12) of the Companies Act, 2013 read with rule 5 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 its 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.

The Company has put in place a formal policy in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the 18 months period under review, the Company has not received any complaint under the Act.

Deposits

Your Company accepted deposits for an amount of ₹ 5.68 crore during the 18 months period ended 31st March, 2016. Four deposits aggregating ₹ 0.12 crore remain unclaimed as at the close of the 18 months period ended 31st March, 2016.

There were no defaults in respect of repayment of any deposits or payment of interest thereon during the 18 months period under review. The Company has not accepted any deposits which are not in compliance with the requirements of the Act.

Awards received during the period

Your Company won the Forbes Super 50 Company Award and the Brandz Top 50 Award for being one of the country's most valuable brands, and has also been awarded the "Top Export Award" by the Chemical And Allied Products Export Promotion Council, India (CAPEXIL) and "Highest Export Award" by the All India Rubber Industries Association for 2015-2016.

Auditors

As per the Companies Act, 2013, auditors are permitted to hold office for a maximum period of 10 years continuously. The law provides time of three years to comply with the new requirements. Messrs. Sastri & Shah, Chennai and M M Nissim & Co., Mumbai have been the Joint Statutory Auditors of the Company for more than 10 years. In order to comply with the requirements of law, Messrs. M M Nissim & Co., Chartered Accountants, Mumbai, have informed the Company that they do not wish to seek re-appointment at the forthcoming annual general meeting.

The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 3rd May, 2016, have decided to recommend to the shareholders, the appointment of Messrs. SCA AND ASSOCIATES, Mumbai (Firm Regn. No. 101174W), as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the Fifty Fifth annual general meeting until the conclusion of the Sixtieth annual general meeting of the Company, subject to ratification annually by shareholders, if required by law. Messrs. SCA AND ASSOCIATES have given their consent to act as Joint Statutory Auditors and have also confirmed that their appointment, if made, shall be in accordance with the provisions of the Companies Act, 2013.

The Board has also decided to recommend re-appointment of Messrs. Sastri and Shah, Chennai (Firm Regn. No. 003643S), the other joint Statutory Auditor, who retire at the conclusion of the forthcoming 55th annual general meeting for a further period of one year till the conclusion of the 56th annual general meeting of the Company.

Cost Audit

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of Mr. C Govindan Kutty, Cost



Accountant, as Cost Auditor of the Company for the financial year ending 31st March, 2017, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the ensuing annual general meeting.

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 18 months period ended 31st March, 2016. 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.

Voluntary Delisting of Company's Equity Shares from the Madras Stock Exchange Limited

Consequent to the decision taken by Madras Stock Exchange for voluntary de-recognition and exit as a Stock Exchange, the equity shares of the Company have been removed from the list of Listed Securities of Madras Stock Exchange with effect from 04th February, 2015.

Extract of Annual Return

An extract of Annual Return in Form MGT-9 as on 31st March, 2016 is attached as Annexure-IV to this Report.

Extension of Annual General Meeting

Consequent to the approval granted by the Registrar of Companies, Chennai for extending the financial year of the Company to 31st March, 2016, Registrar of Companies has vide order dated 20th November, 2015, granted extension of time for conduct of the annual general meeting of the Company by 3 months.

Other Matters

There are no material changes and commitments affecting the financial position of the Company between the 18 months period ended 31st March, 2016 and the date of this Report.

During the period 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.

Details of loans, guarantees and investments covered by the provisions of section 186 of the Companies Act, 2013 are given in Note 27 of the Notes to the financial statements.

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
3rd May, 2016

K M MAMMEN
Chairman & Managing Director

ANNEXURE I TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

In our endeavour to conserve energy, we have a continual program to reduce specific consumption of fuel and power. Benchmarking of best performance of previous year is done and same is used for setting targets. Energy management systems are being introduced in plants. Focus on renewable energy and alternate sources of energy are being explored.

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

Steam consumption optimization by reducing steam loss in distribution is a focus area. The following measures have been implemented to reduce specific steam consumption:

- a) Use of advanced condition monitoring tools for Steam distribution systems has been implemented at all manufacturing facilities to identify area of improvement in insulation. Evaluation and use of better insulation materials/methods are carried out to minimize heat loss in insulation.
- b) Energy Management system (ENMS) installed to monitor & benchmark of steam consumption at sub-plant and equipment level. This is used to study impact of energy conservation measures such as change in curing specifications, improvement of insulation or traps & utilization of presses.
- c) Improvements on steam generations systems such as preheating of air for combustion and increase feed water temperature in boilers from waste heat recovery have been implemented to improve efficiencies in steam generation.

Power consumption reduction is monitored by major equipment wise and area wise. The following measures were implemented to reduce specific power consumption:

- a) LED/Induction lamp fittings are being used at plants.
- b) Usage of VFD drives in auxiliary equipment in significant power consumption area such as rubber mixing and extrusion.

- c) Usage of energy efficient screw type compressors with heat recovery has improved the specific power consumption in compressed air generation.

(ii) Steps taken by the Company for utilizing alternative source of energy:

In order to reduce its carbon footprint your Company is continuously exploring and using alternate or renewable sources of power:

- a) Power purchase from open access using power exchanges.
- b) Feasibility studies are being done to increase generation for captive wind mills.
- c) Usage of Skylight in structures to reduce day time lighting power consumption.
- d) Solar Photovoltaic Cells based street lighting has been used in some manufacturing facilities.

(iii) Capital Investment on energy conservation projects:

Investments have been carried for implementing energy conservation proposal which have significant long-term impact wherein the technology change is required.

Capital projects to ensure fuel and power savings has been implemented as listed below:

- a) Minimization of boiler blow down loss through use of reverse osmosis treatment for boiler feed water.
- b) Variable frequency drive from hot water system pumps in tyre curing.
- c) Installation of energy efficient screw type air compressors.
- d) Waste heat recovery from air compressor for boiler feed water preheating.

Other ongoing energy conservation proposals are as follows:

- i) Rationalization of steam piping size to reduce steam loss in distribution.



- ii) Nitrogen purging to eliminate steam usage for condensate evacuation in tyre curing.
- iii) Reduction of compressed air usage in mixing through hydraulic ram.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

1. Efforts made towards technology absorption, adaptation and innovation.
 - a) Evaluation of new generation materials:
New generation materials are evaluated and adapted in our formulations to achieve special properties to meet the specific requirements of the customers.
 - b) New product development:
New products are developed to meet stringent requirement of various customers by introducing new designs and new materials.
 - c) New process development:
New process techniques are adapted to reduce energy consumption, increase productivity and to improve consistency of the process.
 - d) Modernization of machinery:
Modernization of machinery is done to achieve higher level of accuracy and to improve productivity. Manufacturing process is being automated to reduce manual intervention and to improve quality.
2. Benefits derived as a result of the above efforts.
 - a) Product improvement:
Development of new formulation, new designs and new process techniques has improved the product performance.
 - b) Cost reduction:
Usage of advanced raw materials and new material sources has helped in reducing the cost. Improvements achieved in power & fuel consumption, higher machine utilization and reduction in waste loss have yielded cost reduction.

- c) New product development:
Development of new design and usage of advanced materials has resulted in development of new product to meet the stringent customer requirements.
- d) Import substitution:
Usage of indigenous materials and process equipments have helped in replacing imported materials and resulted in substantial cost savings.
3. Details of imported technology (Imported during last 3 years reckoned from the beginning of the financial year): N.A.
4. Expenditure incurred on Research and Development:

	(₹ in Crore)	
	1 st October, 2014 to 31 st March, 2016 [18 months period]	1 st October, 2013 to 30 th September, 2014 [12 months period]
R & D Expenses		
(a) Capital	6.34	5.44
(b) Recurring	48.55	28.64
Total	54.89	34.08

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	(₹ in Crore)	
	1 st October, 2014 to 31 st March, 2016 [18 months period]	
Foreign Exchange Earnings:		
FOB Value of Exports	1,666.49	
Freight & Insurance	20.67	
Dividend	0.05	
Others	2.99	
	1,690.20	
Foreign Exchange Outgo:	4,992.73	

On behalf of the Board of Directors,

Chennai
3rd May, 2016

K M MAMMEN
Chairman & Managing Director

ANNEXURE II TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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. Our broad objectives, as stated in our CSR Policy, includes supporting causes concerning healthcare, education, rural development, skill development and sports training. The CSR policy is available in the Company's website and Web-link is: <http://www.mrfityres.com/download.php?filename=csr-policy.pdf>.

2. The Composition of the CSR Committee:

Mr. K M Mammen – Chairman

Mr. Arun Mammen – Member

Mr. Rahul Mammen Mappillai – Member

Mr. Ranjit I Jesudasan – Member

3. Average net profit of the Company for last three financial years : ₹ 1127.26 Crore.
4. Prescribed CSR Expenditure (two per cent of the average net profit of the last three financial years): ₹ 22.55 Crore.
5. Details of CSR spent during the 18 months period ended 31/03/2016:
 - (a) Total amount spent for the 18 months period ended 31/03/2016 : ₹ 9.09 Crore.
 - (b) Amount unspent, if any; : ₹ 13.46 Crore.
 - (c) Manner in which the amount spent during the 18 months period ended 31/03/2016 is detailed below:

(₹ in Crore)

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Providing training to fast bowlers.	Sports	Chennai (Tamil Nadu)	7.28	4.76	4.76	Direct - 4.76
2	Training for under privileged youngsters to become commercial vehicle drivers.	Vocational Skills	Chennai (Tamil Nadu)	1.80	1.65	1.65	Direct - 1.65



(₹ in Crore)

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
3	Promote health care activities including health care for children and also organize preventive health care programmes such as free medical consultation camps and conduct health check ups for various categories of people.	Promoting health care including preventive health care	Chennai (Tamil Nadu)	1.00	1.00	1.00	Through implementing agency – 1.00 MIOT International Hospital Limited
4	Organize preventive health care programmes such as conducting medical camps and conduct of health check ups. Construction of hostel building for health care students etc.,	Promoting health care including preventive health care & Promotion of Education	Chennai (Tamil Nadu)	0.50	0.50	0.50	Through implementing agency – 0.50 Madras Medical Mission
5	Renovation of pre-school class rooms in the existing school building at Sishya School, Chennai.	Promotion of education	Chennai (Tamil Nadu)	0.50	0.50	0.50	Through implementing agency – 0.50 KIT Thomas Educational Society
6	Support Complicated Major Eye Surgeries (Both pre-operative and post-operative care) to be performed on poor and indigent persons.	Promoting health care including preventive health care	Chennai (Tamil Nadu)	0.50	0.50	0.50	Through implementing agency – 0.50 Contribution to the corpus of “Free eye surgeries and running hospital” project of Sankara Nethralaya, a unit of Medical Research Foundation.

(₹ in Crore)

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
7	Reconstructive Surgery which includes Pre and post-operative care for people affected by leprosy.	Promoting health care including preventive health care	Chittoor (Andhra Pradesh)	0.038	0.038	0.038	Through implementing agency - 0.038 Swiss Emmaus Leprosy Work India
8	Construction of new school building near our Goa Factory.	Promotion of education	Harbour (Goa)	0.25	0.10	0.10	Through implementing agency - 0.10 Shree Susenashram Vidyalaya
9	Completion of Panchayath building of Usgao Panchayat at near to our Goa Factory.	Rural development projects	Goa	0.13	-	-	Direct (Expenditure will be incurred in 2016-2017)
10	Donation of ambulance vehicle to Government Area Hospital near our factory at Medak, Telengana.	Promoting health care	Medak (Telangana)	0.04	0.04	0.04	Direct - 0.04

6. Reasons for not spending the amount during the 18 months period ended 31.03.2016:

Much prior to the coming into force of the provisions of CSR under the Companies Act, 2013, the Company has been engaging in socially relevant projects viz, MRF Pace Foundation (which provides training for promising youngsters to become pace bowlers of a national and international standard) and MRF Institute of Driver Development (which trains under privileged youngsters to become competent drivers). While these ongoing projects were continued under the new regulatory frame work, the Company took time to identify other new CSR projects for implementation. The Company was able to finalise the new CSR projects and firm up the implementation mechanism by July / August of 2015. Despite the initial delays encountered, the Company could successfully implement a number of projects as per the focus areas identified and spent a total sum of ₹ 9.09 crore. Being the first accounting period of the implementation of the CSR under the provisions of the Companies, 2013, and with the experience gained during the above period, the Company will take necessary steps to carry out the projects already taken up as well as new projects that may be identified for implementation during the coming years.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

Chennai
3rd May, 2016

Arun Mammen
Managing Director

K M Mammen
Chairman & Managing Director
and Chairman of CSR Committee



ANNEXURE III TO THE BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE 18 MONTHS PERIOD ENDED 31ST MARCH, 2016
(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 (CIN: L25111TN1960PLC004306) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the MRF LIMITED'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 18 months period ended has proper Board – processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereunder.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by MRF LIMITED for the 18 months period ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Company) and 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:
 - 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, 1992 and 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, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and listing of debt securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

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 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 system 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, 1991;
 4. Acts relating to consumer protection;
 5. Acts and Rules prescribed under prevention and control of pollution;
 6. Acts and Rules relating to environmental protection and energy conservation;
 7. Acts and Rules relating to hazardous substances and chemicals;
 8. Acts and Rules relating to electricity, fire, petroleum, motor vehicles, explosives, boilers etc.;
 9. Acts relating to protection of IPR;
 10. Land revenue laws; and
 11. 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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act including appointment of Women Director.

Adequate notice is given to all directors to schedule 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 are carried out unanimously as recorded in the minutes of the Meeting.

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.

I further report that during the audit period the Company has passed special resolutions in the annual general meeting dated 12.02.2015 under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, in respect of borrowing monies beyond prescribed limits and creating charge over the assets of the Company, respectively.

Place: Chennai
Date: 3rd May, 2016

K. ELANGO VAN
Company Secretary in Practice
FCS No.1808, CP No. 3552

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 - 600 006.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the Company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither as 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.

Place: Chennai
Date: 3rd May, 2016

K. ELANGO VAN
Company Secretary in Practice
FCS No.1808, CP No. 3552



ANNEXURE IV TO THE BOARD'S REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN For 18 months period ended 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.]

I		REGISTRATION & OTHER DETAILS			
i	CIN	L25111TN1960PLC004306			
ii	Registration Date	5th November, 1960			
iii	Name of the Company	MRF LIMITED			
iv	Category/Sub-category of the Company	Public Company / Limited by Shares			
v	Address of the Registered Office & contact details	No. 114, Greams Road, Chennai - 600 006 Tel: 044-28292777, Fax: 044-28295087 e-mail: mrfshare@mrfmail.com			
vi	Whether listed Company	Yes			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	IN HOUSE SHARE REGISTRY MRF Limited No. 114, Greams Road, Chennai - 600 006 Tel: 044-28292777, Fax: 044-28295087, e-mail: mrfshare@mrfmail.com			
II		PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the company shall be stated:					
Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company		
1	Manufacture and sale of Automotive Tyres, Tubes, Flaps etc.,	221	100%		
III		PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES			
Sl. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	MRF Corp Ltd.	U65929TN1985PLC012156	Wholly Owned Subsidiary	100%	2(87)
2	MRF International Ltd.	U25111TN1992PLC023695	Subsidiary Company	95%	2(87)
3	MRF Lanka (P) Ltd.	Company Incorporated Outside India	Wholly Owned Subsidiary	100%	2(87)
4	MRF SG Pte Ltd.	Company Incorporated Outside India	Wholly Owned Subsidiary	100%	2(87)

IV SHAREHOLDING PATTERN (Equity Share capital breakup as % of total Equity)

(i) Category-wise Shareholding

Category of Shareholder's	No. of Shares held as on 01-10-2014				No. of Shares held as on 31-03-2016				% change during the period ended 31.03.2016
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	560121	134	560255	13.21	552955	34	552989	13.04	(0.17)
b) Central Govt. / State Govt.(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	577903	-	577903	13.63	590996	-	590996	13.93	0.30
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL: (A) (1)	1138024	134	1138158	26.84	1143951	34	1143985	26.97	0.13
(2) Foreign									
a) NRI- Individuals	19619	-	19619	0.46	22095	-	22095	0.52	0.06
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB-TOTAL: (A) (2)	19619	-	19619	0.46	22095	-	22095	0.52	0.06
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1157643	134	1157777	27.30	1166046	34	1166080	27.49	0.19
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	259853	100	259953	6.13	305844	100	305944	7.21	1.08
b) Banks/Fl	11940	1533	13473	0.32	6798	1533	8331	0.20	(0.12)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	151399	-	151399	3.57	147513	-	147513	3.48	(0.09)
g) FIIs	323727	100	323827	7.64	360060	100	360160	8.49	0.85
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB-TOTAL (B)(1):	746919	1733	748652	17.65	820215	1733	821948	19.38	1.73
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	424274	663815	1088089	25.66	368432	663567	1031999	24.33	(1.33)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	669397	187533	856930	20.21	676418	169003	845421	19.93	(0.28)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	29000	360695	389695	9.19	15000	360695	375695	8.86	(0.33)
c) Others (specify)	-	-	-	-	-	-	-	-	-
SUB-TOTAL (B)(2)	1122671	1212043	2334714	55.05	1059850	1193265	2253115	53.13	(1.92)
Total Public Shareholding (B)= (B)(1)+(B)(2)	1869590	1213776	3083366	72.70	1880065	1194998	3075063	72.51	(0.19)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3027233	1213910	4241143	100.00	3046111	1195032	4241143	100.00	-



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on 01.10.2014			Shareholding as on 31.03.2016			% change in shareholding during the period ended 31.03.2016
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Mr. K M MAMMEN	16048	0.38	-	16048	0.38	-	-
2	Mrs. AMBIKA MAMMEN	2489	0.06	-	2489	0.06	-	-
3	Mr. RAHUL MAMMEN MAPPILLAI	4538	0.11	-	4538	0.11	-	-
4	Mr. SAMIR THARIYAN MAPPILLAI	4470	0.11	-	4470	0.11	-	-
5	Mrs. MEERA MAMMEN	15840	0.37	-	15840	0.37	-	-
6	Mr. VARUN MAMMEN	8706	0.21	-	8706	0.21	-	-
7	Mrs. ADITI MAMMEN	4741	0.11	-	4741	0.11	-	-
8	Mr. ARUN MAMMEN	27560	0.65	-	27560	0.65	-	-
9	Mrs. CIBI MAMMEN	500	0.01	-	500	0.01	-	-
10	Mrs. RAMANI JOSEPH	2509	0.06	-	2509	0.06	-	-
11	Mr. KIRAN JOSEPH	2100	0.05	-	2100	0.05	-	-
12	Mr. JOSEPH K S	905	0.02	-	905	0.02	-	-
13	Mrs. ANNU KURIEN	12640	0.30	-	12640	0.30	-	-
14	Mrs. MARY KURIEN	10839	0.26	-	10839	0.26	-	-
15	Mrs. SARAH THOMAS	12664	0.30	-	12664	0.30	-	-
16	Mrs. ANNAMMA PHILIP	15293	0.36	0.15	13793	0.33	0.13	(0.04)
17	Mr. MAMMEN PHILIP	15483	0.37	-	13906	0.33	-	(0.04)
18	Mr. PETER PHILIP	2352	0.06	-	2352	0.06	-	-
19	Mrs. MEERA PHILIP	33627	0.79	-	33627	0.79	-	-
20	Mr. ADITH POULOSE MAMMEN	1500	0.04	-	1635	0.04	-	-
21	Ms. RADHIKA MARIA MAMMEN	100	-	-	100	-	-	-
22	Mr. ROHAN MATHEW MAMMEN	1635	0.04	-	1635	0.04	-	-
23	Mrs. THANGAM MAMMEN	5981	0.14	-	5981	0.14	-	-
24	Mr. CHALAKUZY POULOSE MAMMEN	1165	0.03	-	1030	0.02	-	-
25	Mr. PHILIP MATHEW	11762	0.28	-	11762	0.28	-	-
26	Mrs. BINA MATHEW	1568	0.04	-	1568	0.04	-	-
27	Mr. ANIT MATHEW	4520	0.11	-	4520	0.11	-	-
28	Mr. RIYAD MATHEW	4520	0.11	-	4520	0.11	-	-
29	Ms. SHREYA JOSEPH	5120	0.12	-	5120	0.12	-	-
30	Mr. MAMMEN MATHEW	11015	0.26	-	11015	0.26	-	-
31	Mrs. PREMA MAMMEN MATHEW	10881	0.26	-	10881	0.26	-	-
32	Mr. JAYANT MAMMEN MATHEW	2190	0.05	-	2190	0.05	-	-
33	Ms. MARIAM MAMMEN MATHEW	100	-	-	100	-	-	-
34	Mr. JACOB MATHEW	20977	0.49	-	20977	0.49	-	-
35	Mrs. AMMU MATHEW	2650	0.06	-	2650	0.06	-	-
36	Mr. HARSHA MATHEW	1250	0.03	-	1250	0.03	-	-
37	Ms. MALINI MATHEW	1800	0.04	-	1800	0.04	-	-
38	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LTD.	437243	10.31	-	438414	10.34	-	0.03
39	PENINSULAR INVESTMENTS PRIVATE LIMITED	120369	2.84	-	123497	2.91	-	0.07
40	Mr. MAMMEN EAPEN	4128	0.10	-	4128	0.10	-	-
41	Mrs. OMANA MAMMEN	4703	0.11	-	4703	0.11	-	-
42	Ms. SHILPA MAMMEN	4650	0.11	-	4660	0.11	-	-
43	Ms. SHIRIN MAMMEN	5900	0.14	-	5900	0.14	-	-
44	Mrs. SARA LUKOSE	4168	0.10	-	4168	0.10	-	-
45	Mrs. GEETHA ZACHARIAH	4029	0.09	-	4029	0.09	-	-
46	Mrs. MEERA NINAN	4081	0.10	-	4081	0.10	-	-
47	Mrs. SUSY THOMAS	5278	0.12	-	5278	0.12	-	-
48	Ms. ANNA THOMAS CHACKO	2541	0.06	-	2541	0.06	-	-
49	Mr. MAMMEN VARGHESE	9000	0.21	-	14700	0.35	-	0.14
50	Mrs. ASWATHY VARGHESE	7840	0.18	-	6150	0.15	-	(0.03)
51	Ms. ROSHIN VARGHESE	3779	0.09	-	3779	0.09	-	-
52	Mrs. SUSAN KURIAN	7450	0.18	-	7450	0.18	-	-
53	Ms. HANNAH KURIAN	600	0.01	-	600	0.01	-	-
54	Mrs. TARA JOSEPH	100	-	-	100	-	-	-
55	Ms. REBECCA JOSEPH	350	0.01	-	350	0.01	-	-

