

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 framework ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements, leadership and governance of the company.

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:

The Board comprises of 16 Directors which includes a Chairman & Managing Director, a Vice Chairman and Managing Director, a Managing Director, 2 Whole-time Directors, 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 financial year ended 31.03.2018 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2018:

Name	Category	No. of Directorships in other Public Ltd Companies	No. of Board Meetings attended during the financial year ended 31.03.2018	No. of Committee Memberships in other Public Limited Companies	Attended last AGM held on 04.08.2017	No. of Shares held
Mr. K M Mammen Chairman & Managing Director	Promoter Executive Director	4	4	Nil	Yes	16048
Mr. Arun Mammen Vice Chairman and Managing Director	Promoter Executive Director	3	4	2 – Chairman	Yes	27560
Mr. Rahul Mammen Mappillai Managing Director	Promoter Executive Director	Nil	4	Nil	Yes	4538
Mr. Samir Thariyan Mappillai* Whole-time Director	Promoter Executive Director	Nil	3	Nil	NA	4470
Mr. Varun Mammen* Whole-time Director	Promoter Executive Director	Nil	3	Nil	NA	8706
Dr. K C Mammen	Promoter Non- Executive Director	3	3	Nil	Yes	9043
Mr. Ashok Jacob	Independent Director	Nil	1	Nil	Yes	1856
Mr. V Sridhar	Independent Director	Nil	4	Nil	Yes	Nil
Mr. Vijay R Kirloskar	Independent Director	4	2	1	No	355
Mr. N Kumar	Independent Director	8	2	4-Chairman 2-Member	Yes	Nil
Mr. Ranjit I Jesudasen	Independent Director	Nil	4	Nil	Yes	Nil
Dr. Salim Joseph Thomas	Independent Director	Nil	4	Nil	Yes	Nil
Mr. Jacob Kurian	Independent Director	Nil	4	Nil	Yes	123
Mr. M Meyyappan	Independent Director	Nil	2	Nil	Yes	30
Dr. (Mrs.) Cibi Mammen	Promoter Non- Executive Director	2	4	Nil	Yes	500
Mrs. Ambika Mammen	Promoter Non- Executive Director	2	4	Nil	Yes	2489

* Inducted into the Board at the Annual General Meeting of the company held on 04.08.2017.



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

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

(c) Dates of Board meetings:

During the financial year ended 31st March, 2018, four Board Meetings were held on 04.05.2017, 04.08.2017, 10.11.2017 and 01.02.2018.

(d) Information placed before the Board:

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

(e) Familiarization Programme:

Presentations/briefings are made at the meeting of the Board of Directors/Committees by KMP's/ senior executives of the Company on industry scenario, Company's operating and financial performance, raw material scenario, industrial relations status, marketing strategies, risk management etc.

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

(ii) Composition:

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

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

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

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

(iii) Meetings and Attendance:

During the financial year ended 31st March, 2018, the Audit Committee met on the following dates: 04.05.2017, 03.08.2017, 10.11.2017 and 01.02.2018.

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

4. Nomination and Remuneration Committee

(i) Reference:

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

(ii) Composition:

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

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

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

(iii) Meetings and Attendance:

During the financial year ended 31st March, 2018, the Committee met on 04.05.2017 and 01.02.2018. All the members of the Committee were present for the meetings.

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

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

6. Performance evaluation of Independent Directors

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

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



7. Remuneration of Directors

a. Remuneration Policy:

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

The Policy provides as follows:

(i) Non-Executive Directors:

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

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

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

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

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

in such proportion and quantum as decided from time to time based on the Company’s business needs and requirements and prevailing practices in industry.

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

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

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

(iv) Directors and Officers’ Insurance:

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

b. Details of Remuneration to all the Directors for the financial year ended 31.03.2018:

- (i) The aggregate value of salary and perquisites and commission paid to the Chairman and Managing Director/Vice Chairman and Managing Director/Managing Director and Whole Time Directors for the financial year ended 31.03.2018 are as follows:

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

(a) Mr. K M Mammen (b) Chairman & Managing Director (c) 154488053 (d) 107459274 (e) 261947327 (a) Mr Arun Mammen (b) Vice Chairman and Managing Director (c) 112175509 (d) 99162919 (e) 211338428 (a) Mr Rahul Mammen Mappillai (b) Managing Director (c) 96917122 (d) 85507471 (e) 182424593 (a) Mr Samir Thariyan Mappillai (b) Whole-time Director (c) 10727421 (d) 7112903 (e) 17840324 (a) Mr Varun Mammen (b) Whole-time Director (c) 10527924 (d) 7112903 (e) 17640827.

