



 **JKTYRE**  
& INDUSTRIES LTD.

**JUNE 2015**

 **JKTYRE**  
TOTAL CONTROL

 **VIKRANT**

 **TORNEL**

# Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by JK Tyre & Industries Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

# OUR BOARD



**Dr. Raghupati Singhania**  
Chairman & Managing Director

- **Dr. Raghupati Singhania**
- **Arvind Singh Mewar**
- **Bakul Jain**
- **Om Prakash Khaitan**
- **Sunanda Singhania**
- **Kalpataru Tripathy**
- **Vimal Bhandari**
- **Dr. Wolfgang Holzbach**
- **Bharat Hari Singhania**  
(Managing Director)
- **Vikrampati Singhania**  
(Dy. Managing Director)
- **Arun K. Bajoria**  
(Director & President – International Operations)



# MANAGEMENT TEAM



**Arun K. Bajoria**  
Director & President –  
International Operations



**Vivek Kamra**  
President - India



**V.K. Misra**  
Technical Director



**A.K. Kinra**  
Finance Director



**Vikram Malhotra**  
Marketing Director



**Dr. R. Mukhopadhyay**  
Director (R&D)



**A.K. Makkar**  
Sr. VP -Manufacturing



**Kumar Joshi**  
Executive Director – JK TORNEL



**Anshuman Singhania**  
VP- Operation



**Sanjiv Saxena**  
VP- Corporate Accounts



**Ashish Pandey**  
VP- Materials

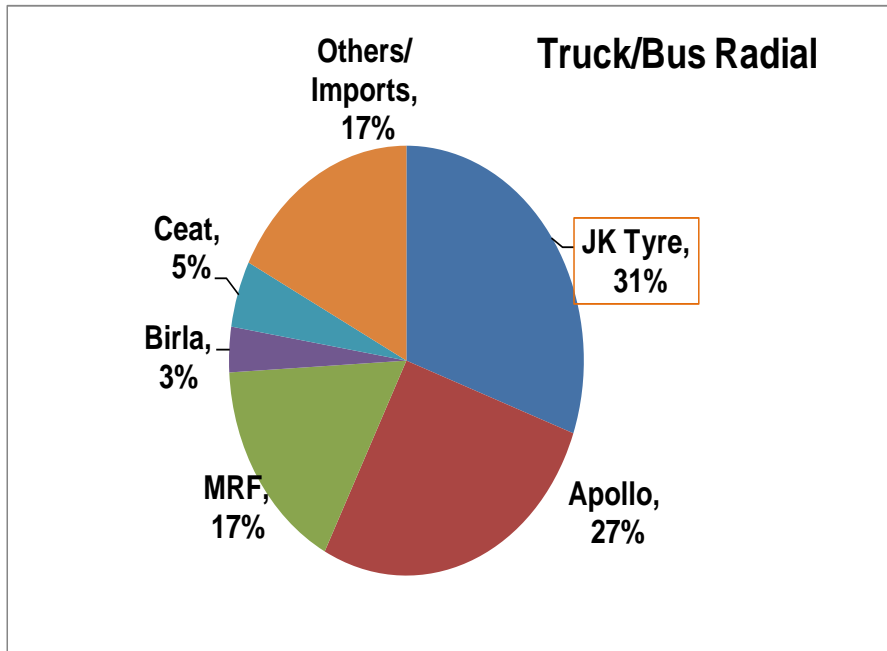


# KEY STRENGTHS



# JK Tyre: Radial Leaders Of India

Pioneer in Radial Technology  
for Passenger Car, LCV, Truck/Bus and Farm



(Apr'14-Mar'15)

India's No. 1 Truck /Bus  
Radial (TBR) manufacturer

About 8.7 million JK Tyre  
TBRs on the roads  
India – 7 million  
Overseas – 1.7 million

Continue ...Lead The Market From Front

# JK Tyre – The Growth Journey

1<sup>st</sup>

To launch in India Radial Technology for entire range (Passenger Car, LCV, Bus, Truck and Tractors)

To launch in India V-Rated tires, Eco-friendly tires and high performance & Asymmetric tires

**2013& 2014:**  
Major brownfield expansion undertaken in Chennai



**2012:**  
New plant in Chennai



**2010:**  
New OTR Plant in Mysore



**2008:**  
Acquired Tornel plant in Mexico



**1999:**  
Started All Steel Truck radial Mysore



**1997:**  
Acquired Vikrant Tyres Ltd., Mysore



**1991:**  
Set up second tyre plant at Banmore, MP



**1975:**  
First Tyre Plant In Kankroli, Rajasthan

**Total 9 Plants**

- 6 - India
- 3 - Mexico

**Current Capacity : more than 20 mn tyres p.a.**

**First in the World** “On Level Tyre Test Machine” - Real time data for tyre testing



First tyre company in Asia to receive certification and 2<sup>nd</sup> in the world



