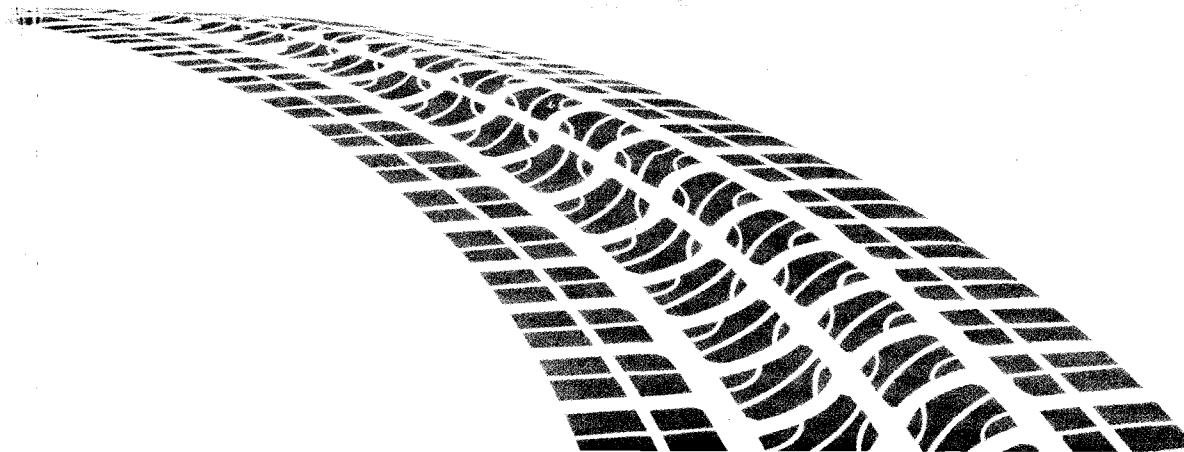


MRF's commitment to a cleaner environment

THE GREEN DRIVE SERIES



CONTENTS

1.	Chairman's Message	23.	Corporate Governance
2.	The Green Drive Series	31.	Auditors' Report
3.	Recognition of Quality	34.	Balance Sheet
4.	Snazzy New Bike Tyres	35.	Profit and Loss Account
5.	Off-the-Road / Truck Tyres	36.	Cash Flow Statement
6.	Global Footprint	37.	Schedules to Balance Sheet and Profit & Loss Account
7.	Speciality Coating Division		
8.	MRF-Dominating Motor Sports	43.	Notes Forming Part of the Accounts
9.	MRF Pace Battery	56.	Balance Sheet Abstract and Company's General Business Profile
10.	Zippering Ahead	57.	Statement Pursuant to Sec. 212 of the Companies Act, 1956 relating to Subsidiaries
12.	Board of Directors		
13.	Directors' Report		
20.	Management Discussion and Analysis	58.	Consolidated Financial Statements



Dear Shareholder,

MRF's overall performance has been historic in the last one year.

MRF Limited is now a Rs.5,000 crore company—the first Indian tyre company to achieve this turnover.

The Indian market is now global with international tyre brands being freely available and we are now competing with the best in the world. MRF has always believed in delivering outstanding value-for-money products and being the first choice of the consumer, hence we continue to be market leaders—a position held since 1988.

The automobile industry has seen robust growth in recent years which is the key driver for derived products like tyres. However, the growth of the Indian tyre industry may slow down because of unfavourable duty structure that is allowing tyres to be imported at duties much lower than levies on raw materials like natural rubber.

The coming year may see a cost push on account of natural rubber and other inputs. However, the challenge is to improve efficiency of operations to reduce the impact of this cost push.

MRF Limited is undergoing major expansions in its existing plants, and new facilities are being planned to cater to the increasing demand.

MRF is also at the vanguard of the green drive movement and has launched an eco-friendly car radial tyre which has been well received in the market.

The surge ahead would be both in domestic and global markets and while there would be daunting challenges, we are sure that as in the past, we would overcome them and steer ahead.

