



MRF

Minutes of Fifty Second Annual General Meeting of MRF LIMITED
held on 7th February, 2013 at 11.00 a.m. at
TTK Auditorium, 'The Music Academy', No.168 TTK Road, Chennai-14
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Present: 134 Members
8 Members-cum-Directors
60 Proxies
4 Directors

Chairman Mr.K.M.Mammen occupied the chair and welcomed all the participants to the meeting.

1) Notice of the Meeting

With the permission of the meeting, the Notice calling the meeting dated 29th November, 2012 was taken as read.

2) Register of Directors' Shareholdings

The Register of Directors' Shareholdings was tabled at the meeting and was available throughout the meeting.

3) Auditors' Report

The Auditors' Report dated 29th November, 2012 was read by the Secretary of the Company.

4) Accounts for the year ended 30th September, 2012

The Directors' Report and the Statement of Profit and Loss for the year ended 30th September, 2012 and the Balance Sheet of the Company as at that date together with the Auditors' Report, were with the consent of the members, taken as read.

Chairman informed the members of the following printing errors in the Annual Report.

- 1) In page 18, under the head "Expenditure on R & D", the current year figures for Capital and recurring be read as Rs.7.50 Crore and Rs.24.25 Crore instead of Rs.1.33 Crore and Rs.24.31 Crore respectively. Consequently, the total should be read as Rs.31.75 Crore instead of Rs.25.64 Crore and the total R & D expenses as a % of turnover and other income should be read as 0.24% instead of 0.20%.
- 2) In page 49, under the head "Current Investments", the number of units in "Templeton India Ultra Short Bond Fund Super Institutional Plan" be read as "2,09,12,270 units" instead of "45,53,52,512 units".

Chairman then reviewed the salient features of the company's working for the year ended 30th September, 2012 and moved the resolution for adoption of Balance Sheet as at 30th September, 2012 and the Statement of Profit & Loss for the year ended on that date and Report of the Directors and Auditors to the Shareholders of the Company and invited Members for a general discussion on the subject.

Some of the Members present participated in the discussion and the Chairman responded to various queries raised by them.

Thereafter as proposed by Chairman, the following resolution was passed by an overwhelming majority.

RESOLVED that the Balance Sheet as at 30th September, 2012 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon as presented to the Shareholders be and are hereby adopted.

5) Declaration of Dividend

Proposed by Mahadeva Hariraj and seconded by Mr.R.Thamil Selvan, the following resolution was passed by an overwhelming majority.

(...contd)

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RESOLVED that a Final Dividend of 190% on the Paid-up Capital of the Company as on 30th September, 2012 be and is hereby declared and be payable to those Shareholders whose names appear on the Register of Members as on 7th February, 2013.

6) Appointment of Directors**(i) Mr.V.Sridhar**

Proposed by Mr.K.V.Ramana and seconded by Mr.Prabhu Srinivas, the following resolution was passed by an overwhelming majority.

RESOLVED that Mr.V.Sridhar who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible for reappointment be and is hereby re-elected as a Director of the Company.

(ii) Dr.Salim Joseph Thomas

Proposed by Mr.Simon A. Panicker and seconded by Mr.Mammen A. Mathew, the following resolution was passed by an overwhelming majority.

RESOLVED that Dr.Salim Joseph Thomas who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible for reappointment be and is hereby re-elected as a Director of the Company.

(iii) Dr.K.C.Mammen

Proposed by Mr.Mammen A. Mathew and seconded by Mr.B.Seshagiri Rao, the following resolution was passed by an overwhelming majority.

RESOLVED that Dr.K.C.Mammen who retires by rotation under Article 117 of the Articles of Association of the Company and being eligible for reappointment be and is hereby re-elected as a Director of the Company.

7) Appointment of Auditors

Proposed by Mr.Bobby Mathew and seconded by Mr.S.J.Kannan, the following resolution was passed by an overwhelming majority.

RESOLVED that Messrs. Sastri & Shah, (Firm Registration No.003643S) and M.M.Nissim & Co., (Firm Registration No.107122W) be and are hereby reappointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

SPECIAL BUSINESS**8) Appointment of Mr.Jacob Kurian as Director of the Company**

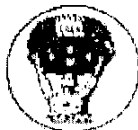
Proposed by Mr.George Thomas and seconded by Mr.C.B.Santosh, the following resolution was passed as an Ordinary Resolution by an overwhelming majority.