**Technology Edge - HASETRI - Asia’s first and India’s biggest & foremost research centre**



**1951:** Incorporated as a Private Limited company



# Strategic Manufacturing Location

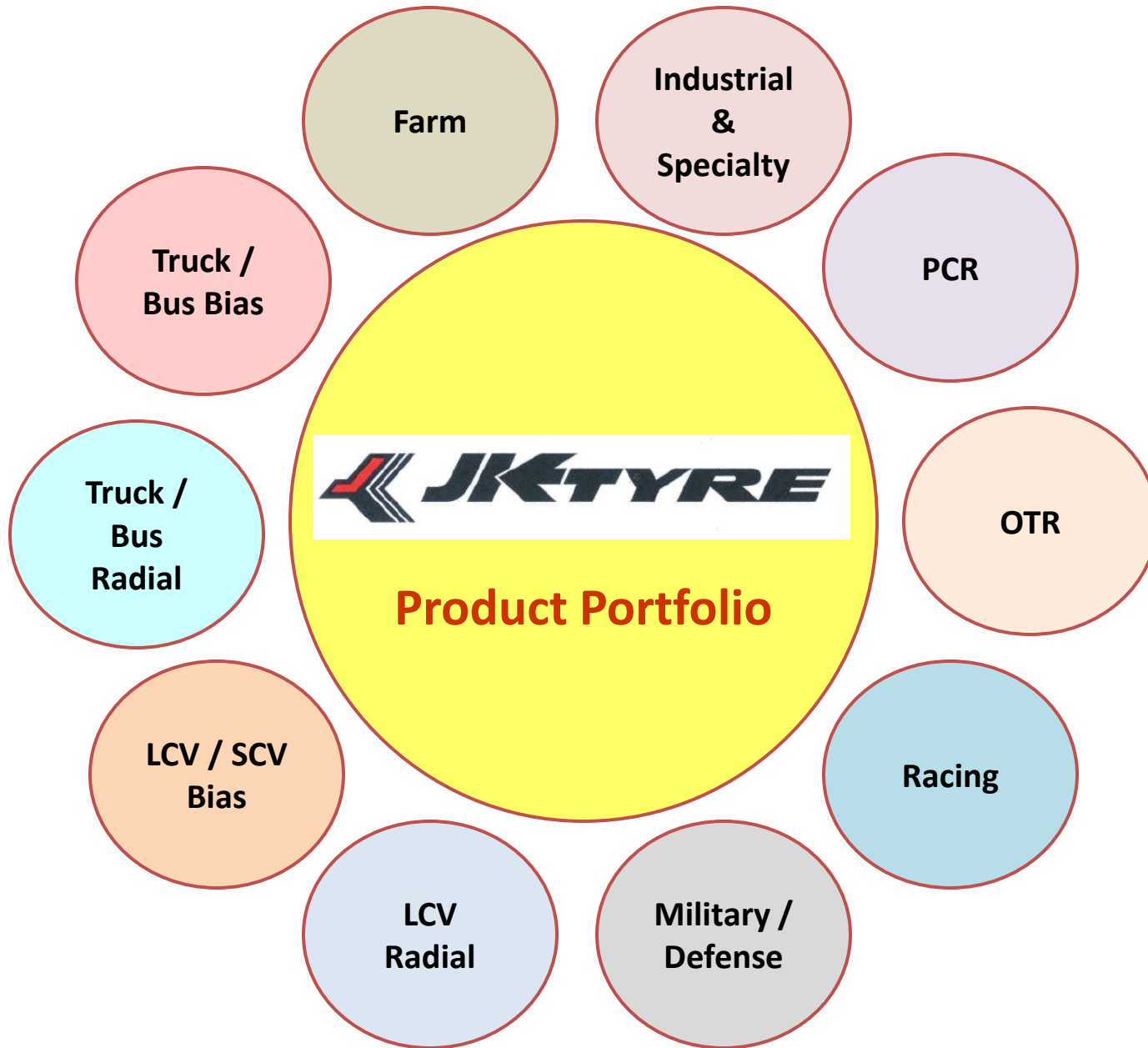


JK Tyre has 6 modern plants in India - strategically located at:

- Mysore, Karnataka -3
- Banmore, Madhya Pradesh
- Kankroli, Rajasthan
- Chennai, Tamil Nadu



# JK Tyre – Wide Product Range



# JK Tyre : Technology Edge



## Harishankar Singhania Elastomer & Tyre Research Institute

Elastomer Research and Tyre Mechanics.



## Tech Center at Faridabad, Haryana.

Product Design, Project Management,  
Benchmarking and R&D - Key Account Management



## Raghupati Singhania Centre of Excellence for Tyre and Vehicle Mechanics

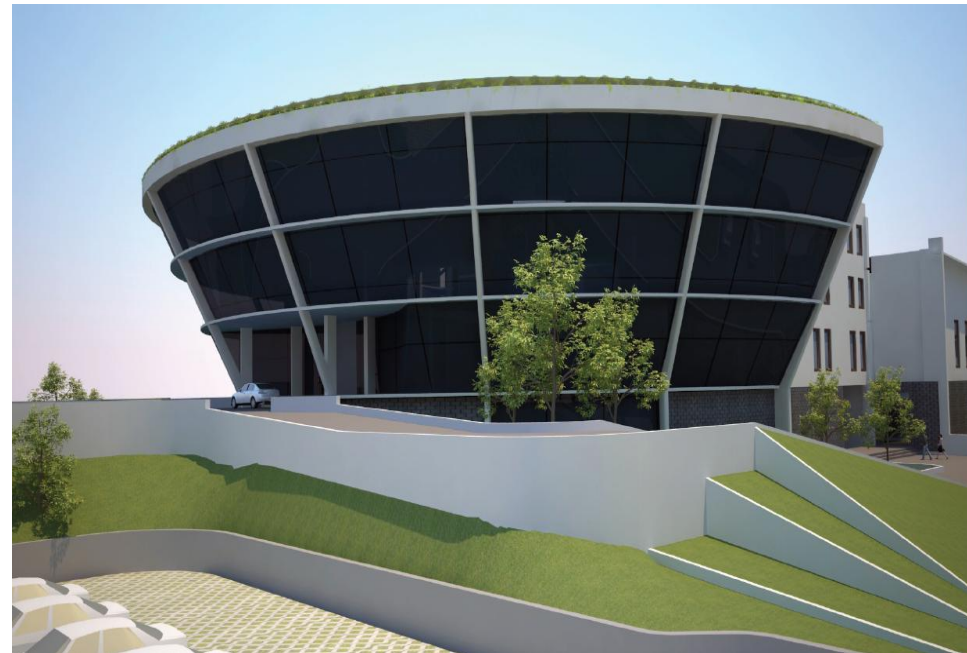
“A Joint Venture R&D Center” at IIT Madras, Chennai  
Academia – Industry partnership for Advanced Research

# JK Tyre : Technology Edge.....The Road Ahead



State of the Art R&D Center in Mysore –

- HASETRI, Tech Center under one roof
- Central Test Centre – Enhanced with new high end test capabilities
- Construction under progress



# JK Tyre : Technology Edge

ON -LEVEL FLAT TRACK



TEST TRACK





# JK Tyre – Distribution and Service Network

143 JK Tyre Selling Points  
4000 Dealers across India  
– 1000 exclusive

## JK Tyre Truck Wheels

- Fully equipped Tyre service centre



## JK Tyre Care Centre

- Truck Radial Tyre Services on major Highways



## Over 120 JK Tyre Steel Wheels

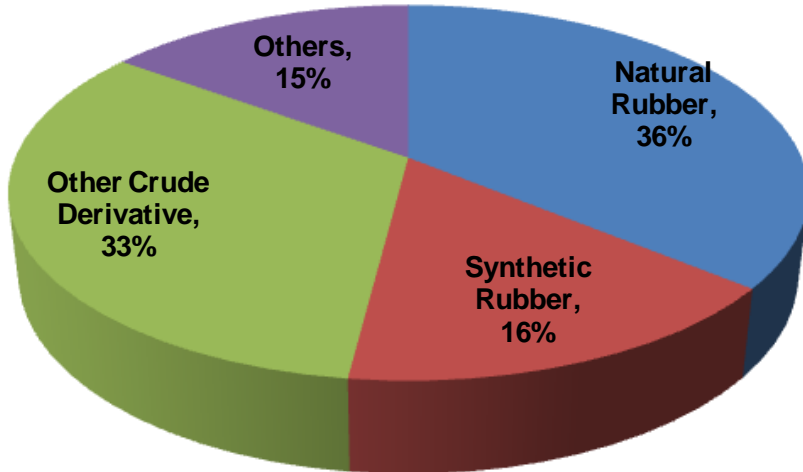
- Exclusive Passenger Car Tyre Retailing



