



JKTIL:SECTL:SE:AGM 2019

Date: 19 JUL 2019

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G Bandra -Kurla Complex, Bandra(E), Mumbai -400 051.
Through: BSE Listing Centre	Through: NEAPS
Scrip Code :530007	Scrip Code : JKTYRE

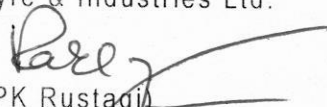
Re: Annual General Meeting – Annual Report 2018-19

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice of the Annual General Meeting scheduled to be held on Wednesday, 14th August 2019 at Kankroli, Rajasthan; which are being dispatched/sent to the members by the permitted mode.

Thanking you,

Yours faithfully,
for JK Tyre & Industries Ltd.


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

Encl: As above

AGM LETTERS20161RN13

Admin. Off.: 3, Bahadur Shah Zafar Marg, New Delhi-110 002, Fax: 91-11-23322059, Phone: 91-11-33001112, 33001122

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

Website : www.jktyre.com CIN : L67120RJ1951PLC045966





3, Bahadur Shah Zafar Marg, New Delhi-110 002

NOTICE

NOTICE is hereby given that the sixty-sixth Annual General Meeting of the Members of JK Tyre & Industries Ltd. will be held at the Registered Office of the Company at Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) on Wednesday, 14th August 2019 at 11.30 A.M. to transact the following business:

1. To receive, consider and adopt - a) the audited standalone financial statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Anshuman Singhania who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Shri Arvind Singh Mewar, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 25th September 2014 for a term of five consecutive years and who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing Regulations be and is hereby re-appointed as an Independent Director of the Company to hold office for second term, comprising of three consecutive years with effect from 25th September 2019."
5. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Shri Bakul Jain, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 25th September 2014 for a term of five consecutive years and who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing Regulations be and is hereby re-appointed as an Independent Director of the Company to hold office for second term, comprising of four consecutive years with effect from 25th September 2019."
6. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Shri Vimal Bhandari, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 25th September 2014 for a term of five consecutive years and who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing

Regulations be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 25th September 2019."

7. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Shri Kalpataru Tripathy, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 25th September 2014 for a term of five consecutive years and who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing Regulations be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 25th September 2019."
8. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Dr. Wolfgang Holzbach, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 25th September 2014 for a term of five consecutive years and who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing Regulations be and is hereby re-appointed as an Independent Director of the Company to hold office for second term, comprising of four consecutive years with effect from 25th September 2019."
9. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:
"RESOLVED that pursuant to the provisions of Section 197 and Schedule V to the Companies Act, 2013 (the Act) and other applicable provisions, if any, of the Act read with relevant rules thereunder (including any statutory modification or re-enactment thereof), and subject to necessary approvals as may be required and consequent to the abatement of the application filed by the Company with the Central Government under Section 197 of the Companies Act, 2013, the members of the Company hereby approve waiver of recovery of excess remuneration amounting to ₹ 241,03,693/- (Rupees two crores forty one lakh and three thousand six hundred ninety three) and the exempted contribution to the provident fund amounting to ₹ 50,40,000/- (Rupees fifty lakh and forty thousand) paid for the period from 1st April 2017 to 31st March 2018 to Dr. Raghupati Singhania, Chairman & Managing Director, as per terms and conditions of his appointment as Chairman & Managing Director which were approved by the shareholders at their Annual General Meeting held on 2nd September 2016 and therefore the excess remuneration as aforesaid is not required to be refunded by the said managerial person to the Company.
RESOLVED FURTHER that the Board of Directors of the Company including the Committee of Directors, be and is hereby authorised to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto and

to do all such acts, deeds, matters and things as may be deemed necessary for giving effect to this resolution.”

10. To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 197 and Schedule V to the Companies Act, 2013 (the Act) and other applicable provisions, if any, of the Act read with relevant rules thereunder (including any statutory modification or re-enactment thereof), and subject to necessary approvals as may be required and consequent to the abatement of the application filed by the Company with the Central Government under Section 197 of the Companies Act, 2013, the members of the Company hereby approve waiver of recovery of excess remuneration amounting to ₹ 86,53,507/- (Rupees eighty six lakh fifty three thousand and five hundred seven) and the exempted contribution to the provident fund and superannuation fund amounting to ₹ 17,52,000/- (Rupees seventeen lakh and fifty two thousand) paid for the period from 1st April 2017 to 31st March 2018 to Shri Arun K. Bajoria, Whole-time Director with the designation ‘Director & President - International Operations’, as per terms and conditions of his appointment as Whole-time Director which were approved by the shareholders at their Annual General Meeting held on 22nd September 2015 and therefore the excess remuneration as aforesaid is not required to be refunded by the said managerial person to the Company.

RESOLVED FURTHER that the Board of Directors of the Company including the Committee of Directors, be and is hereby authorised to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto and to do all such acts, deeds, matters and things as may be deemed necessary for giving effect to this resolution.”

11. To consider and if thought fit to pass, with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification(s) or re-enactment thereof, the Cost Accountants appointed by the Board as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2019, be paid the remuneration of ₹ 2,00,000/- (Rupees Two Lakh Only), in addition to applicable taxes and reimbursement of actual expenses of travel outside Delhi for the said audit, as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 16th May 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Regd. Office:

Jaykaygram, PO-Tyre Factory,
Kankroli-313 342 (Rajasthan)

Phone: 02952-302400/330011

Fax: 02952-232018

Email Id: investorjkyre@jkmil.com

CIN:L67120RJ1951PLC045966

Website:www.jkyre.com

Date: 16th May 2019

By Order of the Board

Pawan Kumar Rustagi
Vice President (Legal)
& Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE

NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 4 to 11 of the Notice, is annexed hereto.
3. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered Office and the copies thereof at the Administrative Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of the Annual General Meeting (AGM).
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 8th August 2019 to 14th August 2019 (both days inclusive).
5. The Dividend of ₹ 1.50 per Equity Share of ₹ 2/- each (75%) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within two weeks of the date of the Annual General Meeting to the Members whose names are borne on the Company's Register of Members on 14th August 2019 or to their mandatees.
6. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2018-19, the Notice of the 66th AGM of the Company along with Admission Slip and Proxy Form are being emailed to all the members whose email addresses are registered with the Company/Depository Participants (Physical copy of the aforesaid documents may be sent on request by any such Member).
8. Physical copy of the Annual Report for 2018-19, the Notice of the 66th AGM of the Company along with Admission Slip and Proxy Form are being sent to those members who have not registered their email addresses with the Company/Depository Participants. The Annual Report for 2018-19 and the Notice of the 66th AGM will also be available on the Company's website - www.jkyre.com.
9. **Members who have not registered their email addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.**

10. APPOINTMENT OF DIRECTOR:

Brief resumes of the Directors proposed to be reappointed (Item Nos. 3 to 8 of the Notice) are given hereunder:

- Shri Anshuman Singhania, aged 39 years, is a graduate from Oxford Brookes University, UK - BBA (Hons. Business & Management Degree). He has also done post-graduate diploma from International Management Institute, New Delhi in 2003-05. He is also an alumni of London Business School and has done Emerging Leaders Programme from London Business School in the year 2011.

He was appointed as a Whole-time Director of the Company w.e.f. 16th March 2016. He joined the Company as an Executive with effect from 1st January, 2007 and was promoted as the Vice President (Operations) in the year 2011. Shri Singhania has over twelve years' experience in JK Tyre and is deeply involved in strategic decision making, production planning, sales and marketing, expansion, finance and accounts, corporate governance, risk management, internal control system, information technology, logistics/supply chain management, debtor/inventory control, human resource, product development and technology, etc. Since last few years he has been involved with the overall operations of the business.

His other Directorships are - He is a Director of Niyojit Properties Private Ltd. and Vice Chairman, Managing Committee of Automotive Tyre Manufacturers Association and a member of Managing Committee of PHD Chamber of Commerce and Industry and Hari Shankar Singhania Elastomer and Tyre Research Institute. He is also a member of the Entrepreneurs' Organisation (Delhi Chapter) since 2006. Chairmanship/ Membership of Shri Singhania in the Committees of Directors in other Companies in terms of Regulation

26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – NIL.

Shri Singhania attended all the four board meetings of the Company held during the financial year ended 31st March 2019. Shri Singhania holds 63,375 Equity Shares of ₹ 2/- each of the Company. Shri Singhania is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of appointment including remuneration of Shri Singhania as Whole-time Director of the Company are as approved by the members at the Annual General Meeting held on 2nd September 2016. For details of remuneration drawn during FY 2018-19, please refer to the Corporate Governance Report printed in the Annual Report of the Company. His Director Identification Number is 02356566.

- Shri Arvind Singh Mewar, aged 74 years, holds a Bachelor's Degree in English Literature, Economics and Political Science. He has also done Hotel Management in UK. He joined the Board of Directors of the Company on 7th April 1975. He is a well-known Hotelier and is Chairman and Director of HRH Group of Hotels, Udaipur. He is former Maharana of Udaipur.

His other Directorships are - He is Chairman & Managing Director of The Lake Palace Hotels & Motels Pvt. Ltd., The Lake Shore Palace Hotel Pvt. Ltd., Lake Palace Trade and Travels Pvt. Ltd. He is also a Director of The Lake Palace Hotels & Motels U.K. Ltd., Historic Resort Hotels Pvt. Ltd., Central Office Mewar Palace Organisation Pvt. Ltd., Chetak Exports (India) Pvt. Ltd., Shikarabadi Hotel Pvt. Ltd., Mewar Memorable Millennium Melodious Music Pvt. Ltd., HRH Information Technology Pvt. Ltd., Meva Media Management Pvt. Ltd., Mewar Hospitality Management Solutions (India) Pvt. Ltd., Padmaja-Kush Enterprises Pvt. Ltd. and The Mayo Foundation. Shri Mewar is on the Advisory Board of JCB India. Chairmanship/Membership of Shri Mewar in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Nil.

Shri Mewar attended three board meetings of the Company held during the financial year ended 31st March 2019. Shri Mewar does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Mewar is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No.4 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00008244.

- Shri Bakul Jain, aged 64 years, holds a Bachelor's Degree in Commerce and also holds Master's Degree in Business Administration from Switzerland. He joined the Board of Directors of the Company on 22nd February 1989. He is an Industrialist with over 40 years of experience.

His other Directorships are – (A) Listed Companies- He is presently the Managing Director of DCW Ltd. and a Director of Bengal & Assam Company Ltd. (B) Unlisted Companies - Sahu Brothers Private Ltd., B.J. Holdings Private Ltd., Canvas Shoe Co. (Goa) Private Ltd., D.P.B. Holdings Private Ltd., Jain Sahubrothers Properties Private Ltd., DCW Pigments Ltd., J.K. Fenner (India) Ltd., Cashco Holdings Private Ltd. He is also a member of Managing Committee of Western India Automobile Association. Chairmanship/Membership of Shri Jain in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Member of Stakeholders' Relationship Committee of DCW Ltd. and Bengal and Assam Company Ltd., and Chairman of Audit Committee of Bengal & Assam Company Ltd. and J.K. Fenner (India) Ltd.

Shri Bakul Jain attended three board meetings of the Company held during the financial year ended 31st March 2019. Shri Jain holds 4,000 Equity Shares of ₹ 2/- each of the Company and does not hold any equity shares of the Company, on beneficial basis for any other person. Shri Jain is not related to any other Director and Key

Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 5 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00380256.

- Shri Vimal Bhandari, aged 60 years, holds Bachelor's Degree in Commerce and is a Chartered Accountant. He joined the Board of Directors of the Company on 1st July 2011. He has over 32 years of experience as a Sr. Management Professional in the financial services industry.

His other Directorships are – (A) Listed Companies- He is a Director of DCM Shriram Ltd., Bharat Forge Ltd. and Kalpataru Power Transmission Ltd. (B) Unlisted Companies - He is Vice Chairman and CEO of Kirloskar Capital Ltd. and a Director of HDFC Trustee Company Ltd. Chairmanship/Membership of Shri Bhandari in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Member of Audit Committees of Kalpataru Power Transmission Ltd. and HDFC Trustee Company Ltd.