Sl. No.	Shareholder's Name	Shareholding as on 01.10.2014			Shareholding as on 31.03.2016			% change in shareholding during the period ended 31.03.2016
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
56	Mrs. SOMA PHILIPS	2800	0.07	-	2000	0.05	-	(0.02)
57	Mr. PETER K PHILIPS	1541	0.04	-	2341	0.06	-	0.02
58	Dr. GEORGE K PHILIPS	41	-	-	41	-	-	-
59	Mr. JOSEPH KANIANTHRA PHILIPS	1000	0.02	-	1000	0.02	-	-
60	Mrs. ELIZABETH JACOB MATTHAI	4000	0.09	-	4000	0.09	-	-
61	Mrs. THANKAMMA JACOB	16096	0.38	-	16096	0.38	-	-
62	Mrs. BEEBI MAMMEN	20237	0.48	-	20237	0.48	-	-
63	Mr. JACOB MAMMEN	35111	0.83	-	35111	0.83	-	-
64	Mr. ROY MAMMEN	11458	0.27	-	11458	0.27	-	-
65	Mrs. RACHEL KATTUKARAN	2587	0.06	-	2587	0.06	-	-
66	Mrs. ACCAMMA KURUVILLA	2481	0.06	-	2448	0.06	-	-
67	Mrs. ANITA MANI	1544	0.04	-	1544	0.04	-	-
68	Mrs. USHA EAPEN GEORGE	1329	0.03	-	1329	0.03	-	-
69	Mr. VIKRAM KURUVILLA	200	-	-	200	-	-	-
70	Mr. KANDATHIL MATHEW JACOB	28	-	-	28	-	-	-
71	Mrs. ASHWATHI JACOB	251	0.01	-	251	0.01	-	-
72	Mr. M A MATHEW	6595	0.16	-	6595	0.16	-	-
73	Mrs. SHONA BHOJNAGARWALA	50	-	-	50	-	-	-
74	Mrs. PREMINDA JACOB	98	-	-	98	-	-	-
75	Mrs. MARIEN MATHEW	160	-	-	160	-	-	-
76	Mrs. LATHA MATTHEW	6023	0.14	-	6023	0.14	-	-
77	Miss. NISHA SARAH MATTHEW	164	-	-	164	-	-	-
78	Miss. NITHYA SUSAN MATTHEW	169	-	-	169	-	-	-
79	Mrs. SHANTA MAMMEN	4438	0.10	-	4438	0.10	-	-
80	Mr. GEORGE MAMMEN	2308	0.05	-	2308	0.05	-	-
81	Dr. ANNA RAPHAEL	258	0.01	-	258	0.01	-	-
82	Mr. MICAH MAMMEN PARAMBI	100	-	-	100	-	-	-
83	Miss. MARIA MAMMEN	84	-	-	84	-	-	-
84	Ms. MARIKA MAMMEN APPIAH	100	-	-	100	-	-	-
85	Mr. ASHOK KURIYAN	1871	0.04	-	1871	0.04	-	-
86	Mrs. SARA KURIYAN	1873	0.04	-	1873	0.04	-	-
87	Mr. KIRAN KURIYAN	399	0.01	-	399	0.01	-	-
88	Mr. ZACHARIAH KURIYAN	3411	0.08	-	3411	0.08	-	-
89	Mrs. REENU ZACHARIAH	517	0.01	-	517	0.01	-	-
90	Mr. K Z KURIYAN	650	0.02	-	650	0.02	-	-
91	Mr. K K MAMMEN MAPPILLAI	7399	0.17	-	7399	0.17	-	-
92	Mrs. GEETHA MAMMEN	250	0.01	-	250	0.01	-	-
93	DEVON MACHINES PVT. LTD.	1000	0.02	-	1000	0.02	-	-
94	M M HOUSING PRIVATE LIMITED	179	-	-	179	-	-	-
95	MAMMEN MAPPILLAI INVESTMENTS LTD.	1209	0.03	-	1209	0.03	-	-
96	THE MALAYALA MANORAMA COMPANY LIMITED	6109	0.14	-	6109	0.14	-	-
97	BADRA ESTATES AND INDUSTRIES LIMITED	7180	0.17	-	7180	0.17	-	-
98	Mr. ARJUN JOSEPH	2100	0.05	-	2100	0.05	-	-
99	Mrs. SUSAN ABRAHAM	138	-	-	138	-	-	-
100	M. M. PUBLICATIONS LIMITED	300	0.01	-	300	0.01	-	-
101	STABLE INVESTMENTS AND FINANCE COMPANY LTD.	4314	0.10	-	4314	0.10	-	-
102	KMMMF PVT. TRUST	36987	0.87	-	36987	0.87	-	-
103	Dr. K C MAMMEN	13993	0.33	-	9043	0.21	-	(0.12)
104	Mrs. SARASU JACOB	8635	0.20	-	8635	0.20	-	-
105	Mrs. ANNAMMA MAMMEN	17265	0.41	-	17265	0.41	-	-
106	Mrs. MAMY PHILIP	6450	0.15	-	6450	0.15	-	-
107	Mrs. ANNAMMA VARGHESE	5700	0.13	-	0	-	-	(0.13)
108	Ms. ANNA PHILIP	350	0.01	-	350	0.01	-	-
109	JCEE MANUFACTURING AND SERVICES PVT. LTD.	0	-	-	1903	0.04	-	0.04
110	BRAGA INDUSTRIES LLP	0	-	-	6891	0.16	-	0.16
111	SARAH CHERIAN TRUST	0	-	-	4950	0.12	-	0.12
	Total	1157777	27.30	0.15	1166080	27.49	0.13	0.20



(iii) Change in Promoters' Shareholding

SL. No.	Name of the Shareholder	Shareholding as on 01.10.2014		Increase/Decrease in Shareholding	Cumulative Shareholding during the period ended 31.03.2016	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
1	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LIMITED	437243	10.31	-	-	-
	Date wise increase / decrease with reason					
	09.03.2015 - TRANSFER	-	-	803	438046	10.33
	10.03.2015 - TRANSFER	-	-	300	438346	10.34
	26.03.2015 - TRANSFER	-	-	68	438414	10.34
2	PENINSULAR INVESTMENTS PRIVATE LIMITED	120369	2.84	-	-	-
	Date wise increase / decrease with reason					
	19.01.2015 - TRANSFER	-	-	66	120435	2.84
	21.01.2015 - TRANSFER	-	-	400	120835	2.85
	23.01.2015 - TRANSFER	-	-	500	121335	2.86
	04.03.2015 - TRANSFER	-	-	1261	122596	2.89
	05.03.2015 - TRANSFER	-	-	739	123335	2.91
	25.03.2015 - TRANSFER	-	-	123	123458	2.91
	26.03.2015 - TRANSFER	-	-	39	123497	2.91
3	Mrs. ANNAMMA PHILIP	15293	0.36	-	-	-
	Date wise increase / decrease with reason					
	10.10.2014 - TRANSFER	-	-	(20)	15273	0.36
	03.11.2014 - TRANSFER	-	-	(116)	15157	0.36
	05.11.2014 - TRANSFER	-	-	(500)	14657	0.35
	07.11.2014 - TRANSFER	-	-	(25)	14632	0.35
	10.11.2014 - TRANSFER	-	-	(75)	14557	0.34
	11.11.2014 - TRANSFER	-	-	(113)	14444	0.34
	12.11.2014 - TRANSFER	-	-	(350)	14094	0.33
	01.12.2014 - TRANSFER	-	-	(80)	14014	0.33
	02.12.2014 - TRANSFER	-	-	(221)	13793	0.33
4	Mrs. ASWATHY VARGHESE	7840	0.18	-	-	-
	Date wise increase / decrease with reason					
	27.11.2014 - TRANSFER	-	-	(100)	7740	0.18
	01.12.2014 - TRANSFER	-	-	(100)	7640	0.18
	03.12.2014 - TRANSFER	-	-	(240)	7400	0.17
	04.12.2014 - TRANSFER	-	-	(200)	7200	0.17
	05.12.2014 - TRANSFER	-	-	(200)	7000	0.17
	10.12.2014 - TRANSFER	-	-	(300)	6700	0.16
	15.12.2014 - TRANSFER	-	-	(350)	6350	0.15
	19.12.2014 - TRANSFER	-	-	(200)	6150	0.15
5	Mr. MAMMEN PHILIP	15483	0.37	-	-	-
	Date wise increase / decrease with reason					
	16.01.2015 - TRANSFER	-	-	(100)	15383	0.36
	19.01.2015 - TRANSFER	-	-	(25)	15358	0.36
	22.01.2015 - TRANSFER	-	-	(150)	15208	0.36
	16.02.2015 - TRANSFER	-	-	(75)	15133	0.36
	18.02.2015 - TRANSFER	-	-	(225)	14908	0.35
	27.02.2015 - TRANSFER	-	-	(125)	14783	0.35
	02.03.2015 - TRANSFER	-	-	(700)	14083	0.33
	03.03.2015 - TRANSFER	-	-	(15)	14068	0.33
	10.03.2015 - TRANSFER	-	-	(162)	13906	0.33
6	Mr. MAMMEN MATHEW	11015	0.26	-	-	-
	Date wise increase / decrease with reason					
	10.02.2015 - TRANSFER	-	-	125	11140	0.26
	25.02.2015 - TRANSFER	-	-	(125)	11015	0.26

Sl. No.	Name of the Shareholder	Shareholding as on 01.10.2014		Increase/Decrease in Shareholding	Cumulative Shareholding during the period ended 31.03.2016	
		No. of Shares	% of total Shares of the Company		No. of Shares	% of total Shares of the Company
7	JCEE MANUFACTURING AND SERVICES PVT. LTD.	-	-	-	-	-
	Date wise increase / decrease with reason					
	20.03.2015 - TRANSFER	-	-	618	618	0.01
	23.03.2015 - TRANSFER	-	-	482	1100	0.03
	25.03.2015 - TRANSFER	-	-	203	1303	0.03
	27.04.2015 - TRANSFER	-	-	300	1603	0.04
	03.06.2015 - TRANSFER	-	-	300	1903	0.04
8	BRAGA INDUSTRIES LLP	-	-	-	-	-
	Date wise increase / decrease with reason					
	30.06.2015 - TRANSFER	-	-	308	308	0.01
	02.07.2015 - TRANSFER	-	-	192	500	0.01
	03.07.2015 - TRANSFER	-	-	500	1000	0.02
	24.08.2015 - TRANSFER	-	-	500	1500	0.04
	07.09.2015 - TRANSFER	-	-	154	1654	0.04
	29.09.2015 - TRANSFER	-	-	500	2154	0.05
	04.11.2015 - TRANSFER	-	-	600	2754	0.06
	13.11.2015 - TRANSFER	-	-	200	2954	0.07
	16.11.2015 - TRANSFER	-	-	437	3391	0.08
	28.01.2016 - TRANSFER	-	-	1845	5236	0.12
	29.01.2016 - TRANSFER	-	-	655	5891	0.14
	04.02.2016 - TRANSFER	-	-	473	6364	0.15
	05.02.2016 - TRANSFER	-	-	74	6438	0.15
	10.02.2016 - TRANSFER	-	-	453	6891	0.16
9	Dr. K C MAMMEN	13993	0.33	-	-	-
	Date wise increase / decrease with reason					
	25.03.2016 - 4950 Shares transferred to a registered trust	-	-	(4950)	9043	0.21
10	SARAH CHERIAN TRUST	-	-	-	-	-
	Date wise increase / decrease with reason					
	25.03.2016 - TRANSFER	-	-	4950	4950	0.12
11	Mr. MAMMEN VARGHESE	9000	0.21	-	-	-
	Date wise increase / decrease with reason					
	04.03.2016 - TRANSMISSION	-	-	5700	14700	0.35
12	Mrs. ANNAMMA VARGHESE	5700	0.13	-	-	-
	Date wise increase / decrease with reason					
	04.03.2016 - TRANSMISSION	-	-	(5700)	-	-
13	Mr. PETER K PHILIPS	1541	0.04	-	-	-
	Date wise increase / decrease with reason					
	08.01.2016 - GIFT	-	-	800	2341	0.06
14	Mrs. SOMA PHILIPS	2800	0.07	-	-	-
	Date wise increase / decrease with reason					
	08.01.2016 - GIFT	-	-	(800)	2000	0.05
15	Mr. ADITH POULOSE MAMMEN	1500	0.04	-	-	-
	Date wise increase / decrease with reason					
	07.07.2015 - GIFT	-	-	135	1635	0.04
16	Mr. CHALAKUZHY POULOSE MAMMEN	1165	0.03	-	-	-
	Date wise increase / decrease with reason					
	07.07.2015 - GIFT	-	-	(135)	1030	0.02
17	Ms. SHILPA MAMMEN	4650	0.11	-	-	-
	Date wise increase / decrease with reason					
	TRANSFER - 15.05.2015	-	-	10	4660	0.11
18	Mrs. ACCAMMA KURUVILLA	2481	0.06	-	-	-
	Date wise increase / decrease with reason					
	23.03.2015 - TRANSFER	-	-	(33)	2448	0.06

Note: Except for the above, there is no change in the holding of the Promoters during the 18 months period ended 31.03.2016.



(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding as on 01.10.2014		Cumulative Shareholding during the period ended 31.03.2016	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Birla Sun Life Trustee Company Private Limited	45083	1.06	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	12175	0.29	57258	1.35
	As on 31.03.2016			57258	1.35
2	Enam Securities Pvt. Ltd.	267626	6.31	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	(45139)	(1.06)	222487	5.25
	As on 31.03.2016			222487	5.25
3	Government Pension Fund Global	50000	1.18	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	5251	0.12	55251	1.30
	As on 31.03.2016			55251	1.30
4	HDFC Trustee Company Limited	-	-	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	46900	1.11	46900	1.11
	As on 31.03.2016			46900	1.11
5	Kotak Mutual Fund	10985	0.26	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	35447	0.83	46432	1.09
	As on 31.03.2016			46432	1.09
6	MOWI [P] Limited	507984	11.98	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	-	-	507984	11.98
	As on 31.03.2016			507984	11.98
7	MSWF [P] Limited	126855	2.99	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	-	-	126855	2.99
	As on 31.03.2016			126855	2.99
8	New India Assurance Co. Ltd	97266	2.29	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	(3109)	(0.07)	94157	2.22
	As on 31.03.2016			94157	2.22
9	SBI Magnum Global Fund	15900	0.37	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	28149	0.66	44049	1.03
	As on 31.03.2016			44049	1.03
10	Unit Trust of India	112425	2.65	-	-
	Transaction [Transfers] from 01.10.2014 upto 31.03.2016	(23013)	(0.54)	89412	2.11
	As on 31.03.2016			89412	2.11

Notes:

1. The shares of the Company are traded on daily basis. Hence, the date wise increase/decrease in the shareholding of the above shareholders is consolidated on the Permanent Account Number [PAN] of the shareholder. All the accounts have been consolidated on PAN basis.
2. Top ten Shareholders is as on 31.03.2016.

(v) **Shareholding of Directors & Key Managerial Personnel**

Sl. No.	For each of the Directors & KMP	Shareholding as on 01.10.2014		Cumulative Shareholding during the period ended 31.03.2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. K M MAMMEN	16048	0.38	-	-
	Date wise increase / decrease with reason	-	-	16048	0.38
2	Mr. ARUN MAMMEN	27560	0.65	-	-
	Date wise increase / decrease with reason	-	-	27560	0.65
3	Mr. RAHUL MAMMEN MAPPILLAI	4538	0.11	-	-
	Date wise increase / decrease with reason	-	-	4538	0.11
4	Dr. K C MAMMEN	13993	0.33	-	-
	Date : 25.03.2016 -4950 Shares transferred to a registered trust	(4950)	(0.12)	9043	0.21
5	Mr. ASHOK JACOB	1856	0.04	-	-
	Date wise increase / decrease with reason	-	-	1856	0.04
6	Mr. V SRIDHAR	-	-	-	-
	Date wise increase / decrease with reason	-	-	-	-
7	Mr. VIJAY R KIRLOSKAR	355	0.01	-	-
	Date wise increase / decrease with reason	-	-	355	0.01
8	Mr. N KUMAR	928	0.02	-	-
	Date wise increase / decrease with reason	-	-	928	0.02
9	Mr. RANJIT I JESUDASAN	-	-	-	-
	Date wise increase / decrease with reason	-	-	-	-
10	Dr. SALIM JOSEPH THOMAS	-	-	-	-
	Date wise increase / decrease with reason	-	-	-	-
11	Mr. JACOB KURIAN	123	0.00	-	-
	Date wise increase / decrease with reason	-	-	123	0.00
12	Mr. M MEYYAPPAN	20	0.00	-	-
	Date wise increase / decrease with reason	-	-	20	0.00
13	Dr [Mrs.] CIBI MAMMEN	500	0.01	-	-
	Date wise increase / decrease with reason	-	-	500	0.01
14	Mrs. AMBIKA MAMMEN	2489	0.06	-	-
	Date wise increase / decrease with reason	-	-	2489	0.06
15	Mr. RAVI MANNATH	-	-	-	-
	Date wise increase / decrease with reason	-	-	-	-
16	Mr. MADHU P NAINAN	4	0.00	-	-
	Date wise increase / decrease with reason	-	-	4	0.00



V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness as on 01.10.2014				
i) Principal Amount	1455.87	411.48	35.42	1902.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	36.78	9.01	0.39	46.18
Total (i + ii + iii)	1492.65	420.49	35.81	1948.95
Change in Indebtedness during the period ended 31.03.2016				
Additions	213.70	541.08	3.16	757.94
Reduction	(544.72)	(19.21)	(31.40)	(595.33)
Net Change	(331.02)	521.87	(28.24)	162.61
Indebtness as on 31.03.2016				
i) Principal Amount	1124.85	933.35	7.18	2065.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	49.35	21.78	0.14	71.27
Total (i + ii + iii)	1174.20	955.13	7.32	2136.65

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(In ₹)

SL No.	Particulars of Remuneration	Mr K M Mammen [Chairman & Managing Director]	Mr Arun Mammen [Managing Director]	Mr K M Philip [Whole-Time Director till 31.03.2015]	Mr Rahul Mammen Mappillai [Whole-Time Director]	Total Amount
1	Gross Salary					
a)	Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	108446990	101420999	13339206	82070147	305277342
b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	47128396	8776143	654879	7834365	64393783
c)	Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	107100000	98280000	12600000	80136000	298116000
5	Others Please Specify	-	-	-	-	-
	Total	262675386	208477142	26594085	170040512	667787125
Ceiling as per the Act (₹ in Crore)		₹ 331.27 Crore [being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013]				

B. Remuneration to Other Directors

(In ₹)

Particulars of Remuneration	Name of Directors										Total Amount
		Mr. Ashok Jacob	Mr. V Sridhar	Mr. Vijay R Kirloskar	Mr. N Kumar	Mr. Ranjit I Jesudasan	Dr. Salim Joseph Thomas	Mr. Jacob Kurien	Mr. M Meyyappan		
Independent Directors											
Fees for Attending Board / Committee Meetings		60000	310000	40000	100000	350000	140000	290000	120000		1410000
Commission		-	-	-	-	-	-	-	-		-
Others		-	-	-	-	-	-	-	-		-
Total (1)		60000	310000	40000	100000	350000	140000	290000	120000		1410000
Other Non-Executive Directors	Dr. K C Mammen									Dr. (Mrs.) Cibi Mammen Mrs. Ambika Mammen	
Fees for Attending Board / Committee Meetings	60000									100000 80000	240000
Commission	-									- -	-
Others	-									- -	-
Total (2)	60000									100000 80000	240000
Total (B) = (1 + 2)	-									- -	1650000
Total Managerial Remuneration (A + B)											669437125
Ceiling as per the Act	Only Sitting fees are being paid to the Directors within the limit prescribed under the Companies Act, 2013										

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Ravi Mannath Company Secretary	Mr. Madhu P Nainan Vice President Finance	Total Amount
1	Gross Salary			
a)	Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	17265444	13926109	31191553
b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	3908513	2189234	6097747
c)	Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
Total		21173957	16115343	37289300

VII. Penalties/Punishment/Compounding of Offences

There were no penalties, punishment or compounding of offence during the 18 months period ended 31st March, 2016.



MANAGEMENT DISCUSSION AND ANALYSIS

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

Your Company is India's largest tyre manufacturer and ranked amongst the Top 20 Global Manufacturers. With 9 state-of-the-art factories across India, it is also India's largest Original Equipment Manufacturer [OEM] tyre supplier with an expansive tyre range from two-wheelers to fighter aircraft. Recent years have seen it augment capacities significantly to meet growing demand while also investing in building a superlative sales, service and distribution network across the country. The MRF brand is the undisputed leader in the replacement market for tyres in the country and its recent partnership with the ICC for World Cup Cricket fixtures between 2015-2019, has given it a credible platform to take its brand imprint worldwide. Despite less than ideal conditions in the economy and in the tyre market in the last 18 months, your Company's strategy, focus and resilience have seen it maintain its leadership in the Indian tyre market for a record 29 years in a row.

The discussion below summarises the key issues and challenges that faced your Company in the 18 months period ended 31st March, 2016.

Market & Industry Overview

The Indian economy, after a somewhat uncertain start, saw an increasing 7.6% growth rate in the final quarter of 2015-2016 as compared to a 7.3% during 2014-2015. The Index of Industrial Productivity (IIP) though showed a negative growth in December and January, is expected to see core sectors showing growth in the period ahead. The lagged impact of interest rate reductions, pay commission recommendations and easier monetary conditions is also expected to support demand and boost industrial capacity utilization, though the entire process may be volatile. According to CRISIL, GDP is expected to rise to 7.9% in fiscal 2016-2017 from 7.6% in fiscal 2015-2016, driven by manufacturing and construction activity. Manufacturing has been the star performer with growth rising to 9.6% in fiscal 2016, driven by efficiency gains and with lower commodity prices, pushing down input costs. Investment demand remained weak at an expected growth rate of 5.3% in 2015-16 as compared to 4.9% in the previous year. Private consumption was mostly supported by urban demand in view of a rural slump due to two successive poor monsoons. On the other hand, inflation seems well under control and it is expected that despite increasing investment in infrastructure, the government will be able to maintain fiscal discipline and contain the deficit at the targeted levels, though concerns about employment growth still abound.

The Indian tyre industry is estimated to be around ₹ 50,000 crore in

2015-16 and is dominated largely by the commercial vehicle segment consisting of heavy, light and small commercial vehicles. The next largest segment is passenger vehicles constituted by cars, SUV's, motorcycles and scooters. The Farm & Off The Road (OTR) segments consisting of the Tractor Front and Rear tyres, Tractor trailers and large tyres for earth moving and other construction and mining related equipment (OTR) are the other important segments in the market.

Traditionally tyres are classified as cross-ply (bias) and radial based on the technology deployed in their manufacture. In India, the commercial tyre segment continues to be dominated by cross-ply tyres due to road conditions, loading patterns and the high initial cost of radials. There is however a steady growth in radialisation across segments in recent years with the highest in passenger cars at almost 100% followed by heavy commercial vehicles at 33% and light commercial vehicles at 30% in 2015.

The tyre industry, which is a derived demand business, is also directly affected by the performance of the vehicle manufacturing sector which in turn is dependent on the overall economic growth. The tyre industry consists of three distinct markets namely Replacement, Institutional/ Original Equipment Manufacturer [OEM] and Exports. By value, replacement market accounts for approximately 60% of the Industry with Institutional / OEM and Exports making up to 22% and 18% respectively. While in the Commercial and Farm segments, replacement sales forms a major chunk, in the passenger segment, both Institutional and OEM and replacement sales play an almost equal role. Of the total tyres produced in India, the top eleven tyre companies' account for more than 90% of the volume. The tyre industry provides direct and indirect employment to more than a million people, comprising of dealers, re-treaders and truck operators. The truck business is controlled by nearly 2.6 million small operators.

The key factors which enabled growth of the automobile manufacturers by 3.5% in 2015-16 included a marginal rise in OEM and replacement demand from the medium & heavy commercial vehicle and cars & utility vehicles segments, backed by new models launch activity and improved vehicles sales. Passenger vehicles sales grew by 6.9% which was mainly led by the 12.1% rise in sale of utility vehicles. Commercial vehicles grew by 12.2% while medium and heavy commercial vehicles had a healthy growth of 28.2%. The deficient monsoon though drove down demand for vehicles such as LCVs with a very modest 2.6% growth and two wheelers by 2.7%, especially in the rural areas. This was largely led by scooter tyres which significantly out performed the tepid growth in motorcycle tyres.

The domestic tyre demand grew by 11% to 12% during 2014-15 supported by 7% to 7.5% growth in the OEM segment and 12% to 15%

growth in the replacement segment. Natural rubber and crude prices continued to favour the domestic tyre industry during 2015-16 with profit margins remaining high. This also saw many of the players diversify and make continuous and major investments of nearly ₹ 36,000 crore in recently completed green field and major expansion projects across the country. The cause for concern is the less than robust demand from the two wheeler and tractor segments due to the agrarian distress seen in the country. While a good monsoon may alleviate this next year, it appears that the era of soft commodity prices is already bottoming out and a slow but steady uptick in commodity prices may be expected in fiscal 2017.

Opportunities and Threats

The last two years have seen the global economy recover rather slowly, but with reference to the tyre industry, the recovery has been somewhat positive in select sectors with the exception of the two wheeler and tractor segments. While the Indian tyre market has seen a growth of 10% to 12% during 2014-2015 on the back of a 7% to 7.5% growth in OEM demand and 12% to 15% growth in replacement demand, it is felt that these growth rates will most likely range between 4% to 8% over the next 3 years with the likely exception of two wheeler and farm segments. Even within the two wheeler segment, there seems to be a silver lining with the scooters showing an increasing growth rate.

Exports could see a strain especially with a decrease in the demand for cross-ply tyres in the commercial sector. The massive investments made in capacity by various players epitomize the confidence in the Indian market by the Industry even during this uncertain scenario. It will also intensify competition greatly as is being seen already with some of the Companies (both domestic and international) entering new segments and significantly increasing outlays on brand and consumer promotion. An unfortunate scenario of glut could also develop if cheap Chinese imports continue to flood the market and undercut established Indian Companies, as is being increasingly seen in the last couple of years.

The long pending issue of inverted tax is yet to be resolved despite the numerous representations made to the Government. The natural rubber import is required to maintain competitiveness in the International market as the gap between natural rubber production and consumption is quiet substantial and hence duty concessions should be extended for import of natural rubber and other raw materials. A permanent solution to this has been sought, as it will be very important for the Indian tyre Industry in the long run, though in the current commodity scenario, due to the lower prices of raw materials like rubber and crude oil, this may not have been of immediate critical concern.

Segment wise and Product wise Performance

The operations of the Company predominantly relate to manufacture of rubber products such as tyres, tubes, flaps, tread rubber and conveyor belt and this constitutes one single business segment.

Across the board, there was an overall increase in all product segments adding up to a 9% increase in total tyre production. In the heavy commercial vehicle segment, the increase was 11% over the previous year while light commercial vehicle tyres increased by 17% in this period which also saw a new sub-category viz., 'Pick-Up' vehicles become a strong growth sector. The small commercial vehicle tyres increased by 7%. In the motorcycle and scooter segments the increase was 8% and 13% respectively. The passenger car and SUV / MUV tyres recorded a 8% growth. The farm sector showed commendable performance in a very tough market with the introduction of new products.

Exports

The Company's exports stood at ₹ 1,856 crore for the 18 months period ended 31st March, 2016 as against ₹ 1,332 crore for the 12 months period ended 30th September, 2014. The International Business Division (IBD) of your Company, during the period under review, has put in place various measures such as identifying and developing new sizes and patterns in truck & bus radial tyres required for key export markets, expanding the portfolio of products with new product launches in international markets, identifying suitable channel partners to expand the existing distribution channel and providing faster technical support to our international customers. This has resulted in increased revenue, better product support and facilitated faster launch of new products in the international markets.

