



JKTIL:SECTL:SE:2024

Date: 8th August 2024

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

Sub: **Chairman's Speech at the 71st Annual General Meeting of the Company**

The Chairman's Speech, delivered at the 71st Annual General Meeting of the Company held on 2nd August 2024 at 3.30 P.M. and published in the newspaper on 8th August 2024, is enclosed for your information and records.

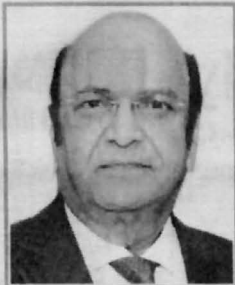
Thanking you,

Yours faithfully,
For JK Tyre & Industries Ltd.

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

Encl. As above





Dr. Raghupati Singhania
Chairman & Managing Director

Chairman's Statement

Exceleration Towards Sustainable Growth



JK TYRE – 'Desh Ka Tyre'

The overall lush green environs of our first Tyre Plant here at Jaykaygram, the venue of this meeting signifies, our transformational journey of a sustainable growth of nearly 5 decades, as collectively we continue to stride ahead and humbly contribute to building a Viksit Bharat.

BEST EVER PERFORMANCE

Our commitment to excellence is embodied in this year's Integrated Annual Report. We look back at FY24 with a sense of satisfaction and pride at a yet another year of robust growth.

JK Tyre achieved highest ever turnover, surpassing the Rs. 15,000 crore mark. I am equally delighted to report that our performance across all key financial metrics has been excellent. Our EBITDA has grown by 60%, and Profit After Tax has surged by 200% to over Rs. 800 crore. Prudent financial management has significantly deleveraged our balance sheet and we are well poised for future growth. The successful Qualified Institutional Placement (QIP) of Rs. 500 crore reflects the investors' confidence in our vision and strategy.

Some hardening of raw material prices was seen towards end of FY24 caused by various geopolitical disruptions. This trend is likely to continue in the initial part of FY25 as well.

THE MACROECONOMIC OVERVIEW

India the fifth largest economy in the world maintained its growth momentum, with GDP rising by 8% and poised to grow further, in the year ahead. Consistently better GST collections and a double-digit growth in direct taxes, are indicative of high and well spread income levels and all-round progress. This was aided by prudent economic management and growing domestic consumption.

In contrast the overall global economic activity continued to be slow and inconsistent, with wide divergence across geographies. Many developing countries were impacted by high debt Service costs and obligations. While Policy interventions curbed Inflation to an extent, climate shocks and geopolitical turbulence caused headwinds for the global economy.

FINANCIAL CAPITAL

In FY24, your company continued its drive for deleveraging the balance sheet, successfully reducing debt from Rs. 4,518 crore in FY23 to Rs. 3,704 crore. This significant reduction brought our net debt to equity ratio down to 0.80. Moving forward, we remain focused on strengthening our financial position further.

MANUFACTURED CAPITAL

Over the years our manufacturing capacity & capability have grown multi-fold. In the past few years premiumization has been a focus area and will continue to be so as it creates value for the Company and the consumer. A large number of products have been further developed both for domestic as well as international markets, to meet diverse customer needs. This includes both Replacement Market and OEMs, with whom we work very closely. During the year a number of prestigious OEM approvals were accorded to your Company.

"JK Tyre has been granted a Patent for an invention "Fin technology" used in its JET R XLM (Rib) pattern tyres. The XF series in truck radials are proving to be immensely beneficial to customers in terms of fuel savings in their operations.

In the Light Truck Radial category our 'Steel King' brand crossed the 10 million mark in sales which is a remarkable achievement."

The advanced tyre manufacturing through 'Hands-off, Eyes-off' process has been adopted for high performance passenger radial range. Digital technologies have enabled streamlining of complex processes to improve reliability, end-to-end traceability, consistency, and productivity.

We continue to evolve as per market needs to meet the growing demand for our products. Our capacities are being enhanced in the Truck Radial & Passenger Car Radial Categories.

The Banmore Tyre Plant is undergoing a two-phase expansion at a cost of nearly Rs. 1000 crore. Phase I of the project was completed well in time and inaugurated at the end of June 2023.

With a focus on enhancing customer satisfaction Your company continues to be a System driven organisation practicing Total Quality Management across all the functions covering Safety, Quality, Cost and Delivery.

R & D - INTELLECTUAL CAPITAL

A strong team of 220+ highly qualified and experienced scientists & engineers at our 'Global Tech Centre', Mysuru and our Centre of Excellence, IIT Madras is our key intellectual resource. Our teams are continuously developing newer technologies through deep understanding and usage of advanced materials, newer high-end evaluation and digital tools as well as through extensive application of Artificial Intelligence (AI) & Machine Learning (ML) in

simulation technologies for creating predictive tools.

Current focus areas, besides newer products and technologies, include our preparedness to comply with existing and forthcoming regulations particularly towards TWRP (Tyre Wear Rubber Particle), Ultra Low Rolling Resistance and Low Noise specially for EV's. Our teams are also deeply involved in application of sustainable material in our products which has also led to development of first in India functional Passenger Radial Tyre with 80% sustainable material. We have increased our R&D spend by 40% during the year under review.

