

**CLOSURE** of ₹200-cr loan taken by holding company with tenor of four years in just five months to help revive investor confidence

### JK Tyre Promoters Prepay KKR Loan, Take Back Pledged Stock

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**Mumbai:** The promoters of JK Tyre and Industries have prepaid a loan taken just five months ago from KKR Capital, regaining control of promoters' pledged shares and helping revive investor confidence in the stock.

Bengal & Assam Company, the holding company of the JK Tyre Group and engaged in stock trading for the company, borrowed about ₹200 crore from KKR Capital in March. The loan was collateralised against shares of JK Tyre & Industries held by the Singhania, the group promoters.

"It was a four-year collateralised loan. With tumbling share prices of Bengal & Assam, the lender sought additional shares. But the company pre-paid the whole loan in two tranches," said a senior executive familiar with the matter.

In the past two weeks, the company pre-paid the loan in two tranches of ₹50 crore and ₹150 crore, JK Group said, in response to ET's mailed query. The last payment was made on August 30, it said. The scheduled repayment deadline was March, 2023.

"All JK Tyre shares pledged against the loan have been returned to the promoters following the repayment," the company said. "The deci-

sion — to repay the loan and get back the shares — was taken keeping in mind the interest of shareholders and to instill confidence in investors associated with JK Tyre, despite the odds in the market."

Shares of JK Tyre & Industries tumbled about 19% in August, reflecting the most protracted slowdown in India's auto sector this millennium. Bengal & Assam shares have also shrunk more than 8% since August 14, showed data from BSE. Since March, when the loan was availed against JK Tyre shares, the stock has lost 36%.

"The group managed to generate the cash from internal accruals and was keen to regain waning investor confidence," said another market source. JK Tyre & Industries has reported a consolidated net profit of ₹16 crore for Q1 FY20, down 75% from ₹64 crore in the corresponding period last year.

KKR, one of the biggest private equity funds in India, operates its corporate credit business in the country through an NBFC and credit funds. The firm has invested close to \$6 billion of structured financing deals since opening offices in India in 2009. KKR is said to have underwritten close to ₹10,000 crore in financing over the past 18 months.



**QUARTERLY PERFORMANCE**  
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