



JKTIL:SECTL:SE:2016

Date: 21st May 2016

BSE Limited, 1 st Floor, P.J.Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd. Exchange Plaza, Bandra –Kurla Complex, Bandra(E), Mumbai –400 051
Through: BSE Listing Centre	Through: NEAPS
SCRIP CODE:530007	SCRIP CODE:JKTYRE

Dear Sir,


Re: Circular to Shareholders

We enclose herewith a copy of Circular dated 16th May 2016, being dispatched to the shareholders of the Company and the same is self-explanatory.

This intimation is pursuant to Regulation 30 read Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours' faithfully,
for JK Tyre & Industries Ltd.


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

IRN:Stock Exchange - JKTIL-83



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Regd. Off.: Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan). Fax : 02952-232018 Ph.: 02952-302400 / 330011

Website : www.jktyre.com CIN : L67120RJ1951PLC045966





Patriot House, 3, Bahadur Shah Zafar Marg, New Delhi - 110002

Chairman & Managing Director

16th May, 2016

Dear Shareholders,

It gives me immense pleasure to share with you a happy event. JK Tyre has acquired majority shareholding in Cavendish Industries Ltd. (CIL) effective 13th April, 2016. It is indeed a defining moment for JK Tyre.

CIL houses 3 tyre manufacturing plants that belonged to Birla Tyre with an aggregate capacity of 100 lac tyres per annum. The plants, located at Laksar (Haridwar) manufacture a wide range of tyres, tubes and flaps. Following this acquisition, JK Tyre has aggregated 12 tyre plants - 9 in India and 3 in Mexico with an overall capacity of about 350 lac tyres p.a., out of which 266 lac tyres p.a. will be in India and remaining in Mexico.

This acquisition, at an enterprise value of ₹ 2170 crore, has been funded by a combination of equity and debt raised in the books of CIL directly. JK Tyre has not assumed any debt obligation.

Cavendish has become a subsidiary of JK Tyre with a majority shareholding held directly and balance through Associates/Group companies.

You are well aware, that JK Tyre has a No.1 position in the Truck/Bus Radial (TBR) segment with highest market share in India. This acquisition shall further strengthen our leadership position in the market and facilitate JK Tyre's strategic entry into the rapidly growing 2/3 wheeler segment.

During 2015-16, our Company delivered a robust performance and set new records by achieving highest ever operating profit of ₹ 1006 crore and Net Profit after Tax of ₹ 401 crore - an all time high. Moreover, with proposed Dividend of ₹ 2.50 per share (125 %), the return to shareholders has further gone up.



JK Tyre continued to focus on its strategic initiative of re-aligning its portfolio towards Premium Products with the objective of achieving higher profitability growth.


In 1977, JK Tyre entered the tyre business by setting up capacity of 5 lac tyre unit in Jaykaygram, Kankroli (Rajasthan), an industrial backward area. Ever since, there has been no looking back. We have been expanding our tyre business both organically and inorganically. Over the years, we have been setting up green site plants, expanding our existing facilities, and also acquiring businesses. Vikrant Tyres Ltd., Mysore was acquired in 1997 and JK Tornel, Mexico in 2008. These companies were turned around successfully in a short time of less than a year. This is a testimony of our strength in manufacturing and technological excellence.

With the Indian economy pitching for higher growth, the Indian automotive industry is poised for much higher growth in the years ahead which augurs well for the tyre industry. JK Tyre is well geared to capture this upswing and looks forward to higher sales and improved profitability in the years ahead.

All these achievements have been possible with your patronage and confidence placed in the Management and we seek your continued support in all our endeavors.

With best wishes.

Yours sincerely



(RAGHUPATI SINGHANIA)



A view of the Laksar Plant

