

Falcon Tyres completes Mysore plant expansion project

To begin commercial production of four-wheeler tyres soon

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Falcon Tyres Ltd, the flagship company of the diversified P.K. Ruia group, has completed the expansion project of the Mysore plant and plans to shortly commence commercial production of niche tyres for four-wheelers, a segment which it was not catering to earlier.

The company, which markets its tyres under the Dunlop brand name,

manufactured at Mysore and another plant of Monotona near Mumbai, has been a major player in the two and three-wheeler tyres, accounting for about 22 per cent share. This is a strategic entry as the company has a strong presence in two-three wheelers engaged with all leading original equipment suppliers (OEMs), Mr Sunil Bhansali, Executive Director of Falcon Tyres, told *Business Line*.

Mr S. Ravi, Director of

Ruia Group, said that the company invested about Rs 320 crore in the expansion project at Mysore for four-wheeler tyres. Trial runs are over and commercial production would commence soon.

CAPACITY

"The company has established a new production capacity to churn out 9,000 four-wheeler tyres per day (about 2,70,000 per month) and 3.5 million a year. This comple-

ments the current capacity of one million two-three wheeler tyres per month. Together, with new manufacturing capacity, we will have production capacity of over 15 million tyres per annum," Mr Bhansali said.

"Last fiscal, Falcon Tyres closed with a turnover of about Rs 1,000 crore. The new manufacturing line would add about Rs 600 crore during full year of operation. However, for the current fiscal, we may see an

overall growth of over 15 per cent, in spite of tough business conditions," they said.

Referring to input costs, Mr Bhansali said that the price of rubber has been a cause for worry. It has shot up from Rs 120 a kg a year ago to Rs 240 a kg and is now ruling at about Rs 190/kg.

The senior management of Falcon Tyres was in Hyderabad for a dealer meet and launch of a new promotional campaign.

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