Shri Bhandari attended three board meetings of the Company held during the financial year ended 31st March 2019.

Shri Bhandari does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Bhandari is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 6 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00001318.

- Shri Kalpataru Tripathy, aged 47 years, holds Bachelor's Degree in Science and is a Law Graduate and also holds Post Graduate Diploma in International Business Laws. He joined the Board of Directors of the Company on 1st October 2010. He is a Member of Bar Council of Delhi and has rich experience of over 22 years in diverse corporate legal matters.

His other Directorships are - (A) Listed Companies - Avadh Sugar & Energy Limited and Texmaco Infrastructure & Holdings Ltd. (B) Unlisted Companies - JK Enviro-Tech Ltd., Carlsberg India Private Ltd., The Sirpur Paper Mills Ltd., and Cavendish Industries Ltd. Chairmanship/Membership of Shri Tripathy in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Chairman of Audit Committee of Cavendish Industries Ltd. and a Member of Audit Committees of Avadh Sugar & Energy Limited and Texmaco Infrastructure & Holdings Ltd.

Shri Tripathy attended all the four board meetings of the Company held during the financial year ended 31st March 2019. Shri Tripathy does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Tripathy is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 7 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00865794.

- Dr. Wolfgang Holzbach, aged 69 years, holds a doctorate degree in Natural Science. He joined the Board of Directors of the Company on 6th November 2012. He has had a very long and distinguished

career of 31 years with a leading international tyre company where he was responsible for various strategic areas including Material Development, Quality Management, Manufacturing, Engineering and Technology. Besides wide knowledge and rich experience in manufacturing and tyre technology, he has international perspective.

His other Directorships are – Nil. Dr. Holzbach attended three board meetings of the Company held during the financial year ended 31st March 2019. Dr. Holzbach does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Dr. Holzbach is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 8 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 06422833.

11. Remote e-voting procedure:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members, facility to exercise their right to vote at the 66th AGM by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is

optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for shareholders for remote e-voting are as under:

- (i) The voting period begins on 11th August, 2019 from 10.00 A.M. and ends on 13th August, 2019 at 5.00 P.M. During this period members' of the Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e., 7th August 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM date may attend the AGM but would not be entitled to vote at the AGM.
- (iii) Log on to the e-voting website www.evotingindia.com during the voting period and click on 'Shareholders/ Members' tab.
- (iv) Shareholders maintaining their holding in Demat form should enter their User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Enter the characters displayed on the Image Verification and click on Login.
- (vi) Members holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any company, then your existing password is to be used.
- (vii) For the first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (a) Members who have not updated their PAN with the Company/Depository Participant, are requested to use the first two letters of their name in Capital Letters followed by 8 digits of the sequence number (please see (c) below) in the PAN field. (b) In case the sequence number is less than 8 digits, enter the applicable number of 0's before the sequence number and after the first two characters of the name in CAPITAL letters e.g., if your name is Ramesh Kumar and sequence number is 1, then enter RA00000001 in the PAN field. (c) For details of sequence number, please refer to Admission Slip on which your address and other details of shareholding are mentioned or email text as the case may be.
D i v i d e n d Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant for JK Tyre & Industries Ltd.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non-Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e., 7th August 2019 may follow the same instructions as mentioned above for remote e-voting.
 - (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai – 400 013; Phone No. 1800225533 or write an email to helpdesk.evoting@cdslindia.com.
 - (xxii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th August 2019 and a person who is not a member as on the cut-off date should treat the Notice for information purpose only.
 - (xxiii) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. - 12094) of M/s Ronak Jhuthawat & Co., Company Secretary in practice as Scrutinizer and Shri Mohit Vanawat (Certificate of Practice No. – 16528) of M/s Mohit Vanawat & Associates, Company Secretary in Practice as Alternate Scrutinizer, to scrutinize the voting (at AGM venue) and remote e-voting process in a fair and transparent manner.
 - (xxiv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 3 days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
12. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e., 7th August 2019 and who has not cast vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.
 13. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.jktyre.com and on the website of CDSL (www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered Office and the Administrative Office.
 14. This Notice also contains a route map of the venue of AGM.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item nos. 4, 5, 6, 7 and 8

The shareholders of the Company at their Annual General Meeting (AGM) held on 25th September 2014 appointed Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach as Independent Directors of the Company each for their first term of 5 (five) consecutive years. Accordingly, the first term of these five Independent Directors will be determined on 24th September 2019.

As per provisions of the Companies Act, 2013, the Independent Directors shall hold office for a term up to five consecutive years, but shall be eligible for reappointment, subject to compliance of certain conditions and on passing of a Special Resolution by the members of the Company. Further, such Independent Directors will also not be subject to retirement of Directors by rotation and accordingly while ascertaining total number of Directors for the purposes of determining Directors liable to retire by rotation, Independent Directors shall not be included.

The Board, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee of Directors, considers that given the knowledge, background, experience and contribution made by each of the above named Independent Directors during their respective tenures, it would be in the interest of the Company to have continued association of Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach as Independent Directors of the Company.

Accordingly, the Board recommended reappointments of the above named directors as Independent Directors of the Company, for second term with effect from 25th September 2019, comprising of three consecutive years in case of Shri Arvind Singh Mewar; four consecutive years each in case of Shri Bakul Jain and Dr. Wolfgang Holzbach and five consecutive years each in case of Shri Vimal Bhandari and Shri Kalpataru Tripathy.

The Company has received declarations from Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach that they meet with the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, as prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). None of the above named directors are disqualified from being appointed as a Director in terms of Section 164 of the Act or debarred from holding the office of Director pursuant to any SEBI Order.

In the opinion of the Board, Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations for their reappointments as Independent Directors of the Company and they are independent of the Management.

Copies of the draft letters for re-appointment of Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach as Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company. Brief resumes of Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach, are given in the notes appended to the Notice of this Meeting.