# Key Raw materials

## Raw Material Composition (by value)

(2014-15)



## Raw Material Vendors

**LANXESS**  
Energizing Chemistry

**SRF**

**ADITYA BIRLA**  
**BIRLA CARBON**

**BEKAERT**  
better together

**NOCIL**

**NOCIL LIMITED**

**KUMHO**  
PETROCHEMICAL

**Reliance**  
Industries Limited

**ExxonMobil**

# JK Tyre - Key Partners to Leading OEMs...

## Car



India/Mexico



JK Tornel, Mexico



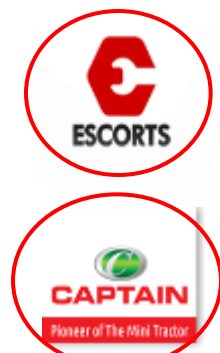
## Truck



JK Tornel, Mexico - LTR



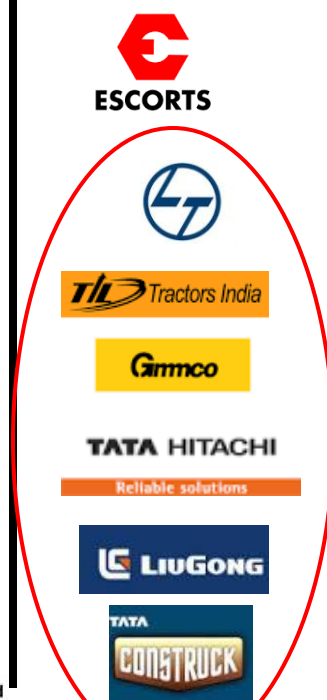
## Tractor



India/Mexico



## OTR

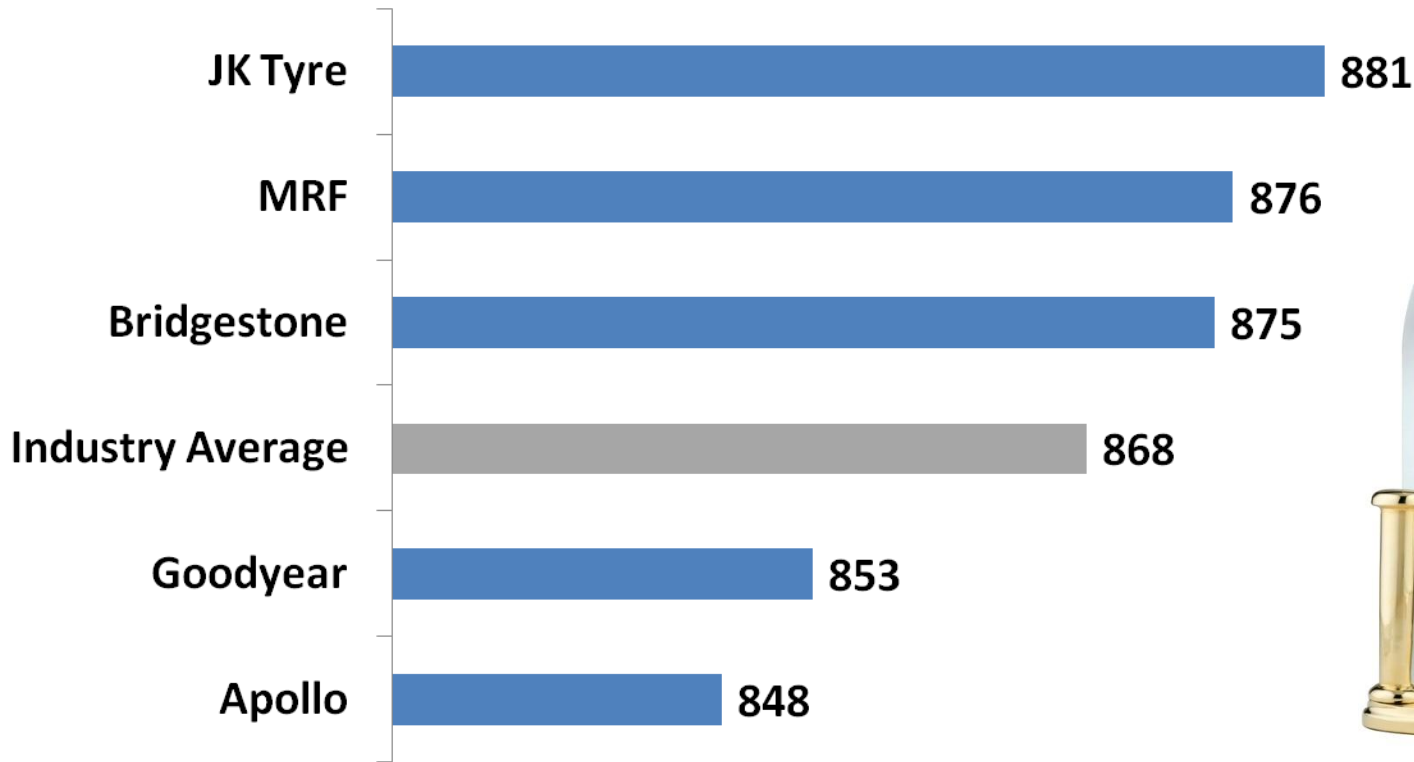


## Partnerships in Offing



# Market Recognises JK Tyre

## JK TYRE RANKS NO. 1 IN JD POWER 2015 TIRE CUSTOMER SATISFACTION INDEX (TCSI) STUDY





# JK Tyre Receives Coveted Awards & Recognitions

3rd time in a row...



