

MRF Q1 profit up 11% at Rs 113 cr

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Tyre maker MRF has posted a 10.8 per cent rise in first quarter net profit at Rs 113 crore, while net sales grew 32.7 per cent to Rs 2,874 crore (the company follows a October-September financial year). In fact, if one adjusts for the exceptional expense of Rs 20 crore incurred in the December 2010 quarter on account of change in method of depreciation from written-down value method to the straight line method, then year-on-year profits have fallen by 7 per cent from Rs 122 crore to Rs 113 crore now. Besides, profits have also been impact by pressure on the operating margins. Among the major reasons is the high natural rubber price. Although prices have come down from the peak levels, they are still high – hovering at around Rs 200 a kg. Operating margin for the December quarter fell to 9 per cent from 11.3 per cent a year ago, due to high raw material prices. — **Our Bureau**