RESOLVED that Mr.Jacob Kurian who was appointed by the Board of Directors as an additional Director of the Company on 25.07.2012 pursuant to Section 260 of the Companies Act, 1956 read with Article 105(b) of the Articles of Association of the company and who holds office upto the date of this Annual General Meeting and in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

9) Appointment of Mr.M.Meyyappan as Director of the Company

Proposed by Mr.Bobby Mathew and seconded by Mr.R.Thamil Selvan, the following resolution was passed as an Ordinary Resolution by an overwhelming majority.

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RESOLVED that Mr.M.Meyyappan who was appointed by the Board of Directors as an additional Director of the Company on 25.07.2012 pursuant to Section 260 of the Companies Act,1956 read with Article 105(b) of the Articles of Association of the company and who holds office upto the date of this Annual General Meeting and in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

The Chairman stated that since he is interested in the next three items of special business, he requested Mr.Ashok Jacob, Director to take the chair and conduct the proceedings.

10) Reappointment of Mr.Arun Mammen, Managing Director of the Company

Proposed by Mr.Mammen A. Mathew and seconded by Mr.K.V.Ramana, the following resolution was passed as an Ordinary Resolution by an overwhelming majority.

RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the reappointment of Mr.Arun Mammen as Managing Director of the Company for a period of 5 years commencing from 01.04.2013 on terms and conditions as recommended by the Remuneration Committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration including the monetary value thereof, to the extent recommended by the Remuneration Committee from time to time as may be considered appropriate and payable to the Managing Director, subject to the overall limits specified by this resolution and Schedule XIII of the Companies Act,1956.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.

11) Revision in remuneration payable to Mr.K.M.Mammen, Chairman & Managing Director of the Company

Proposed by Mr.B.Seshagiri Rao and seconded by Mr.K.V.Ramana, the following resolution was passed as an Ordinary Resolution by an overwhelming majority.

RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act. 1956 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 11.03.2010 which stood amended by a resolution passed through postal ballot on 01.04.2011, approval of the Company be and is hereby accorded to the revision in remuneration of Mr.K.M.Mammen, Chairman & Managing Director of the Company, w.e.f 01.04.2013, by increasing the salary from the present Rs.6,00,000 per month with annual increment of Rs.50,000 to Rs.12,00,000 per month with annual increment of Rs.1,00,000 w.e.f 01.04.2013 for the remaining period of his tenure ie., upto 31.03.2015.

RESOLVED FURTHER that except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Chairman & Managing Director of the Company as approved by the resolution passed at the Annual General Meeting of the Company held on 11.03.2010 and amended by a resolution passed through postal ballot on 01.04.2011, shall remain unchanged.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration including the monetary value thereof, to the extent recommended by the Remuneration Committee from time to time as may be considered appropriate and payable to the Chairman & Managing Director, subject to the overall limits specified by this resolution and Schedule XIII of the Companies Act,1956.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.

**MRF****12) Revision in remuneration payable to Mr.Rahul Mammen Mappillai, Whole-time Director of the Company**

Proposed by Mr.Simon A.Panicker and seconded by Mr.B.Seshagiri Rao, the following resolution was passed as an Ordinary Resolution by an overwhelming majority.

RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 10.02.2011, approval of the Company be and is hereby accorded to the revision in remuneration of Mr.Rahul Mammen Mappillai, Whole-time Director of the Company, w.e.f 01.04.2013, by increasing the salary from the present Rs.1,75,000 per month with annual increment of Rs.25,000 to Rs.7,75,000 per month with annual increment of Rs.1,00,000 w.e.f 01.04.2013 for the remaining period of his tenure ie., upto 31.03.2015.

RESOLVED FURTHER that except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Whole-time Director of the Company as approved by the resolution passed at the Annual General Meeting of the Company held on 10.02.2011, shall remain unchanged.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration including the monetary value thereof, to the extent recommended by the Remuneration Committee from time to time as may be considered appropriate and payable to the Whole-time Director, subject to the overall limits specified by this resolution and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.

Mr.Ashok Jacob, Director requested the Chairman to resume the Chair and continue with the proceedings.

Thereafter Mr.K.M.Mammen resumed the Chair.

13) To increase the limit of Borrowing Powers u/s.293(1)(d) of the Companies Act, 1956

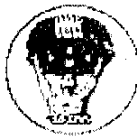
Proposed by Mr.R.Thamil Selvan and seconded by Mr.S.J.Kannan, the following resolution was passed as an Ordinary Resolution with overwhelming majority.