“Asia’s Most promising Brand Award 2014” by  
World Consulting and Research Council  
(WCRC)



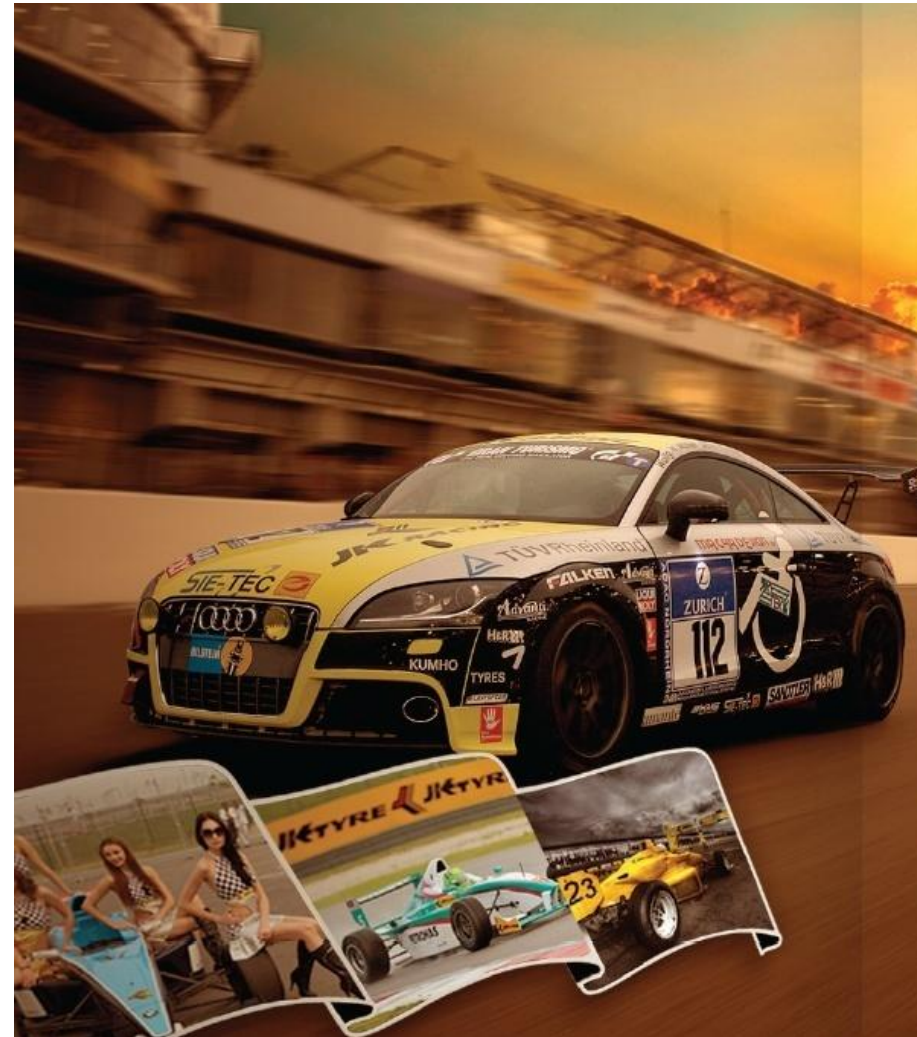
Continues to be  
India's first and only Tyre Superbrand

# Brand Building – Racing

## The legend of Racing in India

JK Tyre acquired Formula BMW Series

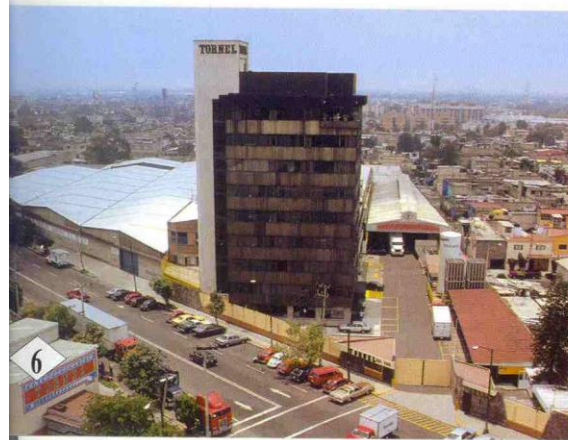
- ❖ Rechristened “JK Racing Asia Series” (JKRAS)
- ❖ Created history in Indian Motorsport
- ❖ First Indian company to acquire an FIA (Fédération Internationale de l'Automobile) accredited series





# JK Tornel, Mexico – a Strategic Acquisition

- ❖ **Low cost acquisition** of additional capacity
- ❖ **Free access to NAFTA & other trade blocks**
- ❖ **Enlarge JK Tyre's global footprint**
- ❖ **North America and emerging Latin America markets.**  
(JK Tyre was already exporting substantial quantities to these markets)



# JK Tornel - Mexico

- ❖ **Capacity : 6.6 Mn Tyres p.a.**
- ❖ **No of Plants :**  
3 plants in Mexico (Azcapotzalco, Tultitlan and Hidalgo)

- ❖ **Present Market Share:**
  - Truck Bias : 65%
  - LCV Bias : 72%
  - Passenger Line Radials : 9%

- ❖ **Product range includes:**
  - Passenger Car Radial
  - Truck Radial (outsourced)
  - Light Truck Radial
  - Truck Bias
  - Light Truck Bias
  - Farm Tyres
  - Industrial Tyres

- ❖ **Entered OEM 1st time ever in 60 yrs. of its existence:**
  - Chrysler } - Car
  - Volkswagen }
  - Nissan – Car/Light Truck Radial (LTR)
  - John Deere – Farm

- ❖ **Significantly improved operation in last 7 years through :**
  - Tornel awarded ‘**Outstanding Quality Award winner**’ by Chrysler
  - Enhanced capacity utilisation (40% to 70%)
  - Improved Plant efficiencies
  - Higher Exports
  - Enhanced market share across all products

