



Investment Thesis	On-ground findings	View
<p>Radialisation in India will increase.</p> <p>There is an increase in radialisation in India in the truck and bus segment.</p>	<ul style="list-style-type: none"> ✓ 90% of the dealers we spoke to said that “<i>radial tyre volumes are increasing because it can run in all terrain and are far more sturdy</i>”. ✓ “<i>Volumes have increased by 5-10% for this quarter as compared to last year</i>” 	<p>Positive: This will help the growth of JK</p>
<p>Dominant market position in Truck & Bus Radial</p> <p>JK Tyre is well positioned to gain from the increase in radialisation in truck and bus segment as it is the leader in this segment</p>	<ul style="list-style-type: none"> ✓ Dealers said that “<i>JK is the market leader in Truck & Bus segment. It has a first mover advantage and has a monopoly in truck and bus segment</i>” 	<p>Positive: This will help the growth of JK Tyres</p>
<p>Anti dumping duty on Chinese tyres can benefit JK</p> <p>With the anti dumping on Chinese radial tyres used in buses and trucks, volumes of organised players/ branded players is expected to increase</p>	<ul style="list-style-type: none"> ✓ Channel checks suggest the following: <ul style="list-style-type: none"> ➤ There is hardly any share of Chinese tyres in truck and bus segment. It is mainly used in Passenger Vehicle segment especially for Taxis ➤ Chinese tyres are cheap as well as of low quality without any warranties. ➤ In Truck and Bus Segment, Chinese tyres are mainly used in LCVs which are used by small wholesalers, traders etc. ✓ Given the condition of Indian roads and overloading of trucks, Chinese tyres cannot handle the load of Heavy Commercial Vehicles. 	<p>Neutral - No major benefit envisaged as Chinese tyres are hardly present in Tyres/Bus segment.</p>
<p>Customer satisfaction and complaints</p>	<ul style="list-style-type: none"> ✓ Channel checks suggest that customer satisfaction is very high in case of JK tyres. JK has the best warranty and extended warranty as compared to other players. Also the after sales service is relatively good. 	<p>Positive: This could help JK gain market share over a period of time</p>



<p>Dealer feedback about JK tyre</p>	<ul style="list-style-type: none"> ✓ On-ground research reveals that few dealers are unhappy with the pricing policy of JK Tyres - <i>the pricing is different for different dealers and hence there is dissatisfaction among some dealers</i> ✓ <i>Also the management is slow in responding to dealers</i> ✓ <i>At times there are inventory delays.</i> 	<p>Negative: This can hurt the business going forward. Management should immediately look at taking corrective steps.</p>
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