Further, in terms of the Listing Regulations, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of re-appointment, Shri Arvind Singh Mewar will attain the age of seventy five years in December 2019. The Special Resolution set out at Item no. 4 of the Notice for his reappointment, shall also be deemed to have been proposed under the Listing Regulations for continuation of Shri Arvind Singh Mewar as an Independent Director beyond the age of seventy five years.

The Board recommends the aforesaid Special Resolutions for approval by the members.

Except Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach, being appointees respectively, and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors or Key Managerial

Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolutions.

Item no. 9

The shareholders of the Company at their Annual General Meeting held on 2nd September 2016, reappointed Dr. Raghupati Singhania as Chairman & Managing Director of the Company for a tenure of five years commencing 1st October 2016 and also approved the terms and remuneration of his appointment, by means of a Special Resolution.

The Company paid a total remuneration of ₹ 532.46 lakh for the financial year ended 31st March 2018, as per terms of remuneration approved by the shareholders, as aforesaid. However, the maximum remuneration which could be paid to Dr. Singhania as per Section 197 read with the provisions of Schedule V to the Companies Act, 2013 (Act) was ₹ 291.42 lakh, owing to inadequacy of profits during the said financial year ended 31st March 2018. As per the terms of appointment and as approved by the Nomination and Remuneration Committee and also as per the provisions of the Act, the Company made an application to the Central Government in June 2018 seeking approval of the waiver of recovery of excess remuneration, as aforesaid.

Meanwhile, the Ministry of Corporate Affairs vide its Notification dated 12th September 2018, notified amendments to the Companies Act, 2013. As per the amended provisions, any application pending with the Central Government under Section 197 on the date of notification shall abate and the company shall be required to obtain approval from the members of the Company by means of a special resolution within a period of 1 (one) year from the date of the said notification.

Accordingly, the application made by the Company in this respect to the Central Government which was pending as on 12th September 2018 stands abated. The Company has also received a communication in this regard from the Central Government.

The Company is now seeking approval of the members by means of a Special Resolution in terms of the provisions of the Act, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

The relevant details are as under:

I. General Information:

1. Nature of Industry: Automotive Tyres and Tubes.
2. Date or expected date of commencement of commercial production: The first Tyre Plant of the Company commenced commercial production in the month of January 1977.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial performance based on given indicators:

₹ In Crores

Particulars	FY 2017-18	FY 2018-19
- Total Income	6,610.95	7,689.67
- Operating Profit (before Interest, Depreciation and Tax)	519.79	807.52
- Profit Before Tax	63.85	304.68

5. Foreign investments of collaborators, if any: Not Applicable.

II. Information about the appointee:

1. Background, Recognition or Awards details: Dr. Raghupati Singhania, aged 72 years, holds a Bachelors' Degree in Science. He is an Industrialist with about 53 years experience in managing various industries including Automotive Tyres and Tubes, Power Transmission - V Belts, Conveyor Belting, Automotive Belts, Oil Seals, Industrial Electronics and Material Handling System, Hybrid Seeds, Steel Products, etc. Dr. Singhania is on the Board of Directors of various well-known public limited companies and is Chairman of J.K. Fenner (India) Limited and Cavendish Industries Ltd. He is past Chairman of Automotive Tyre Manufacturers Association and in the past, he was also President of PHD Chamber of Commerce and Industry. He is also associated with number of institutes in the medical research and education sectors, besides serving number of trade and industry bodies such as CII, ASSOCHAM and CAPAXIL in various capacities. His Director Identification Number is 00036129.

Dr. Raghupati Singhania was first appointed on the Board of the Company on 29th May 1967. Dr. Singhania has been Managing Director of the Company since 1975.

Dr. Raghupati Singhania has also been inducted into the "TIA Hall of Fame 2015" on 2nd November 2015, which is the highest honor any Individual in the Tyre Industry can achieve in the world. The Tyre Industry Association (TIA), USA, honoured Dr. Singhania for his distinguished and exemplary service towards growth and development of the tyre industry. He is the third Asian to receive this coveted award in the last 30 years.

In the special issue of Business Today (January 1, 2017), Dr. Singhania has also been listed amongst India's best CEOs. Dr. Singhania also received Industry leadership Award from Indo-American Chamber of Commerce.

Under the leadership and guidance of Dr. Singhania, JK Tyre has been selected amongst India's fastest growing companies by "Business World" in April 2017. Further, JK Tyre has been certified as "Great Place to Work" by Great Place to Work Institute, which is a mark of trust pride and camaraderie.

During the FY 2018-19, H.E. Melba Pria, Ambassador of Mexico to India, presented the Decoration of the Mexican Order of the Aztec Eagle to Dr. Raghupati Singhania, which is the highest distinction, awarded by the Mexican government to foreigners in recognition of their outstanding services to Mexico or to humanity. This is the first time that this highest distinction has been conferred on a foreign national business person.

Dr. Singhania has been recognised as 'The Extraordinaire' for his leadership and contribution to the industry by Brand Vision Summit 2018.

Dr. Raghupati Singhania has been conferred Doctorate of Science by Mohanlal Sukhadia University, Udaipur for his outstanding contribution in Education, Training and Research in the field of Elastomer, Polymers and Tyres.

Dr. Singhania attended all the four Board Meetings of the Company held during the financial year ended 31st March 2019. Dr. Singhania holds 9,23,990 Equity Shares of ₹ 2/- each of the Company.

His other Directorships are- (A) Listed Companies- JK Lakshmi Cement Ltd.(JKLC), Radico Khaitan Ltd.(RKL), Bengal & Assam Company Ltd. (BACL), JK Agri Genetics Ltd. and DCM Ltd. (2) Unlisted Companies – He is the Chairman of J.K. Fenner (India) Ltd., JKT&I Employees Welfare Association Ltd. and Cavendish Industries Ltd., and a Director of Tanvi Commercial Private Ltd., Radical Agro Products Private Ltd., RPS Securities Pvt. Ltd., Hari Shankar Singhania Holdings Private Ltd., Dhanlakshmi Building Development Private Ltd., Henry F. Cockill & Sons Ltd. and JK Tornel SA de CV. He is also President of Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute and a member of Managing Committee of Pushpawati Singhania Hospital & Research Institute.

