

JK Tyre forms team for overseas buys

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NEW DELHI

JK Tyre and Industries Ltd has set up a team to look for acquisitions abroad after having turned around Tornell, a Mexico-based tyre company.

"We are looking at opportunities," Raghupati Singhania, vice-chairman and managing director, JK Tyre, said in Delhi on Tuesday. "We have a team comprising top officials from the company working for strengthening our brand and company

abroad." JK Tyre is focusing on low-cost countries in South-East Asia and isn't interested in the North American market "as we have already made inroads there", he said.

The Mexican firm was acquired in 2008 for ₹270 crore.

"Tornell was a case of a successful takeover and management. JK Tyre helped Tornell improve its operational efficiencies and enhance productivity leading to extensive all-round savings," said an expert with a leading consultancy firm on condition of anonymity as he is not au-

thorized to speak about specific clients. "Within 10 months, the company turned around despite the economic recession."

In India, the company is advancing the commissioning of its new plant in Chennai in order to meet growing demand.

"The plant will be operational in December as against the earlier schedule of mid-2012," Singhania said.

The plant will have an initial capacity of 2.5 million passenger car tyres and 400,000 truck and bus radial tyres a year. The firm had earmarked ₹1,500 crore for

capacity expansion at plants in Chennai and Mysore.

Singhania said plans to enter the power sector by setting up a thermal plant near Jhansi in Madhya Pradesh have been firmed up. "We are in the process of setting up a separate entity and will form an SPV (special purpose vehicle) soon" to run the group's power business, Singhania said.

The \$2.5 billion-JK Organisation has interests in tyre, cement and paper.

The thermal plant will have a total capacity of 1,360MW and will generate 660MW in the first phase. The firm has earmarked ₹1,300 crore for the first phase and will raise funds later for financing the project, details of which will be decided later.