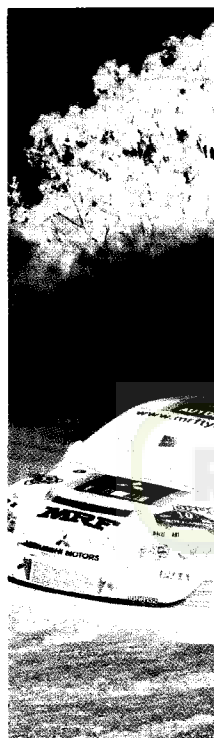


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Contents

From the Chairman's Desk	1	Corporate Governance	23
Team MRF Wins the FIA Asia Pacific Rally Championship	2	Auditors' Report	30
MRF Wins Team Championship	3	Balance Sheet	32
Products Par Excellence	4	Profit and Loss Account	33
State-of-the-Art Machinery	5	Cash Flow Statement	34
New Horizon-Exports	6	Schedules to Balance Sheet and Profit and Loss Account	35
Adding Strokes of Variety	7	Notes Forming Part of the Accounts	41
Records, Encore!	8	Balance Sheet Abstract and Company's General Business Profile	52
MRF's Pace Battery	9	Statement Pursuant to Sec.212 of The Companies Act, 1956 Relating to Subsidiaries	53
Racing Ahead	10	MRF Corp Limited	54
Board of Directors	12	MRF International Limited	64
Directors' Report	13		
Management Discussion and Analysis	20		



MRF LIMITED, Regd. Office : 124, Greaves Road, Chennai 600 006

NOTICE

NOTICE is hereby given that the Forty Fifth Annual General Meeting of the Shareholders of MRF Limited will be held on Thursday, the 23rd March, 2006, at 11.00 A.M. at TTK Auditorium, "The Music Academy", [Old No.306] New No.168, TTK Road, Chennai 600 014, to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 30th September, 2005 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Dr K C Mammen who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Vijay R Kirloskar who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr K M Philip who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
6. To appoint Auditors for the current year and fix their remuneration. Messrs. Sastri & Shah and M. M. Nissim & Co., the present Auditors of the Company are eligible for re-appointment.

SPECIAL BUSINESS

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

RESOLVED that consent of the Company be accorded for the payment of the revised remuneration to Mrs Meera Mammen,

a relative of some of the directors of the Company, holding an office of profit under the Company with effect from 01-04-2006 as follows, subject to the approval of the Central Government:

Basic Salary: Rs 1,15,000 with annual increments of Rs 15,000.

Perquisites: Perquisites as per the rules of the Company, given from time to time to executives in TM Grade. Present perquisites are as under :

- | | |
|--|--|
| 1. HRA/Company Lease Rent | : upto a maximum of 50% of the Basic Salary |
| 2. Education Allowance | : Rs 5,200 per month |
| 3. Self Development Subsidy | : Rs 55,000 per annum |
| 4. Performance Incentive | : Rs 40,000 per annum |
| 5. House maintenance Allowance | : Rs 13,000 per month |
| 6. Contribution to Provident Fund | : 12% of Basic Salary |
| 7. Superannuation Fund Scheme | : 15% of Basic Salary |
| 8. Reimbursement of Gas & Electricity expenses subject to a maximum of | : Rs.1,000 per month |
| 9. Reimbursement of Subscription to newspaper | : Rs 500 per month |
| 10. Reimbursement of entertainment expenses, subject to maximum of | : Rs 2,000 per month |
| 11. Leave Travel Concession | : For self and family, Rs.32,000 in a block of two calendar years. |



12. Provision of Domestic Furniture/Appliances and their maintenance as per rules of the Company
13. Medical reimbursement for self and family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years
14. Telephone (including Mobile Phone) at residence
15. A/C Car with reimbursement of driver's expenses
16. Club Fees: Club Fees, subject to a maximum of two clubs
17. Coverage under Group Hospitalisation Insurance, Group Personal Accident Insurance and Travel Insurance
18. Encashment of earned leave as per rules of the Company
19. Gratuity as per rules of the Company

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be expedient and desirable for the purpose of giving effect to the resolution including such modifications, where necessary, to the above terms of remuneration as the Central Government may suggest or require while granting approval.

Chennai
Dated : 27th January, 2006

By Order of the Board,
RAVI MANNATH
Company Secretary

EXPLANATORY STATEMENT

AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 7

Mrs Meera Mammen is a B.A. (Sociology) graduate from the University of Madras and has done her M.A. (Industrial Sociology) from the University of Philippines. She has been in charge of the welfare activities of the employees of the Company from 1990 onwards.