## ❖ **Operations turned profitable**

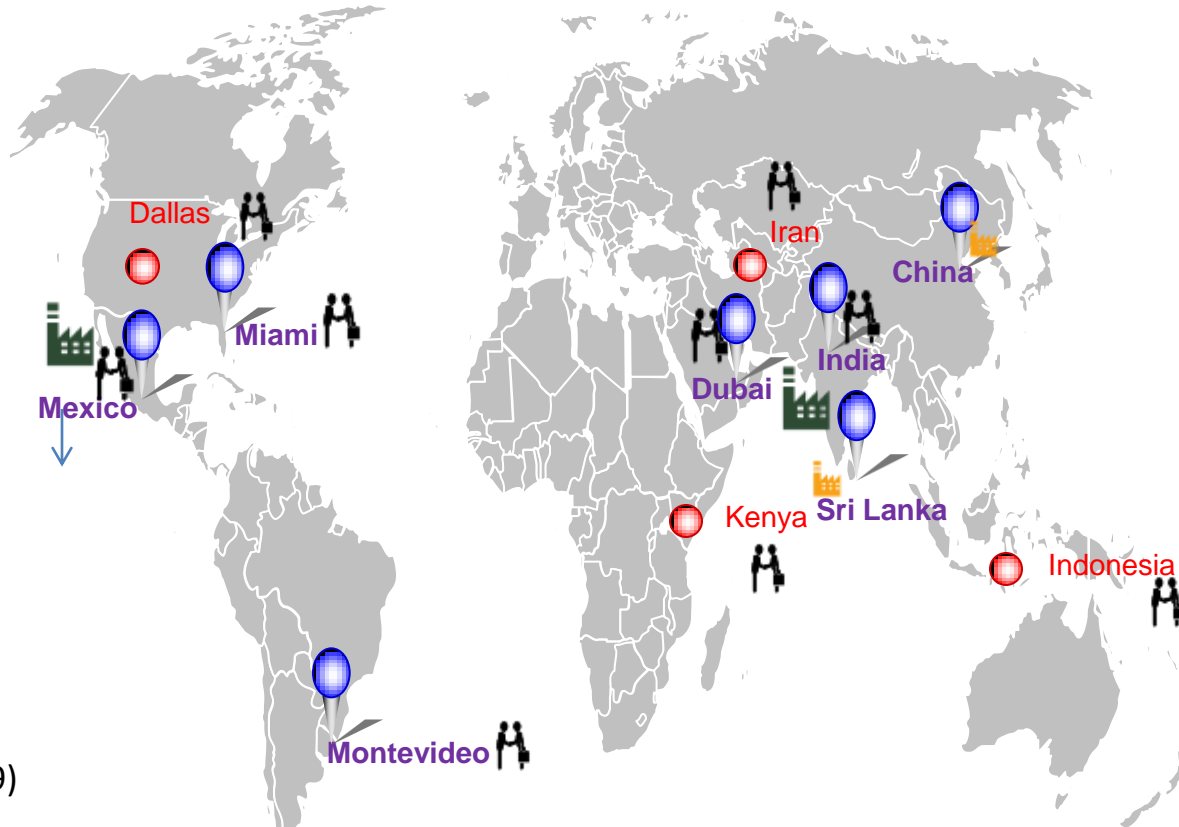
### **Financials (Apr'14-Mar'15) Audited**





	Mn Pesos	₹/Crs.
Sales	2891	1287
EBITDA	433	182
PBT	261	109
PAT	176	71

*Expansion of PCR facility from 3.5 Mn to 5 Mn at an investment of USD 22 Mn.  
-Plant under commissioning, full commercial production by Jul-Sep'15*



# JK Tyre : Global Footprint



-  Own Plants (9)
-  Outsourcing (2)
-  Marketing Hub
- Existing – 5
-  Planned – 4

**- Presence in over 100 countries across the globe**

	<u>2014-15</u>	<u>USD Mn</u>	<u>Rs. Crs.</u>
- From India		135	844
- Global		220	1370



# Chennai Tyre Plant - New Green Field all Radial plant

- ❖ State-of-the-art technology plant
  - ❖ Designed for Industry lowest steam consumption
  - ❖ Manpower productivity 50% higher than other plants
  - ❖ Located in high green belt area
  - ❖ State-of-the-art mixing capability for high performance OEM requirements
  - ❖ Capacity :
    - ✓ PCR - 30 lac tyres p.a.
    - ✓ TBR - 4 lac tyres p.a.
  - ❖ Further expansion of
    - ✓ PCR – 15 lac tyres p.a.
    - ✓ TBR - 8 lac tyres p.a.
- .....under commissioning, production from Q2 FY16..to be ramped in phases



# Year 2014-15 – At Glance

- ❖ Turnover
  - Indian Operations - ₹ 6799 crs., Consolidated : ₹ 8060 crs.
- ❖ Net Profit :
  - Indian Operations - ₹ 253 crs. – **up 88%**, Consolidated : ₹ 330 crs. – **up 46%**
- ❖ Credit rating upgraded
  - Long term facilities – CARE A+ (earlier CARE A)
  - Short term facilities – CARE A1+ (earlier CARE A1)
- ❖ Ranked No. 1 in JD Power Asia Pacific Study for customer satisfaction
- ❖ Maintained its No.1 position, in Truck/Bus radials with a market share of 31% & further strengthened its market share (2012-13: 10.6% & 2014-15: 12.4%) in Passenger Car Radials
- ❖ Expansion Project of TBR/Passenger Car tyre of ₹ 1430 crs at Chennai Tyre Plant - progressing well & slated for completion by mid 2015
- ❖ Introduced several new value added products in LCV, Truck /Bus & Passenger Cars
- ❖ Company Split the face value of shares from ₹10 to ₹ 2 Record Date - 19th Dec 2014
- ❖ Raised ₹ 50 crs. by placement of shares with promoters
  - Equity capital gone up from ₹ 41.06 crs. to ₹ 45.36 crs. through preferential allotment
- ❖ Shareholders Value Creation - Market Capitalization improved significantly in last one year  
2014-15 – ₹ 2393 crs., 2013-14 – ₹ 734 crs.



# Consolidated Financial Results

₹ Crs.

Particulars	Apr'14-Mar'15 (12 Months)	Apr'13-Mar'14 (12 Months) *
	Audited	Audited
Gross Sales & Other Income	8060	7950
Net Sales & Other Income	7401	7341
PBIDT	948	843
<i>% to Net Sales &amp; Other Income</i>	12.8	11.5
PBDT	690	571
PBT	486	327
PAT	330	226

\*includes Tornel 12 months



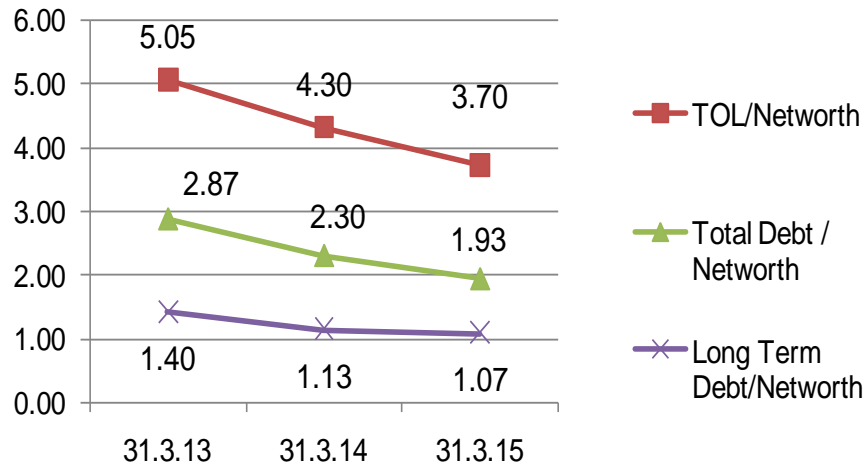
# Standalone Financial Results

₹ Crs.