NATURAL CAPITAL

As a Green Tyre Manufacturer, we continue to progress well on our journey to be Net Zero by 2050. I am glad to share that there is a 64% reduction in Green House Gas (GHG) emission Intensity (Scope 1&2) since 2013-14. Biomass constituted 37% of fuel used for boilers. The share of renewable power has reached a level of 55% during the year. JK Tyre continues to be a global industry benchmark in energy consumption and specific raw water consumption.

It is with pride, I would like to share that JK Tyre has been accorded best in class rating for the 2nd consecutive year by Care Edge for our ESG efforts. This testifies our commitment to sustainable growth. JK Tyre's Chennai Tyre Plant has been awarded ISCC plus certification and is "First ISCC plus certified tyre company in India".

PERFORMING SUBSIDIARIES

Cavendish Industries (CIL) and JK Tormel, Mexico delivered strong performances. CIL achieved higher profitability through better efficiencies and high-capacity utilisation. Our focus on product diversification and technology-driven manufacturing processes has further bolstered its performance. Despite currency fluctuations, JK Tormel maintained robust EBITDA margins by pursuing innovative cost-saving strategies. It continues to enjoy highest market share in the Mexican PCR replacement market.

INTERNATIONAL BUSINESS

Despite a challenging geopolitical environment, JK Tyre's exports in most of the categories have grown. Widening presence in the South American & Middle East markets, stronger sales, distribution network and greater logistic efficiencies, have made our exports more resilient.

DIGITAL & IT

In the dynamic landscape of this digital age strong capabilities have been built in the fields of cybersecurity, application development, data analytics, and cloud computing. Advanced technologies, such as AI and ML have been leveraged across all functions for higher operational efficiency and a superior customer interface as well as higher service levels.

BRAND JK TYRE

JK Tyre exhibited a state-of-the-art display at Bharat Mobility Global Expo showcasing the entire range of future ready, high performance, eco-friendly products across categories. It is a matter of pride that the Honourable Prime Minister of India Shri Narendra Modi visited the JK Tyre pavilion and was apprised of all technological advancements made by your Company. Our brand-building efforts have relied heavily on digital media, which has been pivotal in enhancing the Company's visibility.

MARKET PRESENCE & CUSTOMER TOUCH POINTS

JK Tyre continued its efforts to enlarge its channel network both quantitatively as well as qualitatively. Today we have a strong footprint of 6000+ partners including dealers and distributors. The Brand shop network expanded to nearly 800 outlets in different formats - 'Steel Wheels', 'Xpress Wheels' and 'Truck Wheels'. These outlets offer superior customer experience and provide quality service to customers throughout the country.

The customer centric Fleet program has been running successfully for more than 10 years and recording double digit growth. We continue to serve large fleets where they can avail cashless services on the highway from our 'Truck Wheels' network and 'Pit Stops', which are located at every 100 KMs. This has been highly applauded by our customers.

The spirit of innovation continues at JK Tyre with the establishment of Mobility Solutions, a unique company operated concept where customers avail of the Pay per kilometre facility. Strategic hubs have been established which operate round the clock to provide services to the 14000 trucks enrolled under this program. All tyres are fitted with sensors, being supplied by our associate Company 'Treet'. The tech enabled solutions with IoT help provide real time information on tyres on various parameters.

MOTORSPORT

I am happy to share that we continue to build on our four-decade old legacy of promoting motorsport in the country. The flagship program JK Tyre National Racing Championship UKNRC has completed 26 successful years and has groomed some of the country's most accomplished motorsport talent. Various initiatives have been taken by your Company to encourage Women empowerment.

The Indian Racing Festival which was successfully conducted with the support of the J&K Tourism Department at the scenic Dal Lake, Srinagar was lauded in the social media by our Nation's Leadership.

SOCIAL AND RELATIONSHIP CAPITAL

JK Tyre has thrived on building strong, trust-based partnerships for over four decades.

These foundational principles have allowed us to deliver transformative value to a wide range of stakeholders, from communities and partners to customers and beyond.

In addition to the ongoing projects in line with our well thought out CSR policy, many new initiatives were implemented to meet emerging community needs. Some of them are: 'Shiksha Sarthi' Scholarship for Driver's Girl Child which aims to break barriers to higher education for economically disadvantaged families by focusing on the education of girls. Our diverse CSR initiatives have positively influenced more than a million lives over the years.

HUMAN CAPITAL - PEOPLE OUR STRENGTH

We continue to focus on empowering our human capital through strategic initiatives. We took proactive steps to redefine our mission and vision statements, aligning them closely with our evolving goals and aspirations. Central to our efforts was proactive nurturing of talent within our workforce, ensuring we build a resilient talent pipeline poised for future growth. Strong emphasis was placed on recruiting quality talent and equipping them for the future, through comprehensive training and upskilling programmes. These initiatives are pivotal to achieving our long-term strategic objectives.

RISK MANAGEMENT

While JK Tyre remains optimistic about the long-term growth prospects of the business, we recognize the importance of risk management.

Your Company has established a practice of proactively identifying risk under various domain of financial, operational, sectoral, ESG, IT & cyber security and draw up appropriate mitigation plans.

LOOKING AHEAD

The overall outlook for the tyre industry remains positive and is expected to witness continuous growth, no doubt backed by the Government's persistent focus on infrastructure development and increasing consumer confidence.

I would like to take this opportunity to acknowledge the dedication and hard work put in by teams - JK TYRE, CIL & JK TORNEL which has enabled the Company to grow stronger. 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 on our growth journey.

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 71st Annual General Meeting of the Company held on 2nd August, 2024.