Members will recall the approval granted in the Annual General Meeting held on 30-08-1990 to the appointment of Mrs Meera Mammen to be in charge of the welfare division of the Company w.e.f 02-04-1990. Her remuneration was revised from 01-04-1994, with the consent of the shareholders at their meeting held on 17-03-1994. Thereafter, at the meeting of the shareholders held on 24th March, 1999 her remuneration was further revised with effect from 01-04-1999 on a pay scale of Rs 50,000 – 10,000 – 1,00,000, together with other allowances, perquisites and benefits, as set out in the resolution. Since her present pay scale has reached the upper limit, the need for fresh approval is sought.

Mrs Meera Mammen is in charge of the welfare activities of employees of the entire Company and their spouse and children. The Employee strength of the organisation over these years has steadily increased and at present is 9239 employees, employed in our 7 manufacturing units situated at 5 different States/Union territory besides sales units spread all over the country.

Considering the increasing responsibilities shouldered by Mrs Meera Mammen, the Board of Directors at their meeting held on 20-12-2005, based on the recommendations of the Selection Committee which considered her performance, decided to increase her salary and increments with effect from 01-04-2006, on a monthly remuneration of



Rs 1,15,000 with annual increments of Rs 15,000 and other allowances, perquisites and benefits, as set out in this resolution and which are comparable with what is provided to other executives holding similar posts.

The Director's Relatives [Office or Place of Profit] Rules, 2003 inter alia, provide that no appointment for an office or place of profit in a Company which carries a monthly remuneration exceeding Rs.50,000 per month shall take effect unless approved by the Central Government.

Since the remuneration proposed for Mrs Meera Mammen is more than Rs.50,000 per month, approval of the Central Government is required for the payment of remuneration. Approval of the Central Government will be sought after the approval of the Shareholders is obtained. The Directors commend this resolution for the approval of the members.

Mrs. Meera Mammen is a relative of the directors, Mr. K M Mammen and Mr Arun Mammen and hence approval of the shareholders is required under Section 314 of the Companies Act, 1956. The said directors may be considered as interested in the resolution.

Notes:

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 7 above is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (c) The Transfer Books of the Company will remain closed from 14-03-2006 to 23-03-2006, both days inclusive, for the purpose of payment of final dividend.

- (d) If final dividend on the equity shares as recommended by the Directors is declared at the meeting, the payment will be made on or after 31-03-2006 to the shareholders whose names appear on the Company's Register of Members on 23-03-2006. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished to us by National Securities Depository Ltd [NSDL] and Central Depository Services [India] Ltd [CDSL] for this purpose.
- (e) Members are requested to notify immediately any change in their address to the Company's Registered Office, quoting their ledger folio number. In respect of shares held in electronic form, instructions regarding change in address may be furnished to their respective depository participants only.
- (f) Members holding shares in Electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such member for change/deletion in such bank details. Members may therefore give instructions regarding bank accounts to their respective depository participants only.
- (g) Immediately upon notification of Section 109A of the Companies Act, 1956 providing for nomination facility to individuals holding shares in Companies, the Company forwarded to all shareholders a circular along with the Nomination form in duplicate requesting them to opt for the Nomination facility. Since as on this day, there are still large number of shareholders who have not opted for the Nomination facility, shareholders, and in particular those holding shares in single name, are requested to avail of the



above facility by furnishing to the Company the particulars of their nomination. Members holding shares in electronic form may forward Nomination Form duly filled to their respective depository participants only.

- (h) Your Company is also extending the facility of Electronic Clearing Service (ECS) for the receipt of dividend. In case you wish to avail of this facility, please send ECS mandate form forwarded to shareholders by the company duly filled in to the registered

office of the company at the earliest. Members holding shares in Electronic form may forward their details to their respective depository participants only.

Chennai

Dated : 27th January, 2006

By Order of the Board,

RAVI MANNATH
Company Secretary

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**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING
(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)**