Note: a) 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 Chairman and Managing Director/ Vice Chairman and Managing Director/ Managing Director/ Whole-time Directors are appointed by shareholders for a period of five years at a time.

b) Remuneration of Mr Samir Thariyan Mappillai and Mr Varun Mammen is w.e.f. 4th August, 2017. i.e., date of appointment as Whole-time directors of the company.

- (ii) The sitting fees paid for the financial year ended 31.03.2018 to Non-Executive Directors are as follows:

(a) Name (b) Sitting fees (₹)

(a) Dr. K C Mammen (b) 60000; (a) Mr Ashok Jacob (b) 20000; (a) Mr V Sridhar (b) 190000; (a) Mr Vijay R Kirloskar (b) 40000; (a) Mr N Kumar (b) 40000; (a) Mr Ranjit I Jesudasan (b) 220000; (a) Dr. Salim Joseph

Thomas (b) 80000; (a) Mr Jacob Kurian (b) 180000; (a) Mr M Meyyappan (b) 40000; (a) Dr. (Mrs) Cibi Mammen (b) 80000; (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 Listing Regulations 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 Jesudasan	Member
Mr. K M Mammen	Member

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

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



(iii) Meeting and Attendance:

During the financial year ended 31st March, 2018, the Stakeholders' Relationship Committee met on 04.05.2017. All the members of the Committee were present for the meeting.

33 investor complaints were received during the financial year ended 31.03.2018. Out of which 28 complaints were redressed to the satisfaction of the shareholders and 5 complaints were pending at the end of the year.

9. Risk Management Committee

During the year, in compliance with Regulation 21 of the Listing Regulations, the Company constituted a Risk Management Committee. The Composition of the Committee is as follows:

Mr. K M Mammen	Chairman
Mr. Arun Mammen	Member
Mr. Rahul Mammen Mappillai	Member
Mr. Ravi Mannath	Member
Mr. Madhu P Nainan	Member

The Committee's role inter-alia is to monitor and review the risk management plan of the Company. The Committee's composition is in compliance with the provisions of Regulation 21 of the Listing Regulation.

The Committee met on 30.01.2018. All the members of the Committee were present for the meeting.

10. General Body Meetings

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

AGM for the Year	Date	Time	Venue
2013-2014	12-02-2015	11.00 A.M.	TTK Auditorium, 'The Music Academy' No.168, TTK Road, Chennai - 600 014
2014-2016	11-08-2016	11.00 A.M.	- do -
2016-2017	04-08-2017	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
12-02-2015	(i) To increase the borrowing powers of the Company. (ii) To provide security in connection with the borrowings of the Company.
11-08-2016	No Special Resolution was passed.
04-08-2017	(i) Amendments to the Articles of Association. (ii) Approval for increasing the strength of the Board beyond 15.

(c) Postal Ballot:

No Postal Ballot was conducted during the financial year 2017-2018.

11. Means of Communication

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

12. Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the Company is required to formulate a dividend distribution policy which shall be disclosed in its annual report and on its website.

The objective of this policy is to provide the dividend distribution framework to the stakeholders of the Company. A decision of the Board of Directors to recommend / declare dividend would be based on the financial parameters and the internal and external factors namely current year's profits after tax of the Company, operating cash flows and treasury position keeping in view total debt to equity ratio, accumulated reserves, future capital expenditure/ expansion, strategic investments and working capital requirements, providing for unforeseen events and contingencies with financial implications, overall macro-economic scenario / regulatory environment, future business prospects and industry outlook, past dividend trends, any other financial parameter or factor as considered relevant or appropriate by the Board of Directors.

Based on the decision of the Board of Directors, from time to time, the retained earnings will be utilised to meet the Company's long term financial requirements (including capital expenditure, debt service obligations, other liabilities etc.), improve financial ratios, declaration of dividend, issue of bonus shares, buy-back of shares and any other purpose permitted by the Companies Act, 2013. Based on the financial parameters and other factors mentioned above, the shareholders may/may not expect dividend for any year.