Motorsports tyres have been identified as a new vertical for IBD and the MRF Motorsport Tyres were formally launched at the Autosport International Exhibition in Birmingham, UK, in January 2016. This is also expected to increase MRF's brand profile in advanced markets such as Europe & Australia as a precursor to launching our passenger brands in these markets.

Brand Building activities have been carried out by your Company through its international distributors by participating in regional exhibitions/ trade shows in countries like Indonesia, UAE, Kenya etc., and also by conducting several road shows/ customer contact programs in various markets to increase brand awareness and visibility.



Discussion on Financial Performance with respect to Operational Performance

(₹ Crore)

	October 2014 to March 2016 (18 months)	October 2013 to September, 2014 (12 Months)
Revenue from operations (Gross)	22521	14649
Other Income	185	65
Total Income	22706	14714
Profit before taxation	3410	1339
Provision for taxation	1082	441
Profit after taxation	2328	898

The revenue from operations (gross) of the Company during the 18 months period ended 31st March, 2016 stood at ₹ 22,521 crore as against ₹ 14,649 crore in the 12 months period ended 30th September, 2014. During the 18 months period, the earnings before interest and depreciation (EBIDTA) amounted to ₹ 4,485 crore as against ₹ 1,988 crore in the previous 12 months. After providing for depreciation and interest, the profit before tax for the period is ₹ 3,410 crore as compared to ₹ 1,339 crore in the previous 12 months period. After making provision for income tax, the net profit for the 18 months period ended 31st March, 2016, is ₹ 2,328 crore as compared to ₹ 898 crore in the previous 12 months.

The prices of natural rubber and crude linked derivatives witnessed a steady fall during the period under review, resulting in lower raw material cost. Reduction in raw material cost has been passed on to customers by way of selling price reduction. This has finally resulted in lower top line growth, during the period under review.

Outlook

Two successive monsoon failures has hit the automobile industry quite hard in 2015-16, but Indian industry's tenacity has seen off this sluggish phase with optimism and a modest level of success despite the agrarian distress that characterized the period. Further hopes of recovery in the tyre industry are tied to a resurgence of growth in the overall economy. The positive sentiment shown by the manufacturing sector in recent months will definitely have an impact on the demand in the tyre industry, both for the OE and the Replacement markets.

The increased capacity built up by the various industry players will see heated competition with severe price discounting being the norm and

it is critical to protect your Company's turf in the commercial tyres and the 2 wheeler segments which will be under severe pressure. A normal monsoon is predicted for the new season and it is believed this will help the farm sector to show stronger performance in the coming year, with an attendant spike in rural demand that will, hopefully, help drive an all-round recovery in the next fiscal.

Internal Control Systems and their Adequacy

The Company has adequate internal control systems in place commensurate with its size and nature of business. The internal control systems provide for well documented policies/guidelines and authorization and approval procedures. Company through its own Internal Audit Department carries out periodical Audits at all locations and functions based on the Plan as approved by the Audit Committee. Some of the salient features of the Internal control systems in vogue are:

- A robust ERP system connecting all plants, sales offices and Head Office to enable seamless data inflow. This is constantly reviewed from Internal Control stand point.
- Preparation of annual budget for operations and services and monitoring the same against the actuals at periodic intervals .
- All assets are properly recorded and system put in place to safeguard against any losses or unauthorized use or disposal.
- Periodic physical verification of fixed assets and all Inventories.
- Observations arising out of the Internal Audit are periodically reviewed at the Audit Committee meeting and follow up action taken.
- Periodic Presentations made to the Audit Committee on various operations and financial risks faced by the Company and action proposed to mitigate such risks.

Risks and Concerns

During the current fiscal ie., 2016-17, there is likely to be a period of global uncertainty in view of Brexit. This could lead to a potential currency volatility. An increase in demand for the auto sector can only be triggered by adequate investments in infrastructure and attending to the rural sector which is going through certain amount of distress.

Tyre imports into India, mainly in Truck and Bus Radial(TBR) tyres have grown by over 250% during the last 2 years. China's share in the TBR imports is about 90%. This sharp rise in the Imports, if continued, will lead to under-utilisation of TBR and also Truck and Bus Bias(TBB) capacities.

Human Resources

Your Company believes that Human Resources are the driver to its continued success by helping to meet the challenges of providing quality products to the customers across the length and breadth of the country and penetrating key markets abroad.

In order to strengthen its human capital base, your Company continues to invest in human resources by retaining and developing its existing talent and also attracting competent and talented manpower across functions.

Your Company has a robust talent acquisition process which has helped us attract some bright youngsters from the renowned engineering and management institutions and also other professional Institutes like the Chartered Accountants Institute. Your Company continue to invest significantly in developing the research and development and sales & marketing talent pool which drives its products and market leadership.

The Talent Management strategy focusses intensively on developing internal resources for critical positions with need based recruitment for specific lateral positions.

The development philosophy focusses on driving technology leadership and manufacturing excellence through the competency enhancement programmes. Regular skill enhancement programmes continue to be part of our employee development strategy. Training effectiveness measurement is an integral part of our learning and development strategy.

An intensive training program on team building and collaboration using outward bound training methodology, to enhance the team cohesiveness and collaboration mind set among workmen was implemented during the 18 months period ended 31st March, 2016. Leadership training for union leaders and opinion makers continued throughout the above period, thereby keeping with our commitment of shaping the future of our plants. A new initiative for leadership capability enhancement for manufacturing units leadership team was also rolled out.

Your Company has been able to keep the employees motivated and dedicated through our policies, HR initiatives and various welfare measures.

The total employee strength as on 31st March, 2016 was 15,553.

Your Company maintained cordial and harmonious Industrial relations in all our manufacturing units. Several HR and industrial relations initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of

the workforce. All the above initiatives have contributed significantly to achieving and maintaining the market leadership, your Company enjoy today.

Corporate Social Responsibility

Your Company continues to contribute to the development of our society through various social welfare initiatives apart from complying with the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility.

Education:

Your Company continue to extend support in the education of under-privileged children in backward areas close to our manufacturing units. We make our presence felt in the villages through our focus on educating the young and rendering assistance in developing the capabilities of children and inculcating in them values which will help them become a responsible member of society.

Your Company conducted many social events to enable children in the villages to display their talents, to make them confident and to prepare them to meet the challenges of today's society. We also have organised events to recognise students who have done well in their academics.

Health & Rural Infrastructure:

During the 18 months period ended 31st March, 2016, your Company conducted numerous medical camps and health awareness programmes in the rural areas in and around our manufacturing units. We also joined our hands with the government officials when they conducted community/health programmes in these villages.

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.



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

Your Company has always adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations.

Your Company's Corporate Governance practices emanate from its commitment towards accountability, transparency and fairness. Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements.

Your Company believes 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 of 31st March, 2016 in compliance with corporate governance norms, the Board comprises of 14 Directors. It includes a Chairman & Managing Director, a Managing Director, a Whole-time Director, 3 Non-Executive Directors and 8 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 18 months period ended 31.03.2016 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2016:

Name	Category	No. of Directorships in other Public Ltd Companies	No. of Board Meetings attended during the 18 months period ended 31/03/2016	No. of Committee Memberships in other Public Limited Companies*	Attended last AGM on 12/02/2015	No. of Shares held
Mr. K M Maammen# Chairman & Managing Director	Promoter Executive Director	4	7	Nil	Yes	16048
Mr. Arun Mammen Managing Director	Promoter Executive Director	3	7	1 – Chairman	Yes	27560
Mr. K M Philip@ Whole-time Director	Promoter Executive Director	N.A	2	N.A	Yes	Nil
Mr. Rahul Mammen Mappillai# Whole-time Director	Promoter Executive Director	Nil	7	Nil	Yes	4538
Dr. K C Mammen	Promoter Non-Executive Director	3	3	Nil	Yes	9043
Mr. Ashok Jacob	Independent Director	Nil	3	Nil	Yes	1856
Mr. V Sridhar	Independent Director	Nil	7	Nil	Yes	Nil
Mr. Vijay R Kiroloskar	Independent Director	3	2	1	No	355
Mr. N Kumar	Independent Director	7	5	3 – Chairman 3 – Member	No	928
Mr. Ranjit I Jesudasen	Independent Director	Nil	7	Nil	Yes	Nil
Dr. Salim Joseph Thomas	Independent Director	Nil	7	Nil	Yes	Nil
Mr. Jacob Kurian	Independent Director	Nil	7	Nil	Yes	123
Mr. M Meyyappan	Independent Director	Nil	6	Nil	Yes	20
Dr. (Mrs.) Cibi Mammen*	Promoter Non-Executive Director	2	5	Nil	N.A	500
Mrs. Ambika Mammen*	Promoter Non-Executive Director	2	4	Nil	N.A	2489

- For Committee memberships, the chairmanship and membership in Audit / Stakeholders Relationship Committee in all public limited companies, alone are considered.

@ Resigned from the Board w.e.f. 31.03.2015.

Re-appointed w.e.f. 01.04.2015.

* Dr.(Mrs) Cibi Mammen & Mrs. Ambika Mammen were appointed as additional directors w.e.f. from 12.02.2015 and 23.04.2015 respectively.

The Committee memberships of Directors are within the limits prescribed under the SEBI Regulations.

Mr. K M Mammen, Chairman & Managing Director and Mr. Arun Mammen, Managing Director, are brothers. Mr. Rahul Mammen Mappillai, Whole-time Director is the son of Mr. K M Mammen, Chairman & Managing Director. Dr. (Mrs.) Cibi Mammen is the wife of Mr. Arun Mammen, Managing Director and Mrs. Ambika Mammen is the wife of Mr. K M Mammen, Chairman & Managing Director.

(c) Dates of Board meetings:

During the 18 months period ended 31st March, 2016, seven Board Meetings were held on 30.10.2014, 26.11.2014, 12.02.2015, 23.04.2015, 27.07.2015, 29.10.2015 and 25.01.2016.

(d) Information placed before the Board:

The Board of Directors periodically reviews reports regarding statutory compliance and the other minimum information required to be placed before the Board (including orderly succession for appointment of Board of Directors and senior management).

(e) Familiarization Programme:

Your Company during the period, familiarized the directors on the Company's policies and procedures on a regular basis. Presentations/briefings were also 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, marketing strategies, long term strategies, risk management etc., apart from visit by directors to company's manufacturing plants.

The details of familiarization programme are available on the Company's web site at: <http://www.mrftyres.com/downloads/download.php?filename=familiarisation-programme-for-independent-directors.pdf>.

3. Audit Committee

(i) Reference:

The powers, role and terms of reference of the Audit Committee covers the area as mentioned under Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The powers, role and terms of reference of the Audit Committee include inter alia 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 Non-Executive Independent Directors. The members of the Committee are as follows:

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

Mr. Ravi Mannath, Company Secretary, is the Secretary of the Committee.

Mr. K M Mammen, Chairman & Managing Director, Mr. Arun Mammen, Managing Director and Mr. Rahul Mammen Mappillai, Whole-time Director, are permanent invitees. Heads of finance, internal audit, statutory auditors and other executives, as considered appropriate, also attend the meetings by invitation.



(iii) Meetings and Attendance:

During the 18 months period ended 31st March, 2016, the Audit Committee met on the following dates: 24.11.2014, 11.02.2015, 23.04.2015, 27.07.2015, 29.10.2015 and 25.01.2016.

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

4. Nomination and Remuneration Committee

(i) Reference:

The Nomination and Remuneration Committee was constituted to recommend/review the remuneration package of the Managing and Whole-time Director. In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Directors performance, devising a policy on Board diversity, identify 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 Board their appointment and removal.

(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 Jesudasan	Chairman
Mr. V Sridhar	Member
Mr. Jacob Kurian	Member
Mr. K M Mammen	Member

Mr. Ravi Mannath, Company Secretary, is the Secretary of the Committee.

(iii) Meetings and Attendance:

During the 18 months period ended 31st March, 2016, the Committee met on the following dates 24.11.2014, 11.02.2015 and 23.04.2015. 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 possesses 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 SEBI Listing Regulations and any other applicable law and in case of Independent Directors, the independence standards laid down in those laws.

6. Performance evaluation of Independent Directors

The criteria for evaluation of the Independent Directors will be 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 based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013.

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 and Senior Management and other staff was put in place by Nomination and Remuneration Committee on 23/7/2014 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 the 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 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 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 18 months period ended 31.03.2016:

- (i) The aggregate value of salary and perquisites and commission paid to the Managing and Whole-time Directors for the 18 months period ended 31.03.2016, are as follows:

(a) Name	(b) Designation	(c) Salary and perquisites (₹)	(d) Commission (₹)	(e) Total (₹)
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(a) Mr. K M Mammen	(b) Chairman & Managing Director	(c) 155575386	(d) 107100000	(e) 262675386
(a) Mr. Arun Mammen	(b) Managing Director	(c) 110197142	(d) 98280000	(e) 208477142
(a) Mr. K M Philip*	(b) Whole-time Director	(c) 13994085	(d) 12600000	(e) 26594085
(a) Mr. Rahul Mammen Mappillai	(b) Whole-time Director	(c) 89904512	(d) 80136000	(e) 170040512.

* upto 31.03.2015.

Note: Salary and perquisites include all elements of remuneration i.e., salary, allowances and benefits. The Company has not issued any stock options to any of the directors. The Managing / Whole-time Directors are appointed by shareholders for a period of five years at a time.

- (ii) The sitting fees paid for the 18 months period ended 31/03/2016 to Non-Executive Directors are as follows:

(a) Name	(b) Sitting fees (₹)
(a) Dr. K C Mammen	(b) 60000;
(a) Mr. Ashok Jacob	(b) 60000;
(a) Mr. V Sridhar	(b) 310000;
(a) Mr. Vijay R Kirloskar	(b) 40000;
(a) Mr. N Kumar	(b) 100000;
(a) Mr. Ranjit I Jesudasan	(b) 350000;
(a) Dr. Salim Joseph Thomas	(b) 140000;
(a) Mr. Jacob Kurian	(b) 290000;
(a) Mr. M Meyyappan	(b) 120000;
(a) Dr. (Mrs.) Cibi Mammen	(b) 100000.;
(a) Mrs. Ambika Mammen	(b) 80000.

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-à-vis the Company as per the materiality threshold laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also as per the Policy on Materiality of Related Party Transactions framed pursuant to the said Regulations.

8. Stakeholders' Relationship Committee

(i) Reference:

The Committee looks into redressal of grievances of the investors namely shareholders and fixed deposit holders and other security holders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation / rematerialisation of shares, complaint letters received from Stock Exchanges, SEBI, non-receipt of interest warrants, repayment of Fixed Deposit issues etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to a Share Transfer Committee.

(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 Ravi Mannath, Company Secretary, is the Secretary of the Committee.

(iii) **Meetings and Attendance:**

During the 18 months period ended 31st March, 2016, the Stakeholders' Relationship Committee met twice on 24.11.2014 and 29.10.2015. All the members of the Committee were present for all the meetings.

17 investor complaints were received during the 18 months period ended 31/03/2016. All the complaints were redressed and no queries on the same were pending for the period under review.

Mr Ravi Mannath, Company Secretary, is the Compliance Officer of the Company.

9. General Body Meetings

- (a) The Company held its last 3 Annual General Meetings as under:

AGM for the Year	Date	Time	Venue
2011-2012	07.02.2013	11.00 A.M.	TTK Auditorium, 'The Music Academy', 168, TTK Road, Chennai - 600 014
2012-2013	06.02.2014	11.00 A.M.	- do -
2013-2014	12.02.2015	11.00 A.M.	- do -

- (b) Details of Special resolution passed during the last 3 Annual General Meetings:

Date of AGM	Particulars of Special Resolution passed
07.02.2013	No Special Resolution was passed.
06.02.2014	(i) Payment of revised remuneration to Mrs. Meera Mammen, a relative of some of the Directors of the Company, w.e.f. 01-04-2014 under Section 314(1B) of the Companies Act, 1956 and Section 188(1) of the Companies Act, 2013. (ii) Appointment and payment of revised remuneration to Mr. Samir Thariyan Mappillai, a relative of some of the Directors of the Company, w.e.f. 01-04-2014 under Section 314(1B) of the Companies Act, 1956 and Section 188(1) of the Companies Act, 2013.
12.02.2015	(i) To increase the borrowing Powers of the Company. (ii) To provide Security in connection with the borrowings of the Company.

- (c) No special resolution was passed through postal ballot during the period under review.

10. 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 MakkalKural (Vernacular). As per the requirements of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the quarterly / half yearly results and the press release issued annually are displayed on the Company's website www.mrfityres.com. The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No presentations were made to institutional investors / analysts. The Company has a designated e-mail address viz., mrfshare@mrfmail.com exclusively for investor servicing.



11. General Shareholder Information

a) Annual General Meeting:

Date and Time : 11.08.2016, 11.00 A.M
Venue : TTK Auditorium
'The Music Academy'
No. 168, TTK Road,
Chennai - 600 014

b) Financial Year : The Company's financial year which commenced from 1st October, 2014 concluded on 31st March, 2016 in order to fall in line with the requirements of the Companies Act, 2013, regarding adoption of a uniform financial year. Effective 1st April, 2016, the financial year of the Company will be from 1st April to 31st March of each year.

c) Dividend payment date:

Interim Dividend : 20-08-2015
₹ 3 per share (30%)
II Interim Dividend : 25-11-2015
₹ 3 per share (30%)
Final Dividend : 19-08-2016, ₹ 94 per share (940%),
(subject to approval of Shareholders)

d) Listing on Stock Exchanges at:

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, Dalal Street,
Mumbai 400 001.
Equity ISIN : INE883A01011

Listing Fees upto the year ending 31st March, 2017 have been paid to all the above mentioned Stock Exchanges.

e) Stock Code:

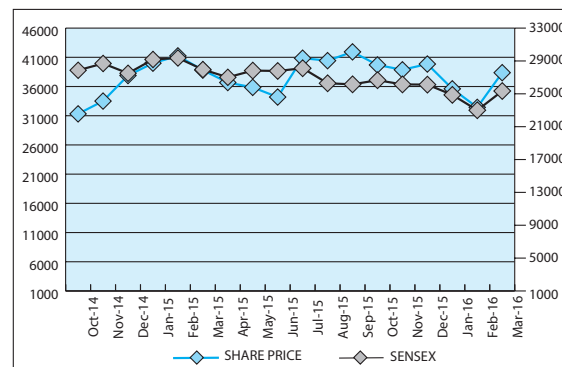
Bombay Stock Exchange	Code	500290
National Stock Exchange	Symbol	MRF

f) Market Price Data:

Month	Bombay Stock Exchange [BSE]			National Stock Exchange [NSE]		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
October-2014	32899.00	30100.00	31,452	32900.05	30113.00	1,73,398
November-2014	33960.00	31101.00	36,479	33980.00	31320.05	2,23,475
December-2014	39500.00	32926.30	93,765	39499.00	33450.00	4,83,986
January-2015	40288.00	37040.00	42,085	40307.00	37011.00	2,83,871
February-2015	41750.00	35501.00	53,129	41782.00	35520.00	2,76,174
March-2015	42450.00	36949.95	38,297	42474.90	36908.30	1,79,624
April-2015	42799.00	36338.40	47,508	41990.00	36402.15	2,30,828
May-2015	38085.05	34700.05	34,988	38098.90	34702.00	1,70,144
June-2015	36380.00	31374.40	44,962	36380.00	31360.00	1,79,234
July-2015	41149.95	33787.50	47,412	41179.95	33787.45	2,82,522
August-2015	46405.35	36670.45	79,059	46399.00	36679.05	4,03,632
September-2015	42200.00	37709.95	43,007	42185.00	37689.30	2,22,096
October-2015	43553.45	39507.20	30,155	43562.00	39510.00	1,94,442
November-2015	40200.00	37660.15	28,200	40200.00	37734.70	1,37,130
December-2015	40100.00	38230.00	13,296	40,058.75	38178.05	78,133
January-2016	41399.95	34563.20	26,932	41424.65	34500.05	1,16,395
February-2016	35865.00	31190.00	32,170	36100.00	31183.20	1,15,903
March-2016	38969.35	32400.00	27,914	39000.00	32214.00	1,25,827

g) Stock Performance: (Monthly Closing Price)

Performance in comparison to BSE Sensex



- h) Registrars and Transfer Agents:** In-house Share Transfer
MRF Limited
No. 114, Greams Road,
Chennai - 600 006

In terms of SEBI Circular No. O&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your Company is carrying out both physical transfer work as well as electronic connectivity, in-house.

In-house investor relations department provides various services viz., Dematerialization and Rematerialization of shares, Share Transfers/Transmissions, Disbursement of dividend, Issue of duplicate share certificates, Dissemination of information and Fixed Deposit related activities.

Members are therefore requested to communicate pertaining to both physical and electronic connectivity to Secretarial Department, MRF Limited, No. 114, Greams Road, Chennai 600 006.

i) Share Transfer System:

The average time taken for processing and registration of share transfer requests received is less than 12 days. All dematerialization requests are processed within 10 days.

j) Distribution of shareholding (as at 31.03.2016):

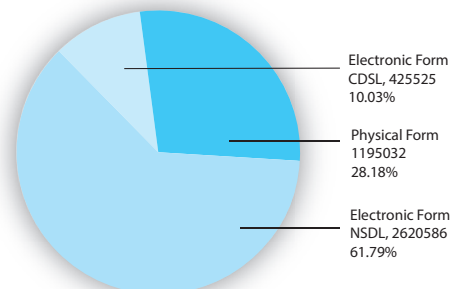
Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 500	33987	98.73	723609	17.06
501 - 1000	168	0.49	120499	2.84
1001 - 2000	94	0.27	141471	3.34
2001 - 3000	36	0.10	91963	2.17
3001 - 4000	13	0.04	46610	1.10
4001 - 5000	25	0.07	113321	2.67
5001 - 10000	41	0.12	278826	6.57
10001 and above	60	0.18	2724844	64.25
TOTAL	34424	100.00	4241143	100.00

k) Dematerialization of Shares and Liquidity:

71.82% of total Equity Capital is held in dematerialized form with NSDL and CDSL upto 31st March, 2016. All requests for dematerialization of shares were carried out 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 w.e.f. 17-01-2000 as per notification issued by the Securities and Exchange Board of India (SEBI).



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

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

- m) Debenture Trustee:** Axis Trustee Services Limited
2nd Floor, Wadia International Centre,
Pandurang Budhkar Marg, Worli,
Mumbai – 400 025.

n) Commodity price risk / foreign exchange risk and hedging:

Natural Rubber which is one of the key commodities used for the company's manufacturing operations is an agricultural commodity and subject to price volatility and production concerns both in the domestic front and in the international front. Moreover, the price of natural rubber is controlled by external environment. The company has not taken any hedging contracts for commodity price risks during this period.

Foreign Exchange Risks for the Company arise from (a) payment obligations arising from imports of raw materials / capital goods, services availed from overseas service providers and foreign



currency loans, (b) export transactions and (c) dividend receipts. The Company's Policy on hedging foreign currency risks is enumerated in the Accounting Policy annexed to the Financial Statement.

o) Plant Locations:

1. Tiruvottiyur — Tiruvottiyur, Chennai, Tamilnadu.
2. Kottayam — Vadavathoor, Kottayam, Kerala.
3. Goa — Usgao, Ponda, Goa.
4. Arkonam — Icchiputhur, Arkonam, Tamilnadu.
5. Medak — Sadasivapet, Medak, Andhra Pradesh.
6. Puducherry — Eripakkam Village, Nettapakkam Commune, Puducherry.
7. Ankanpally — Sadasivapet, Medak, Andhra Pradesh.
8. Perambalur — Naranamangalam Village & Post, Kunnam Taluk, Perambalur District (Near Trichy), Tamilnadu.

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

12. Other Disclosures

- (a) As required under applicable SEBI Regulations, your Company has adopted a Policy on Related party transactions and also a Policy on materiality of Related party transactions and the same have been approved by the Board of Directors and uploaded on the Company's Web site: <http://www.mrfityres.com/downloads/download.php?filename=Related-Party-Transaction-Policy.pdf>, <http://www.mrfityres.com/downloads/download.php?filename=policy-on-materiality-of-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 entered into during the 18 months period ended 31st March, 2016 are given in the financial statements. These related party transactions are not material as per the materiality thresholds laid down and hence no details are furnished in Form AOC-2 of the Companies

(Accounts) Rules, 2014. During the period under review, Hasbro Inc., the technical collaborator divested their shareholding in Funkskool (India) Limited. In the light of this development, the equity shares held by the Company in Funkskool (India) Limited were sold to a related party.

- (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 web site of the company under the web link: <http://www.mrfityres.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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (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.mrfityres.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 insiders as per Securities and Exchange Board of India (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 year end.

- (g) The Audit Committee reviews the financial statements of the unlisted subsidiary companies. The Minutes of the Board Meetings of the unlisted subsidiary companies and the details of transactions with them were placed at the Board meeting of the company.

Your Company has formulated a policy on material subsidiary as required under Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the policy is hosted on the website of the company under the web link: <http://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. A sample of the terms and conditions of their appointment have been disclosed in the web site of the company under the web link: <http://www.mrftyres.com/downloads/download.php?filename=Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf>.

