



MRF Limited

A leading manufacturer of automobile tyres and tubes



Kandathil M Mammen
Chairperson and MD

Background

MRF Ltd (MRF) is among the country's select Blue Chip companies. It was founded by K M Mammen Mappillai in 1946, as a small manufacturer of toy balloons, which gradually progressed into the manufacture of tread rubber. In a few years, the company emerged as a leading manufacturer of tread-rubber.

In 1961 MRF in technical collaboration with the Mansfield Tire & Rubber Company of USA, entered into the manufacture of tyres. A year later the company became a public limited company. Following successive technical collaborations with BF Goodrich, UniRoyal Goodrich and Michellin, MRF embarked on accelerated development of its own technology and R&D in the early nineties. Today, MRF is uniquely positioned as one of the few companies globally, who possess their very own technology in both BiasPly and Radial tyres.

Market Leadership

MRF operates 6 giant tyre plants across the Indian peninsula at Tiruvottiyur and Arakonam in Tamil Nadu, Kottayam in Kerala, Ponda in Goa, Medak in AP and Pondicherry. All of the factories have achieved ISO 9000 certification. MRF manufactures a vast range of tyres in which includes heavy duty truck/bus tyres, light commercial vehicle tyres, passenger car tyres, off-the-road or Industrial tyres, two-wheeler tyres and farm service tyres. Presently, MRF is OE supplier to major global and domestic automobile companies - Ashok Leyland, Eicher, Fiat, Force Motors, Ford, General Motors, Honda, Hyundai, John Deere, Komatsu, Mahindra & Mahindra, Man, Maruti Suzuki, Mitsubishi, Tata Motors, Scania and Volvo.

In 1967, MRF began export of tyres to US - the birth place of tyre technology. Currently, MRF Tyres are exported to over 60 countries, including the US, South America, Africa, Middle East, Australia, and other Asian countries. With its focus on exports, the company plans to increase market share and start operations in several additional countries. The company's exports have grown from Rs 83.3 mn in 1983-84 to Rs 4,923.4 mn for the year ending Sep 2007. As per the audited and reported results for the year ended Sep 30, 2007, the total income stood at Rs 44,307.2 mn, profit before tax was Rs 2,609.6 mn while the net profit after tax stood at Rs 1,717.8 mn.

More than Tyres

MRF's foray into areas unrelated to tyres, have also maintained a strong foothold in the market. *FunSkool*, a collaboration with Hasbro, is today India's largest toy company in the organized toy industry in India. In paints and speciality coatings, MRF's *Vapocure* is among the leaders and *Muscleflex*, MRF's brand of conveyor belting is a preferred brand in heavy-duty industrial belting. MRF is among the few tyre manufacturers to also manufacture pre-cured tread rubber. The company operates a widespread network of pretreads franchisees in all important towns across the sub-continent.

Company Ranking

Income	Net Profit	Net Worth
91	364	177

Executive Speak

Key Indicators Contributing to the Growth of Industry & Challenges Ahead

The Automobile Industry has had a robust growth over the last few years which is the key driver for derived demand products like tyres.

All the major world tyre brands are available in the Indian Market and hence the Tyre Industry has been competing against the very best.

The growth of the Industry may get stunted by unfavourable duty structure that is allowing tyres to be imported at much lower duties than raw materials like natural rubber.

Future Plans for Organic and Inorganic Growth

We are one of the large exporters of tyres to over 60 countries and we have products fine tuned to meet the requirements of global customers.

We are undergoing major expansions in our existing plants and we are not averse to inorganic growth provided it fits in with our overall strategy.

Company Financials	Rs mn
Total Income	37,512.7
Net Profit	435.0
Net Worth	8,234.2
EBITDA	2,583.3

(As on Sep 30, 2006)

Ratios	%
ROCE	9.2
NPM	1.2
RONW	5.3
EBITDA Margin	6.9



Corporate Office

Motor Sport & Cricket

In the early eighties, when India was still an isolated economy, MRF pioneered the concept of motorsport as a testing opportunity and currently has a strong presence across the Asia-Pacific region. MRF's Karting tyres which are homologated by FIA-CIK for International competition, have become exceedingly popular abroad especially in Malaysia. In 1987, MRF made a unique corporate commitment to the development of pace bowlers for Indian cricket, with the establishment of the MRF Pace Foundation. The foundation has since contributed several pace bowlers to the Indian Cricket Team as well as those nominated by other countries, such as New Zealand, Australia, England, South Africa, Bangladesh.

Research & Development

The MRF R&D team has made strides in developing Radial-tyre technology for Indian roads, based on its cross-ply techno competence. MRF has laid great emphasis on strong R&D and continuous product upgradation, which has led to the successful development of the unique tyre technology for cross-ply tyres. Additionally, MRF has developed its very own radial tyre technology to suit the tough service conditions on Indian roads - for both, the passenger and commercial segments. This has led to the launch of several innovative products.

Market Penetration

With over 83 sales offices across the sub-continent and an extensive dealer network, MRF has augmented the industry's largest tyre distribution network, with a widespread network of MRF T&S Centres, which offer all-round technical tyre service. Having successfully contained any threat from Multi-national tyre companies, and confident of its market dominance, MRF is currently embarked on a steady, ongoing expansion programme including the implementation of Greenfield projects. Currently, a project is coming up in the southern town of Trichy and it is also scouting for new locations to further its expansion plans.

D&B D-U-N-S® No 65-005-0495

Business Operations

Tyres, Rubber Products

Chairperson and MD

KM Mammen

Managing Director

A Mammen

Directors

KM Philip, KC Mammen, A Jacob, S Nandagopal, V Sridhar, VR Kirloskar, N Kumar, RI Jesudasan

Company Secretary

R Mannath

Registered Office

124, Greams Road
Chennai - 600006
TN

Website

www.mrftyres.com

Bankers

State Bank of Mysore - Lead Bank

Auditors

Sastri & Shah
MM Nissim & Co