Dr. Raghupati Singhania is Chairman of Stakeholders Relationship Committee of JKLC and BACL and a Member of Audit Committee of JKLC and RKL. (Chairmanship/Membership of Shri Singhania in the Committees of Directors in other Companies are in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

2. Past remuneration: Dr. Raghupati Singhania was re-appointed as Chairman & Managing Director of the Company for a term of five years commencing 1st October 2016 by the shareholders at the Annual General Meeting held on 2nd September 2016. During the financial year ended 31st March 2017, Dr. Raghupati Singhania was paid remuneration of ₹ 17.03 Crores, inclusive of ₹ 12 Crores as profit based commission as per terms of appointment. The terms of present remuneration approved by the shareholders on 2nd September 2016 are given in para (4) below.
3. Job Profile and his suitability: Dr. Raghupati Singhania as Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company, subject to the superintendence, control and direction of the Board of Directors. He is also involved in financial restructuring, policy planning, human resource, vision and strategy and long term developmental activities of the Company besides Corporate Governance and Board co-ordination. He is also Chairman of the Board.

The Company commenced its journey in mid-seventies by setting up a tyre manufacturing unit in backward area in Kankroli, Rajasthan. The Company has since come a long way as will be observed from the following:

Capacity	Turnover	PBIDT
<p>The capacity has gone up from 5 lac tyres per annum to 250 lac tyres per annum. The Company has further added 100 lac tyres per annum capacity through acquisition of Cavendish Industries Ltd., a subsidiary. Accordingly, the total capacity as on date, aggregates to 350 lac tyres per annum. Effective steps have also been taken for further enhancing the capacity in TBR and Tractor Rear Tyre at an estimated project cost of ₹ 675 Crores.</p> <p>Over the years, the number of plants have gone up from 1 to 12 plants (9 in India and 3 in Mexico)</p>	<p>The total income of the Company has gone up from ₹ 110 Crores in the year 1983 to ₹ 8543 Crores for the year ended 31st March 2018 and ₹ 10,452 Crores for the year ended 31st March 2019, both on consolidated basis.</p>	<p>The Profit Before Interest, Depreciation and Tax of the Company has gone up from ₹ 13 Crores in the year 1983 to ₹ 883 Crores for the year ended 31st March 2018 and ₹ 1,196 Crores for the year ended 31st March 2019, both on consolidated basis.</p>

As mentioned above, the Company has grown manifold since commencement of automobile tyre/tubes business. Further, the Company has taken up Research & Development activities and exports in big way besides expansion/ debottlenecking at the new greenfield and existing multi location plants. The Company has also acquired a large tyre manufacturing plant in Mexico in the year 2008, and a large tyre manufacturing facility in Uttarakhand from Kesoram Industries Ltd. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

4 Present Remuneration: The shareholders of the Company at their Annual General Meeting held on 2nd September 2016, approved the terms of remuneration for the five years tenure of Dr. Raghupati Singhania commencing 1st October 2016 as under:

- (A) Salary: As on 31st March 2018, the salary was ₹ 38.0 Lakh per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 25.0 Lakh per month to ₹ 55.0 Lakh per month.
- (B) Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.
- (C) Performance Linked Incentive, as may be decided by the Board from time to time.
- (D) Commission: 2% of the net profits computed under Section 198 of the Companies Act, or more as may be decided by the Board from time to time.

The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.

- (E) Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per rules of the Company.
- (F) Gratuity at the rate of 15 days salary for each completed year of service.
- (G) Encashment of unavailed leave.
- (H) The Board may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof.
- (I) In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any financial year or years, the Chairman & Managing Director shall be entitled to such remuneration as he may be then drawing, as specified in paras (A), (B) and (C) above, as minimum remuneration and be also entitled to perquisites mentioned in paras

(E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry is on the rise. The 'Nomination and Remuneration Committee' constituted by the Board in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile, responsibilities, duties, past performance and rich experience of Dr. Raghupati Singhania in tyre industry, before recommending waiver of recovery of excess remuneration amounting to ₹ 2,41,03,693/- (Rupees two crores forty one lakh and three thousand six hundred ninety three) excluding exempted contribution to the provident fund amounting to ₹ 50,40,000/- (Rupees fifty lakh and forty thousand).
6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Dr. Raghupati Singhania, does not have any pecuniary relationship with the Company. Dr. Raghupati Singhania is related to Shri Bharat Hari Singhania, Managing Director and Smt. Sunanda Singhania, Director. Except this, Dr. Raghupati Singhania is not related to any other Director and Key Managerial personnel of the Company.

III. Other Information:

1. Reasons of inadequate profits: For the financial year ended 31st March 2018, the Company had inadequate profits owing to several extraneous factors such as economic slowdown, higher interest rates, extreme volatility of forex rates, high raw material costs, unabated increase in oil prices, besides transitory impact of introduction of GST, etc.

In particular, the major raw material for the automotive tyres, such as – natural/synthetic rubber, carbon black, steel wire, rubber chemicals – witnessed high prices throughout the year. Since increase in prices of these key inputs could not be passed on to the consumers owing to intense competition in the industry, the margins remained contracted.

All these factors coupled with lower GDP growth during the year 2017-18 i.e., 6.7% as against 7.1% in 2016-17, had impacted the profitability of the Industry and the Company in the year 2017-18.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: With a view to improve financial health of the Company several steps have been taken. The Company has further intensified its efforts for improvement in the areas of operational parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, etc. to ensure that the Company stays on the course of sustainable profitability and growth trajectory.

Some of the efforts of the Company in these areas have also been recognized and the Company got several awards, few of which are:

1. Best Supplier Quality Excellence Award 2016 from General Motors.

2. Quality Performance Award received from Volkswagen.
3. Golden Peacock Award for Energy Efficiency 2017.
4. National Award for Excellence in Energy Management 2017 and 2018.
5. National Award for Excellence in Water Management 2017 and 2018.
6. Super Brand 2017 – awarded 6th time in a row.
7. TPM Excellence Award 2018 – The Japan Institute of Plant Maintenance (JIPM) awarded the prestigious award to Chennai Tyre Plant.
8. CSR Award – Large Enterprise 2018 on 54th Foundation Day of UCCI.
9. Certified as “Great Place to Work” by Great Place of Work Institute for the year 2019.

