

MRF looks at captive rubber plantation to cut raw material cost

Tyre manufacturer MRF Ltd was looking at acquiring rubber estates to meet the company's long-term raw material requirements and to bring down costs, a top official said. "We are scouting for acquisitions of estates abroad to meet long-term rubber needs," said Koshy Varghese, executive vice-president, marketing, MRF. The concern now is the long-term supply of rubber, although prices of rubber have cooled off both in the global and domestic markets, he said, adding MRF had sent teams to Malaysia, Indonesia, Vietnam and Cambodia to scout for potential acquisitions of rubber estates. "But this will take time as these countries are not transparent, but we haven't frozen anything," said Varghese. The company uses 12-13 tonnes of rubber a month from plantations in the north-east and Kerala and it would require 30-40 per cent more in three to four years, he added. Varghese added the company, despite the current slowdown in the auto sector, would go ahead with its Rs 900-crore investment plan during the current financial year. MRF supplies tyres to commercial and non-commercial automobile players. It also supplies tyres for helicopters. "We supply a little over 100,000 tyres a year to HAL (aerospace firm Hindustan Aeronautics Ltd). Expect an announcement on military aircraft soon," Varghese said.