During the period, a meeting of the independent directors was held as prescribed under applicable SEBI Regulations and the Companies Act, 2013.

13. Discretionary requirements as specified in Part E of Schedule II of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015:

a. Maintaining Non-Executive Chairman's Office:

Not Applicable as the Chairman is an executive director.

b. Shareholder Rights:

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 www.connect2nse.com and <http://listing.bseindia.com>. Therefore, no individual communications are sent to the shareholders in this regard.

c. Audit Qualification:

There are no qualifications in the Auditors' Report on the accounts for the period 01/10/2014 to 31/03/2016.

Adoption of other non-mandatory requirements are being reviewed from time to time.

14. CEO / CFO Certification

Mr. Arun Mammen, Managing Director and Mr. Madhu P Nainan, Vice President Finance, have certified to the Board regarding the financial statements for the 18 months period ended 31st March, 2016 in accordance with Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

15. Unclaimed Share Certificates

In terms of the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares issued pursuant to the public issues or any other issue which remain unclaimed shall be credited to a demat suspense account with one of the depository participants opened by the Company for this purpose. As per the said clause, the Company has sent 4 reminder letters to the shareholders, whose share certificates were lying with the Company due to non-submission of allotment letters. Since good response was received from the shareholders staking their claim for the unclaimed shares, further reminder(s) were also sent to shareholders and those who have submitted the requisite supporting documents were issued share certificates. In further compliance with the SEBI Regulations, a Demat account for transfer of unclaimed physical shares lying with the company into the suspense account has been opened by the Company namely "MRF Unclaimed Suspense Account" and necessary steps are being taken to transfer the unclaimed physical shares into the demat suspense account.

16. Declaration

As required by Para D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 18 months period ended 31st March, 2016.

On behalf of the Board of Directors

Place: Chennai

Date: 3rd May, 2016

K M MAMMEN

Chairman & Managing Director



AUDITORS' CERTIFICATE

To the Members of

MRF Limited
No. 114, Greams Road,
Chennai - 600 006.

We have examined the compliance of conditions of Corporate Governance by MRF Limited, for the 18 months period ended 31st March, 2016, as stipulated in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

We further 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 and on behalf of

For Sastri & Shah
Chartered Accountants
Firm Regn. No. 003643S

C R Kumar
Partner
Mem. No. 26143
FRN: 003643S

For M. M. Nissim and Co.
Chartered Accountants
Firm Regn. No. 107122W

Dhiren Mehta
Partner
Mem. No. 109883
FRN: 107122W

Chennai, Dated 3rd May, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MRF LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 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 Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 (r) (iv) to the 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 during the period ended 31st March, 2016.

For Sastri & Shah
Chartered Accountants
Firm Regn. No. 003643S

(C R Kumar)
Partner
Mem. No. 26143

Chennai, Dated May 03, 2016

For M. M. Nissim & Co.
Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)
Partner
Mem. No. 109883

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

- i) In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
 - b) As explained to us, 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;
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. As regards materials lying with third parties, confirmations have been obtained.
- iii) The Company has not granted any loans, secured or unsecured during the period to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the Clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the investments made and corporate guarantees given to the subsidiary companies.
- v) The Company has complied with the directives issued by Reserve Bank of India and the Provisions of Sections 73 to 76 of the Act, and the rules framed thereunder with regard to deposits accepted from the public. We are informed by the management that no order has been passed by the Company Law Board or National Company Law

Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company.

- 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 provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	₹ Crore
CENTRAL SALES TAX ACT, 1956 & VAT LAWS			
Sales tax / VAT and penalty	2002-03, 2005-06 to 2011-12, 2013-14 to 2015-16	Appellate Commissioner	7.92
	1997-98 to 2007-08, 2009-10, 2010-11 & 2015-16	Appellate Tribunal	10.20
	1996-97, 2007-08, 2012-13 to 2015-16	High Court	6.76
	1996-97, 2000-01 & 2001-02	Supreme Court	0.01

Statute and nature of dues	Financial year to which the matter pertains	Forum where the dispute is pending	₹ Crore
CUSTOMS ACT, 1962			
Customs Duty and penalty	1992-93 to 1994-95	High Court	74.89
CENTRAL EXCISE ACT, 1944			
Excise duty and penalty	1997-98 & 2006-07 & 2013-14	Appellate Commissioner	0.36
	1993-94, 1999-2000 to 2001-2002	Appellate Tribunal	0.29
	2001-02	Supreme Court	0.06
INCOME TAX, 1961			
Income Tax	2001-02, 2003-04, 2007-08, 2009-10, 2010-11 & 2011-12	High Court	16.83

- viii) The Company has not defaulted in repayment of its loans or borrowings to banks and debenture holders.
- ix) The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments), during the period. Moneys raised by way of Term Loan were applied for the purpose for which those are raised.
- x) 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 by its officers or employees has been noticed or reported during the period, nor have we been informed of any such case by the management.
- xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a nidhi Company and 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 Financial statements in Note No. 27 (i) as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the period and accordingly provisions of Clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of Clause (xv) of Para 3 of the Order are not applicable to the company.

- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions Clause (xvi) of Para 3 of the Order are not applicable to the Company.

For Sastri & Shah
Chartered Accountants
Firm Regn. No. 003643S

(C R Kumar)
Partner
Mem. No. 26143

Chennai, Dated May 03, 2016

For M. M. Nissim & Co.
Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)
Partner
Mem. No. 109883

MRF LIMITED, CHENNAI
BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	4.24	4.24
Reserves and Surplus	3	6790.09	4513.40
		6794.33	4517.64
Non-Current Liabilities			
Long-Term Borrowings	4	1485.08	1198.75
Deferred Tax Liabilities (Net)	5	298.86	235.31
Other Long Term Liabilities	6	1227.13	1144.84
Long-Term Provisions	7	128.97	91.85
		3140.04	2670.75
Current Liabilities			
Short-Term Borrowings	8	488.43	616.25
Trade Payables	9	1539.56	1139.72
Other Current Liabilities	10	616.55	539.29
Short-Term Provisions	7	230.20	313.31
		2874.74	2608.57
TOTAL		12809.11	9796.96
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		4584.74	3421.65
Intangible Assets		9.06	7.04
Capital Work-In-Progress		1058.40	626.67
		5652.20	4055.36
Non-Current Investments	12	945.15	151.76
Long-Term Loans and Advances	13	247.05	263.50
Other Non-Current Assets	14	3.00	2.88
		6847.40	4473.50
Current Assets			
Current Investments	15	1844.16	936.15
Inventories	16	1879.74	1799.70
Trade Receivables	17	1831.72	1708.47
Cash and Bank Balances	18	80.45	707.67
Short-Term Loans and Advances	13	322.35	153.94
Other Current Assets	14	3.29	17.53
		5961.71	5323.46
TOTAL		12809.11	9796.96
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements.
This is the Balance Sheet referred to in our report of even date.

For SASTRI & SHAH Chartered Accountants Firm Regn. No. 0036435 C R Kumar Partner Mem. No. 26143 Chennai, Dated 3rd May, 2016	For M. M. NISSIM & CO. Chartered Accountants Firm Regn. No. 107122W Dhiren Mehta Partner Mem. No. 109883	MADHU P NAINAN Vice President Finance	RAVI MANNATH Company Secretary	JACOB KURIAN V SRIDHAR Directors	K M MAMMEN Chairman & Managing Director
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MRF LIMITED, CHENNAI
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

	Note	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
INCOME			
Revenue from operations (Gross)	19	22521.35	14649.33
Less:- Excise Duty		2277.41	1451.21
Revenue from operations (Net)		20243.94	13198.12
Other income	20	184.93	65.08
Total Revenue		20428.87	13263.20
EXPENSES			
Cost of materials consumed	21	11162.91	8298.90
Purchases of Stock in Trade [Note 27 (a) (ii)]		38.89	61.22
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	22	(14.95)	19.18
Employee benefits expense	23	1283.27	732.69
Finance costs	24	339.72	225.68
Depreciation and Amortisation expense	25	734.76	423.09
Other expenses	26	3474.00	2163.55
Total Expenses		17018.60	11924.31
PROFIT BEFORE TAX		3410.27	1338.89
Tax expense:			
Current tax		1019.00	428.00
Deferred tax		63.55	13.00
		1082.55	441.00
PROFIT FOR THE PERIOD/ YEAR		2327.72	897.89
Basic - Earnings per equity share: (₹) [Not Annualised]	27 (c)	5488.44	2117.09
Diluted - Earnings per equity share: (₹) [Not Annualised]		5488.44	2117.09
Significant Accounting Policies	1		

The Notes are an integral part of these financial statements.

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

For SASTRI & SHAH
Chartered Accountants
Firm Regn. No. 0036435
C R Kumar
Partner
Mem. No. 26143
Chennai, Dated 3rd May, 2016

For M. M. NISSIM & CO.
Chartered Accountants
Firm Regn. No. 107122W
Dhiren Mehta
Partner
Mem. No. 109883

MADHU P NAINAN
Vice President Finance

RAVI MANNATH
Company Secretary

JACOB KURIAN
V SRIDHAR
Directors

K M MAMMEN
Chairman & Managing Director

MRF LIMITED, CHENNAI**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

	Period ended 31.03.2016 ₹ Crore	₹ Crore	Year ended 30.09.2014 ₹ Crore	₹ Crore
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		3,410.27		1,338.89
Adjustment for :				
Depreciation	734.76		423.09	
Provision for Impairment of Assets	23.93			
Unrealised Exchange (Gain) / Loss	2.60		0.82	
Provision for Doubtful debts (written back)/Provided	-		0.15	
Interest - Net	276.10		191.61	
Dividend Income	(0.22)		(0.16)	
Loss / (Gain) on Sale / Disposal of Fixed Assets	6.54		2.52	
Loss / (Gain) on Sale of Investments	(80.19)		(13.45)	
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		963.52		604.58
Trade receivables	(128.95)	4373.79	(154.98)	1943.47
Long term loans and advances	(45.80)		3.54	
Short term loans and advances	(168.41)		12.39	
Other receivables	12.99		(18.62)	
Inventories	(80.04)		(4.41)	
Long Term Liabilities	82.29		101.61	
Trade Payable and Provisions	504.19	176.27	211.79	151.32
CASH GENERATED FROM OPERATIONS		4550.06		2094.79
Direct Taxes paid		(1142.35)		(407.95)
NET CASH FROM OPERATING ACTIVITIES		3407.71		1686.84
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(2303.15)		(1242.26)	
Proceeds from sale of Fixed Assets	3.33		0.26	
Purchase of Investments	(2342.41)		(654.00)	
Proceeds from sale of Investments	727.26		491.78	
Investment in Subsidiary Companies	(6.06)		(6.08)	
Fixed Deposits with Banks	449.57		(407.45)	
Interest Income	64.75		32.88	
Dividend Income	0.22		0.16	
NET CASH USED IN INVESTING ACTIVITIES		(3406.49)		(1784.71)
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds from Working Capital Facilities (Net)	(127.81)		140.02	
Proceeds from Term Loans	541.08		330.13	
Repayments of Term Loans	(68.21)		(83.38)	
Repayment of Debentures	(135.00)		(65.00)	
(Repayments) / Proceeds from Fixed Deposits (Net)	(28.24)		(1.79)	
Sales Tax Deferral	(6.72)		(8.66)	
Deferred payment Credit	(12.50)		(7.54)	
Interest paid	(314.63)		(221.70)	
Dividend and Corporate Dividend Tax	(26.92)		(14.89)	
NET CASH FROM FINANCING ACTIVITIES		(178.95)		67.19
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(177.73)		(30.68)
CASH AND CASH EQUIVALENTS AS AT 30TH SEPTEMBER, 2014		255.09		285.77
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2016		77.36		255.09

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

This is the Cash Flow Statement referred to in our report of even date.

For SASTRI & SHAH	For M. M. NISSIM & CO.					
Chartered Accountants	Chartered Accountants					
Firm Regn. No. 003643S	Firm Regn. No. 107122W					
C R Kumar	Dhiren Mehta	MADHU P NAINAN	RAVI MANNATH	JACOB KURIAN	V SRIDHAR	K M MAMMEN
Partner	Partner	Vice President Finance	Company Secretary	Directors		Chairman & Managing Director
Mem. No. 26143	Mem. No. 109883					
Chennai, Dated 3rd May, 2016						



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of revenues and expenses during the reported period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

C. FIXED ASSETS AND DEPRECIATION/AMORTISATION:

- a. Fixed Assets are stated at cost less accumulated depreciation/ amortization and impairment in value.

Costs comprise the purchase price (net of credits under CENVAT/

VAT Scheme), including freight, installation and borrowing costs for bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and Loss.

b. Depreciation:

- (i) Till 30th September, 2014 depreciation was provided on the basis of Schedule XIV to the Companies Act, 1956, except in respect of vehicles, furniture fixture and office equipment where higher depreciation has been provided on straight line method at the rate of 20% based on management's estimate of the useful life of the assets.

Effective 1st October, 2014 (being the commencement of the Company's financial year), the Company has charged depreciation as per the requirements of Schedule II of the Companies Act, 2013. Depreciation on Building, Computers, Office equipment and Other Assets (viz. Electrical Fittings, Fire Fighting/Other equipment and Canteen Utensils etc.) has been provided on straight line method as per Schedule II of the Companies Act, 2013. Depreciation on Renewable Energy Saving Devices is provided on reducing balance method as specified in Schedule II to the Companies Act, 2013. In respect of Plant & Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers, where based on management's estimate of the useful life of the assets, depreciation has been provided on straight line method using the following estimated useful lives;

Description of the Asset	Estimated Useful life
Plant & Machinery	10 Years
Moulds	6 Years
Vehicle, Furniture & Fixtures and Computer Servers	5 Years

Further the Company has identified and determined separate useful life for each major component of fixed assets, if they are materially different from that of the remaining assets, for providing depreciation in compliance with schedule II of the Companies Act, 2013.

The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

These changes in the basis of providing depreciation have no material impact on financial statements of the Company.

- (ii) Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.
- (iii) Assets acquired/purchased costing less than Rupees five thousand have been depreciated at the rate of 100%.
- (iv) Leasehold Land is amortised over the period of the lease.
- (v) Intangible Assets are carried at cost and amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

D. IMPAIRMENT OF ASSETS:

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

E. INVESTMENTS:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Trade Investments comprise investments in subsidiary companies and in which the Company has strategic business interest.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit & Loss.

F. INVENTORIES:

Inventories consisting of stores & 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 credits under CENVAT/VAT Schemes.

Work-in-progress and Finished Goods inventories 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.

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.

Obsolete and slow moving items are valued at lower of cost and estimated net realisable value.



G. REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods and services are recognised when risks and rewards of ownership are passed on to the customer which generally coincides with delivery and when the services are rendered. Sales include Excise Duty but exclude VAT and warranty claims.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Service income is recognized as per the terms of the contracts / arrangements when related services are performed.

H. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

I. EXCISE DUTY:

Excise Duty has been accounted on the basis of both payments made in respect of goods despatched and also provision made for goods lying in bonded warehouses.

J. RESEARCH AND DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss of the Period in which it is incurred. Capital expenditure on Research and Development is included as additions to Fixed Assets.

K. TAXATION:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period comprising of 1st October, 2014 to 31st March, 2015 and 1st April, 2015 to 31st March, 2016 and in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax for timing differences between the book and tax profits for the Period is accounted for, using the tax rates and laws that have been enacted or substantially enacted on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

L. LEASES:

Lease payments under operating leases are recognised as expenses on straight line basis over the lease term in accordance with the period specified in respective agreements.

M. EMPLOYEE BENEFITS:

The Company contributes to Regional Provident Fund Commissioner on behalf of its employees and such contributions are charged to the Statement of Profit and Loss. In respect of some of its employees the Company contributes the Provident Fund to a Trust established for this purpose based on fixed percentage of the eligible employees' salary and is charged to the Statement of Profit and Loss. The Company is liable for annual contributions and any shortfall in the fund assets and interest based on the Government specified minimum rate of return and recognises such contributions and shortfall, if any, as an expense in the period incurred.

The Company also contributes to a government administered Pension Fund on behalf of its employees, which are charged to the Statement of Profit and Loss.

Superannuation benefits to employees, as per Company's Scheme, have been funded with Life Insurance Corporation of India (LIC) and the contribution is charged to the Statement of Profit and Loss.

Liabilities with regard to Gratuity are determined under Group Gratuity Scheme with LIC and the provision required is determined as per Actuarial Valuation as at the Balance Sheet date, using the Projected Unit Credit Method.

Short-term employee benefits are recognised as an expense as per the Company's Scheme based on expected obligation on undiscounted basis. Other long term employee benefits are provided based on the Actuarial Valuation done at the period end, using the Projected Unit Credit Method.

Actuarial gain/loss are charged to the Statement of Profit and Loss and not deferred.

N. FOREIGN CURRENCY TRANSACTIONS:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction or that approximates the actual rate as at the date of transaction.

Monetary items denominated in foreign currencies at the period end are restated at period end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the period end rate and the contracted rate is recognised as exchange difference. Premium paid on forward contracts is recognised over the life of the contract. Non-monetary items are carried in terms of historical cost denominated in foreign currency and is recorded using the exchange rate prevailing at the date of the transaction or that approximates the actual rate as at the date of transaction. Any profit or loss arising on cancellation or renewal of forward exchange contract is also recognized as income or expense for the period.

O. DERIVATIVE TRANSACTIONS:

The Company uses derivative financial instruments, such as Forward Exchange Contracts, Currency Swaps and Interest Rate Swaps, to hedge its risks associated with foreign currency fluctuations and interest rates. Currency and interest rate swaps are accounted in accordance with their contract. At every period end all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognised in the Statement of Profit and Loss, on each contract basis. Any gain on marked-to-market

valuation on respective contracts is not recognised by the Company, keeping in view the principle of prudence as enunciated in AS-1 "Disclosure on Accounting Policies".

P. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition of or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

Q. WARRANTY:

Provision for product warranties is recognised based on management estimate regarding possible future outflows on servicing the customers during the warranty period. These estimates are computed on scientific basis as per past trends of such claims.

R. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

S. EARNINGS PER SHARE:

The Basic & Diluted Earnings per share is computed by dividing the Profit after tax for the Period/Year by weighted average number of equity shares outstanding during the period/year.



NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

NOTE 2: SHARE CAPITAL

	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Authorised		
90,00,000 Equity Shares of ₹ 10 each	9.00	9.00
1,00,000 Taxable, Redeemable Cumulative Preference Shares of ₹ 100 each	1.00	1.00
	10.00	10.00
Issued		
42,41,143 Equity shares of ₹ 10 each	4.24	4.24
(Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)		
Subscribed and Fully Paid-up		
42,41,143 Equity Shares of ₹ 10 each	4.24	4.24
	4.24	4.24

- (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2016		As at 30.09.2014	
<u>Equity Shares</u>	<u>No. of shares</u>	<u>₹ Crore</u>	<u>No. of shares</u>	<u>₹ Crore</u>
At the beginning of the period/year	42,41,143	4.24	42,41,143	4.24
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	42,41,143	4.24	42,41,143	4.24

- (b) Rights, preferences and restrictions attached to shares:

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (c) Shareholders holding more than 5 percent of the equity shares:

	As at 31.03.2016		As at 30.09.2014	
<u>Name of Shareholder</u>	<u>No. of shares held</u>	<u>% of share holding</u>	<u>No. of shares held</u>	<u>% of share holding</u>
1) Comprehensive Investment and Finance Company Private Limited	438414	10.34	437243	10.31
2) MOWI (P) Limited	507984	11.98	507984	11.98
3) Enam Shares and Securities Private Ltd.	222487	5.25	267626	6.31

NOTE 3: RESERVES AND SURPLUS

	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Securities Premium Account		
As per last Account	9.42	9.42
General Reserve		
As per last Account	4422.21	3556.22
Add: Transfer from Surplus in the Statement of Profit and Loss	2284.62	865.99
	6706.83	4422.21
Debenture Redemption Reserve		
As per last Account	81.77	75.26
Add: (Transfer to)/Transfer from Surplus in the Statement of Profit and Loss	(7.93)	6.51
	73.84	81.77
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	-	-
Profit for the period/year	2327.72	897.89
Transfer from/(Transfer to) Debenture Redemption Reserve (Net)	7.93	(6.51)
	2335.65	891.38
Less:- Appropriations		
Dividends		
Interim (₹ 6 per share, Previous year ₹ 6 per share)	2.54	2.54
Final - Proposed (₹ 94 per share, Previous year ₹ 44 per share)	39.87	18.66
Corporate Tax on Dividend	8.62	4.19
Transfer to General Reserve	2284.62	865.99
	2335.65	891.38
	6790.09	4513.40



NOTE 4: LONG-TERM BORROWINGS

	Non-current As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	Current maturities As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Secured				
Debtentures:				
- (Previous year 1350) 9.07% Secured Redeemable Non-Convertible Debtentures of ₹ 10,00,000/- each, privately placed	-	70.00	-	65.00
5000 10.09% Secured Redeemable Non-Convertible Debtentures of ₹ 10,00,000/- each, privately placed	500.00	500.00	-	-
Term Loans from Banks:				
External Commercial Borrowings(ECB)	68.21	204.62	68.21	-
Unsecured				
Term Loan from Banks:				
External Commercial Borrowings(ECB)	721.54	184.93	-	-
Buyers Line of Credit	139.75	145.20	9.92	-
Fixed Deposits	5.23	27.53	1.95	7.89
Sales Tax Deferral Scheme	43.72	55.12	11.40	6.72
Others				
Deferred Payment Credit	6.63	11.35	0.38	8.16
Amounts disclosed under the head 'Other Current Liabilities' (Note 10)	-	-	(91.86)	(87.77)
	1485.08	1198.75	-	-

Security and Terms of Repayment in respect of above Borrowings are detailed in Note 27(p)

NOTE 5 : DEFERRED TAX LIABILITIES (Net)

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Deferred Tax Liability:		
Arising on account of timing difference in:		
- Depreciation	329.92	260.95
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	(31.06)	(25.64)
Deferred Tax Liabilities (Net)	298.86	235.31

NOTE 6 : OTHER LONG-TERM LIABILITIES

Dealers' Security Deposit	1188.48	1128.90
Retention Money	33.39	9.88
Others	5.26	6.06
	1227.13	1144.84

NOTE 7 : PROVISIONS

	Long-Term		Short-Term		₹ Crore
	As at 31.03.2016	As at 30.09.2014	As at 31.03.2016	As at 30.09.2014	
Provision for employee benefits					
Leave benefits	25.54	16.48	3.09	2.02	
Gratuity	-	-	6.26	36.84	
Other Benefits	4.38	4.65	1.65	1.20	
Tax (Net of advance Tax paid)	-	-	3.91	127.26	
Dividend					
Interim	-	-	-	1.27	
Final - Proposed	-	-	39.87	18.66	
Corporate Tax on Dividend	-	-	8.12	3.95	
Other Provisions (Note 27(g))	99.05	70.72	167.30	122.11	
	128.97	91.85	230.20	313.31	

NOTE 8 : SHORT-TERM BORROWINGS

	As at 31.03.2016	As at 30.09.2014	₹ Crore
Secured			
From Banks:			
Working Capital Facility	320.07	520.95	
Buyer's Line of Credit	168.36	95.30	
	488.43	616.25	

- (i) Working Capital Facility and Buyer's Line of Credit are secured by hypothecation of Inventory and book debts.
(ii) Working Capital Facility is repayable on demand and carries interest @ 9.35% to 10.50% (Previous year 9.95% to 11.15%).
(iii) Buyer's Line of Credit is repayable within a year and carries interest @ LIBOR plus 25 bps to LIBOR plus 40 bps (Previous year LIBOR plus 40 bps to LIBOR plus 50 bps).

NOTE 9 : TRADE PAYABLES

Trade Payables (Note 27(k))		
- Outstanding dues of Micro and Small Enterprises	11.16	1.11
- Outstanding dues of creditors other than Micro and Small Enterprises (Includes Acceptances of ₹ 251.24 crore (previous year ₹ 340.06 crore).	1528.40*	1138.61*
	1539.56	1139.72

*Includes due to Subsidiary companies ₹ 414.10 Crore (Previous year ₹ 0.10 Crore).

NOTE 10 : OTHER CURRENT LIABILITIES

Current maturities of long term debt (Note 4)	91.86	87.77
Interest accrued but not due on borrowings	71.27	46.18
Advances from Customers	29.71	36.58
Statutory dues:		
Central Excise / Service Tax	0.03	43.30
Value Added Tax / Central Sales Tax	108.12	125.06
Withholding Taxes	12.86	8.03
Employee related	7.23	6.08
Other payables:		
Employee benefits	126.12	61.73
Liabilities for expenses	167.52	122.91
Unclaimed Dividends	1.71	1.63
Matured Fixed Deposits and Interest	0.12	0.02
	616.55	539.29

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.