Owing to several internal and external factors, the overall performance of the Company improved considerably as can be seen from the financial figures given in para 4 under General Information-I, hereinbefore. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding financial year.

The Resolution is recommended to the shareholders for passing as Special Resolution.

Except Dr. Raghupati Singhania, Shri Bharat Hari Singhania, Managing Director and Smt. Sunanda Singhania, Director and their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Item no. 10

The shareholders of the Company at their Annual General Meeting held on 22nd September 2015, reappointed Shri Arun K. Bajoria as Whole-time Director of the Company with the designation ‘Director & President – International Operations’ for a tenure of three years commencing 20th January 2016 and also approved the terms and remuneration of his appointment, by means of a Special Resolution.

The Company paid a total remuneration of ₹ 377.96 lakh for the financial year ended 31st March 2018, as per terms of remuneration approved by the shareholders, as aforesaid. However, the maximum remuneration which could be paid to Shri Bajoria as per Section 197 read with the provisions of Schedule V to the Companies Act, 2013 (Act) was ₹ 291.42 lakh, owing to inadequacy of profits during the said financial year ended 31st March 2018. As per the terms of appointment and as approved by the Nomination and Remuneration Committee and also as per the provisions of the Act, the Company made an application to the Central Government in June 2018 seeking approval of the waiver of recovery of excess remuneration, as aforesaid.

Meanwhile, the Ministry of Corporate Affairs vide its Notification dated 12th September 2018, notified amendments to the Companies Act, 2013. As per the amended provisions, any application pending with the Central Government under Section 197 on the date of notification shall abate and the company shall be required to obtain approval from the members of the Company by means of a special resolution within a period of 1 (one) year from the date of the said notification.

Accordingly, the application made by the Company in this respect to the Central Government which was pending as on 12th September 2018 stands abated. The Company has also received a communication in this regard from the Central Government.

The Company is now seeking approval of the members by means of a Special Resolution in terms of the provisions of the Act, recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

The relevant details are as under:

I. General Information:

1. Nature of Industry: Automotive Tyres and Tubes.
2. Date or expected date of commencement of commercial production: The first Tyre Plant of the Company commenced commercial production in the month of January 1977.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial performance based on given indicators:

₹ In Crores

Particulars	FY 2017-18	FY 2018-19
- Total Income	6,610.95	7,689.67
-Operating Profit (before Interest, Depreciation and Tax)	519.79	807.52
- Profit Before Tax	63.85	304.68

5. Foreign investments of collaborators, if any: Not Applicable.

II. Information about the appointee

1. Background, Recognition or awards details: Shri Arun K. Bajoria, age seventy four years, is a corporate professional and holds Bachelor’s Degree in Mechanical Engineering from BITS, Pilani and a Diploma in Advance Management from London Business School as well as a certificate course from Wharton Business School on ‘Mergers & Acquisitions’. He has been a Whole-time Director with the designation ‘President & Director’ since 20th January 2010 and his current designation is “Director & President – International Operations”. Before that he was President of the Company since 2003. Earlier, he was President & Director of Vikrant Tyres Ltd., erstwhile subsidiary of the Company. He joined in the year 1997, at the time of the company acquiring Vikrant Tyres Ltd. and was instrumental in turning it around to a profitable entity. Shri Bajoria brings with him rich experience of managing and running manufacturing companies of over 52 years (including 32 years with Birla Group). His Director Identification Number is 00026540.

Shri Bajoria is not related to any other Director and Key Managerial Personnel of the Company. Shri Bajoria attended all the four Board Meetings of the Company held during the financial year ended 31st March 2018. Shri Bajoria holds 500 Equity Shares of ₹ 2/- each of the Company.

His other Directorships are: JK Tornel, S.A. De C.V.; Hules Y Procesos Tornel, S.A. De C.V.; Compania Hulera Tacuba, S.A. De C.V.; Compania Inmobiliaria Norida, S.A. De C.V. and General De Inmuebles Industriales, SA De CV, all of which are Mexico based wholly-owned subsidiaries of the Company and are part of leading tyre manufacturing company of Mexico. He is also Whole-time Director of Cavendish Industries Ltd. and a director of 3DInnovations Private Ltd., subsidiary companies (unlisted). He is also a member of Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute and Pushpawati Singhania Hospital & Research Institute. Shri Bajoria is also a member of Board of Governors of Madhav Institute of Technology and Science, Gwalior - one of the leading Engineering Colleges of India. He is also associated with several religious, educational and social service organization. Chairmanship/Membership of Shri Bajoria in Committees of Directors in other companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – NIL.

2. Past Remuneration: Shri Arun K. Bajoria was re-appointed as Whole-time Director with the designation Director & President – International Operations of the Company for a term of three years commencing 20th January 2016 by the shareholders at the Annual General Meeting held on 22nd September 2015. During the financial year ended 31st March 2017, Shri Bajoria was paid remuneration of ₹ 4.23 Crores, inclusive of ₹ 0.85 Crores as profit based commission as per terms of appointment. The terms of present remuneration approved by the shareholders on 22nd September 2015 are given in para 4 below.
3. Job Profile and his suitability: Shri Arun K. Bajoria, Whole-time Director with the designation “Director & President – International Operations” of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors, the Chairman and the Managing Directors of the Company.

The Company has grown manifold since commencement of automobile tyre/tubes business in 1975. Further, the Company has taken up Research & Development activities and exports in a big way besides expansion/debottlenecking at new green field and existing multi location plants. The Company has also acquired a large tyre manufacturing plant in Mexico in the year 2008 and a large tyre manufacturing facility in Uttarakhand from Kesoram Industries Ltd., through its subsidiary – Cavendish Industries Ltd. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

4. Present Remuneration: The shareholders of the Company at their Annual General Meeting held on 22nd September 2015 approved the terms of remuneration for three years tenure of Shri Arun K. Bajoria commencing 20th January 2016 as under:-

A. Salary: As on 31st March 2018, the salary was ₹ 11.50 Lakh per month in the salary range of ₹ 8.0 Lakh to ₹ 15.0 Lakh per month with such increments as may be decided by the Chairman & Managing Director/Managing Director of the Company from time to time.