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

K. M. Mammen

Chairman and Managing Director

THE GREEN DRIVE SERIES

MRF launched ZSLK, an eco-friendly car tyre and the market response has been favourable. Made of silica reinforced tread compounds, that improve fuel efficiency, the tyre provides comfort and speed without disturbing the environment. MRF ZSLK is the first in the green drive series. With global focus on environment-friendly products, we are happy to be in the forefront in the Indian tyre industry.



The ZSLK tyre, has won prestigious Automotive Awards — NDTV/CAR INDIA Green Award of the year and the OVERDRIVE Automotive Product of the Year presented during the Auto Expo 2008 in Delhi. The Green Awards demonstrate MRF's superior R&D and manufacturing capabilities.

RECOGNITION OF QUALITY

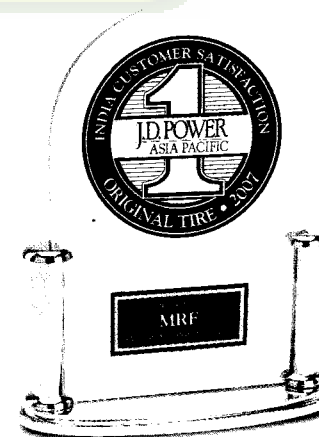
MRF has once again topped the charts in the J.D. Power Asia Pacific Study for “Highest customer satisfaction with original tyres”. This is the fifth time in the last seven years that MRF has won this recognition, and is a unique record in the Indian tyre industry. Overall tyre performance was categorised into five factors—appearance, durability, ride quality, traction and handling and MRF topped on all parameters.

Winning this award for the fifth time is a result of MRF's customer focus, innovation and superior product performance.

Tyre Customer Satisfaction Index Ranking (Based on a 1,000 - point scale)

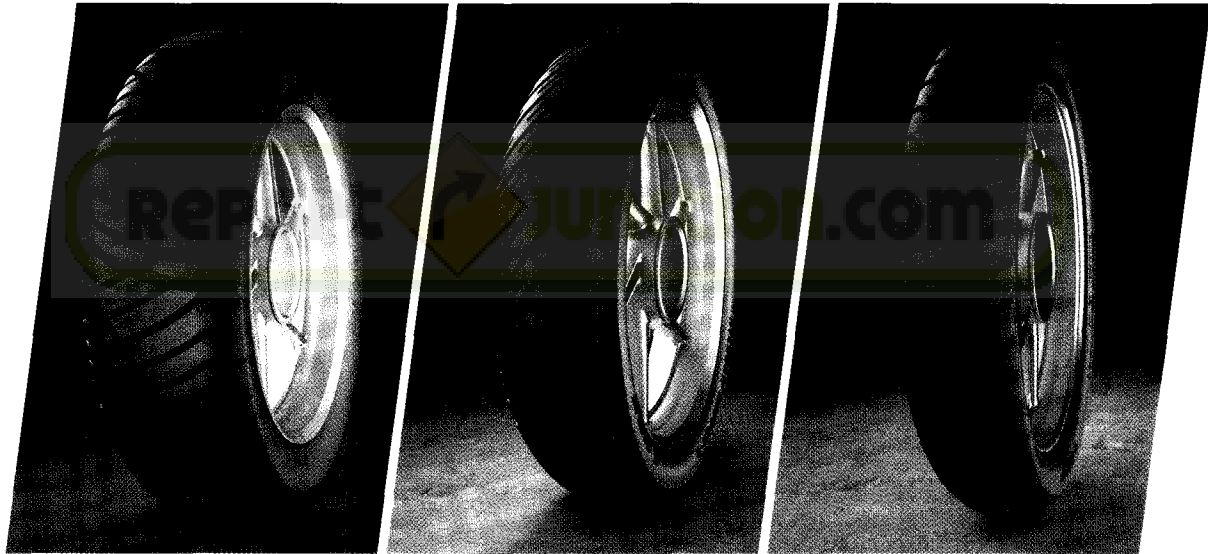
MRF	840
Industry Average	810

*J.D. Power Asia Pacific 2007 India Original Tire Satisfaction Study.SM Study based on a total of 2,500 new - vehicle owners of 11 makes and 31 different vehicle models in India. Customers were surveyed between May and August 2006 at 12 to 18 months of ownership. www.jdpower.co.jp



NEW/NEW BIKE TYRES

Built for high performance and speed, the stylish MRF Nylogrip Zapper Vyde, C and Q tyres are designed for the faster, bigger, new-generation bikes. These tyres offer outstanding grip, speed and safety and are taking biking to a new level.