NOTE 11 : FIXED ASSETS

₹ Crore

Nature of Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01/10/2014	Additions	Deductions	Cost as at 31/03/2016	Upto 30/09/2014	Provided during the period	Deductions/ Impairment	Upto 31/03/2016	As at 31/03/2016	As at 30/09/2014
Tangible Assets										
Land - Freehold	345.57	144.45	-	490.02	-	-	-	-	490.02	345.57
	(93.29)	(252.28)	(*)	(345.57)	(-)	(-)	(-)	(-)	(345.57)	(93.29)
- Leasehold	4.33	-	-	4.33	1.64	0.14	-	1.78	2.55	2.69
	(4.33)	(-)	(-)	(4.33)	(1.54)	(0.10)	(-)	(1.64)	(2.69)	(2.79)
Buildings	976.15	282.41	10.18	1248.38	160.74	46.89	3.66	203.97	1044.41	815.41
	(898.01)	(79.56)	(1.42)	(976.15)	(133.38)	(27.71)	(0.35)	(160.74)	(815.41)	(764.63)
Plant and Equipment	4269.79	1286.04	37.82	5518.01	2286.82	548.47	36.55	2798.74	2719.27	1982.97
	(3846.33)	(445.25)	(21.79)	(4269.79)	(1977.36)	(330.04)	(20.58)	(2286.82)	(1982.97)	(1868.97)
Moulds	426.05	112.07	25.43	512.69	286.31	67.81	25.30	328.82	183.87	139.74
	(379.78)	(50.87)	(4.60)	(426.05)	(254.63)	(36.21)	(4.53)	(286.31)	(139.74)	(125.15)
Furniture and Fixtures	21.48	3.84	0.59	24.73	15.08	4.14	0.20	19.02	5.71	6.40
	(18.48)	(3.65)	(0.65)	(21.48)	(13.10)	(2.55)	(0.57)	(15.08)	(6.40)	(5.38)
Computer	43.74	8.34	1.16	50.92	30.62	9.72	1.15	39.19	11.73	13.12
	(36.46)	(8.13)	(0.85)	(43.74)	(28.15)	(3.31)	(0.84)	(30.62)	(13.12)	(8.31)
Office Equipment	29.16	8.74	0.91	36.99	20.25	5.99	0.86	25.38	11.61	8.91
	(26.69)	(3.42)	(0.95)	(29.16)	(18.15)	(3.04)	(0.94)	(20.25)	(8.91)	(8.54)
Other Assets #	155.77	49.14	12.48	192.43	62.72	41.09	11.71	92.10	100.33	93.05
	(126.86)	(30.00)	(1.09)	(155.77)	(49.01)	(14.52)	(0.81)	(62.72)	(93.05)	(77.85)
Vehicles	30.68	9.08	1.70	38.06	16.89	6.90	0.97	22.82	15.24	13.79
	(23.76)	(7.85)	(0.93)	(30.68)	(14.52)	(3.25)	(0.88)	(16.89)	(13.79)	(9.24)
Total Tangible Assets	6302.72	1904.11	90.27	8116.56	2881.07	731.15	80.40	3531.82	4584.74	3421.65
Previous Year	(5453.99)	(881.01)	(32.28)	(6302.72)	(2489.84)	(420.73)	(29.50)	(2881.07)	(3421.65)	(2964.15)
Intangible Assets										
Computer Software	25.04	5.63	-	30.67	18.00	3.61	-	21.61	9.06	7.04
Total Intangible Assets	25.04	5.63	-	30.67	18.00	3.61	-	21.61	9.06	7.04
Previous Year	(21.03)	(4.01)	(-)	(25.04)	(15.64)	(2.36)	(-)	(18.00)	(7.04)	(5.39)
Capital Work-In-Progress									1058.40 [@]	626.67
Grand Total									5652.20	4055.36

Note:

Freehold land includes Agriculture Land - ₹ 0.12 crore.

(*) Represents land sold during the period amounting to ₹ NIL (Previous year ₹ 18,206).

Represents Electrical fittings, Fire fighting/other Equipments and canteen utensils.

@ Net of Provision for impairment ₹ 22.25 crore.

Figures in bracket are in respect of previous year.

NOTE 12 : NON-CURRENT INVESTMENTS

	Face Value ₹	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Carried at cost, Fully Paid-up			
Non-Trade			
Quoted			
1,16,665 (23,333) Equity Shares in ICICI Bank Ltd.	2	0.09	0.09
2,000 Equity Shares in EIH Associated Hotels Ltd. - ₹ 44,000 (Previous year - ₹ 44,000)	10	-	-
4,000 Equity Shares in Housing Development Finance Corporation Ltd. - ₹ 4,000 (Previous year - ₹ 4,000)	2	-	-
165 (33) Equity Shares in JK Tyres & Industries Ltd. - ₹ 1,872 (Previous year- ₹ 1,872)	2	-	-
2 Equity Shares in Bengal & Assam Company Limited - ₹ 487 (Previous year - ₹ 487)	10	-	-
2,000 Equity Shares in HDFC Bank Ltd. - ₹ 4,000 (Previous year - ₹ 4,000)	2	-	-
Aggregate Book Value of Quoted Investments		0.09	0.09
Unquoted In Mutual Fund Units:			
Income Plan: Growth Option			
- (82,485) Franklin India Short Term Income Plan Institutional	1000	-	12.00
- (27,20,037) HDFC - High Interest Fund - Short Term Plan	10	-	5.00
59,46,232 HDFC Short Term Plan	10	10.00	10.00
1,00,00,000 HDFC FMP 1128D September 2014(1) Series 32-Regular Plan	10	10.00	10.00
1,60,00,000 HDFC FMP 1134D September 2014(1) Series 32-Regular Plan	10	16.00	16.00
- (50,00,000) HDFC FMP 370D October 2013 (5) Series 28-Regular Plan	10	-	5.00
- (50,00,000) HDFC FMP 371D November 2013 (1) Series 28-Regular Plan	10	-	5.00
87,65,778 (-) BIRLA Sun Life Dynamic Bond Fund - Retail - Direct Plan	10	22.00	-
2,95,25,827 (1,69,91,455) BIRLA Sun Life Dynamic Bond Fund - Retail - Regular Plan	10	57.00	25.00
- (50,00,000) BIRLA Sun Life Fixed Term Plan-Series IW (368 days)-Regular Plan	10	-	5.00
30,00,000 BIRLA Sun Life Fixed Term Plan-Series LX (1099) Days - Regular Plan	10	3.00	3.00
60,95,089 Reliance Short Term Fund -Growth Plan-Growth Option-STGP	10	10.00	10.00
27,17,258 ICICI Prudential Institutional Short Term Plan - Cumulative	10	5.00	5.00
1,00,00,000 ICICI Prudential FMP Series 75-1100 Days Plan J Cumulative	10	10.00	10.00
50,00,000 GKRG/SUNDARAM Fixed Term Plan GK 1120 days Regular	10	5.00	5.00
3,00,00,000 (-) GYDG/SUNDARAM Fixed Term Plan GY Direct Plan	10	30.00	-
- (50,00,000) L&T FMP Series 9-Plan D	10	-	5.00
18,66,670 (-) IDFC Ultra Short Term Fund-(Regular Plan)	10	3.00	-
61,558 (-) SBI SHF Ultra Short term Debt Fund-Regular Plan	1000	9.00	-
19,35,998 (-) HDFC High Interest Fund Dynamic Plan - Direct - Growth Option	10	9.50	-
2,46,91,641 (-) HDFC Medium Term Opportunities Fund Direct Plan Growth Option	10	39.50	-
20,45,716 (-) Birla Sun life Short Term Fund -Direct Plan	10	11.00	-
56,18,909 (-) Birla Sunlife Short Term Fund - Regular Plan	10	31.17	-
47,18,438 (-) Birla Sunlife Short Term Opportunities Fund - Regular Plan	10	11.00	-
6,17,679 (-) Birla sun life Treasury Optimiser - Direct plan	100	11.00	-
17,44,625 (-) Birla sun life Treasury Optimiser - Regular plan	10	32.00	-
7,79,493 (-) Birla sun life Floating Rate Fund Long Term - Regular Plan	100	13.50	-
1,30,67,518 (-) Birla sun life Short Term Opportunities Fund - Direct Plan	10	32.00	-
3,64,00,614 (-) IDFC Supersaver Income Fund Medium Term - Regular Plan	10	85.00	-
64,13,102 (-) IDFC Ultra Short Term Fund - Direct Plan	10	13.00	-
70,00,000 (-) DHFL PRAMERICA Fixed Maturity Plan -Series 77 - Regular Plan	10	7.00	-



NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)

	Face Value ₹	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
75,04,245 (-) DHFL PRAMERICA Short Maturity Plan	10	19.00	-
1,08,96,570 (-) TATA Short Term Bond Fund Regular Plan	10	30.00	-
57,63,855 (-) UTI Short Term Income Fund Institutional option Direct Plan	10	10.00	-
6,07,66,664 (-) UTI Short Term Income Fund Institutional option	10	103.00	-
68,805 (-) UTI Treasury Advantage Fund Institutional Plan	1000	13.50	-
2,64,80,287 (-) ICICI Prudential Short Term option plan	10	75.00	-
60,73,551 (-) HDFC High Interest Fund Dynamic Plan	10	30.00	-
3,74,92,354 (-) HDFC High Interest Fund Short Term Plan	10	100.15	-
24,21,650 (-) HDFC Floating Rate Income Fund Short Term Plan Wholesale Option	10	6.00	-
70,89,864 (-) 257 / Sundaram Ultra Short Term Fund Regular	10	14.00	-
1,26,22,926 (-) DSG / Sundaram Select Debt Short Term Asset Plan Regular	10	32.00	-
INVESTMENTS (At Cost, Fully Paid-up)			
Non-Trade			
Unquoted			
Others:			
65,000 Equity Shares in Mammen Mappillai Investments Pvt. Ltd.	10	0.07	0.07
- (1,00,000) Equity Shares in M M Research Company Pvt. Ltd.	10	-	0.10
1,600 Ordinary Shares in MRF Employees Co-operative Society Ltd. - ₹ 40,000 (Previous year - ₹ 40,000)	25	-	-
50 Ordinary Shares in The Ranipet Leather Finishing Servicing Industrial Co-operative Society Ltd- ₹ 5,000 (Previous year - ₹ 5,000)	100	-	-
10 Ordinary Shares in Co-operative Housing Societies - ₹ 500 (Previous year- ₹ 500)	50	-	-
5 Equity Shares in Chennai Willingdon Corporate Foundation - ₹ 50 (Previous year ₹ 50)	10	-	-
Trade			
Unquoted			
Subsidiary Companies:			
12,73,200 (10,000) Ordinary Shares in MRF SG Pte Ltd		6.11	0.05
50,100 Equity Shares in MRF Corp Ltd. - ₹ 1,500 (Previous year - ₹ 1,500)	10	-	-
5,32,470 Equity Shares in MRF International Ltd.	10	0.53	0.53
3,41,60,324 Equity Shares in MRF Lanka Pvt. Ltd.	Sri Lankan Rupee 10	15.01	15.01
Others:			
- (1,48,500) Equity Shares in Funschool (India) Ltd.	10	-	0.15
3,026 (2,300) Equity Shares (Class A) of ₹ 10 each in PPS Enviro Private Ltd	10	0.21	0.16
2,13,787 (57,480) Equity Shares (Class B) of ₹ 10 each in PPS Enviro Private Ltd. (with disproportionate voting rights)	10	0.22	0.06
3,75,000 Equity Shares in Sai Regency Power Corporation Pvt. Ltd.	10	0.38	0.38
2,60,000 Equity Shares in Connect Wind India Pvt Ltd.	10	4.16	4.16
50,000 (-) Coromandel Electric Co. Ltd.	10	0.05	-
Aggregate Amount of Unquoted Investments		945.06	151.67
		945.15	151.76
Aggregate Market Value of Quoted Investments		3.48	3.99

Figures in brackets are in respect of previous year.

NOTE 13 : LOANS & ADVANCES

	Long-Term		Short-Term	
	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Unsecured, Considered Good				
Capital Advances	100.10	162.35	-	-
Loan and Advances to Employees	5.94	2.81	30.89	14.48
Loan and Advances to Related parties	7.36	12.43	0.59	3.27
Advances Recoverable in cash or in kind	15.68	1.21	195.07	91.62
Other Loans and Advances:				
Balances with Excise Authorities	-	-	78.55	27.38
Advance payment of Income Tax/Tax Deducted at Source (after adjusting provision)	64.18	45.47	-	-
Prepaid Expenses	-	-	17.25	17.19
Security Deposits	53.79	39.23	-	-
	247.05	263.50	322.35	153.94

NOTE 14 : OTHER ASSETS

	Non-current		Current	
	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Unsecured, Considered Good				
Interest Accrued on Loans and Deposits	-	-	3.24	4.37
Non-current Bank Balances (Note 18)	1.31	1.31	-	-
Share/Mutual Fund Application Monies	-	-	-	13.06
Others	1.69	1.57	0.05 *	0.10*
	3.00	2.88	3.29	17.53

*Represents due from a subsidiary company ₹ 0.05 Crore (Previous Year - ₹ 0.10 Crore)



NOTE 15 : CURRENT INVESTMENTS

Carried at lower of Cost and Fair Value

Non-Trade - Fully Paid-up

Unquoted

In Mutual Fund Units:

Income Plan - Growth:

	Face Value ₹	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
1,49,355 UTI Liquid Cash Plan Institutional	1,000	27.00	27.00
11,96,542 (5,05,454) UTI Treasury Advantage Fund - Institutional Plan	1,000	214.50	77.00
- (21,27,358) UTI Fixed Income Interval Fund Annual Interval Plan III - Institutional Plan	10	-	3.00
- (12,15,844) ICICI Prudential Savings Fund	100	-	20.00
73,67,845 (17,81,587) ICICI Prudential Flexible Income	100	193.00	39.00
3,94,396 ICICI Prudential Liquid-plan	100	7.00	7.00
41,99,807 (-) ICICI Prudential Short Term Option plan	10	13.00	-
12,15,844 (-) ICICI Prudential Savings Fund	100	20.00	-
- (50,00,000) ICICI Prudential FMP Series 72-440 Days Plan L- Regular Plan Cumulative	10	-	5.00
- (60,00,000) ICICI Prudential FMP Series 74-370 Days Plan Q- Regular Plan Cumulative	10	-	6.00
- (60,00,000) ICICI Prudential FMP Series 74-368 Days Plan R- Regular Plan Cumulative	10	-	6.00
- (50,00,000) ICICI Prudential FMP Series 74-368 Days Plan Y- Regular Plan Cumulative	10	-	5.00
- (54,00,000) ICICI Prudential FMP Series 74-367 Days Plan Z- Regular Plan Cumulative	10	-	5.40
1,15,318 Reliance Liquid Fund-Cash Plan-Growth Option-CPG Plan	1,000	20.00	20.00
1,68,599 Reliance Money Manager Fund-Growth Plan-LPIG	1,000	26.00	26.00
52,66,727 Reliance Medium Term Fund-Growth Plan-IPGP	10	13.00	13.00
13,684 Reliance Liquid Fund-Treasury Plan-Growth Plan-LFIG	1,000	4.00	4.00
- (60,00,000) Reliance Fixed Horizon Fund-XXVI-Series 33- Plan-X7GP	10	-	6.00
- (50,00,000) Reliance Fixed Horizon Fund-XXV-Series 6- Plan-WAGP	10	-	5.00
- (50,00,000) Reliance Fixed Horizon Fund-XXV-Series 19- Plan-WOGP	10	-	5.00
1,66,07,563 HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale	10	40.00	40.00
43,93,376 (-) HDFC Short Term Plan	10	13.00	-
93,198 HDFC Liquid Fund - Premium Plan	1,000	20.00	20.00
9,71,24,594 (3,91,31,624) HDFC Floating Rate Income Fund -Short Term Plan - Wholesale Option	10	222.50	77.00
29,580 HDFC Liquid Fund	1,000	7.00	7.00
- (60,00,000) HDFC FMP 366D May 2014 (2) Series 31-Regular	10	-	6.00
- (60,00,000) HDFC FMP 370D June 2014 (1) Series 31-Regular	10	-	6.00
50,00,000 HDFC FMP 371D December 2013 (1) Series 28-Regular Plan	10	5.00	5.00
- (70,00,000) HDFC FMP 371D June 2014 (1) Series 31-Regular Plan	10	-	7.00
- (50,00,000) HDFC FMP 453D February 2014 (1) Series 29-Regular Plan	10	-	5.00
- (50,00,000) HDFC FMP 540D December 2013 (1) Series 28-Regular-Plan	10	-	5.00
50,00,000 (-) HDFC FMP 370D October 2013 (5) Series 28-Regular-Plan	10	5.00	-
36,55,457 (-) HDFC FMP 371D November 2013 (1) Series 28-Regular-Plan	10	3.66	-
14,06,187 BIRLA Sun Life Floating Rate Fund - Short Term-Regular - Plan	100	20.00	20.00

NOTE 15 : CURRENT INVESTMENTS (Contd.)

	Face Value	As at 31.03.2016	As at 30.09.2014
	₹	₹ Crore	₹ Crore
18,91,226 BIRLA Sun Life Cash Manager - Institutional Plan	100	35.00	35.00
78,44,428 (7,27,224) BIRLA Sun Life Floating Rate Fund-Long Term-Regular Plan	100	134.50	10.00
3,64,072 BIRLA Sun Life Cash Plus-Regular Plan	100	7.00	7.00
22,59,785 (14,11,779) BIRLA Sun Life Treasury Optimizer Plan-Regular Plan	100	36.00	20.00
53,58,593 (-) Birla Sunlife Savings Fund - Regular Plan	100	151.00	-
52,42,908 (-) Birla Sunlife short term Opportunities Fund - Regular Plan	10	13.00	-
- (50,00,000) BIRLA Sun Life Fixed Term Plan- Series JE (368 days)-Regular Plan	10	-	5.00
- (50,00,000) BIRLA Sun Life Fixed Term Plan- Series JY (367 days)-Regular Plan	10	-	5.00
- (50,00,000) BIRLA Sun Life Fixed Term Plan- Series LO (369 days)-Regular Plan	10	-	5.00
- (60,00,000) BIRLA Sun Life Fixed Term Plan- Series LQ (368 days)-Regular Plan	10	-	6.00
- (5,92,18,499) Franklin India Ultra Short Bond Fund Super Institutional Plan	10	-	88.00
- (39,170) Franklin India Treasury Management Account Super Institutional Plan	1000	-	7.00
1,29,83,092 (3,14,53,743) KOTAK Flexi Debt Scheme Plan A - (Regular)	10	19.00	44.00
- (1,14,046) KOTAK Floater Short Term	1000	-	20.00
28,752 KOTAK Liquid Scheme Plan A (Regular)	1000	7.00	7.00
2,07,399 SBI SHF - Ultra Short Term Fund - Institutional Plan	1000	30.00	30.00
3,07,774 (3,69,333) SBI - Ultra Short Term Debt Fund - Regular Plan	1000	46.00	55.00
37,116 SBI - Premier Liquid Fund - Regular Plan	1000	7.00	7.00
- (50,00,000) SBI -Debt Fund Series - A 28-367 Days- Regular Plan	10	-	5.00
- (50,00,000) SBI -Debt Fund Series - A 2 15 Months- Regular Plan	10	-	5.00
6,68,79,275 (-) IDFC Ultra Short Term Fund-(Direct Plan)	10	137.50	-
2,01,65,731 (2,20,32,401) IDFC Ultra Short Term Fund-(Regular Plan)	10	33.00	36.00
47,988 IDFC Cash Fund-Growth-(Regular Plan)	1000	7.00	7.00
50,00,000 IDFC Fixed Term Plan Series 50 Regular Plan-	10	5.00	5.00
- (50,00,000) IDFC Fixed Term Plan Series 51 Regular Plan	10	-	5.00
- (70,00,000) IDFC Fixed Term Plan Series 97 Regular Plan-(366 Days)	10	-	7.00
- (57,50,000) IDFC Fixed Term Plan Series 99 Regular Plan-(368 Days)	10	-	5.75
51,30,715 (-) IDFC Super Saver Income Fund Medium Term Regular Plan	10	13.00	-
7,12,03,949 (-) 257 Sundaram Ultra Short term Fund Regular Plan	10	142.50	-
31,599 TATA Liquid Fund Plan	1000	7.00	7.00
- (50,00,000) TATA Fixed Maturity Plan Series 47 Scheme N-Plan A	10	-	5.00
6,16,955 (-) TATA Floater fund Regular Plan	1000	135.00	-
- (50,00,000) L&T FMP Series 9-Plan J-1141 days	10	-	5.00
50,00,000 (-) L&T FMP Series 9-Plan D (1131 Days)	10	5.00	-
- (50,00,000) L&T FMP Series 10-Plan H(1155 Days)	10	-	5.00
- (50,00,000) DWS Fixed Maturity Plan Series 43-Regular Plan	10	-	5.00
- (50,00,000) DWS Fixed Maturity Plan Series 45-Regular Plan	10	-	5.00
		1844.16	936.15

Figures in brackets are in respect of previous year.



NOTE 16 : INVENTORIES

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
At lower of cost and net realisable value		
Raw materials	708.19	635.12
Raw Material (Goods-in-Transit)	31.05	126.30
Work-in-progress	148.20	179.41
Finished goods	717.88	651.11
Stock-in-Trade	17.71	14.85
Stores and spares	256.71	192.91
	1879.74	1799.70

NOTE 17 : TRADE RECEIVABLES

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - Considered Good	0.94	1.29
- Considered Doubtful	2.26	2.26
Less: Provision for Doubtful Debts	(2.26)	(2.26)
	0.94	1.29
Others		
Secured	1101.34	1043.82
Unsecured, Considered Good	729.44	663.36*
	1831.72	1708.47

* Includes due from a subsidiary company - ₹ 0.05 Crore

NOTE 18 : CASH & BANK BALANCES

	Non-current As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	Current As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Cash and Cash equivalents:				
Balances with banks:				
Current Accounts	-	-	8.85	9.10
Fixed Deposits with Original maturity less than three months	-	-	20.00	200.43
Cheques on hand	-	-	47.68	45.51
Cash on hand	-	-	0.83	0.05
	-	-	77.36	255.09
Other Bank Balances:				
Fixed Deposits	1.31	1.31	1.38	450.95
Unpaid Dividend Account	-	-	1.71	1.63
	1.31	1.31	3.09	452.58
Amounts disclosed under 'Non Current Assets' (Note 14)	(1.31)	(1.31)	-	-
	-	-	80.45	707.67

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

NOTE 19 : REVENUE FROM OPERATIONS

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Sales of Products	22495.36	14640.94
Other Operating Revenues		
Export Incentives	17.09	7.85
Miscellaneous	8.90	0.54
	<u>22521.35</u>	<u>14649.33</u>
Less: Excise Duty	2277.41	1451.21
	<u>20243.94</u>	<u>13198.12</u>
Details of sales under broad heads:		
Class of Goods		
Automobile Tyres	19994.21	12970.52
Automobile Tubes	1738.05	1107.79
Others	763.10	562.63
	<u>22495.36</u>	<u>14640.94</u>

NOTE 20 : OTHER INCOME

Interest on Deposits	63.62	34.07
Dividend on Investment from;		
Subsidiary Companies	0.15	0.10
Other non current Investments	0.07	0.06
	<u>0.22</u>	<u>0.16</u>
Profit on Sale of Investments(Net)		
- Non-Current	14.49	-
- Current	65.70	13.45
Other Non-Operating Income	40.90	17.40
	<u>184.93</u>	<u>65.08</u>

NOTE 21 : COST OF MATERIALS CONSUMED

Cost of materials consumed

Opening Stock	761.42	791.68
Add: Purchases	11140.73	8268.64
	<u>11902.15</u>	<u>9060.32</u>
Less: Closing Stock	739.24	761.42
	<u>11162.91</u>	<u>8298.90</u>
Details of Raw Materials consumed under broad heads:		
Rubber	5708.62	4465.63
Fabric	2010.59	1318.44
Carbon Black	1624.91	1276.50
Chemicals	1433.48	918.54
Others	385.31	319.79
	<u>11162.91</u>	<u>8298.90</u>



NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Closing Stock:		
Finished Goods	717.88	651.11
Stock-in-Trade	17.71	14.85
Work-in-Progress	148.20	179.41
	883.79	845.37
Less: Opening Stock:		
Finished Goods	651.11	593.25
Stock-in-Trade	14.85	37.98
Work-in-Progress	179.41	223.59
	845.37	854.82
Differential Excise Duty on Opening and Closing stock of Finished Goods	23.47	9.73
	(14.95)	19.18

Details of Inventory under broad heads:

₹ Crore

Class of Goods	Finished Goods		Stock-in-Trade		Work-in-Progress	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Automobile Tyres	523.01 (486.47)	601.53 (523.01)	- (-)	- (-)	151.40 (201.81)	111.52 (151.40)
Automobile Tubes	79.57 (64.03)	75.05 (79.57)	0.77 (29.38)	0.09 (0.77)	4.13 (9.40)	5.41 (4.13)
T & S Equipments	- (-)	- (-)	11.67 (6.75)	15.09 (11.67)	- (-)	- (-)
Others	48.53 (42.75)	41.30 (48.53)	2.41 (1.85)	2.53 (2.41)	23.88 (12.38)	31.27 (23.88)
Total	651.11 (593.25)	717.88 (651.11)	14.85 (37.98)	17.71 (14.85)	179.41 (223.59)	148.20 (179.41)

Figures in bracket are in respect of previous year

NOTE 23 : EMPLOYEE BENEFITS EXPENSE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Salaries, Wages, Bonus, and Allowances	1041.93	582.87
Contribution to Provident, Gratuity and Other Funds	111.81	71.62
Staff welfare Expenses	129.53	78.20
	1283.27	732.69