RESOLVED that in supersession of the resolution passed by the members in the Annual General Meeting of the Company held on 10.02.2011 and in pursuance of the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to borrow (excluding temporary loans obtained from the Banks in the ordinary course of business) for the purpose of the business of the Company, such sum(s) of money (in foreign currency or Indian rupee) from time to time with or without security, on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money or monies to be borrowed by the Company together with the money already borrowed and remaining outstanding at any time may exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time, exceed Rs.4,000 Crore (Rupees Four Thousand Crore only).

14) To increase the limits for creation of Mortgages/charges u/s.293(1)(a) of the Companies Act, 1956

Proposed by Mr.K.V.Ramana and seconded by Mr.Prabhu Srinivas, the following resolution was passed as an Ordinary Resolution with overwhelming majority.

RESOLVED that in supersession of the resolution passed by the members in the Annual General Meeting of the Company held on 10.02.2011 and in pursuance of the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter

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referred to as the "Board" which expression shall also include a Committee thereof) to create such mortgages/charges/hypothecation in addition to the mortgages/ charges/ hypothecation created/to be created by the Company or executing a declaration of a trust or other appropriate document on such terms and conditions as the Board may think fit on the whole or substantially the whole of the Company's undertakings or any part thereof including the present and future properties whether moveable or immoveable and assets of all kinds of the Company, both present and future to or in favour of Financial Institution(s), Banks and/or the Agents or Trustees of the Debenture holders to secure the borrowings availed/to be availed by the Company by way of loan (in foreign currency and / or Indian rupee) and/or securities (comprising fully/partly convertible debentures and/or Non-convertible debentures) or other instruments issued/to be issued by the Company and/or its subsidiary companies from time to time for an amount not exceeding Rs. 4,000 Crore (Rupees Four Thousand Crore Only) together with interest, costs, charges, expenses, remuneration of Trustees and other monies payable, to be issued as aforesaid.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to finalise and execute the documents between the Company on the one part and the Financial Institution(s), Banks and/or individuals/ institutions who may be appointed as the Agents, Trustees for the Debenture holders, on the other part.

There being no other business, the meeting terminated with vote of thanks to the chair.

21.02.2013


CHAIRMAN

MRF Limited
Chairman's Speech
Delivered at Chennai
On 7th February 2013



Text of the Speech delivered by
Mr K M Mammen, Chairman & Managing Director,
at the 52nd Annual General Meeting held in
Chennai on February 7, 2013.

Ladies & Gentlemen

I welcome you to this, the 52nd Annual General Meeting of the Company. The Balance Sheet and Accounts for the year have been in your hands for some time now, and with your permission, I shall take them as read.

The year gone by, has been a particularly difficult year for all in business and industry. In fact, at the time we meet, it is getting progressively difficult even for the average consumer. The GDP growth has gradually descended from the highs of 8-9%, to a most disappointing 5.5%, or thereabouts.

Until as recently as the last few weeks, the decline was also deeply tinged with what came to be known as 'Policy Paralysis'. Parliamentary processes just did not move forward and neither did Executive action. It seemed like India was on hold. All of this has had a dampening effect on business and industry, while simultaneously stoking inflation, thus keeping interest rates high.

In the last few weeks however, the Government has taken some bold reform measures and it appears that more such reforms are on the way. These policy actions appear to have rekindled the fading confidence of investors and businessmen and people are now looking forward to the medium term.

In this difficult environment, it is a matter of immense pride that MRF has recorded one of its highest growth. Only last year when we met here, we shared the moment when we crossed the milestone of 10,000 crores. In the year past, MRF has recorded a 23% growth year on year. Something, to feel good about. This record is all the more commendable because the automobile sector, as a whole, grew just 6-8% during the same period.

will gain rapid momentum. While being prepared, with the product range and the advanced production capacity, keeping pace, or staying just ahead of this transformation, will be key to managing this challenge.

Competition in the Indian tyre industry is slated to become even more brutal and daunting. All of the world's major tyre brands, who had only marketing presence earlier, are now invested locally, with manufacturing facilities that are progressively coming on stream. In an already extremely competitive market, the arrival of all these global brands with deep pockets, will certainly cause a churn. Business practices and discounting would obviously become even more cut-throat. This would certainly test MRF's brand franchise and long-held pricing policies.

I am happy to inform you that, MRF was once again elected to receive the highest recognition for customer satisfaction with the J D Power Award. This is the 9th time in 12-years that MRF has been so emphatically recognized by the customer.

Exports :

Exports in the Global market posted a 56% growth in Export revenues with a healthy volume growth of 25% in the Heavy Commercial segment and 21% in the Light Commercial segment.

