



JKTIL:SECTL:SE:2023

Date: 8<sup>th</sup> August 2023

<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.  <b>Scrip Code: 530007</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C -1, Block G, Bandra -Kurla Complex, Bandra (E), Mumbai -400 051.  <b>Scrip Code: JKTYRE</b>
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Dear Sir,

**Sub: Chairman's Speech at the 70<sup>th</sup> Annual General Meeting of the Company**

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The Chairman's Speech, delivered at the 70<sup>th</sup> Annual General Meeting of the Company held on 3<sup>rd</sup> August 2023 at 3.30 P.M. and published in the newspaper on 8<sup>th</sup> August 2023, is enclosed for your information and records.

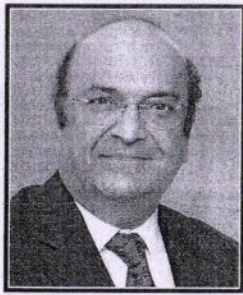
Thanking you,

Yours faithfully,  
For JK Tyre & Industries Ltd.

(PK Rustagi)  
Vice President (Legal) & Company Secretary

Encl. As above





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

#### JK TYRE JOURNEY

The journey of JK Tyre began nearly 5 decades ago here at Kankroli. Starting with one plant, today, we operate 12 plants across geographies and are among the top 21 tyre manufacturers globally. Not only have we pioneered radial technology in India but have also introduced many innovative products—such as Smart Tyres, Puncture Guard etc.

It is indeed, a matter of pride that your Company is very much, a part of our country's journey of economic progress, over the years contributing to making Bharat Atmanirbhar. Our ongoing contribution in transforming the mobility landscape of India, has been captured, in the Integrated Annual Report of your Company, which is already with you. We have endeavored to provide a comprehensive overview of our business, while demonstrating with pride, how we create value in a sustainable and responsible manner.

#### VIKRANT SILVER JUBILEE

This year we completed 25 years of acquisition of Vikrant Tyre, Mysuru, which has been transformed into a state-of-the-art facility backed by world class research, innovation and technology. Even more satisfying is the fact, that, we have been able to enrich the lives economically and socially, of not only our employees but communities in the vicinity of our plant and the city of Mysuru at large.

#### ECONOMIC ENVIRONMENT

Ladies & Gentlemen, it was most unfortunate that geopolitical disturbances impeded economic recovery in the post pandemic period which led to severe inflationary conditions. Central banks across economies responded with synchronized policy rate hikes, thus leading to consumer spending being reduced, which ultimately affected global trade and the growth outlook. The increase in commodity prices, is of particular concern to the tyre industry which is not only capital intensive, but equally, material intensive—process industry, where input costs contribute approximately 65% of its cost of production.

There was some respite in the second half of FY23, as commodity prices stabilized to an extent.

The fundamentals of the Indian economy remains sound, as it entered its Amrit Kaal, the 25-year journey towards its centenary, as a modern, developed democracy. Consumer confidence is on the rebound and is a leading growth driver.

The substantial commitment of the Government

### Chairman's Statement

## Our Vision - "Be a Green and Trusted Mobility Partner"

of India in infra and other areas will indeed attract industrial investment both from domestic as well as international investors, which augurs well for the country. However, it will not be out of place to mention that, we should not resort to regulatory provisions which are at cross purposes with govt endeavours, to improve the ease of doing business.

The Indian automotive industry which contributes significantly to the National GDP and overall employment has registered a healthy growth during the year, and is expected to be the third largest in the world by volume, by 2030. This will drive tyre demand in the coming years.

India is expected to remain as one of the fastest growing major economies of the world and over the next two decades, is projected to transition into a middle-income economy, shining as a beacon of hope for over a billion aspirants.

#### A MILESTONE YEAR—FINANCIAL CAPITAL

JK Tyre was able to showcase a strong financial performance with significant revenue growth, increased volumes, and improved operating margins during FY 2022-23.

Your company successfully navigated through the challenges of unprecedented high input costs, in the tyre industry during the first half of the year. Proactive and timely strategic interventions played a crucial role in maintaining our profitable growth trajectory.

A well calibrated focus on sales enabled our revenue to grow by 22%, culminating in the highest-ever consolidated turnover of ₹14,681 crore. Prudent financial management and continued focus on operating efficiencies at JK Tyre and its subsidiaries resulted in positive outcomes, with a 32% rise in net profit.

Over the past five years, we have diligently allocated our resources and reduced our total debt by over 19%.

The International Finance Corporation (IFC), a prominent member of the World Bank Group and the largest global development institution, has reposed confidence in your Company by making significant investments in JK Tyre.

Our expansion plans in the Truck/Bus radial and passenger Car Radial categories are on schedule, and expected to contribute to our growth in the year ahead.

#### PERFORMING SUBSIDIARIES

##### JK TORNEL

JK Tornel, Mexico recorded an all time high turnover of 6.6 Billion Pesos (Rs 2675 Crs) registering a growth of 13% over the previous year, despite the challenging market conditions in the Americas. Operational efficiencies improved by consolidating production. JK Tornel continued to dominate the Passenger Car Radial market in Mexico and is poised for further growth.

##### CAVENDISH INDUSTRIES

Cavendish continued to contribute significantly to the overall results. It recorded an all-round growth

with 29% increase in turnover, which is its highest ever. A richer & wider Product Mix, higher capacity utilization and operational efficiencies, coupled with stable input costs, should help in further improving the working.

#### BRAND JK TYRE

The brand "JK Tyre" enjoys the trust of customers in diverse geographies and market segments across categories. JK Tyre's flag, flies high in over 105 countries. Customer centricity and a high level of customer engagement backed by a strong distribution network, spanning over 90% of the country, is at the core of company's strategy. Our Fleet Management program 2.0 and mobility program are rapidly expanding.