B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman & Managing Director/Managing Director of the Company.

C. Performance linked incentive.

D. Commission: 1% of the net profits computed under Section 198 of the Companies Act 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.

Items C and D above will be as may be determined by the Chairman & Managing Director/Managing Director of the Company from time to time.

E. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.

F. Gratuity at the rate of 15 days Salary for each completed year of Service.

G. Encashment of unavailed leave as per Rules of the Company.

H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.

I. In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry is on the rise. The 'Nomination and Remuneration Committee' constituted by the Board in terms of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile, responsibilities, duties, past performance and rich experience of Shri Arun K. Bajoria in tyre industry, before recommending waiver of recovery of excess remuneration amounting to ₹ 86,53,507/- (Rupees eighty six lakh fifty three thousand and five hundred seven) excluding exempted contribution to the provident fund amounting to ₹ 17,52,000/- (Rupees seventeen lakh and fifty two thousand).

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the proposed remuneration as specified above, Shri Arun K. Bajoria does not have any pecuniary relationship with the Company or with the managerial personnel.

III. Other Information:

1. Reasons of inadequate profits: For the financial year ended 31st March 2018, the Company had inadequate profits owing to several extraneous factors such as economic slowdown, higher interest rates, extreme volatility of forex rates, high raw material costs, unabated increase in oil prices, besides transitory impact of introduction of GST, etc.

In particular, the major raw material for the automotive tyres, such as – natural/synthetic rubber, carbon black, steel wire, rubber chemicals – witnessed high prices throughout the year. Since increase in prices of these key inputs could not be passed on to the consumers owing to intense competition in the industry, the margins remained contracted.

All these factors coupled with lower GDP growth during the year 2017-18 i.e., 6.7% as against 7.1% in 2016-17, had impacted the profitability of the Industry and the Company in the year 2017-18.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: With a view to improve financial health of the Company several steps have been taken. The Company has further intensified its efforts for improvement in the areas of operational parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, etc. to ensure that the Company stays on the course of sustainable profitability and growth trajectory.

Some of the efforts of the Company in these areas have also been recognized and the Company got several awards, few of which are:

1. Best Supplier Quality Excellence Award 2016 from General Motors.
2. Quality Performance Award received from Volkswagen.
3. Golden Peacock Award for Energy Efficiency 2017.
4. National Award for Excellence in Energy Management 2017 and 2018.
5. National Award for Excellence in Water Management 2017 and 2018.
6. Super Brand 2017 – awarded 6th time in a row.
7. TPM Excellence Award 2018 – The Japan Institute of Plant Maintenance (JIPM) awarded the prestigious award to Chennai Tyre Plant.
8. CSR Award – Large Enterprise 2018 on 54th Foundation Day of UCCI.
9. Certified as "Great Place to Work" by Great Place of Work Institute for the year 2019.

Owing to several internal and external factors, the overall performance of the Company improved considerably as can be seen from the financial figures given in para 4 under General Information-I, hereinbefore.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding financial year.

The Resolution is recommended to the shareholders for passing as Special Resolution.

Except Shri Arun K. Bajoria and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

Item no. 11

The Board at its meeting held on 16th May 2019, on the recommendation of the Audit Committee, has appointed M/s R.J. Goel & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2019 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakh Only), in addition to applicable taxes and reimbursement of other expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board recommends aforesaid resolution for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Regd. Office:

Jaykaygram, PO-Tyre Factory,

Kankroli-313 342 (Rajasthan)

Phone: 02952-302400/330011

Fax: 02952-232018

Email Id: investorjkyre@jkmail.com

CIN:L67120RJ1951PLC045966

Website:www.jktyre.com

Date: 16th May 2019

By Order of the Board

Pawan Kumar Rustagi
Vice President (Legal)
& Company Secretary

FOR ATTENTION OF THE SHAREHOLDERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. As per SEBI directions, the securities of listed entities can be transferred only in dematerialized form from 1st April 2019. In view of the above and to avail other benefits of dematerialisation, members who are still holding shares in physical form are requested to dematerialize their shares. For guidance on how to dematerialize the shares, please visit our website at www.jktyre.com.
4. Multiple folios: Shareholders having multiple folios are requested to write to Company/RTA for consolidation of the folios.
5. Dividend Warrants:
As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is mandatory for the company to print the bank account details of the investors on dividend payment instrument. Accordingly, the Members are requested to register/update their correct bank account details with the Company/RTA/Depository Participant, as the case may be alongwith nine digit MICR/NECS details.

6. Investor Education and Protection Fund

a) Unclaimed Dividends - Transfer to Investor Education and Protection Fund:

The unclaimed dividend will be transferred to the Investor Education and Protection Fund on expiry of 7 years from the date the dividend became due for payment as under :-

Dividend	Due date for transfer to the said Fund
➤ Financial Year ended 31.3.2012 • 25% Dividend	8 th August 2019
➤ Financial Year ended 31.3.2013 • 35% Dividend	25 th August 2020
➤ Financial Year ended 31.3.2014 • 50% Dividend	28 th September 2021

Members who have not encashed their Dividend Warrants for the said financial years and subsequent years are requested to send the same for revalidation to the Secretarial Department of the Company at New Delhi.