The Board of Directors may declare interim dividend(s) as and when they consider it fit, and recommend final dividend to the shareholders for their approval in the general meeting of the Company. Presently, the authorised capital of the Company comprises of only one class of shares. In the event of the Company issuing any other class of shares, this policy would be suitably amended.

The dividend distribution shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder, Listing Regulations and other legislations governing dividend, as in force from time to time.

13. General Shareholder Information

a) Annual General Meeting:

Date and Time : 09.08.2018, 11.00 A.M

Venue : TTK Auditorium
'The Music Academy'
No. 168, TTK Road,
Chennai - 600 014

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

c) Dividend payment date:

Interim Dividend : 30.11.2017
₹3 per share (30%)

II Interim Dividend : 23.02.2018
₹3 per share (30%)

Final Dividend : 17.08.2018, ₹ 54/- per share (54%),
(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, 25th Floor, Dalal Street,
Mumbai 400 001.

Equity ISIN : INE883A01011

Listing fees upto the year ending 31st March, 2019 have been paid to the above mentioned Stock Exchanges.

e) Stock Code:

Bombay Stock Exchange	Code	500290
National Stock Exchange	Symbol	MRF

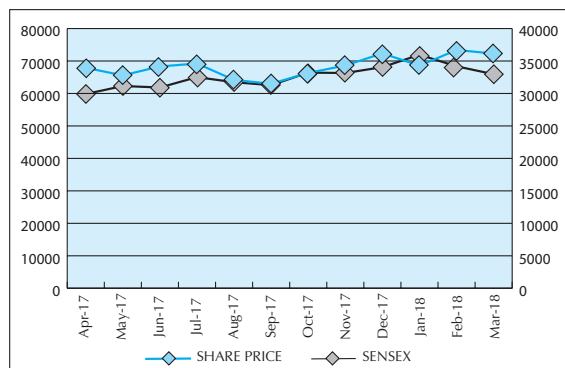


f) Market Price Data:

Month	Bombay Stock Exchange [BSE]			National Stock Exchange [NSE]		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April-2017	70480.00	60100.00	34248	70500.00	60062.40	347490
May-2017	69770.00	62000.00	33983	69750.00	62000.00	348749
June-2017	74100.00	65586.30	33973	74147.50	65619.50	349746
July-2017	71551.95	68100.05	16480	71500.00	68201.00	198716
August-2017	71068.55	62360.55	34829	70999.80	62382.05	297021
September-2017	65777.15	61110.00	19635	65650.00	61000.00	242481
October-2017	67340.00	62400.10	12056	67343.90	62409.80	158514
November-2017	70498.40	63800.00	16660	70500.00	63614.05	217033
December-2017	74499.00	65400.00	16474	74500.00	65323.90	199048
January-2018	73412.55	66700.05	14639	73570.00	66750.00	153736
February-2018	73799.60	65124.00	23685	73840.00	64000.00	191722
March-2018	74000.00	68112.20	8800	74100.00	68170.00	110236

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&C/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., dematerialisation and rematerialisation 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 physical shares 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 dematerialisation requests are processed within 10 days.

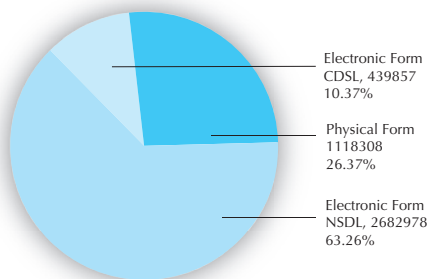
j) Distribution of shareholding: (as at 31.3.2018)

Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 500	45854	99.07	701776	16.55
501 - 1000	152	0.33	107256	2.53
1001 - 2000	79	0.17	114781	2.71
2001 - 3000	43	0.09	108189	2.55
3001 - 4000	20	0.04	69520	1.64
4001 - 5000	21	0.05	92776	2.19
5001 - 10000	52	0.11	366614	8.64
10001 and above	63	0.14	2680231	63.19
TOTAL	46284	100.00	4241143	100.00

k) Dematerialization of Shares and Liquidity:

73.63 % of total equity capital is held in dematerialized form with NSDL and CDSL up to 31st March, 2018. 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 does 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:

The Company's purchasing strategy does not involve hedging activities and speculative buying.

The risks are limited by sourcing from different countries and regions and having long term contracts with prices linked to well accepted market indices and published reports.

