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# Asia Pacific Institute Of Business Administration

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## “ ANALYSIS OF MRF COMPANY ”



# COMPANY PROFILE

COMPANY NAME	MRF PVT LTD (Madras rubber factory)
CORPORATE OFFICE	CHENNAI, TAMILNADU, INDIA
PRODUCTION UNIT	GOA
REGISTRATION NUMBER	18-004306
CLASS OF COMPANY	PUBLIC
DATE OF INCORPORATION	05-11-1960
AGE OF COMPANY	76
ACTIVITY	MANUFACTURING OF TYERS.

# BRIEF HISTORY

- MRF Ltd was established in the year 1946 by K M Mammen Mappillai as a small toy ballon unit. Much later in November 1960 the company ventured in manufacturing of tyres by entering a technical collaboration with Tire & Rubber company USA. In the year 1964 the company commissioned their main plant.



## Awards and Achievements

### Awards

- **MRF** voted the most “trusted” tyers company in the india by TNS 2006 global CSR study
- **MRF** became the first company in india to cross INR 10 Billon mark in 1993.
- **MRF** won the award for coustmer satisfaction,not once by 6 times,in last 7 years.

### Achievements

- The company was identified as star exporter a status that enables the company to get proritey treatment in several areas concerd with coustemer
- The company has recived the Top export award for the years from all india rubber industries association in 1995 and has been receving the same regularly since then.

# PRODUCTION

Tyres manufactures various tyres for passenger cars, two-wheelers, trucks, buses, tractors, light commercial

vehicles, off-the-road tyres and aero plane tyres, MRF ZVTS and MRF Wanderers for cars and SUVs, MRF

Meteor all terrain tyres, MRF Steel Muscle for trucks and buses.

- MRF ZLX is the latest one which is well known for its comfort in passenger segment
- Conveyor Belting – manufactures its in-house brand of Musclex conveyor belts.
- Pretreads – MRF has the most advanced pre-cured retreading system in India. MRF forayed into

retreading in 1970 and manufactures pretreads for tyres.

- Paints – manufactures polyurethane paint formulations and coats used in automotive, decorative and industrial applications.



# MARKETING

- Marketing Mix of MRF analyses the brand/company which covers 4Ps (Product, Price, Place, Promotion) and explains the MRF marketing strategy. There are several marketing strategies like product/service innovation, marketing investment, customer experience etc. which have helped the brand grow.
- Marketing strategy helps companies achieve business goals & objectives, and marketing mix (4Ps) is the widely used framework to define the strategies.
- MRF is one of the leading tyre manufacturers in India. Following is the product strategy in the marketing mix offered by MRF

- Promotion

Virat Kohli has been the brand ambassador for MRF Tyres for years now. In 2017, the cricketer renewed his contract with the company for the next eight years. Team India captain also uses the bat sponsorship by MRF Tyres for his matches



# HUMAN RESOURCES

- Recruitment policy

## Objective

- To streamline the recruitment process
- To ensure that we always hire the right people at right time and,
- And also thrive a strong employer branding to attract the best talents available in the industry.

## Eligibility

- we believe that people are entitled to equal employment opportunity and does not discriminate against qualified employees or applicants because of race, national or ethnic origin, gender, religion, benefits, age, sexual orientation or disability.
- Equal opportunity will be extended to all persons in all aspects of employments including but not limited to recruiting, hiring, promotion, discipline, or layoff/termination.

## Scope

- Covers all the vacant positions across the function, levels & hierarchy.

## •Number of employees at each level

Management staff	262
Watchman and fireman	51
Workers.	1131
Temporary workers.	368
Contract workers	241
Total	2053





# FINANCE

- The principal financial assets include trade and other receivables, investments in mutual funds and cash and short term deposits.
- Last 3 year's sales turn over

Rs in crore	2021	2020	2019
Sales	15921.35	15991.14	15837.00
Other income	207.23	330.50	417.47
Total income	16128.56	16321.64	16254.47



# SWOT ANALYSIS

## Strength

1. Company has remained in no.1 position in tyre industry and was the first to reach annual turnover of Rs.5000Crore in India.
2. Good export market with company exporting tyres and conveyor belts to 65 countries
3. Diversified into Funskool, MRF Pace Foundation, MRF Racin

## Weaknesses

1. Volatility in industrial relations. Ex: the labour unrest
2. Intense competition due to presence of other global brands

## Opportunities

1. Emerging markets and growth of automobile industry
2. More tie-ups with Automobile companies as it's mainly into B2B market.
3. Horizontal and concentric Diversification.

## Threats

1. Price wars
2. Stiff competition from national and international brands
3. Government Policies w.r.t export duties, import duties, tax levied on automobile industries and economic condition of nation as it determines the sale of automobiles.

# CONCLUSION

- After analysis of financials of MRF for last 10 years (2007-16), we realize that it is growing at a healthy growth rate with growing profitability margins. MRF has been able to increase its sale by capacity expansion without overly leveraging its balance sheet, as it has been using cash generating from operations to pay off its lenders. The company is in a comfortable debt-servicing situation, which is reflected by its healthy interest coverage ratio. MRF has also improved its NFAT turnover, Inventory turnover and reduced receivable days => Sign of a healthy company

**MRF**

THANK YOU