NOTE 24 : FINANCE COSTS

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Interest on Loans and Deposits	251.19	157.90
Interest on Debentures	85.64	64.37
Interest on Deferred Payment Credit	1.46	1.82
Other borrowing costs	1.43	1.59
	339.72	225.68

NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Depreciation on tangible assets	731.15	420.73
Amortisation on intangible assets	3.61	2.36
	734.76	423.09



NOTE 26 : OTHER EXPENSES

	Period ended 31.03.2016	Year ended 30.09.2014
	₹ Crore	₹ Crore
Stores and Spares Consumed	458.83	274.94
Power and Fuel	842.05	664.67
Processing Expenses	240.58	134.38
Rent	68.12	36.47
Rates and Taxes	16.74	9.18
Insurance	16.63	10.85
Printing and Stationery	8.93	4.81
Repairs and Renewals:		
Buildings	27.13	16.29
Plant and Machinery	118.06	67.94
Other Assets	51.53	25.58
Travelling and Conveyance	59.48	39.06
Communication Expenses	10.98	7.04
Vehicle Expenses	7.46	4.59
Auditors' Remuneration:		
As Auditors:		
Audit fee (Current year includes arrears of ₹ 0.03 Crore for previous year)	0.41	0.34
Tax Audit fee	0.14	0.06
Other Services	0.16	0.13
Reimbursement of Expenses	0.26	0.11
	0.97	0.64
Cost Auditor's Remuneration:		
Audit fee	0.06	0.05
Directors' Fees	0.16	0.11
Directors' Travelling Expenses	5.56	3.02
Advertisement	357.16	148.85
Warranty	34.41	29.41
Sales tax absorbed by the company	0.54	0.85
Bad debts written off (Net)	-	0.20
Commission and Discount	401.41	237.13
Freight and Forwarding (Net)	562.62	351.42
Loss on Sale of Fixed Asset	6.54	2.52
Net Loss on Foreign Currency Transactions	56.79	46.79
Bank Charges	6.44	5.90
Provision for impairment of assets	23.93	-
Provision for Doubtful Debts	-	0.15
Miscellaneous Expenses	90.89	40.71
	3474.00	2163.55

NOTE 27 : ADDITIONAL/EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

		Period ended 31.03.2016		Year ended 30.09.2014	
		% of total	Value	% of total	Value
		<u>Consumption</u>	<u>₹ Crore</u>	<u>Consumption</u>	<u>₹ Crore</u>
a.	(i) Value of imported/indigenous raw material/stores & spares consumed :				
	Raw Materials				
	Imported at landed cost	47.81	5337.16	45.90	3808.93
	Indigenous	52.19	5825.75	54.10	4489.97
		100.00	11162.91	100.00	8298.90
	Stores and Spares				
	Imported at landed cost	8.36	38.37	7.17	19.71
	Indigenous	91.64	420.46	92.83	255.23
		100.00	458.83	100.00	274.94
	(ii) Details of Purchase of Traded Goods under broad heads:			Period ended	Year ended
	Tubes			31.03.2016	30.09.2014
	T and S Equipments			₹ Crore	₹ Crore
	Sports Goods			-	33.06
	Others			30.41	22.79
				4.54	2.76
				3.94	2.61
				38.89	61.22
	(iii) CIF Value of Imports:				
	a) Raw Materials			4057.97	3409.70
	b) Components and Spare Parts			99.30	59.97
	c) Capital Goods			740.17	415.85
	(iv) Earnings in Foreign Exchange:				
	FOB Value of Exports			1666.49	1223.19
	Freight and Insurance			20.67	10.05
	Dividend			0.05	-
	Others			2.99	1.57
	Note: FOB Value of Exports excludes export sales in Indian Rupee				
	(v) Expenditure in Foreign Currency paid or payable by the Company:				
	a) Interest and Finance Charges			6.75	2.23
	b) Professional and Consultation Fees			5.46	3.21
	c) Commission and Discount			0.05	0.21
	d) Travelling			5.81	3.98
	e) Advertisements			59.67	13.11
	f) Traded goods			0.31	33.19
	g) Insurance			2.33	0.38
	h) Product warranty claims			5.87	1.48
	i) Others			9.04	3.00



- b. The amount due and paid during the period to “Investor Education and Protection Fund” is ₹ 0.30 Crore. (Previous Year - ₹ 0.14 Crore)
- c. Earnings Per Share:

		Period ended *	Year ended
		31.03.2016	30.09.2014
Profit after taxation	₹ Crore	2327.72	897.89
Number of equity shares (Face Value ₹10/-)	Nos.	4241143	4241143
Earnings per share	₹	5488.44	2117.09

*** Not Annualised**

- d. The Company enters into Forward Exchange Contracts, Currency Swaps and Interest Rate Swaps being derivative instruments, which are not intended for trading or speculative purposes, but for hedging purposes, to establish the amount of reporting currency required or available at the date of settlement of certain payables and receivables.

The outstanding position and exposures are as under :

- (i) Derivative instruments as on 31st March, 2016:-

Particulars	Currency	Amount	₹ Crore	Nature	Cross Currency
Currency/Interest Rate Swap	USD	141.67 Million (70.00) Million	857.96 (389.55)	ECB Loan	INR
Currency/Interest Rate Swap	USD	24.82 Million (24.09) Million	149.67 (145.20)	Buyer's Line of Credit	INR

- (ii) Forward Contract Outstanding as on 31st March, 2016:-

Particulars	Currency	Amount	₹ Crore	Nature	Cross Currency
Forward Contract	USD	24.98 Million (15.69) Million	168.36 (95.30)	Buyer's Line of Credit	INR
Forward Contract	USD	17.06 Million (92.27) Million	115.90 (567.13)	Import purchase	INR

[The amount of premium carried forward to be accounted in the subsequent year - ₹ 2.57 Crore (Previous Year - ₹7.71 Crore)].

- (iii) Un-hedged foreign currency exposure is ₹ 22.17 Crore, net receivable (Previous Year - ₹ 26.57 Crore, net receivable)

Figures in brackets are in respect of Previous Year.

- e. Particulars in respect of loans and advances in the nature of loans as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: ₹ Crore

Subsidiary Company	Balance as at	Maximum Balance during the year
	31.03.2016 30.09.2014	31.03.2016 30.09.2014
MRF Corp Limited	7.36 15.43	15.43 15.43

Note: 1. Loans to employees have been considered to be outside the purview of disclosure requirements.

2. Investment by Loanee in the shares of the Parent company - NIL (Previous year - Nil).

- f. The Company's leasing arrangements are in respect of operating leases for premises (residential, office and godowns). The leasing arrangements, which are not non-cancellable, range between eleven months and three years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.
- g. Movement in provisions as required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Asset".

	As at 01.10.2014	Provided during the period	Paid during the period	Reversed during the period	(₹ Crore) As at 31.03.2016
(i) Warranty	78.47 (49.06)	34.41 (29.41)	- (-)	- (-)	112.88 (78.47)
(ii) Litigation and related disputes	55.53 (62.61)	10.18 (6.85)	0.90 (12.67)	- (1.26)	64.81 (55.53)

Notes :

- (i) Cash outflow towards warranty provision would generally occur during the next two years. Such claims are netted off from sales.
- (ii) 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.
- (iii) Figures in brackets are in respect of Previous year.
- h. Provision for Taxation has been made in respect of the income presently determined for the period 1st April, 2015 to 31st March, 2016. Further, provision for the assessment year 2015-16 has been determined and adjusted considering the provision already made in the accounts for the year ended 30th September, 2014.
- i. Related party disclosures:
- (a) Names of related parties and nature of relationship where control exists are as under:
- Subsidiary Companies:
- MRF Corp Ltd.
 - MRF International Ltd.
 - MRF Lanka (Private) Ltd.
 - MRF SG Pte Ltd
- (b) Names of other related parties and nature of relationship:
- Key Management Personnel:
- Mr. K.M. Mammen, Chairman and Managing Director
 - Mr. K.M. Philip, Whole-time Director (upto 31.03.2015)
 - Mr. Arun Mammen, Managing Director
 - Mr. Rahul Mammen Mappillai, Whole - time Director
 - Mr. Ravi Mannath, Company Secretary
 - Mr. Madhu P Nainan, Vice President Finance
- Relatives of Key Management Personnel:
- Mrs. Ambika Mammen (Wife of Chairman and Managing Director), (Director w.e.f. 23rd April, 2015)
 - Dr. (Mrs) Cibi Mammen (Wife of Managing Director), (Director w.e.f. 12th February, 2015)
 - Mr. Samir Thariyan Mappillai (Son of Chairman and Managing Director)
- Companies in which Directors are interested:
- Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd., Comprehensive Investments & Finance Co. Pvt. Ltd., Kirloskar Electric Co. Ltd., Braga Industries, Braga Industries LLP, Funkskool (India) Ltd., Pandalur Plantations Pvt. Ltd., Gokul Rubber & Tea Plantations Ltd., VPC Freight Forwarders Pvt. Ltd.
- 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.



(c) Transactions with related parties (excluding reimbursements):

Nature of Transactions

i) Subsidiary Companies:

	MRF Lanka (Private) Ltd.		MRF Corp Limited		MRF SG Pte Ltd.		₹ Crore
	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	
Investment in Equity Capital	-	6.03	-	-	6.06	0.05	
Share Application Money Paid	-	-	-	-	-	6.06	
Sale of Materials	0.04	0.20	-	-	-	-	
Purchase of Materials	0.01	-	2.48	1.38	1273.42	-	
Sale of Finished Goods	2.23	1.93	-	-	-	-	
Dividend Received	0.05	-	0.10	0.10	-	-	
Interest received	-	-	-	-	-	-	
Lease Rent received	-	-	0.19	0.11	-	-	
<u>Outstanding:</u>							
Investments	15.01	15.01	-	-	6.11	0.05	
Loan Receivable	-	-	7.36	15.43	-	-	
Trade Receivable	-	0.05	-	-	-	-	
Other Receivables	0.05	-	0.59	0.37	-	-	
Trade Payable	-	-	0.17	0.10	413.93	-	
Corporate Guarantee	-	1.85	-	-	-	309.00	

	Sitting Fees		Remuneration*		Interest Paid		Deposit Outstanding		Commission Payable		₹ Crore
	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	
ii) Key Management Personnel:											
Mr. K M Mammen	-	-	26.27	10.82	-	-	-	-	10.71	4.50	
Mr. K M Philip	-	-	2.66	5.43	-	-	-	-	1.26	2.43	
Mr. Arun Mammen	-	-	20.85	9.18	-	0.03	-	-	9.83	4.39	
Mr. Rahul Mammen Mappillai	-	-	17.00	7.29	-	-	-	-	8.01	3.49	
Mr. Ravi Mannath	-	-	2.12	0.60*	-	-	-	-	-	-	
Mr. Madhu P Nainan	-	-	1.61	0.46*	-	-	-	-	-	-	
iii) Relatives of Key Management Personnel:											
Mrs. Ambika Mammen	0.01	-	-	-	-	-	-	-	-	-	
Dr. (Mrs) Cibi Mammen	0.01	-	-	-	-	-	-	-	-	-	
Mr. Samir Thariyan Mappillai	-	-	0.75	0.33	-	0.02	-	0.24	-	-	

* 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.

* Remuneration is for a period of six months from 1st April, 2014 to 30th September, 2014.

iv) Companies in which Directors are related:

Purchase of Raw Materials / Components / Machinery	: Coastal Rubber Equipments Pvt. Ltd - ₹ 101.78 Crore, Devon Machines Pvt. Ltd - ₹ 28.37 Crore, Braga Industries - ₹ 107.10 Crore and Others - ₹ 3.00 Crore
Selling & Distribution Expenses	: Funschool (India) Ltd - ₹ 1.06 Crore.
Payment towards Services	: VPC Freight Forwarders Pvt. Ltd - ₹ 13.66 Crore, Coastal Rubber Equipments Pvt Ltd - ₹ 1.67 Crore and Braga Industries LLP - ₹ 0.01 Crore
Sale of Investments	: Comprehensive Investments & Finance Co Pvt. Ltd - ₹ 6.10 Crore
Sale of Materials	: Funschool (India) Ltd - ₹ 0.03 Crore.

Balance Outstanding:

Payables	: Devon Machines Pvt. Ltd - ₹ 0.22 Crore, Coastal Rubber Equipment Pvt. Ltd - ₹ 2.72 Crore and Braga Industries - ₹ 5.87 Crore.
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v) Other Related Parties:

Professional Charges	: Mr. Jacob Kurien - ₹ 0.17 Crore.
Contributions	: MRF Ltd Executives Provident Fund Trust - ₹ 10.27 Crore, MRF Management Staff Gratuity Scheme - ₹ 30.75 Crore, MRF Employees Gratuity Scheme - ₹ 34.30 Crore and MRF Managers' Superannuation Scheme - ₹ 13.95 Crore.

Balance Outstanding:

Contributions Payable	: MRF Ltd Executives Provident Fund Trust - ₹ 0.62 Crore. MRF Management Staff Gratuity Scheme - ₹ 5.74 Crore and MRF Employees Gratuity Scheme - ₹ 0.52 Crore.
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- j. The Company is engaged interalia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber and Conveyor Belt. These in the context of Accounting Standard 17 on Segment Reporting 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 Accounting Standard. Non-reportable segments has not been disclosed as unallocated reconciling item in view of its materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable to the Company.

- k. The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):
The information given below and that given in Note 9 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

	31.03.2016 ₹ Crore	30.09.2014 ₹ Crore
(i) Principal amounts due to suppliers under MSMED	11.16	1.11
(ii) Interest accrued and due to suppliers under MSMED on above amount, unpaid	0.32	0.19
(iii) Payments made to suppliers (other than interest) beyond the appointed date during the period/year	25.64	14.75
(iv) Interest paid to suppliers under the MSMED	-	-
(v) Interest due and payable towards suppliers under MSMED Act towards payments already made	0.04	0.03
(vi) Amount of cumulative interest accrued and unpaid as at the period/year end	0.96	0.60

- l. The total borrowing cost capitalised during the period is ₹ 45.18 Crore. (Previous year ₹ 18.18 Crore)



- m. a) In terms of the guidance on implementing the revised AS 15 issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, the Provident Fund Trust set up by the Company is treated as Defined Benefit Plan since the Company has to meet the shortfall in the fund assets, and interest based on the Government specified minimum rate of return, if any. However, as at the year end, no shortfall remains unprovided for. Further, having regard to the assets of the Fund and the Return on the Investments, the Company does not expect any deficiency in the foreseeable future. In terms of the guidance note issued by the Institute of Actuaries of India, 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, 2016.

The 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 - 8.80% (Previous year - 8.75%)

Discount rate - 8.00% (Previous year - 8.00%)

	Period ended 31.03.2016	Year ended 30.09.2014
	₹ Crore	₹ Crore
b) During the period/year, the company has recognised the following amounts in the Statement of Profit and Loss:		
i) Employer's contribution to Provident Fund and Family Pension Fund*	56.31	31.49
ii) Employer's contribution to Superannuation Fund*	13.95	6.73
*Included in "Contribution to Provident, Gratuity and other Funds" (Note 23).		
iii) Defined benefit obligation:		
a) <u>Gratuity - Funded</u>		
Service Cost	16.51	9.79
Interest Cost	21.19	11.86
Expected return on plan assets	(28.25)	(10.42)
Actuarial (Gain)/Loss	25.02	16.52
Recovery from Subsidiary Company	(0.59)	(0.24)
Net Cost	33.88	27.51
b) Leave Encashment - Unfunded	18.51	6.31
c) Post Retirement Medical Benefit - Unfunded	0.22	0.82
	<u>Gratuity Funded</u>	
	31.03.2016	30.09.2014
	₹ Crore	₹ Crore
d) Reconciliation of benefit obligation and plan assets for the period/year:		
Present value of defined benefit obligation	224.04	176.59
Fair value of plan assets	217.78	139.75
Net Asset/(Liability) as at 31st March, 2016 recognised in the Balance Sheet	(6.26)	(36.84)
e) Change in defined benefit obligation:		
Present value of obligation as at 1st October, 2014	176.59	148.18
Service Cost	16.51	9.79
Interest Cost	21.19	11.86
Actuarial (Gain)/Loss	25.02	16.52
Benefits paid	(15.27)	(9.76)
Present value of obligation as at 31st March, 2016	224.04	176.59

		Gratuity Funded	
		31.03.2016	30.09.2014
		₹ Crore	₹ Crore
f)	Change in fair value of plan assets:		
	Fair value of plan assets as at 1st October, 2014	139.75	111.79
	Expected return on plan assets	28.25	10.42
	Contribution by employer	65.05	27.30
	Benefits paid	(15.27)	(9.76)
	Fair value of plan assets as at 31st March, 2016	217.78	139.75
g)	The principal actuarial assumptions:		
	Discount rate	8.00%	8.00%
	Salary escalation rate	5.50%	5.50%
	Expected rate of return on plan assets	9.00%	8.00%
The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as the supply and demand in the employment market.			
		₹ Crore	
h)	Amounts for the current and previous periods are as under:	31.03.2016	30.09.2014
	Defined Benefit Obligation	224.04	176.59
	Plan Assets	217.78	139.75
	Deficit/(Surplus)	6.26	36.84
	Experience adjustments on plan assets	Not Available *	Not Available *
	Experience adjustments on plan liabilities	Not Available *	Not Available *
* The management has relied on the overall actuarial valuation conducted by the Actuary. However, experience adjustments on plan assets and liabilities are not readily available and hence not disclosed.			
i)	Investment of plan assets as at 31st March, 2016:	31.03.2016	30.09.2014
	Investments with Life Insurance Corporation of India	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.			
j)	The group gratuity Policy with LIC includes employees of MRF Corp Ltd, a Subsidiary Company.		
iv)	Other Long-Term Employee Benefits:	31.03.2016	30.09.2014
	Present value of obligation as at 31st March, 2016	₹ Crore	₹ Crore
	Leave Encashment	28.64	18.51
	Post Retirement Medical Benefits	5.11	5.00



n. 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 preceding three financial years on corporate social responsibility (CSR) activities. A CSR Committee has been formed by the Company as per the Act. The funds were primarily allocated to the activities which are specified in the Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the 18 months period is ₹ 22.55 Crore.

b) Amount spent during the 18 months period on:

		₹ Crore	
<u>Sr. No.</u>	<u>Particulars</u>	<u>In cash</u>	<u>Yet to be paid in cash</u>
(1)	Construction/acquisition of any asset	-	-
(2)	On purposes other than (1) above	9.07	0.02
			9.09

o. (i) Revenue expenditure on Research and Development activities during the period ended 31st March, 2016:

		₹ Crore	
		<u>Period ended 31.03.2016</u>	<u>Year ended 30.09.2014</u>
1)	Salaries, Wages and Other Benefits	25.77	14.02
2)	Repairs and Maintenance	3.04	1.72
3)	Power	2.33	1.88
4)	Travelling and Vehicle Running	5.54	3.18
5)	Cost of Materials/ Tyres used for Rallies/ Test Purpose	4.20	4.06
6)	Other R & D Expenses	7.67	3.78
		<u>48.55</u>	<u>28.64</u>

(ii) Capital Expenditure on research and development during the period/year, as certified by the management is ₹ 6.34 Crore (Previous Year - ₹ 5.44 Crore). This information complies with the terms of the R & D recognition granted upto 31st March, 2018 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/118/2014 dated 06th June, 2014.

p. Terms of Repayment and Security Description of Long Term Borrowings:

- ECB from The Bank of Tokyo - Mitsubishi UFJ, Ltd. availed in December, 2011-USD 40 Million is secured by a first charge on Plant and Machinery situated at Puduchery Unit. Interest is payable at a rate equal to the 6 months BBA LIBOR plus margin of 1.55% (Previous year 6 months BBA LIBOR plus margin of 1.55%) payable half-yearly. The said loan is fully hedged and is repayable in three equal annual instalments at the end of the fourth, fifth and sixth year beginning October, 2015.
- The principal amount of Debentures, interest, remuneration to Debenture Trustees and all other costs, charges and expenses payable by the company in respect of Debentures are secured by way of a legal mortgage of Company's land at Gujarat and hypothecation by way of a first charge on Plant and Machinery at the company's plants at Perambalur, near Trichy, Tamil Nadu, equivalent to the outstanding amount.

The NCD's are to be redeemed at par in three instalments as stated below;

Debenture Series	10.09% NCD's (Previous year 10.09%)	
	₹ crore	Dates of Redemption
Series I	160.00	27-05-2019
Series II	160.00	27-05-2020
Series III	180.00	27-05-2021
	<u>500.00</u>	

- iii) ECB(Unsecured) from the Bank of Tokyo- Mitsubishi UFJ, Ltd
 - a) USD 15 Million availed in October, 2013 is for capital expenditure. Interest is payable at a rate equal to the six months USD LIBOR plus margin of 1.50% (Previous year six months USD LIBOR plus margin of 1.50%) payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning October, 2017.
 - b) USD 20 Million availed in May, 2015 is for capital expenditure. Interest is payable at a rate equal to the six months USD LIBOR plus margin of 1.00% payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning May, 2019.
- iv) ECB(Unsecured) from the Mizuho Bank, Ltd
 - a) USD 15 Million availed in January, 2014 is for capital expenditure. Interest is payable at a rate equal to the six months USD LIBOR plus margin of 1.50% (Previous year six months USD LIBOR plus margin of 1.50%) payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning January, 2018.
 - b) USD 25 Million availed in February, 2015 is for capital expenditure. Interest is payable at a rate equal to the six months USD LIBOR plus margin of 1.00% payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning February, 2019.
- v) ECB(Unsecured) from the CITI Bank availed in January, 2015 amounting to USD 20 Million is for capital expenditure. Interest is payable at a rate equal to the six months BBA LIBOR plus margin of 1.30% payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning January, 2019.
- vi) ECB(Unsecured) from the HSBC Bank availed in October, 2015 amounting to USD 20 Million is for capital expenditure. Interest is payable at a rate equal to the six months BBA LIBOR plus margin of 1.25% payable half yearly. The said Loan is fully hedged and is repayable in three equal annual instalments at the end of fourth, fifth and sixth year beginning October, 2019.
- vii) Buyers Line of Credit (Unsecured) of USD 24.82 Million availed from CITI Bank for Capital Expenditure is repayable after 2 years and 364 days beginning in March 2017 at varied interest rates as applicable on different drawdown dates. The said Loan is fully hedged.
- viii) Interest free Unsecured Loan availed under Sales tax Deferral Scheme is repayable yearly and to end on 1st April, 2019.
- ix) Deferred payment credit is repayable along with interest(at varying rates) in 240 consecutive monthly installments ending in March 2026.
- x) Fixed Deposits are Unsecured and are repayable as per the terms with interest rates ranging from 8.50% to 9.50%. (Previous year 8.50% to 9.50%)



- q. Commitment
- Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 650.59 Crore. (Previous year - ₹ 1,460.46 Crore)
 - Customs Duty on import of equipments and spare parts under EPCG Scheme - ₹ 162.76 Crore. (Previous Year - ₹ 161.36 Crore)
- r. Contingent Liabilities not provided for:
- Guarantees given by the Banks - ₹ 47.33 Crore. (Previous Year - ₹ 35.18 Crore)
 - Corporate Guarantees given to Banks for and on behalf of wholly owned Subsidiaries - ₹ NIL. (Previous Year - ₹ 310.85 Crore)
 - Letters of Credit issued by the Banks - ₹ 85.90 Crore. (Previous Year - ₹ 466.05 Crore)
 - Claims not acknowledged as debts:
 - Disputed Sales Tax demands pending before the Appellate Authorities - ₹ 23.05 Crore. (Previous Year - ₹ 18.18 Crore)
 - Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹ 76.07 Crore. (Previous Year - ₹ 80.31 Crore)
 - Disputed Income Tax Demands - ₹ 30.74 Crore. (Previous Year - ₹ 21.34 Crore). Against the said demand, the company has deposited an amount of ₹ 14.93 Crore.
 - Contested EPF Demands pending before Appellate Tribunal - ₹ 1.10 Crore. (Previous year - ₹ 1.10 Crore)
 - Bills discounted with a bank - ₹ NIL. (Previous Year - ₹ 22.14 Crore)
- s. Disclosures required under Section 186(4) of Companies Act, 2013:
- The Company has given Corporate guarantees to bankers on behalf of Subsidiary Companies for general business purposes amounting to ₹ 854.85 Crore. The said guarantees have been cancelled during the period.
 - Refer Note 12 and 15 for investments.
- t. In terms of the proviso to clause 3(i) of Part A of Schedule II to the Companies Act, 2013, the Company has, after technical assessment, decided to retain the useful life hitherto adopted for certain categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act. The Company believes that based on the policy followed by it of continuous and periodic assessment, the estimated useful life adopted so far is appropriate. The above change has resulted in lower depreciation for the period from 1.10.2014 to 31.3.2016 by ₹ 29.13 Crore. Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II, Company has charged off transitional depreciation amounting to ₹ 11.61 Crore to Statement of Profit and Loss.
- u. The Company has changed its accounting year from year ended September 30th to year ended March 31st. Accordingly, the financial statements for the current accounting period are prepared for a period of 18 months from 1st October, 2014 to 31st March, 2016. Hence the figures and Earnings per Share for the current period are not comparable with those of the previous accounting year.
- v. Previous year's Figures have been regrouped/ rearranged, wherever necessary.