The Company's policy on hedging foreign currency risks is enumerated in the accounting policy annexed to the financial statements.

o) Plant Locations:

1. Tiruvottiyur — Tiruvottiyur, Chennai, Tamil Nadu.
2. Kottayam — Vadavathoor, Kottayam, Kerala.
3. Goa — Usgao, Ponda, Goa.
4. Arkonam — Ichiputhur, Arkonam, Tamil Nadu.
5. Medak — Sadasivapet, Medak, Telangana.
6. Puducherry — Eripakkam Village, Nettapakkam Commune, Puducherry.
7. Ankenpally — Sadasivapet, Sangareddy, Telangana.
8. Perambalur — Naranamangalam Village & Post, Alathur Taluk, Perambalur District (near Trichy), Tamil Nadu.

p) Address for Correspondence:

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

14. Other Disclosures

- (a) As required under applicable Listing Regulations, your Company has adopted a policy on 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.mrf tyres.com/downloads/download.php?filename=policy-for-determination-of-materiality.pdf>, <http://www.mrf tyres.com/downloads/download.php?filename=policy-on-materiality-of-related-party-transaction.pdf>. Requisite approvals from the Audit Committee / Board have been obtained for the transactions as stipulated under applicable law. The details of related party transactions during the financial year ended



31st March, 2018 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.

- (b) The Company has complied with the requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. No penalties, strictures were imposed on the Company by the Stock Exchange/SEBI or any other statutory authority in respect of the same.
- (c) The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the web site of the Company under the web link: <http://www.mrftyres.com/downloads/download.php?filename=vigil-Mechanism.pdf>.
- (d) The Company has complied with the mandatory requirements of Corporate Governance prescribed in Schedule II, Part A to D of the Listing Regulations.
- (e) The Company has complied with all the applicable mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- (f) The Board has laid down a Code of Conduct for all Directors and senior management staff of the Company. The code suitably incorporates for the Independent Directors their duties as Independent Directors as laid down in Schedule IV of the Companies Act, 2013. The code of conduct is available on the website: www.mrftyres.com. All Directors and members of the senior management have affirmed their compliance with the code of conduct.

Your Company has also adopted a Code of Conduct to regulate, monitor and report trading by insiders as per SEBI

(Prohibition of Insider Trading) Regulations, 2015. All Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the Code. An annual disclosure was taken from the Directors and designated persons, as at the end of the year.

- (g) The Audit Committee reviews the financial statements of the unlisted Subsidiary Companies. The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company.

Your Company has formulated a policy on material subsidiary as required under Regulation 16 of the Listing Regulations and the policy is hosted on the website of the Company under the web link: <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. The terms and conditions of their appointment have been disclosed on the Company's web site under the web link: <http://www.mrftyres.com/downloads/download.php?filename=Terms-and-Conditions-of-Appointment-of-Independent-Directors.pdf>.

During the year, a meeting of the Independent Directors was held as prescribed under applicable Listing Regulations and the Companies Act, 2013.

15. 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 financial year ended 31.03.2018.

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

16. CEO / CFO Certification

Mr. Rahul Mammen Mappillai, Managing Director and Mr. Madhu P Nainan, Vice President Finance, have certified to the Board regarding the financial statements for the financial year ended 31st March, 2018 in accordance with Regulation 17(8) of Listing Regulations.

17. Equity shares in MRF - Unclaimed Suspense Account:

As required by the provisions of Regulation 39 (4) read with Schedule V (F) of Listing Regulations, the Company has transferred the unclaimed shares lying in possession of the Company to MRF – Unclaimed Suspense Account. The status of unclaimed shares lying in MRF - Unclaimed Suspense Account as on 31.03.2018 are as under :-

Particulars	Number of Members	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account	982	26435
Number of shareholders who approached the Company for transfer of the shares from suspense account during the FY 2017-18	25	738

Particulars	Number of Members	Number of Shares
Shareholders to whom shares were transferred from the suspense account during the year	25	738
Shares transferred to Investor Education and Protection Fund Authority as required by Section 124 (6) of the Companies Act, 2013 read with rules thereunder.	616	16201
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on 31.03.2018	341	9496

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

18. Declaration

As required by Para D of Schedule V to the Listing Regulations, it is hereby confirmed and declared that all the members of the Board and senior management have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2018.

On behalf of the Board of Directors

Place: Chennai
Date: 3rd May, 2018

K M MAMMEN
Chairman & Managing Director