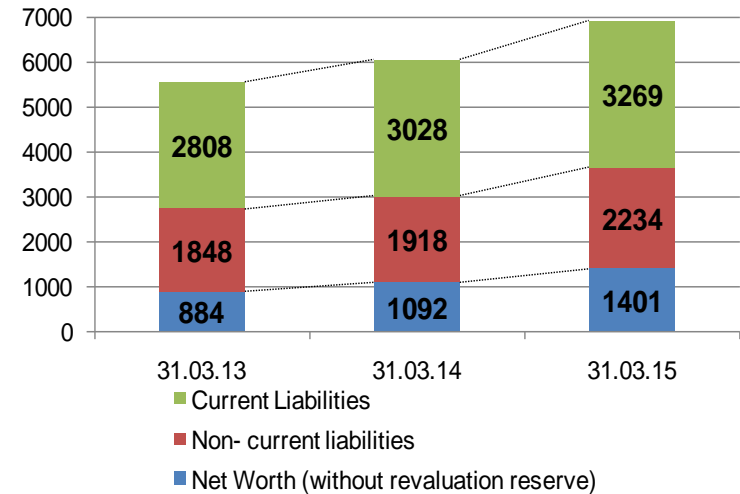
Particulars	Apr'14-Mar'15 (12 Months)	Apr'13-Mar'14 (12 Months)
	Audited	Audited
Gross Sales & Other Income	6799	6577
Net Sales & Other Income	6140	5967
PBIDT	766	672
<i>% to Net Sales &amp; Other Income</i>	12.5	11.3
PBDT	526	423
PBT	377	195
PAT	253	135

# Balance Sheet & Ratios - Consolidated

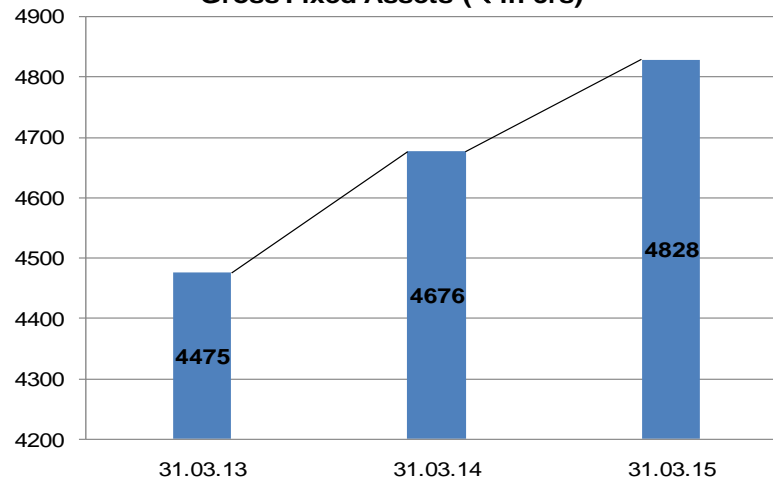
Ratios



Networth & Liabilities  
(₹ Crs.)

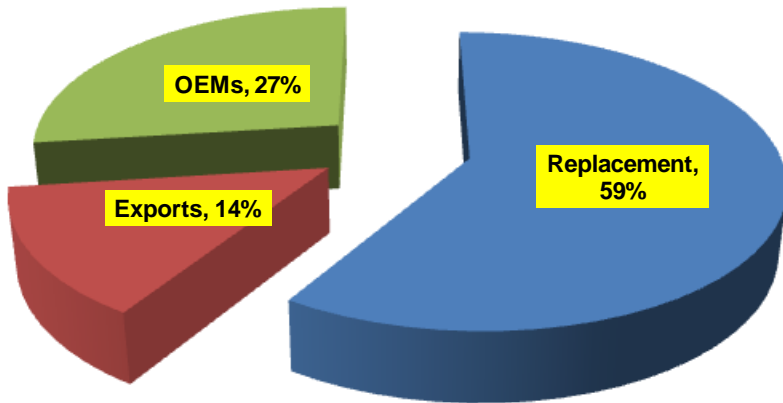


Gross Fixed Assets (₹ in crs)



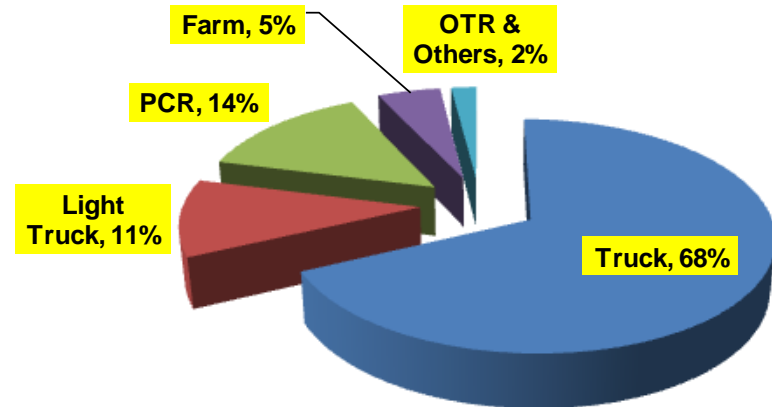
# JK Tyre - Revenue Segmentation

## By Market



Apr'14- Mar'15 (Value)

## By Product Line

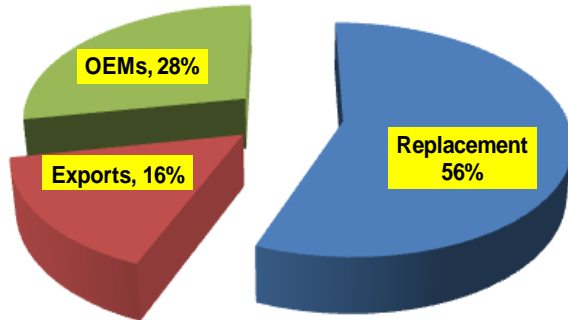


# JK Tyre - Current Customer Mix

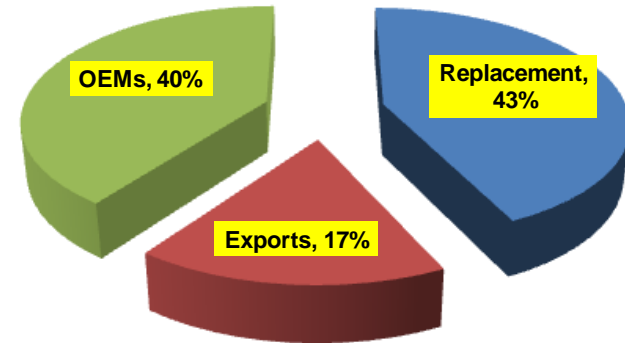
(Apr'14 – Mar'15)

(Nos.)

