

# MRF FY18 net falls 25%, sees pressure due to rising input costs

FE BUREAU

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**TYRE MAJOR** MRF has reported a 25% drop in its net profit for the fiscal ended March 31, 2018 to ₹1,092.08 crore as compared to ₹1,451.08 crore in the previous fiscal. The sharp fall in net profit has been due to a marked increase in input costs, including crude and carbon black among other goods.

The total income (net of excise duty) grew 11.22% to ₹15,104.40 crore for fiscal 2018 as compared to ₹13,580.83 crore in the previous year. The profit before tax stood at ₹1601.91 crore for the year under review as against ₹2,066.37 crore for the previous financial year.

The company's export grew marginally to ₹1,353 crore as against ₹1,316 crore in the previous fiscal. The board on Thursday recommended a final dividend of ₹54 per share (540%). With two interim dividends of ₹3

each paid during the above year, the aggregate dividend for the year is ₹60 per share. (600%), said a press release here.

MRF is ranked among the world's top 20 tyre manufacturers, and 2018 marks the year where the company enters the 31st year of its leadership of the Indian tyre industry.

According to the company, the introduction of Goods and Services Tax (GST) during the fiscal under review brought in some uncertainties as businesses adjusted to the new tax regime. However, a good monsoon resulted in a healthy upswing in the agrarian economy and stoked a recovery in rural demand. Heavy spending on infrastructure by the government helped support long-

term growth.

The Indian automotive sector clocked significant growth in the 2018 fiscal, buoyed by healthy volume growth across segments. The commercial vehicle category witnessed robust growth, especially during the second half of the last financial year, which augurs well for the tyre industry.

The company further said that the escalation in the cost of crude based inputs remains a concern and will add pressure to the bottomline. At the same time the competitive intensity in the industry continues to remain at fever-pitch due to anticipated 'on-streaming' of several greenfield and brownfield capacities by many players in the months ahead.