MRF was awarded the "Top Export Award [Auto Tyre Sector]" by the All India Rubber Industries Association once again, during the past year.

MRF Lanka Operations and Performance :

I am glad to inform you that our Sri Lanka operations have turned the corner, posting a net profit before tax, of SLR 34 million for the year 2011-12.

By promoting MRF's premium quality products, the company has been able to improve realisation per Kg. of Pre-cured Tread Rubber during this year, by 19% over the previous financial year.

The proposal for adding a manufacturing line for cushion gum has been studied and found feasible. The project is in the process of being implemented.

Motor Sports :

Our commitment to Motor Sport as a serious Testing arena, in competition against the world's best tyre brands grows – bringing MRF rich and real-life test inputs, on the dynamics of compound performance and tyre design, in extreme conditions. Here too, MRF has excelled.

After winning Asia-Pacific titles in 2003, 2005 and 2010, Team MRF has won the 2012 FIA Asia Pacific Rally Championship (APRC) with Chris Atkinson (Australia), winning the Driver's title and Stephane Prevot (Belgium), winning the Co-Driver's Title. Team MRF also scored an emphatic victory in the Teams Trophy and the Manufacturers Championship – testimony to the technological superiority of MRF Tyres – in direct competition against the world's best and biggest tyre brands, on Asian circuits.

MRF Challenge 2012 : During the event of the Formula-1 Indian Grand Prix, at the Buddh International Circuit, a support race was also on the agenda – the MRF Challenge 2012. It featured a brand new racing car – "MRF Formula 2000", designed for MRF, by Dallara of Italy and powered by the powerful Renault Engine. The car was earlier launched by Narain Karthikeyan, India's Formula-1 driver in Chennai. Spectators enjoyed the high octane racing at Round 1 and Round 2 at the Buddh International Circuit, Delhi. Round 3 is scheduled at the Madras Motor Racing Track, Chennai in February 2013.

MRF Pace Foundation :

The MRF Pace Foundation, celebrated its Silver Jubilee, with 25 years of Service to Cricket. Dennis Lillee, who had completed 25 years as its Director has since handed over the reins to Glenn McGrath, the world's most successful pace bowler of this time. We record our immense thankfulness to Dennis Lillee and wish Glenn McGrath greater success.

Going forward, the automobile industry, plagued by the depressed economic climate, has also suffered from shutdowns and production loss, and is now projecting growth of just about 1-3%.

So we go into the current financial year, as we did the year before – fully aware of the threats and challenges, yet prepared with the expanded infrastructure, scale and scope of MRF's technologies, manufacturing capacity and customer goodwill.

I am happy to inform you, that our Trichy plant is now in production. It is perhaps the single largest, tyre manufacturing facility in Asia. Last year I had told you, that at Ankenpally, we had taken a major step forward, in implementing a high level of state-of-the-art automation processes. Modernising and automation of production processes, is going to become increasingly important, as a competitive strength and we are moving aggressively on this.

The automobile market in India is itself, going through some rather fundamental, anomalous changes and inflections. In the passenger segment we see new variants of hatch-backs, evolving into roomier family-carriers. In the commercial segment, new vehicle manufacturers are coming on stream, just as the Government announces and implements, a gradual de-regulation of diesel. So while the pressures are growing, the pressure-points and challenges, are becoming more diverse.

Together with all these pressures, we can now anticipate a further rise in the cost of raw materials. The imminent full de-regulation of diesel, would impact the cost of almost all other inputs, including logistics and distribution. We need to plan for these pressures on cost and pricing. Fortunately, natural rubber prices have been trending downwards and we hope that they will remain at viable levels.

One thing is clear, the coming couple of years are going to be markedly significant, in terms of the changes and twists, which the Indian automobile sector is going through, in the midst of awakened social and political flux.

On the roadways of the country, radicalisation in the commercial segment is gaining momentum. As infrastructure improves, this trend

Working Results :

During the year ended 30th September 2012, your company recorded a total income of Rs.13,093.76 crores, as against Rs.10,670.17 crores in the previous year. Profit before taxation is Rs.833.12 crores, as against Rs. 893.65 crores in the previous year. The Directors recommend a 190% Final Dividend for the year ended September 2012. Together with the interim dividends paid earlier, the aggregate dividend works out to 250%.

To conclude, I would like to record our thanks to the Central and State Governments, the Financial & Banking Institutions, our Suppliers and Dealers, our Customers and Shareholders and Employees for their continued support.

Thank You.



*This does not purport to be a record of the proceedings of
the Annual General Meeting.*

Visit us at <http://www.mrftyres.com>