Zapper Vyde

Zapper-C

Zapper-Q

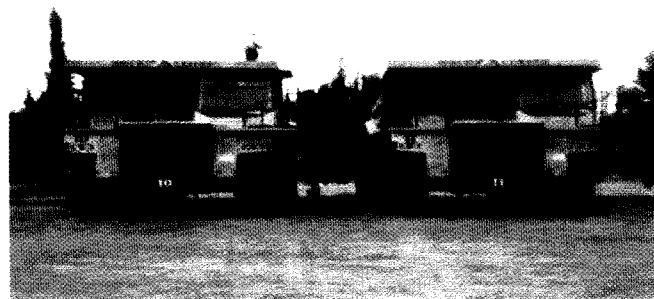
OFF THE ROAD/ TRUCK TYRES

MRF's new range of OTR (Off-the-Road) tyres are for the earth moving, heavy construction and mining industries. They conform to the highest standards of safety, durability and efficiency.

MRF Super Lug 505 is a premium-mileage truck tyre for long haul and highway applications.



MRF's range of Industrial tyres, for new-generation backhoes.



MRF's earthmover tyres fitted on the recently introduced world class dump trucks.



Super Lug 505 - The ultimate high mileage tyre.

GLOBAL FOOTPRINT

MRF's export performance in 2007 was outstanding. MRF added more customers and countries to its global business. Customers in over 75 countries have acknowledged MRF's leadership in innovation and product performance.



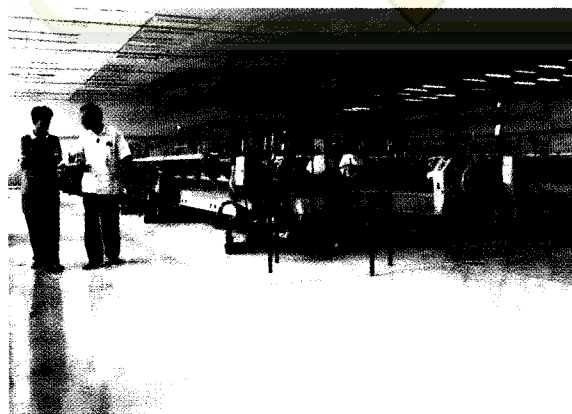
MRF dealer in Lahore, Pakistan.



MRF dealership in Guayaquil, Ecuador.

SPECIALITY COATING DIVISION

MRF's Speciality Coating Division manufactures speciality coatings for a wide range of applications. The revolutionary 100% polyurethane finishes are available in formulations for applications on metal, wood, plastic, walls and glass. The coatings have been developed for colour and gloss retention, adhesion and durability. They guard against abrasion, corrosion, bad weather and ultra-violet radiation.



MRF Epidec-Epoxy flooring at a textile mill in Tirupur.



MRF Tile Garde used at a hospital in Chandigarh.

MRF-DOMINATING MOTOR SPORTS

The MRF Challenge continues in the fields of racing, rallying, karting and motocross. Gaurav Gill and his co-driver Musa Sherif of Team MRF dominated the Indian rallying scene with their outstanding performance in the MAI Indian National Rally Championship which they won conclusively.

The MRF Racing Challenge held in Coimbatore was enthusiastically received by motor sport lovers and is an attempt to invigorate the action and spirit of road racing for cars and bikes.



Gaurav Gill and co-driver Musa Sherif won the MAI Indian National Rally Championship 2007.