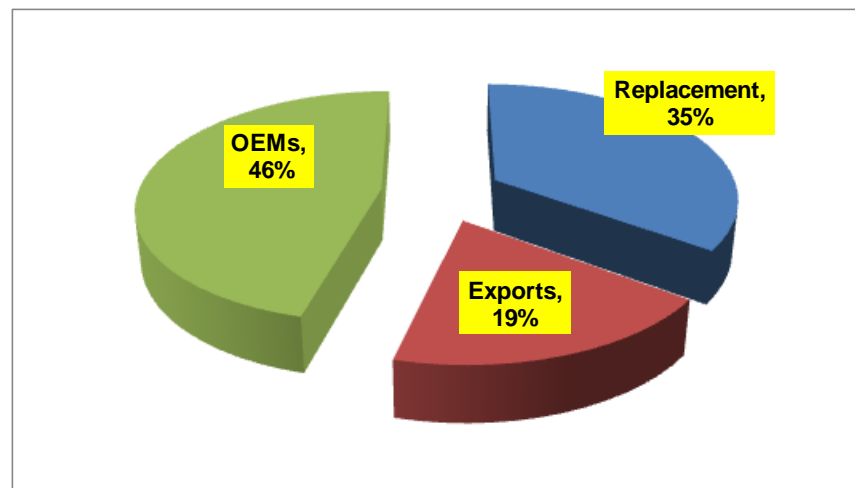
## Truck & Bus Tyres



## Truck Radial Tyres

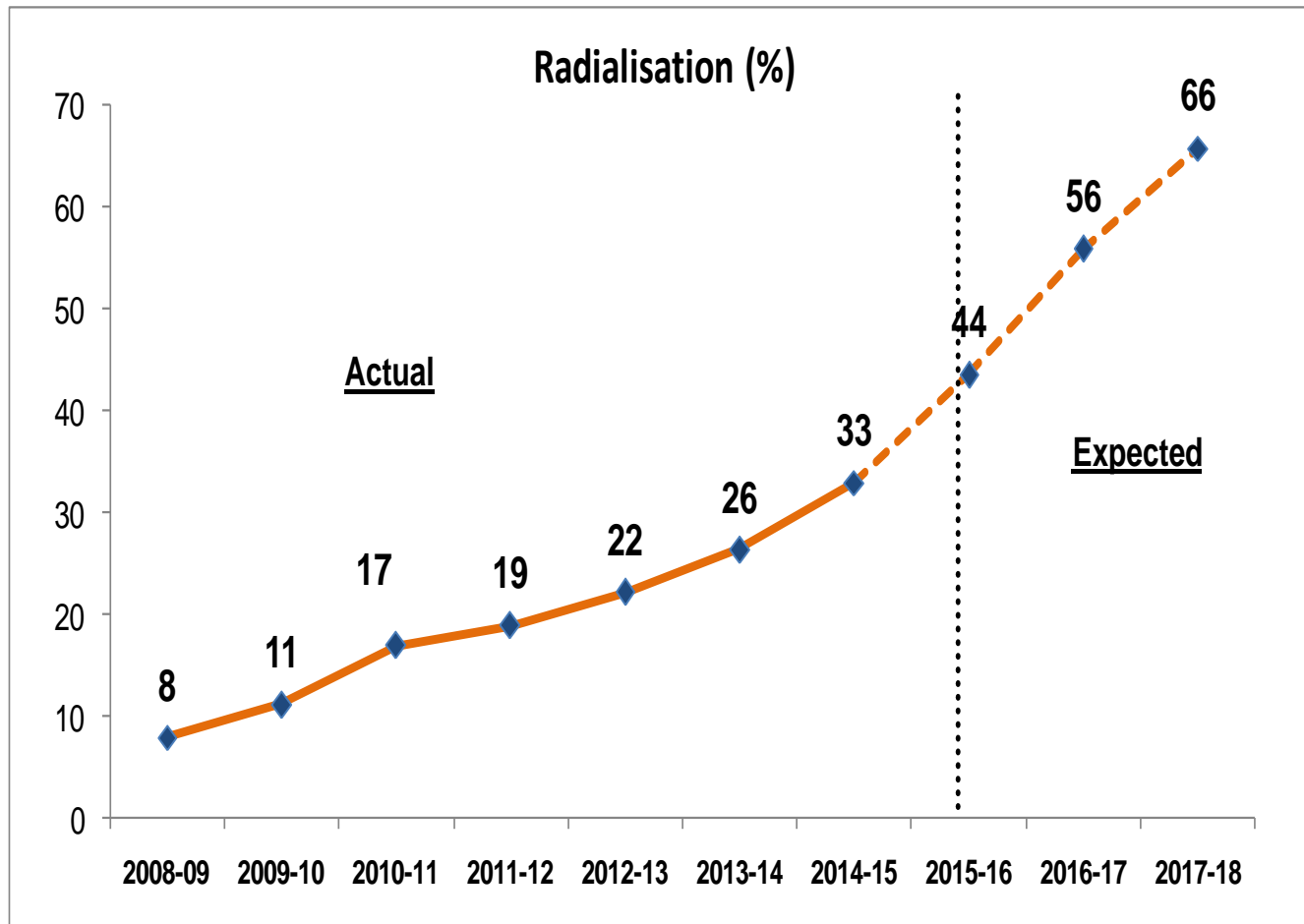


## Passenger Car Tyres





# Truck & Bus Radialisation In India



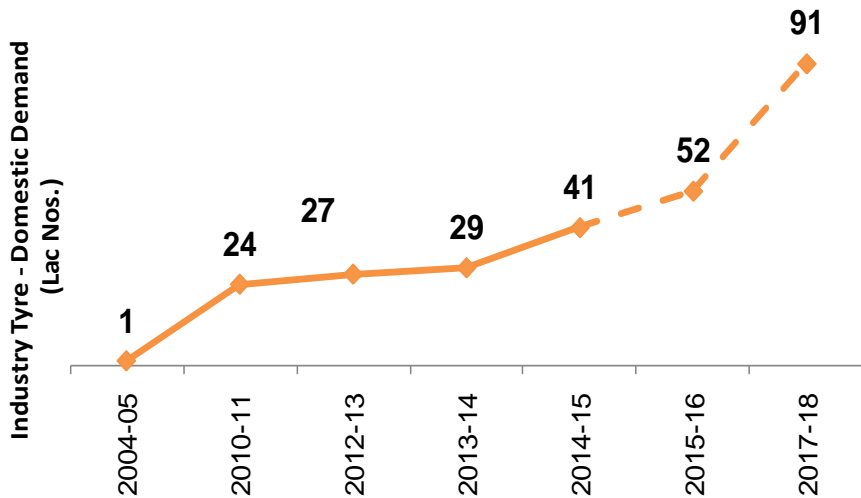
## Radialisation will be driven by :

- Cost - Benefit Ratio
- Road Development
- Overload Control
- User Education
- Retreading Infrastructure

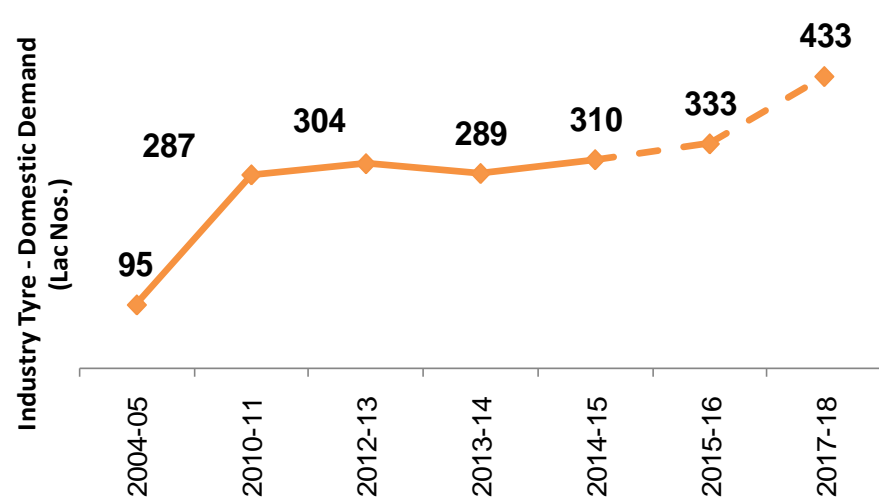
...Radialisation Will Drive Indian Tyre Industry Growth...

# Industry Demand

## Truck Bus Radial



## Passenger Line Radial



**Radialisation expected at faster pace (%)**

----- Estimated

April-March

Particulars	2004-05	2011-12	2012-13	2013-14	2014-15	2015-16 (Expected)	2017-18 (Expected)
Truck/Bus	1.5	18.6	22.2	26.4	33.4	43.6	65.8
Pass. Cars	86	98.5	98.1	98.2	98.4	98.4	98.8

**Presently : 33.5% (Jan'15-Mar'15)**

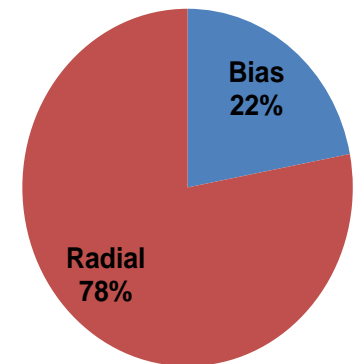
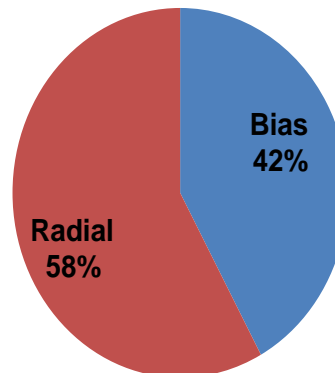
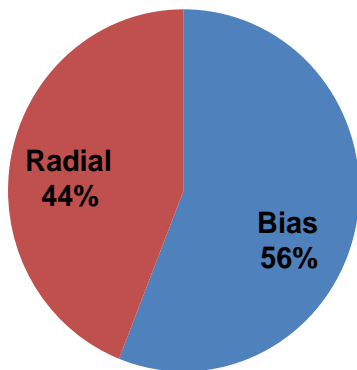
# JK Tyre -Major shift in Truck Tyre mix

By Sales No.

2014-15

2015-16

2017-18



**JK Tyre expansion plans in sync with fast Radialisation in Truck/ Bus Segment**

# JK Tyre - Expansion Projects

## Expansion Projects-Under Implementation

S.No.	Projects	Additional Capacity	Project Cost	Commissioning
		Lac Nos.p.a.	₹/Cr.s.	
A	Truck Radial	8.00	1430	1st April 2016 In phases
B	Passenger Line Radial/LTR	16.40		
<b>Total</b>		<b>24.40</b>	<b>1430</b>	

Capacity Lac Nos.p.a.	Present	After Projects Under Implementation