Name	Qualification	Brief Resume and Area of Expertise	Directorships In Other Public Ltd. Companies	Committee Memberships Other than MRF
Dr. K C Mammen (On the board since 22-01-1975)	M.B.B.S., F.R.C.P.	Professor of Paediatrics from 1968-70 onwards at CMC Hospital Vellore. Director [Founder Director] of Malankara Orthodox Syrian Church Medical Mission Hospital from 1970 to 1987.	Director: Balanoor Plantations & Industries Ltd. Gokul Rubber & Tea Plantations Ltd. Indo Bloom Ltd.	Nil
Vijay R Kirloskar (On the board since 02-11-2000)	Bachelors degree in Science and Engineering and Masters degree in Management Science & Engineering from Worcester Polytechnic Institute, MA, USA	Mr. Vijay R Kirloskar has been associated with Kirloskar Electric Company [KEC] since 1978. In 1982, he took over the reigns of KEC as its President and in 1994, he became the Chairman and Managing Director of KEC. Mr. Vijay R Kirloskar has been instrumental in promoting the Kirloskar Companies business interest in South East Asia resulting in a good brand recognition for its products abroad. He has attended the world famous quality course at JUSE in Japan. Apart from being a Director in leading Engineering Companies in India, he has been Regional Chairman [South] in 1991 and Vice-President of Confederation of Indian Industry [CII] in 1998. He has been an active delegate in CII's business missions abroad. Mr. Vijay R Kirloskar has been nominated as Chairman, Board of Governors of IIT - Delhi from April 1997 to June 2003. He is member of the President Advisory Committee of Worcester Polytechnic Institute, MA, USA. He is also a Board Member of the Indian Copper Development Centre, Kolkatta.	Chairman & MD: Kirloskar Electric Co. Ltd. Chairman & Wholetime Director: Kaytee Switchgear Ltd. Chairman: Kirloskar Computer Services Ltd. Kirloskar Power Equipment Ltd. Best Trading & Agencies Ltd. Director: Batliboi & Co. Ltd. Kirloskar Power Build Gears Ltd.	Audit Committee: Member: Kaytee Switchgear Ltd. Shareholders/ Investors Grievance Committee: Member: Kirloskar Electric Co. Ltd. Remuneration Committee: Chairman: Kaytee Switchgear Ltd.



Name	Qualification	Brief resume and area of expertise	Directorships in Other Public Ltd. Companies	Committee Memberships other than MRF
K M PHILIP (On the Board from its inception i.e. from 1961 onwards)	M.A.	Mr. K M Philip has been associated with the Indian Rubber Industry from 1939 onwards. He was Founder member of the All India Rubber Industries Assn. Editor of "Rubber India" for 12 years. Honorary Member for life of the All India Rubber Industries Assn. Fellow of Royal Chartered Institute of Materials, UK. Fellow of the Indian Rubber Institute. Chairman of the Indian Rubber Mfrs. Research Association. Awarded the Hancock Medal from PRI - UK for outstanding contribution to the Rubber Industry based on world-wide assessment. Recipient of 'Padma Shri' award from the President of India for leadership in Rubber Industry. Visited tyre factories all over the world. Represented the Rubber Industry on the Rubber Board for 17 years. Published over 100 articles on the Indian Rubber Industry. Well versed in general management skills and in particular, identification and evaluation of macro environment of the tyre industry in India.	Chairman & Director: India Coffee & Tea Dist. Co. Ltd. Gujarat Reclaim & Rubber Products Ltd. Director: Commercial Broadcasts Limited	Nil

From the Chairman's Desk



Dear Shareholder,

Another year has gone by. Another significant year of progress on our chosen path. The investment made on modernisation and expansion is beginning to provide benefits in the domestic and international markets. The technological advantage has put us on par, if not ahead of many world-class tyre giants as evidenced by the scintillating wins MRF tyres have made in international rallies, pitted against the world giants.

Despite unprecedented increasing input costs of raw materials, never seen before in the history of the tyre industry, we have maintained reasonable profitability through effective cost management. Though the competition has become keener we have managed to increase our market share. The world has become a smaller place, yet our markets abroad have expanded.

The future too promises to be full of exciting opportunities. With several more international auto makers planning to set up capacities in India, the automobile sector is set for rapid growth. In anticipation of the increase in demand, in India and internationally, we have taken major steps to modernise our factories on an ongoing basis. So that we are in a position to capitalise on a booming economy and take the company forward in its relentless pursuit to a significant position in the world of tyres. And that is an exciting prospect to look forward to.

A handwritten signature in black ink, reading 'K.M. Mammen'. The signature is stylized with a large 'K' and 'M'. Below the signature is a horizontal line.

K.M. Mammen

Chairman and Managing Director

Team MRF Wins the FIA Asia Pacific Rally Championship

With five convincing wins in six rounds, Team MRF swept the overall and production car championships in both the driver's and co-driver's categories of the FIA Asia Pacific Rally Championship, 2005. MRF raced to victory in Australia, New Caledonia, Japan, Indonesia and Thailand. MRF tyres paced its way through the most difficult terrains of these regions and finished ahead of international tyre brands. Proving beyond doubt, the technological superiority of MRF tyres.



MRF's driver Jussi Valimaki (right) and co-driver Jarkko Kalliolepo with their trophies at the FIA prize distribution gala in Monte Carlo.

Jussi and Jarkko torture-testing MRF tyres on Asia-Pacific terrains.