Motorsport is a cornerstone of our brand building efforts and the race tracks demonstrate our technological capability. JK Tyre has put India, on the Global Motorsport Map. In 2022, it achieved a momentous milestone by celebrating the 25th anniversary of the National Racing Championship. It is significant that JK Tyre is the only promoter in the world to have run a national championship for 25 continuous years – an achievement indeed.

Strategic presence across media, including print, radio, and TV, ensured a greater mind share of the customers. This has been amplified by a strong presence in digital media through many award winning campaigns.

#### R&D and TECHNOLOGY

An important area of focus for our R&D team is, use of Sustainable Materials by replacement of petro based materials with sustainable bio degradable products, as well as, alternative Manufacturing Processes, Design for Increased Durability, Development of Tyre Recycling Technologies and Use of Digital Technology & AI.

The emphasis on Technology and R&D has led to many breakthrough achievements which have enabled the Company to stay ahead of the curve, in the rapidly evolving customer and regulatory requirements for domestic as well as global markets.

We launched many innovative products which are gaining traction such as Fuel Saver range in the truck/bus radial. Our fuel-efficient tubeless tyre - JETWAY JUM XM has been certified for 4-star rating by Bureau of Energy Efficiency and in the passenger segment we introduced Ultra high-Performance LEVITAS radials, more particularly for high end cars. It is of great significance that we developed India's Greenest car tyre with 80% recycled material.

New OEM approvals have been secured across all categories of tyres. Focused efforts were made on enhancing the EV tyre range and developing ultra-low Rolling Resistance tyres.

This has been made possible by continuous pioneering work and journey of innovation at the Company's Global R&D and Tech Centre of Excellence located at Mysuru. We are also collaborating with Institutions of Global repute like

IIT Madras, where a satellite 'Centre of Excellence' is being operated jointly, since the last 18 years, for development of simulation and predictive techniques. This is the longest running industry academia partnership in the country.

#### QUALITY MANAGEMENT SYSTEMS

From its inception JK Tyre has believed in process-based Quality Management and is working on the TQM journey for Business excellence. There is a continuous drive across the organisation which has enabled significant gains in the domain of Productivity, Quality, Cost & Delivery.

#### GREEN JOURNEY – NATURAL CAPITAL

Apart from being a pioneer in radial technology in the country, JK Tyre is amongst the global leaders in the area of green manufacturing.

India, like other major economies, faces two significant challenges: the need to create a sustainable growth-oriented economy and the need to maintain competitiveness in the global market. At JK Tyre, we have demonstrated our strong commitment to ensuring Environment, Social, and Governance (ESG) considerations in our business practices, driving our non-financial performance.



**INDIA'S GREENEST TYRE**  
MADE FROM 80% SUSTAINABLE MATERIAL

JK Tyre has adopted a comprehensive 'Cradle-to-grave' approach to address sustainability challenges and set itself a target to reduce carbon emission intensity to 50% by 2030, re-enforcing its resolve to combat climate change.

With the commitment to reduce greenhouse gases, JK Tyre places emphasis on the use of green and clean energy by enhancing bio mass usage and less dependence on fossil fuels. As a result GHG emissions have reduced by over 64% over the base year.

During the year your company achieved a total energy benchmark level of 8.50 GJ/Ton of production and ranks among the best 3 companies in the sector worldwide. It is the 1st Indian Tyre Company to have certified Carbon Footprint Verification as per ISO Standard.

JK Tyre is recognized today as the world's lowest water use per kg of tyre manufactured at 1.62 liters per kg.

You must have been glad to notice that, we have incorporated an ESG Data Book with the annual report, which is a best in class practice and an industry first in India.

As a green manufacturer, we have demonstrated some of the leading practices in the world for

sustainable manufacturing and our ESG efforts have garnered recognition, with JK Tyre being rated as the best among our Indian peers in the tyre industry by CareEdge.

#### SOCIAL AND RELATIONSHIP CAPITAL

Your Company has consistently prioritised and strengthened its commitment to socially significant projects in the fields of health, education, adult literacy, livelihood enhancement, environment conservation, rural development, and renewable energy, among others. Till date over a million people have benefitted from these programs.

#### PEOPLE- HUMAN CAPITAL

I compliment all team members of JK Tyre, CIL & JK Tornel as they have consistently reinvented themselves in their relentless endeavor to building best in class practices and contribute to the growth and success of your Company.

#### A GREEN VISION

In order to re-emphasise our green ethos and conduct of business sustainably, we have deliberated and recalibrated our vision: to "Be a Green & Trusted Mobility Partner". This vision recognises that we do not, only manufacture and sell tyres, but also contribute to society in terms of mobility, safety, health and happiness which is reflected in each and every aspect of our operations.

#### EXCELERATING TO A NEW FUTURE

At JK Tyre, we will continue to be guided by our key focus areas - sustainability, customer-centricity, technology-enabled manufacturing, and the development of a robust digital infrastructure.

New regulatory requirements that are being imposed on the tyre industry will need to be addressed responsibly keeping ground realities in mind. I am confident that the Team JK Tyre will create and deliver greater value to all our stakeholders.

It has not been an easy journey and would not have been possible without your unwavering support. The trust reposed by you, our dear shareholders, and other stakeholders, has always motivated us to achieve greater heights. On behalf of the Board and my own I am deeply grateful to each one of you, Customers, Partners, Stakeholders, Suppliers, Banks and Community at large, for the unflinching support and look forward to the same as we continue to 'Excelerate' into the future.

Once again, I wish you all and your families' good health and prosperity.

#### Drive Safe and stay in Total Control

Note : These excerpts do not purport to be a report of the proceedings of the 70th Annual General Meeting of the Company held on 3rd August, 2023.



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