

JK Tyre eyes rubber plantation in SE Asia

Special Correspondent

KOLKATA: JK Tyre & Industries is eyeing acquisition of a small rubber plantation, possibly in Southeast Asia, to securitise its natural rubber supplies.

Talking to reporters, JK Tyre's President & Director Arun Bajoria confirmed this but was reluctant to divulge details, "We are looking at options and it would be a small plantation," he said.

The company, which now has a 25 per cent share of the market (by pieces sold), sources its natural rubber requirement locally and through imports.

He said that the Rs.1,130-crore expansion plan was now entering its third and final phase which would see the completion of a Rs.200-crore project at the plant at Sriperumbudur near Chennai.

"The two-lakh truck and bus tyre expansion project will be commissioned next month, attaining full capacity by October".

Mr. Bajoria said that a fourth phase of brownfield expansion at Rs.1,800-crore investment was being planned.

However, its implementa-

tion schedule had been kept tentatively at four years but would be finalised "depending on market conditions". Bulk of the investment is expected to be made at Chennai and some at Rajasthan.

The company's present capacity of 16.6 million tyres is to increase to 20 million tyres with the completion of the Chennai project.

A. K. Kinra, Finance Director, said the company made the entire range of tyres, radial and bias and in the range beginning from small tyres for Nano to the large ones for the off-the-road tyres. It has plants in Karnataka, Tamil Nadu, Rajasthan and Madhya Pradesh.

In 2008, the company acquired a plant in Mexico, which Mr. Bajoria said had now begun making money. "A reasonable profit was made". JK Tyre exports to nearly 80 countries across six continents and its export turnover was Rs.1,009 crore in 2011-12.

Q1 performance

The company closed the first quarter with a net sales of Rs.1,443 crore against Rs.1,408.8 crore in the year-ago period. The net profit was Rs.24.7 crore (Rs.11 crore).