Vide our Report of even date.

For SASTRI & SHAH Chartered Accountants Firm Regn. No. 0036435 C R Kumar Partner Mem. No. 26143 Chennai, Dated 3rd May, 2016	For M. M. NISSIM & CO. Chartered Accountants Firm Regn. No. 107122W Dhiren Mehta Partner Mem. No. 109883	MADHU P NAINAN Vice President Finance	RAVI MANNATH Company Secretary	JACOB KURIAN V SRIDHAR Directors	K M MAMMEN Chairman & Managing Director
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRF LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MRF LIMITED (hereinafter referred to as "the holding Company") and its subsidiaries (the holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at 31st March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards, specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions

of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the period ended on that date.



Other Matters

In respect of the financial statements of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, on the consolidated financial statements, insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

		(₹ Crore)		
	Year/period ended	Total Assets	Total Revenues	Net Cash inflows / (Outflows)
A. Indian Subsidiary	31.03.2016	33.40	143.49	(1.44)
B. Foreign Subsidiaries	31.03.2016	33.53	26.74	24.55

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.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report, to the extent applicable that:

- 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.
- In our opinion, proper books of account, as required by the 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.
- The consolidated balance sheet, the consolidated statement of profit and loss, 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.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the holding Company as on 31st March, 2016 taken on record by the Board of Directors of the holding Company and the report of other auditors, in respect of entities audited by them, for all the entities incorporated in India, none of the directors of the holding Company and subsidiaries incorporated in India, is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act.
- With respect to 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 28 (i) (iv) to the consolidated financial statements.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Sastri & Shah
Chartered Accountants
Firm Regn. No. 003643S

(C R Kumar)
Partner
Mem. No. 26143

Chennai, Dated 3rd May, 2016

For M. M. Nissim & Co.
Chartered Accountants
Firm Regn. No. 107122W

(Dhiren Mehta)
Partner
Mem. No. 109883

MRF LIMITED, CHENNAI**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	4.24	4.24
Reserves and Surplus	3	6851.52	4535.31
		6855.76	4539.55
Minority Interest		0.12	0.11
Non-Current Liabilities			
Long-Term Borrowings	4	1485.09	1198.75
Deferred Tax Liabilities (Net)	5	299.04	235.47
Other-Long-Term Liabilities	6	1227.13	1144.84
Long-Term Provisions	7	129.16	92.00
		3140.42	2671.06
Current Liabilities			
Short-Term Borrowings	8	885.59	616.25
Trade Payables	9	1136.80	1150.30
Other Current Liabilities	10	635.47	542.68
Short-Term Provisions	7	236.82	314.04
		2894.68	2623.27
TOTAL		12890.98	9833.99
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		4599.20	3428.77
Intangible Assets		9.08	7.09
Capital Work-In-Progress		1059.28	627.54
		5667.56	4063.40
Non-Current Investments	12	923.51	136.18
Deferred Tax Asset(Net)	13	-	0.94
Long-Term Loans and Advances	14	240.19	251.74
Other Non-Current Assets	15	3.00	2.88
		6834.26	4455.14
Current Assets			
Current Investments	16	1854.75	945.01
Inventories	17	1899.81	1826.25
Trade Receivables	18	1838.73	1715.36
Cash and Bank Balances	19	126.07	727.61
Short-Term Loans and Advances	14	333.34	152.30
Other Current Assets	15	4.02	12.32
		6056.72	5378.85
TOTAL		12890.98	9833.99
Basis of Consolidation, Principles of Consolidation and Significant Accounting Policies	1		

The Notes are an integral part of these financial statements.

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

For SASTRI & SHAH Chartered Accountants Firm Regn. No. 003643S C R Kumar Partner Mem. No. 26143 Chennai, Dated 3rd May, 2016	For M. M. NISSIM & CO. Chartered Accountants Firm Regn. No. 107122W Dhiren Mehta Partner Mem. No. 109883	MADHU P NAINAN Vice President Finance	RAVI MANNATH Company Secretary	JACOB KURIAN V SRIDHAR Directors	K M MAMMEN Chairman & Managing Director
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MRF LIMITED, CHENNAI
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

	Note	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
INCOME			
Revenue from operations (Gross)	20	22855.60	14797.92
Less: Excise Duty		2313.40	1467.53
Revenue from operations (Net)		20542.20	13330.39
Other income	21	186.81	65.80
Total Revenue		20729.01	13396.19
EXPENSES			
Cost of materials consumed	22	11249.13	8380.03
Purchases of Stock-in-Trade		39.76	62.06
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	23	(14.48)	14.41
Employee benefits expense	24	1309.48	742.39
Finance costs	25	343.64	225.72
Depreciation and Amortisation expense	26	737.12	423.88
Other expenses	27	3601.39	2194.61
Total Expenses		17266.04	12043.10
PROFIT BEFORE TAX		3462.97	1353.09
Tax expense:			
Current tax		1032.45	431.52
Deferred tax		64.51	13.24
		1096.96	444.76
		2366.01	908.33
Minority Share in Profit		(0.01)	(0.01)
PROFIT FOR THE PERIOD/YEAR		2366.00	908.32
Basic - Earnings per equity share: (₹) [Not Annualised]	28(d)	5578.68	2141.69
Diluted - Earnings per equity share: (₹) [Not Annualised]		5578.68	2141.69
Basis of Consolidation, Principles of Consolidation and significant Accounting policies	1		

The 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 SASTRI & SHAH
Chartered Accountants
Firm Regn. No. 003643S
C R Kumar
Partner
Mem. No. 26143
Chennai, Dated 3rd May, 2016

For M. M. NISSIM & CO.
Chartered Accountants
Firm Regn. No. 107122W
Dhiren Mehta
Partner
Mem. No. 109883

MADHU P NAINAN
Vice President Finance

RAVI MANNATH
Company Secretary

JACOB KURIAN
V SRIDHAR
Directors

K M MAMMEN
Chairman & Managing Director

MRF LIMITED, CHENNAI**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEM	3462.97	1353.09
Adjustment for :		
Depreciation	737.12	423.88
Provision for impairment of assets	23.93	-
Unrealised Exchange (Gain) / Loss	3.88	2.01
Provision for Doubtful debts written back / provided	0.17	0.15
Interest - Net	279.21	191.37
Dividend Income	(0.28)	(0.55)
Loss / (Gain) on Sale / Disposal of fixed assets sold	6.54	2.52
Loss / (Gain) on Sale of Investments	(81.30)	(13.53)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	4432.24	1958.94
Trade Receivables	(129.07)	(153.78)
Long term loans and advances	(32.02)	(6.92)
Short term loans and advances	(181.04)	12.69
Other receivables	7.04	(7.81)
Inventory	(73.56)	(9.33)
Long Term Liabilities	82.29	101.61
Trade Payable & Provisions	105.27	215.91
CASH GENERATED FROM OPERATIONS	4211.15	2111.31
Direct Taxes paid	(1168.77)	(411.83)
NET CASH FROM OPERATING ACTIVITIES	3042.38	1699.48
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2312.82)	(1246.17)
Proceeds from sale of Fixed Assets	1.65	0.26
Purchase of Investments	(2342.41)	(656.49)
Proceeds from Investments	728.37	492.61
Fixed Deposit with Banks	445.87	(414.55)
Dividend Income	0.28	0.55
Interest Income	65.57	33.15
NET CASH USED IN INVESTING ACTIVITIES	(3413.49)	(1790.64)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/proceeds from Working Capital Facilities (Net)	269.34	140.02
Proceeds from Term Loans	541.08	330.13
Repayment of Term Loans	(68.21)	(83.38)
Repayment of Debentures	(135.00)	(65.00)
(Repayments)/proceeds from Fixed Deposits (Net)	(28.24)	(1.76)
Sales Tax Deferral	(6.72)	(8.66)
Deferred payment Credit	(12.50)	(7.54)
Interest paid	(317.51)	(221.74)
Dividend and Corporate Dividend Tax	(26.80)	(14.91)
NET CASH FROM FINANCING ACTIVITIES	215.44	67.16
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(155.67)	(24.00)
CASH AND CASH EQUIVALENTS AS AT 30TH SEPTEMBER, 2014	265.56	289.56
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2016	109.89	265.56

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For SASTRI & SHAH Chartered Accountants Firm Regn. No. 0036435 C R Kumar Partner Mem. No. 26143 Chennai, Dated 3rd May, 2016	For M. M. NISSIM & CO. Chartered Accountants Firm Regn. No. 107122W Dhiren Mehta Partner Mem. No. 109883	MADHU P NAINAN Vice President Finance	RAVI MANNATH Company Secretary	JACOB KURIAN V SRIDHAR Directors	K M MAMMEN Chairman & Managing Director
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1. BASIS OF CONSOLIDATION, PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016.

A. BASIS OF CONSOLIDATION, ACCOUNTING AND PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated financial statements relate to MRF LTD. ('the Company') and its subsidiary companies. The Company and its subsidiaries constitute the Group.

The financial statements of the group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

B. PRINCIPLES OF CONSOLIDATION:

- i. The consolidated financial statements comprise of the financial statements of the Company and the following subsidiaries as on 31st March, 2016:

Name	Country of incorporation	Proportion of ownership interest	Financial Statement as on	Accounting Period covered for consolidation
MRF Corp Ltd.	India	100%	March 31, 2016	April 1st, 2014 – March 31st, 2016
MRF International Ltd.	India	94.66%	March 31, 2016	October 1st, 2014 – March 31st, 2016
MRF Lanka Pvt. Ltd.	Sri Lanka	100%	March 31, 2016	October 1st, 2014 – March 31st, 2016
MRF SG Pte Ltd.	Singapore	100%	March 31, 2016	October 1st, 2014 – March 31st, 2016

- ii. The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.
- iii. The difference between the cost of investment in the subsidiaries and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iv. Foreign Subsidiaries – Revenue items have been consolidated at the average rate of foreign exchange prevailing during the year. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate. Exchange differences arising on monetary and non-monetary items that in substance forms part of the company's net investments in non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve.
- v. Minority Interest in the net assets of subsidiaries consists of:
- The amount of equity attributable to the minorities at the date on which the investment in subsidiary is made, and
 - The minorities share of movements in equity since the date – subsidiary relationship came into existence.
- vi. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

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- vii. The Audited Financial Statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of their countries of incorporation/International Financial Reporting Standards. The differences in accounting policies of the Company and its subsidiaries are not material.

C. SIGNIFICANT ACCOUNTING POLICIES

i. USE OF ESTIMATES:

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of revenues and expenses during the reported period. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

ii. FIXED ASSETS AND DEPRECIATION/AMORTISATION:

- a. Fixed Assets are stated at cost less accumulated depreciation / amortization and impairment in value.

Costs comprise the purchase price (net of credits under CENVAT / VAT Scheme), including freight, installation and borrowing costs for bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of Fixed Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of Profit and Loss.

- b. Depreciation:

- (i) Till 30th September, 2014 the Company has provided depreciation on the basis of Schedule XIV to the Companies Act, 1956, except in respect of vehicles, furniture and fixtures and office equipment where higher depreciation has been provided on straight-line method at the rate of 20% based on management's estimate of the useful life of the assets.

Effective 1st October, 2014 (being the commencement of the Company's financial year), the Company has charged depreciation as per the requirements of Schedule II of the Companies Act, 2013. Depreciation on Building, Computers, Office equipment and Other Assets (viz. Electrical Fittings, Fire Fighting/Other equipment and Canteen Utensils) has been provided on straight line method as per Schedule II of the Companies Act, 2013. Depreciation on Renewable Energy Saving Devices is provided on reducing balance method as specified in Schedule II to the Companies Act, 2013. In respect of Plant & Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers, where based on management's estimate of the useful life of the assets. Depreciation has been provided on straight-line method using the following estimated useful lives:

Description of the Asset	Estimated Useful life
Plant & Machinery	10 Years
Moulds	6 Years
Vehicle, Furniture & Fixtures and Computer Servers	5 Years

Further the group has identified and determined separate useful life for each major component of fixed assets, 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 fixed assets 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 fixed assets namely Building, Plant & Machinery, Moulds and Equipments of MRF Lanka Pvt Ltd, which are depreciated on Written Down Value method. The proportion of depreciation of the subsidiary to the total depreciation of the group, is not material.



The estimate of the useful life of the assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

These changes in the basis of providing depreciation have no material impact on financial statements of the Group.

- (ii) Depreciation on fixed assets added/disposed off during the Period is provided on pro-rata basis with reference to the date of addition/disposal.
- (iii) Assets acquired/purchased costing less than Rupees five thousand have been depreciated at the rate of 100%.
- (iv) Leasehold Land is amortised over the period of the lease.
- (v) Intangible Assets are carried at cost and amortised over 5 years on straight line method over the estimated useful economic life of the assets.

iii. IMPAIRMENT OF ASSETS:

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

iv. INVESTMENTS:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Trade Investments comprise investments in which the group has strategic business interest.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit & Loss.

v. INVENTORIES:

Inventories consisting of stores & 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 credits under CENVAT/VAT Schemes.

Work-in-progress and finished goods inventories 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.

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.

Obsolete and slow moving items are valued at lower of cost and estimated net realisable value.

vi. REVENUE RECOGNITION:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Sale of goods and services are recognised when risks and rewards of ownership are passed on to the customer which generally coincides with delivery and when the services are rendered. Sales include Excise Duty but exclude VAT and warranty claims.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Service income is recognized as per the terms of the contracts / arrangements when related services are performed.

vii. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

viii. EXCISE DUTY:

Excise Duty has been accounted on the basis of both payments made in respect of goods despatched and also provision made for goods lying in bonded warehouses.

ix. RESEARCH AND DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss of the Period in which it is incurred. Capital expenditure on Research and Development is included as additions to Fixed Assets.

x. TAXATION:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period comprising of 1st October, 2014 to 31st March, 2015 and 1st April, 2015 to 31st March, 2016 and in accordance with the provisions of the Income Tax Act, 1961.

In respect of foreign subsidiaries, income tax is provided for based on tax laws prevailing in the respective country of incorporation.

Deferred tax for timing differences between the book and tax profits for the Period is accounted for, using the tax rates and laws that have been enacted or substantially enacted on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the group has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realised.

xi. LEASES:

Lease payments under operating leases are recognised as expenses on straight line basis over the lease term in accordance with the period specified in respective agreements.

xii. EMPLOYEE BENEFITS:

The group contributes to Regional Provident Fund Commissioner on behalf of its employees and such contributions are charged to the consolidated Statement of Profit and Loss. In respect of some of its employees the group contributes the Provident Fund to a Trust established for this purpose based on fixed percentage of the eligible employees' salary and is charged to the consolidated Statement of Profit and Loss. The group is liable for annual contributions and any shortfall in the fund assets and interest based on the Government specified minimum rate of return and recognises such contributions and shortfall, if any, as an expense in the Period incurred.

The group also contributes to a government administered Pension Fund on behalf of its employees, which are charged to the consolidated Statement of Profit and Loss.

Superannuation benefits to employees, as per group's scheme, have been funded with Life Insurance Corporation of India (LIC) and the contribution is charged to the consolidated Statement of Profit and Loss.



Liabilities with regard to Gratuity are determined under Group Gratuity Scheme with LIC and the provision required is determined as per actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method.

Short-term employee benefits are recognised as an expense as per the group's scheme based on expected obligation on undiscounted basis. Other long term employee benefits are provided based on the actuarial valuation done at the period end, using the Projected Unit Credit Method.

Actuarial gain/loss are charged to the consolidated Statement of Profit and Loss and not deferred.

xiii. FOREIGN CURRENCY TRANSACTIONS:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction or that approximates the actual rate as at the date of transaction.

Monetary items denominated in foreign currencies at the period end are restated at period end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the period end rate and the contracted rate is recognised as exchange difference. Premium paid on forward contracts is recognised over the life of the contract. Non-monetary items are carried in terms of historical cost denominated in foreign currency and is recorded using the exchange rate prevailing at the date of the transaction or that approximates the actual rate as at the date of transaction. Any profit or loss arising on cancellation or renewal of forward exchange contract is also recognized as income or expense for the period.

xiv. DERIVATIVE TRANSACTIONS:

The group uses derivative financial instruments, such as Forward Exchange Contracts, Currency Swaps and Interest Rate Swaps, to hedge its risks associated with foreign currency fluctuations and interest rates. Currency and interest rate swaps are accounted in accordance with their contract. At every period end all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognised in the consolidated Statement of Profit and Loss, on each contract basis. Any gain on marked-to-market valuation on respective contracts is not recognised by the group, keeping in view the principle of prudence.

xv. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition of or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xvi. WARRANTY:

Provision for product warranties is recognised based on management estimate regarding possible future outflows on servicing the customers during the warranty period. These estimates are computed on scientific basis as per past trends of such claims.

xvii. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

xviii. EARNINGS PER SHARE:

The Basic & Diluted Earnings per share is computed by dividing the Profit after tax for the Period/Year by weighted average number of equity shares outstanding during the period/year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2016

NOTE 2: SHARE CAPITAL

	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Authorised		
90,00,000 Equity Shares of ₹ 10/- each	9.00	9.00
1,00,000 Taxable, Redeemable Cumulative Preference Shares of ₹ 100/- each	1.00	1.00
	10.00	10.00
Issued		
42,41,143 Equity shares of ₹ 10/- each (Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)	4.24	4.24
Subscribed and Fully Paid-up		
42,41,143 Equity Shares of ₹ 10/- each	4.24	4.24
	4.24	4.24

- (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31.03.2016		As at 30.09.2014	
<u>Equity Shares</u>	<u>No. of shares</u>	<u>₹ Crore</u>	<u>No. of shares</u>	<u>₹ Crore</u>
At the beginning of the period/year	42,41,143	4.24	42,41,143	4.24
Issued during the period/year	-	-	-	-
Outstanding at the end of the period/year	42,41,143	4.24	42,41,143	4.24

- (b) Rights, preferences and restrictions attached to shares:

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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (c) Shareholders holding more than 5 percent of the equity shares

	As at 31.03.2016		As at 30.09.2014	
<u>Name of Shareholder</u>	<u>No. of shares held</u>	<u>% of share holding</u>	<u>No. of shares held</u>	<u>% of share holding</u>
1) Comprehensive Investment and Finance Company Private Limited	438414	10.34	437243	10.31
2) MOWI (P) Limited	507984	11.98	507984	11.98
3) Enam Shares and Securities Private Ltd.	222487	5.25	267626	6.31



NOTE 3: RESERVES AND SURPLUS

	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Securities Premium Account		
As per last Account	9.42	9.42
Capital Reserve		
As per last Account	0.05	0.05
General Reserve		
As per last Account	4443.62	3567.21
Add: Transfer from Surplus in the Statement of Profit and Loss	2322.86	876.41
	<u>6766.48</u>	<u>4443.62</u>
Debenture Redemption Reserve		
As per last Account	81.77	75.26
Add: (Transfer to)/ Transfer from Surplus in the Statement of Profit and Loss	(7.93)	6.51
	<u>73.84</u>	<u>81.77</u>
Capital Redemption Reserve		
As per last Account	0.42	0.42
Foreign Currency Translation Reserve		
As per last Account	0.03	(1.16)
Add/(Less) Adjustments during the year	1.28	1.19
	<u>1.31</u>	<u>0.03</u>
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	-	-
Profit for the year	2366.00	908.32
Transfer from /(Transfer to) Debenture Redemption Reserve (Net)	7.93	(6.51)
	<u>2373.93</u>	<u>901.81</u>
Less:- Appropriations		
Dividends		
Interim (₹ 6 per share, Previous Year ₹ 6 per share)	2.54	2.54
Final - Proposed (₹ 94 per share, Previous Year ₹ 44 per share)	39.87	18.66
Corporate Tax on Dividend	8.66	4.20
Transfer to General Reserve	2322.86	876.41
	<u>2373.93</u>	<u>901.81</u>
	<u>6851.52</u>	<u>4535.31</u>

NOTE 4: LONG-TERM BORROWINGS

	Non-current As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	Current maturities As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Secured				
Debtentures:				
- (Previous year 1350) 9.07% Secured Redeemable Non-Convertible Debtentures of ₹ 10,00,000/- each, privately placed	-	70.00	-	65.00
5000 10.09% Secured Redeemable Non-Convertible Debtentures of ₹ 10,00,000/- each, privately placed	500.00	500.00	-	-
Term Loans from Banks:				
External Commercial Borrowings (ECB)	68.21	204.62	68.21	-
Unsecured				
Term Loan from Banks:				
External Commercial Borrowings (ECB)	721.55	184.93	-	-
Buyers Line of Credit	139.75	145.20	9.92	-
Fixed Deposits	5.23	27.53	1.95	7.89
Sales Tax Deferral Scheme	43.72	55.12	11.40	6.72
Others				
Deferred Payment Credit	6.63	11.35	0.38	8.16
Amounts disclosed under the head 'Other Current Liabilities' (Note 10)	-	-	(91.86)	(87.77)
	1485.09	1198.75	-	-

Security and Terms of Repayment in respect of above Borrowings are detailed in Note 27(p) of Standalone Financial Statements.

NOTE 5 : DEFERRED TAX LIABILITIES (Net)

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Deferred Tax Liability:		
Arising on account of timing difference in:		
- Depreciation	329.62	261.13
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	(30.58)	(25.66)
Deferred Tax Liabilities (Net)	299.04	235.47

NOTE 6 : OTHER LONG-TERM LIABILITIES

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Dealers' Security Deposit	1188.48	1128.90
Retention Money	33.39	9.88
Others	5.26	6.06
	1227.13	1144.84



NOTE 7 : PROVISIONS

	Long-Term		Short-Term		₹ Crore
	As at 31.03.2016	As at 30.09.2014	As at 31.03.2016	As at 30.09.2014	
Provision for employee benefits					
Leave benefits	25.54	16.48	3.62	2.41	
Gratuity	0.19	0.15	6.26	36.84	
Other Benefits	4.38	4.65	1.65	1.20	
Tax (Net of advance Tax paid)	-	-	9.97	127.58	
Dividend					
Interim	-	-	-	1.27	
Final - Proposed	-	-	39.87	18.66	
Corporate Tax on Dividend	-	-	8.14	3.97	
Other Provisions	99.05	70.72	167.31	122.11	
	129.16	92.00	236.82	314.04	

NOTE 8 : SHORT-TERM BORROWINGS

	As at 31.03.2016	As at 30.09.2014	₹ Crore
Secured			
From Banks:			
Working Capital Facility	320.07	520.95	
Buyer's Line of Credit	168.36	95.30	
Unsecured - From Banks			
Working Capital Facility	397.16	-	
	885.59	616.25	

- (i) Working Capital Facility and Buyer's Line of Credit are secured by hypothecation of inventory and book debts.
(ii) Working Capital Facility is repayable on demand and carries interest @ 9.35% to 10.50% (Previous year 9.95% to 11.15%).
(iii) Buyer's Line of Credit is repayable within a year and carries interest @ LIBOR plus 25 bps to LIBOR plus 40 bps (Previous year LIBOR plus 40 bps to LIBOR plus 50 bps).
(iv) Unsecured working capital facilities are repayable within a year and carries interest @ 0.30 % p.a to 0.40 % p.a above the ICE USD LIBOR.