TBR	14.65	22.65
PCR	81.10	97.50





# Corporate Social Responsibility

## Adult Literacy

- More than 30,000 people have been made literate with our efforts
- More than 3,300 prison inmates have also been made literate in Central Prison Mysore

## ITI adoption

- For improving quality of vocational education & improving employability after course completion, 4 'ITI's' have been adopted under PPP model.

## Parivartan program

- Ensured zero deliveries at home.
- Reduced mother & child mortality rates significantly

## Prevention of HIV AIDS

- 8 clinics set up along highways, in association with TCI Foundation & Vatsalya NGOs
- More than 2.5 lakhs people of transport community benefited

Other initiatives like Blood donation, eye checkup, health camps etc. are organised regularly



ALP at Cental Prison, Mysore



Parivartan Programme

## Environment

- For improving environmental conditions, more than 6 lakhs trees have been planted
- Green patches like public park, gardens, etc are also maintained for general public

## Road Safety

- Awareness generation on Road Safety issues is regularly done for drivers & general public

## Disaster Relief

- As a humanitarian response, Help & support to victims of natural calamities is provided through contributions to PM Relief fund and direct relief works
- We have contributed for J&K & Uttarakhand flood victims
- Hari Shankar Singhania Saraswati Shishu Mandir school is being rebuilt with our support in Uttarakhand