NOTE 9 : TRADE PAYABLES

Trade Payables		
- Outstanding dues of Micro and Small Enterprises	11.16	1.11
- Outstanding dues of creditors other than Micro and Small Enterprises [Includes Acceptances of ₹ 251.24 crore (previous year ₹ 340.06 crore)].	1125.64	1149.19
	1136.80	1150.30

NOTE 10 : OTHER CURRENT LIABILITIES

Current maturities of long term debt (Note 4)	91.86	87.77
Interest accrued but not due on borrowings	72.31	46.18
Advances from Customers	30.92	37.35
Statutory dues :		
Central Excise / Service Tax	0.03	43.30
Value Added Tax / Central Sales Tax	109.85	126.54
Withholding Taxes	13.06	8.16
Employee related	7.28	6.10
Other payables:		
Employee benefits	126.14	46.94
Liabilities for expenses	182.19	138.69
Unclaimed Dividends	1.71	1.63
Matured Fixed Deposits and Interest	0.12	0.02
	635.47	542.68

There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 11 : FIXED ASSETS

₹ Crore

Nature of Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01/10/2014	Additions	Deductions	Cost as at 31/03/2016	Upto 30/09/2014	Provided during the period	Deductions/ Impairment	Upto 31/03/2016	As at 31/03/2016	As at 30/09/2014
Tangible Assets										
Land - Freehold	345.57	146.67	-	492.24	-	-	-	-	492.24	345.57
	(93.29)	(252.28)	(*)	(345.57)	(-)	(-)	(-)	(-)	(345.57)	(93.29)
- Leasehold	4.33	-	-	4.33	1.64	0.14	-	1.78	2.55	2.69
	(4.33)	(-)	(-)	(4.33)	(1.54)	(0.10)	(-)	(1.64)	(2.69)	(2.79)
Buildings	977.36	284.33	10.18	1251.51	161.28	47.16	3.65	204.79	1046.72	816.08
	(898.98)	(79.80)	(1.42)	(977.36)	(133.85)	(27.78)	(0.35)	(161.28)	(816.08)	(765.13)
Plant and Equipment	4276.93	1290.24	37.82	5529.35	2290.19	549.24	36.55	2802.88	2726.47	1986.74
	(3851.74)	(446.98)	(21.79)	(4276.93)	(1980.42)	(330.35)	(20.58)	(2290.19)	(1986.74)	(1871.32)
Moulds	427.28	112.18	25.43	514.03	287.46	67.89	25.30	330.05	183.98	139.82
	(380.95)	(50.93)	(4.60)	(427.28)	(255.73)	(36.26)	(4.53)	(287.46)	(139.82)	(125.22)
Furniture and Fixtures	22.45	4.15	0.60	26.00	15.55	4.56	0.20	19.91	6.09	6.90
	(19.23)	(3.87)	(0.65)	(22.45)	(13.39)	(2.73)	(0.57)	(15.55)	(6.90)	(5.84)
Computer	43.94	8.53	1.17	51.30	30.70	9.87	1.15	39.42	11.88	13.24
	(36.61)	(8.18)	(0.85)	(43.94)	(28.20)	(3.34)	(0.84)	(30.70)	(13.24)	(8.41)
Office Equipment	29.33	8.87	0.90	37.30	20.31	6.07	0.86	25.52	11.78	9.02
	(26.77)	(3.51)	(0.95)	(29.33)	(18.23)	(3.02)	(0.94)	(20.31)	(9.02)	(8.54)
Other Assets#	157.74	49.67	12.48	194.93	62.96	41.54	11.71	92.79	102.14	94.78
	(127.89)	(30.94)	(1.09)	(157.74)	(49.14)	(14.63)	(0.81)	(62.96)	(94.78)	(78.75)
Vehicles	30.90	9.16	1.70	38.36	16.97	7.01	0.97	23.01	15.35	13.93
	(23.89)	(7.94)	(0.93)	(30.90)	(14.55)	(3.30)	(0.88)	(16.97)	(13.93)	(9.34)
Total Tangible Assets	6315.83	1913.80	90.28	8139.35	2887.06	733.48	80.39	3540.15	4599.20	3428.77
Previous year	(5463.68)	(884.43)	(32.28)	(6315.83)	(2495.05)	(421.51)	(29.50)	(2887.06)	(3428.77)	(2968.63)
Intangible Assets										
Computer Software	25.12	5.63	-	30.75	18.03	3.64	-	21.67	9.08	7.09
Total Intangible Assets	25.12	5.63	-	30.75	18.03	3.64	-	21.67	9.08	7.09
Previous year	(21.11)	(4.01)	(-)	(25.12)	(15.66)	(2.37)	(-)	(18.03)	(7.09)	(5.45)
Capital Work In Progress									1059.28[@]	627.54
Grand Total									5667.56	4063.40

Note:

Land includes Agriculture Land - ₹ 0.12 crore.

(*) Represents land sold during the period amounting to ₹ NIL. (Previous year ₹ 18,206)

Represents Electrical fittings, Fire fighting/other equipments and canteen utensils.

@ Net of Provision for impairment ₹ 22.25 crore.

Figures in brackets are in respect of previous year.



NOTE 12: NON-CURRENT INVESTMENTS

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Non-Trade - Fully Paid up		
Quoted		
Equity Shares	0.10	0.10
Unquoted		
In Mutual Fund Units:	918.32	131.00
Equity Shares	0.07	0.17
Trade-Fully Paid up		
Unquoted		
Equity Shares	5.02	4.91
Aggregate amount of unquoted Investments	923.41	136.08
	923.51	136.18
Aggregate Market Value of Quoted Investments	3.85	3.99

NOTE 13: DEFERRED TAX ASSET

	₹ Crore As at 31.03.2016	₹ Crore As at 30.09.2014
Deferred Tax Liability:		
Arising on account of timing difference in:		
- Depreciation	-	(0.09)
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	-	0.03
- Carried Forward Business Losses	-	1.00
Deferred Tax Asset (Net)	-	0.94

NOTE 14 : LOANS & ADVANCES

	Long-Term		Short-Term	
	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	As at 31.03.2016 Crore	As at 30.09.2014 ₹ Crore
Unsecured, Considered Good				
Capital Advances	100.10	162.38	-	-
Loan and Advances to Employees	6.19	3.13	30.95	14.55
Advances Recoverable in cash or in kind	15.69	1.28	206.25	92.92
Balances with Excise Authorities	-	-	78.75	27.55
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	64.18	45.47	-	-
MAT credit entitlement	-	0.03	-	-
Prepaid Expenses	-	-	17.39	17.28
Security Deposits	54.03	39.45	-	-
	240.19	251.74	333.34	152.30

NOTE 15 : OTHER ASSETS

	Non-current		Current	
	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Unsecured, Considered Good				
Interest Accrued on Loans and Deposits	-	-	3.25	4.39
Non-current Bank Balances (Note 19)	1.31	1.31	-	-
Mutual Fund Application Monies	-	-	-	7.00
Others	1.69	1.57	0.77	0.93
	3.00	2.88	4.02	12.32

NOTE 16: CURRENT INVESTMENTS

	₹ Crore	
	As at 31.03.2016	As at 30.09.2014
Carried at lower of Cost and Fair Value		
Non-Trade - Fully Paid-up		
Unquoted		
In Mutual Fund Units:	1854.75	945.01
	1854.75	945.01

NOTE 17 : INVENTORIES

	₹ Crore	
	As at 31.03.2016	As at 30.09.2014
At lower of cost and net realisable value		
Raw materials	711.03	643.92
Raw Material (Goods-in-Transit)	30.67	126.30
Work-in-progress	148.44	179.96
Finished goods	732.64	667.26
Stock-in-Trade	19.56	15.47
Stores and spares	257.47	193.34
	1899.81	1826.25



NOTE 18 : TRADE RECEIVABLES

₹ Crore

As at 31.03.2016 As at 30.09.2014

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured	Considered Good	0.98	2.24
	Considered Doubtful	2.26	2.26
Less:	Provision for Doubtful Debts	(2.26)	(2.26)
		0.98	2.24

Others

	Secured	1102.31	1044.16
	Unsecured, considered Good	735.44	668.96
		1838.73	1715.36

NOTE 19 : CASH & BANK BALANCES

	Non-current		Current Maturities	
	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore	As at 31.03.2016 ₹ Crore	As at 30.09.2014 ₹ Crore
Cash and Cash equivalents:				
Balances with banks:				
Current Accounts	-	-	41.35	19.51
Fixed Deposits with Original maturity less than three months	-	-	20.00	200.43
Cheques on hand	-	-	47.68	45.51
Cash on hand	-	-	0.86	0.11
	-	-	109.89	265.56
Other Bank Balances:				
Fixed Deposits	1.31	1.31	14.47	460.42
Unpaid Dividend Account	-	-	1.71	1.63
	1.31	1.31	16.18	462.05
Amounts disclosed under 'Non-Current Assets' (Note 15)	(1.31)	(1.31)	-	-
	-	-	126.07	727.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

NOTE 20 : REVENUE FROM OPERATIONS

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Sales of Products	22829.61	14788.97
Other Operating Revenues		
Export Incentives	17.09	7.85
Miscellaneous	8.90	1.10
	<u>22855.60</u>	<u>14797.92</u>
Less: Excise Duty	2313.40	1467.53
	<u>20542.20</u>	<u>13330.39</u>
Details of sales under broad heads:		
Class of Goods:		
Automobile Tyres	19994.21	12970.52
Automobile Tubes	1738.05	1107.79
Speciality Coating	311.83	129.74
Others	785.52	580.92
	<u>22829.61</u>	<u>14788.97</u>

NOTE 21 : OTHER INCOME

Interest on Deposits	64.43	34.35
Dividend on Non-Current Investment (Other than Trade)	0.28	0.55
Profit on Sale of Investments (Net)		
- Non Current	14.49	0.08
- Current	66.81	13.45
Other Non Operating Income	40.80	17.37
	<u>186.81</u>	<u>65.80</u>

NOTE 22 : COST OF MATERIALS CONSUMED

Cost of materials consumed		
Opening Stock	770.22	800.19
Add: Purchases	11220.61	8350.06
	<u>11990.83</u>	<u>9150.25</u>
Less: Closing Stock	741.70	770.22
	<u>11249.13</u>	<u>8380.03</u>
Details of Raw Materials consumed under broad heads:		
Rubber	5624.45	4470.88
Fabric	2010.59	1318.44
Carbon Black	1626.92	1278.49
Chemicals	1488.38	946.26
Others	498.79	365.96
	<u>11249.13</u>	<u>8380.03</u>



NOTE 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Closing Stock:		
Finished Goods	732.64	667.26
Stock-in-Trade	19.56	15.47
Work-in-Progress	148.44	179.96
	900.64	862.69
Less: Opening Stock:		
Finished Goods	667.26	605.19
Stock-in-Trade	15.47	38.05
Work-in-Progress	179.96	224.13
	862.69	867.37
Differential Excise Duty on Opening and Closing stock of Finished Goods	23.47	9.73
	(14.48)	14.41

Details of Inventory under broad heads:

	₹ Crore					
Class of Goods	Finished Goods		Stock-in-Trade		Work-in-Progress	
	Opening Stock	Closing Stock	Opening Stock	Closing Stock	Opening Stock	Closing Stock
Automobile Tyres	523.01	601.53	-	-	151.40	111.52
	(486.47)	(523.01)	(-)	(-)	(201.81)	(151.40)
Automobile Tubes	79.57	75.05	0.77	0.09	4.13	5.41
	(64.03)	(79.57)	(29.38)	(0.77)	(9.40)	(4.13)
T & S Equipments	-	-	11.67	15.09	-	-
	(-)	(-)	(6.75)	(11.67)	(-)	(-)
Speciality Coating	15.06	14.09	-	-	0.30	0.18
	(11.10)	(15.06)	(-)	(-)	(0.23)	(0.30)
Others	49.62	41.97	14.70	19.47	24.13	31.33
	(43.59)	(49.62)	(8.67)	(14.70)	(12.69)	(24.13)
Total	667.26	732.64	15.47	19.56	179.96	148.44
	(605.19)	(667.26)	(38.05)	(15.47)	(224.13)	(179.96)

Figures in bracket are in respect of previous year.

NOTE 24 : EMPLOYEE BENEFITS EXPENSE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Salaries, Wages, Bonus, and Allowances	1064.48	591.25
Company's Contribution to Provident, Gratuity and Other Funds	113.30	72.20
Staff welfare Expenses	131.70	78.94
	1309.48	742.39

NOTE 25 : FINANCE COSTS

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Interest on Loans and Deposits	255.11	157.90
Interest on Debentures	85.64	64.37
Interest on Deferred Payment Credit	1.46	1.82
Other borrowing costs	1.43	1.63
	343.64	225.72

NOTE 26 : DEPRECIATION & AMORTISATION EXPENSE

	Period ended 31.03.2016 ₹ Crore	Year ended 30.09.2014 ₹ Crore
Depreciation on tangible assets	733.48	421.51
Amortisation on intangible assets	3.64	2.37
	737.12	423.88



NOTE 27 : OTHER EXPENSES

	Period ended 31.03.2016	Year ended 30.09.2014
	₹ Crore	₹ Crore
Stores and Spares Consumed	460.66	276.11
Power and Fuel	843.38	665.57
Processing Expenses	246.68	138.06
Rent	72.05	37.78
Rates and Taxes	17.42	9.49
Insurance	16.93	10.99
Printing and Stationery	9.34	5.01
Repairs and Renewals:		
Buildings	27.83	16.41
Plant and Machinery	118.71	68.15
Other Assets	52.22	25.98
Travelling and Conveyance	61.72	40.08
Communication Expenses	11.71	7.38
Vehicle Expenses	7.97	4.84
Auditors' Remuneration:		
As Auditors:		
Audit fee (Current year includes arrears of ₹ 0.03 Crore for previous year)	0.63	0.36
Tax Audit fee	0.14	0.06
Other Services	0.16	0.13
Reimbursement of Expenses	0.28	0.12
	1.21	0.67
Cost Auditor's Remuneration:		
Audit fee	0.06	0.05
Directors' Fees	0.24	0.11
Directors' Travelling Expenses	5.56	3.02
Advertisement	368.88	153.27
Warranty	34.41	29.41
Sales tax absorbed by the company	0.83	1.09
Bad debts written off (Net)	0.17	0.20
Commission and Discount	421.50	244.43
Freight and Forwarding (Net)	577.58	357.50
Loss on Sale of Fixed Assets	6.54	2.52
Net Loss on Foreign Currency Transactions	107.00	46.73
Bank Charges	8.03	5.98
Provision for impairment of assets	23.93	-
Provision for Doubtful Debts	-	0.15
Miscellaneous Expenses	98.83	43.63
	3601.39	2194.61

NOTE 28 : ADDITIONAL/EXPLANATORY INFORMATION FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2016

- a) The Notes to these consolidated financial statements are disclosed to the extent necessary for presenting a true and fair view of the consolidated financial statements, as clarified vide Circular No.39/2014 dated 14th October,2014.
- b) Movement in Provisions as required by Accounting Standard-29 are the same as disclosed in the Standalone Financial Statements.
- c) Consolidated Employee benefit disclosures are not materially different from the employee benefit disclosures of the standalone financial statements of the Company.
- d) Earnings Per Share

		Period ended 31.03.2016	Year ended 30.09.2014
Profit after taxation	₹ Crore	2366.00	908.32
Number of equity shares (Face Value ₹10/- each)	Nos.	4241143	4241143
Earnings per share - Basic & Diluted	₹	5578.68 *	2141.69

*** Not Annualised**

- e) The group enters into Forward Exchange Contracts, Currency Swaps and Interest Rate Swaps being derivative instruments, which are not intended for trading or speculative purposes, but for hedging purposes, to establish the amount of reporting currency required or available at the date of settlement of certain payables and receivables.

The outstanding position and exposures are as under :

- (i) Derivative instruments as on 31st March, 2016:-

<u>Particulars</u>	<u>Currency</u>	<u>Amount</u>	<u>₹ Crore</u>	<u>Nature</u>	<u>Cross Currency</u>
Currency/Interest Rate Swap	USD	141.67 Million (70.00) Million	857.96 (389.55)	ECB Loan	INR
Currency/Interest Rate Swap	USD	24.82 Million (24.09) Million	149.67 (145.20)	Buyer's Line of Credit	INR

- (ii) Forward Contract Outstanding as on 31st March 2016:-

<u>Particulars</u>	<u>Currency</u>	<u>Amount</u>	<u>₹ Crore</u>	<u>Nature</u>	<u>Cross Currency</u>
Forward Contract	USD	24.98 Million (15.69) Million	168.36 (95.30)	Buyer's Line of Credit	INR
Forward Contract	USD	17.06 Million (92.27) Million	115.90 (567.13)	Import purchase	INR
Forward Contract	USD	78.17 Million (-)	518.57 (-)	Sales	USD

Figures in brackets are in respect of Previous Year.

(The amount of premium carried forward to be accounted in the subsequent year - ₹ 2.57 Crore (Previous Year - ₹ 7.71 Crore)).

- (iii) Un-hedged foreign currency exposure is ₹ 22.17 Crore, net receivable (Previous Year - ₹ 26.57 Crore, net receivable).



f) Related party disclosures:

(i) Names of related parties and nature of relationship:

1. Key Management Personnel:
 - i) Mr. K.M. Mammen, Chairman and Managing Director
 - ii) Mr. K.M. Philip, Whole-time Director(upto 31.03.2015)
 - iii) Mr. Arun Mammen, Managing Director
 - iv) Mr. Rahul Mammen Mappillai, Whole - time Director
 - v) Mr.Ravi Mannath, Company Secretary
 - vi) Mr. Madhu P Nainan, Vice President Finance
2. Relatives of Key Management Personnel:
 - i) Mrs. Ambika Mammen (Wife of Chairman and Managing Director), (Director w.e.f. 23rd April, 2015)
 - ii) Dr. (Mrs) Cibi Mammen (Wife of Managing Director), (Director w.e.f. 12th February, 2015)
 - iii) Mr. Samir Thariyan Mappillai (Son of Chairman and Managing Director)
3. Companies in which Directors are interested:

Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd., Comprehensive Investments & Finance Co. Pvt. Ltd., Kirloskar Electric Co. Ltd., Braga Industries, Braga Industries LLP, Funkskool (India) Ltd., Pandalur Plantations Pvt. Ltd., Gokul Rubber & Tea Plantations Ltd., VPC Freight Forwarders Pvt. Ltd.
4. 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.

(ii) Transactions with related parties (excluding reimbursements):

₹ Crore

a) Key Management Personnel:	<u>Sitting Fees</u>		<u>Remuneration*</u>		<u>Interest Paid</u>		<u>Deposit Outstanding</u>		<u>Commission Payable</u>	
	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014	31.03.2016	30.09.2014
Mr. K M Mammen	-	-	26.27	10.82	-	-	-	-	10.71	4.50
Mr. K M Philip	-	-	2.66	5.43	-	-	-	-	1.26	2.43
Mr. Arun Mammen	-	-	20.85	9.18	-	0.03	-	-	9.83	4.39
Mr. Rahul Mammen Mappillai	-	-	17.00	7.29	-	-	-	-	8.01	3.49
Mr. Ravi Mannath	-	-	2.12	0.60 [‡]	-	-	-	-	-	-
Mr. Madhu P Nainan	-	-	1.61	0.46 [‡]	-	-	-	-	-	-
b) Relatives of Key Management Personnel:										
Mrs. Ambika Mammen	0.01	-	-	-	-	-	-	-	-	-
Dr.(Mrs) Cibi Mammen	0.01	-	-	-	-	-	-	-	-	-
Mr. Samir Thariyan Mappillai	-	-	0.75	0.33	-	0.02	-	0.24	-	-

* 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.

[‡] Remuneration is for a period of six months from 1st April, 2014 to 30th September, 2014.

iii) Companies in which Directors are related:

Purchase of Raw Materials / Components / Machinery	: Coastal Rubber Equipments Pvt. Ltd - ₹ 101.78 Crore, Devon Machines Pvt. Ltd ₹ 28.37 Crore, Braga Industries - ₹ 107.10 Crore and Others - ₹ 3.00 Crore.
Selling & Distribution Expenses	: Funkskool (India) Ltd - ₹ 1.06 Crore.
Payment towards Services	: VPC Freight Forwarders Pvt. Ltd - ₹ 13.66 Crore, Coastal Rubber Equipments Pvt. Ltd - ₹ 1.67 Crore and Braga Industries LLP - ₹ 0.01 Crore.
Sale of Investments	: Comprehensive Investments & Finance Co Pvt. Ltd - ₹ 6.10 Crore.
Sale of Materials	: Funkskool (India) Ltd - ₹ 0.03 Crore.
Balance Outstanding:	
Payables	: Devon Machines Pvt. Ltd. - ₹ 0.22 Crore, Coastal Rubber Equipment Pvt. Ltd - ₹ 2.72 Crore and Braga Industries - ₹ 5.87 Crore.

iv) Other Related Parties:

Professional Charges	: Mr. Jacob Kurien - ₹ 0.17 Crore.
Contributions	: MRF Ltd Executives Provident Fund Trust - ₹ 10.27 Crore, MRF Management Staff Gratuity Scheme - ₹ 30.75 Crore, MRF Employees Gratuity Scheme - ₹ 34.30 Crore and MRF Managers' Superannuation Scheme - ₹ 13.95 Crore.
Balance Outstanding:	
Contributions Payable	: MRF Ltd Executives Provident Fund Trust - ₹ 0.62 Crore. MRF Management Staff Gratuity Scheme - ₹ 5.74 Crore and MRF Employees Gratuity Scheme - ₹ 0.52 Crore.

g) Additional information on Net Assets and Share of Profit as at 31st March, 2016

Name of the entity	Net Assets, i.e., (total assets minus total liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ Crore)	As % of net Profit	Amount (₹ Crore)
Parent				
MRF Ltd.	99.00	6,787.41	98.08	2,320.60
Parent Subsidiaries				
Indian				
MRF Corp Ltd.	0.49	33.40	0.61	14.52
MRF International Ltd.	0.02	1.42	0.01	0.15
Foreign				
MRF Lanka (P) Ltd.	0.07	5.06	0.14	3.42
MRF SG Pte. Ltd.	0.42	28.47	1.15	27.31
Minority Interest				
Indian Subsidiary	-	0.12	-	0.01



- h) Commitment:
- Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 650.59 Crore (Previous year ₹ 1,460.46 Crore).
 - Customs Duty on import of equipment's and spare parts under EPCG Scheme - ₹ 162.76 Crore (Previous Year - ₹ 161.36 Crore).
- The Group does not have any long-term commitments or material non-cancellable contractual commitments/contracts which have material impact on the financial statements.
- i) Contingent Liabilities not provided for:
- Guarantees given by the Banks - ₹ 47.33 Crore (Previous Year - ₹ 35.18 Crore)
 - Letters of Credit issued by the Banks - ₹ 85.90 Crore (Previous Year - ₹ 466.05 Crore)
 - Bills discounted with a bank - ₹ NIL (Previous Year - ₹ 22.14 Crore)
 - Claims not acknowledged as debts:
 - Disputed Sales Tax demands pending before the Appellate Authorities - ₹ 23.05 Crore. (Previous Year- ₹ 18.18 Crore)
 - Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹ 76.07 Crore. (Previous Year - ₹ 80.31 Crore)
 - Disputed Income Tax Demands - ₹ 30.74 Crore (Previous Year - ₹ 21.34 Crore). Against the said demand, the company has deposited an amount of ₹ 14.93 Crore.
 - Contested EPF Demands pending before Appellate Tribunal - ₹ 1.10 Crore. (Previous year ₹ 1.10 Crore)
- j) The Group, except for MRF Corp Ltd, a subsidiary company, is engaged inter alia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber and Conveyor Belt. These in the context of Accounting Standard 17 on Segment Reporting 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 Accounting Standard. The group's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the Accounting Standard. 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.
- k) In terms of the proviso to clause 3(i) of Part A of Schedule II to the Companies Act, 2013, the Company has, after technical assessment, decided to retain the useful life hitherto adopted for certain categories of fixed assets, which are in certain cases, different from those prescribed in Schedule II to the Act. The Company believes that based on the policy followed by it of continuous and periodic assessment, the estimated useful life adopted so far is appropriate. The above change has resulted in lower depreciation for the period from 1.10.2014 to 31.3.2016 by ₹ 29.13 Crore. Further, consequent to Notification GSR 627(E) dated August 29, 2014 amending Para 7(b) under Schedule II, Company has charged off transitional depreciation amounting to ₹ 11.61 Crore to Statement of Profit and Loss.
- l) MRF Ltd., the parent company has changed its accounting year ended September 30th to year ended March 31st. Accordingly, the Consolidated Financial Statements for the current accounting period are prepared for a period of 18 months from 1st October, 2014 to 31st March, 2016. As regards the parent and three of its subsidiaries and as regards MRF Corp Ltd., another subsidiary company, the current accounting period is for a period of 24 months from 1st April, 2014 to 31st March, 2016. Hence, the figures and earnings per share for the current period are not comparable with those of the previous accounting year.
- m) Figures are rounded off to nearest lakh. Previous year's figures have been regrouped wherever necessary to conform to current period's classification.

Vide our Report of even date.

For SASTRI & SHAH Chartered Accountants Firm Regn. No. 0036435 C R Kumar Partner Mem. No. 26143 Chennai, Dated 3rd May, 2016	For M. M. NISSIM & CO. Chartered Accountants Firm Regn. No. 107122W Dhiren Mehta Partner Mem. No. 109883	MADHU P NAINAN Vice President Finance	RAVI MANNATH Company Secretary	JACOB KURIAN V SRIDHAR Directors	K M MAMMEN Chairman & Managing Director
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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

(₹ in Crore)

Sr. No	Name of the Subsidiary	Reporting Period of the subsidiary	Reporting Currency	Exchange Rate as on 31.03.2016	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Gross Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	MRF Corp Ltd	1st April, 2014 to 31st March, 2016	INR	1	0.05	33.25	57.76	24.46	10.60	278.25	22.17	7.65	14.52	0.10	100%
2	MRF International Ltd.	1st October, 2014 to 31st March, 2016	INR	1	0.56	1.50	2.07	0.01	-	0.25	0.24	0.09	0.15	-	94.66%
3	MRF Lanka (P) Ltd.	1st October,2014 to 31st March,2016	LKR	0.45	15.01	5.06	21.27	1.20	-	26.75	5.10	1.68	3.42	-	100%
4	MRF SG Pte Ltd	1st October, 2014 to 31st March, 2016	USD	66.3329	6.11	28.47	451.45	416.87	-	1273.43	32.30	4.99	27.31	-	100%

Chennai, 3rd May,2016

RAVI MANNATH
Company Secretary

MADHU P NAINAN
Vice President Finance

JACOB KURIAN
V SRIDHAR
Directors

K M MAMMEN
Chairman & Managing Director



MRF Limited

No.114, Greams Road, Chennai - 600 006.

Tel: +91 44 28292777 Fax: +91 44 28295087

CIN: L25111TN1960PLC004306

E-mail: mrshare@mrfmail.com Website: www.mrftyres.com