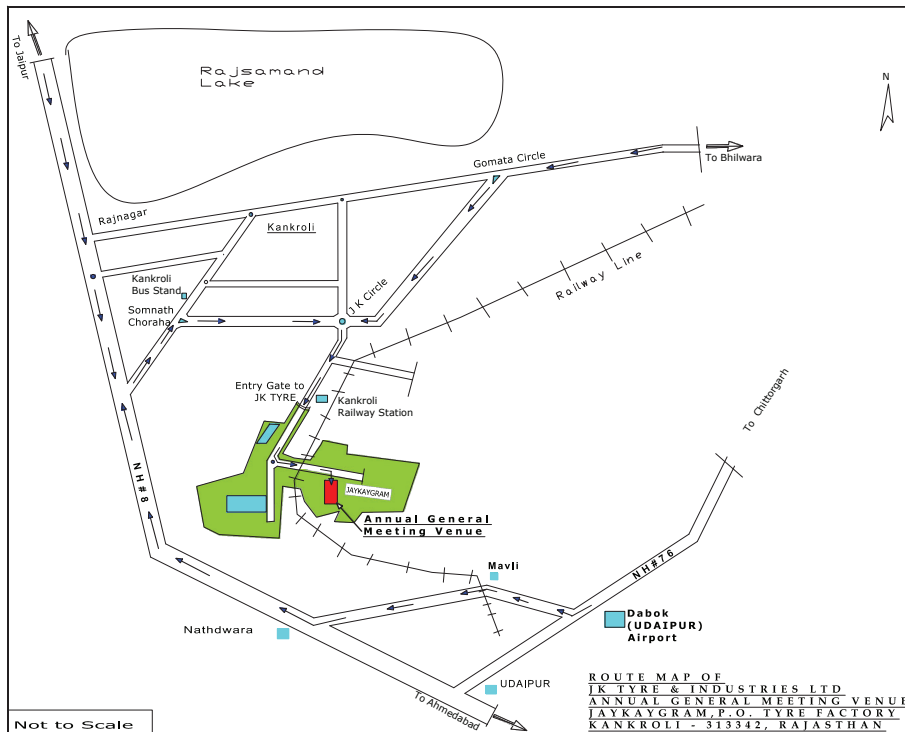
The unpaid dividend in respect of the prior period have already been transferred to the General Revenue Account of the Central Government or the Investor Education and Protection Fund, as the case may be, as per the provisions of the said Act read with the relevant Rules framed thereunder.

b) Transfer of Shares to IEPF Authority:

Pursuant to the provisions of Section 124 of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more, from time to time. Details of shares transferred to the IEPF Authority are available on the website of the Company and have been also furnished to the IEPF Authority.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the Authority in accordance with procedure and on submission of documents as prescribed in the Rules, for which details are available at www.iepf.gov.in.

7. **NOMINATION:** Pursuant to Section 72 of the Companies Act, 2013 Shareholders may nominate an individual to whom all the rights in the shares shall vest in the event of death of the sole/all joint Shareholders. The prescribed FORM SH - 13 is available on the website of the Company. The duly completed Form is to be sent to the Company (for physical shares) and to the Depository Participant (for shares held in demat mode).



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Regd. Office: Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan)
 Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjktyre@jkmail.com
 CIN: L67120RJ1951PLC045966; Website: www.jktyre.com

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules issued thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository.

To support this 'Green Initiative' the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

Pawan Kumar Rustagi
 Vice President (Legal) & Company Secretary

E-COMMUNICATION REGISTRATION FORM (For Members holding Equity Shares in physical mode)

Folio No. :

Name of the 1st Registered Holder :

Name of the Joint Holder(s) :

Registered Address :

E-mail Id (to be registered) :

I/We Member(s) of JK Tyre & Industries Ltd. agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date:

Signature

Note: Member(s) are requested to complete this Form and send to the Company Secretary at the above address or send the scanned copy of this Form duly completed at the email id - investorjktyre@jkmail.com



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 Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjkyre@jkmail.com
 CIN: L67120RJ1951PLC045966; Website: www.jktyre.com

ADMISSION SLIP

Folio No. or DP Id/Client-Id :

Name & Address of the Member :

No. of Shares held :

Sequence Number for E-voting[§] :

I hereby record my presence at the 66th Annual General Meeting of the Company being held at Jaykaygram, PO-Tyre Factory, Kankroli - 313 342 (Rajasthan) on Wednesday, the 14th August 2019 at 11.30 A.M.

Name of the Proxy-holder/ Authorised Representative attending the Meeting * (in block letters)	
--	--

§ Applicable for shareholders who have not updated their PAN with the Company/Depository Participant.

* Strike out whichever is not applicable.

 Signature of the Member/Proxy/Authorised Representative*

- Notes: 1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the Meeting.



Regd. Office: Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan)
 Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjkyre@jkmail.com
 CIN: L67120RJ1951PLC045966; Website: www.jktyre.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : JK Tyre & Industries Ltd.
 Registered Office : Jaykaygram, PO-Tyre Factory, Kankroli-313 342 (Rajasthan)

Name of the member(s) :

Registered Address :

E-mail Id :

Folio No/ Client Id :

DP ID :

I/We, being member(s) ofshares of JK Tyre & Industries Ltd., hereby appoint

- Name :
 Address :
 E-mail Id :
 Signature :....., or failing him
- Name :
 Address :
 E-mail Id :
 Signature :....., or failing him
- Name :
 Address :
 E-mail Id :
 Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 66th Annual General Meeting of the Company, to be held on Wednesday, 14th August 2019 at 11.30 A.M. at Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution Description	FOR	AGAINST
1	Receiving, considering and adoption of a) audited standalone financial statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon; and b) audited consolidated financial statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Auditors thereon		
2	Declaration of Dividend.		
3	Reappointment of Shri Anshuman Singhania as a Director, who retires by rotation.		
4	Reappointment of Shri Arvind Singh Mewar as an Independent Director for a second term comprising of three consecutive years.		
5	Reappointment of Shri Bakul Jain as an Independent Director for a second term comprising of four consecutive years.		
6	Reappointment of Shri Vimal Bhandari as an Independent Director for a second term comprising of five consecutive years		
7	Reappointment of Shri Kalpataru Tripathy as an Independent Director for a second term comprising of five consecutive years.		
8	Reappointment of Dr. Wolfgang Holzbach as an Independent Director for a second term comprising of four consecutive years.		
9	To approve waiver of recovery of excess remuneration paid to Dr. Raghupati Singhania, Chairman & Managing Director of the Company for the financial year 2017-18.		
10	To approve waiver of recovery of excess remuneration paid to Shri Arun K. Bajoria, Director & President – International Operations of the Company for the financial year 2017-18.		
11	Remuneration of the Cost Auditors.		

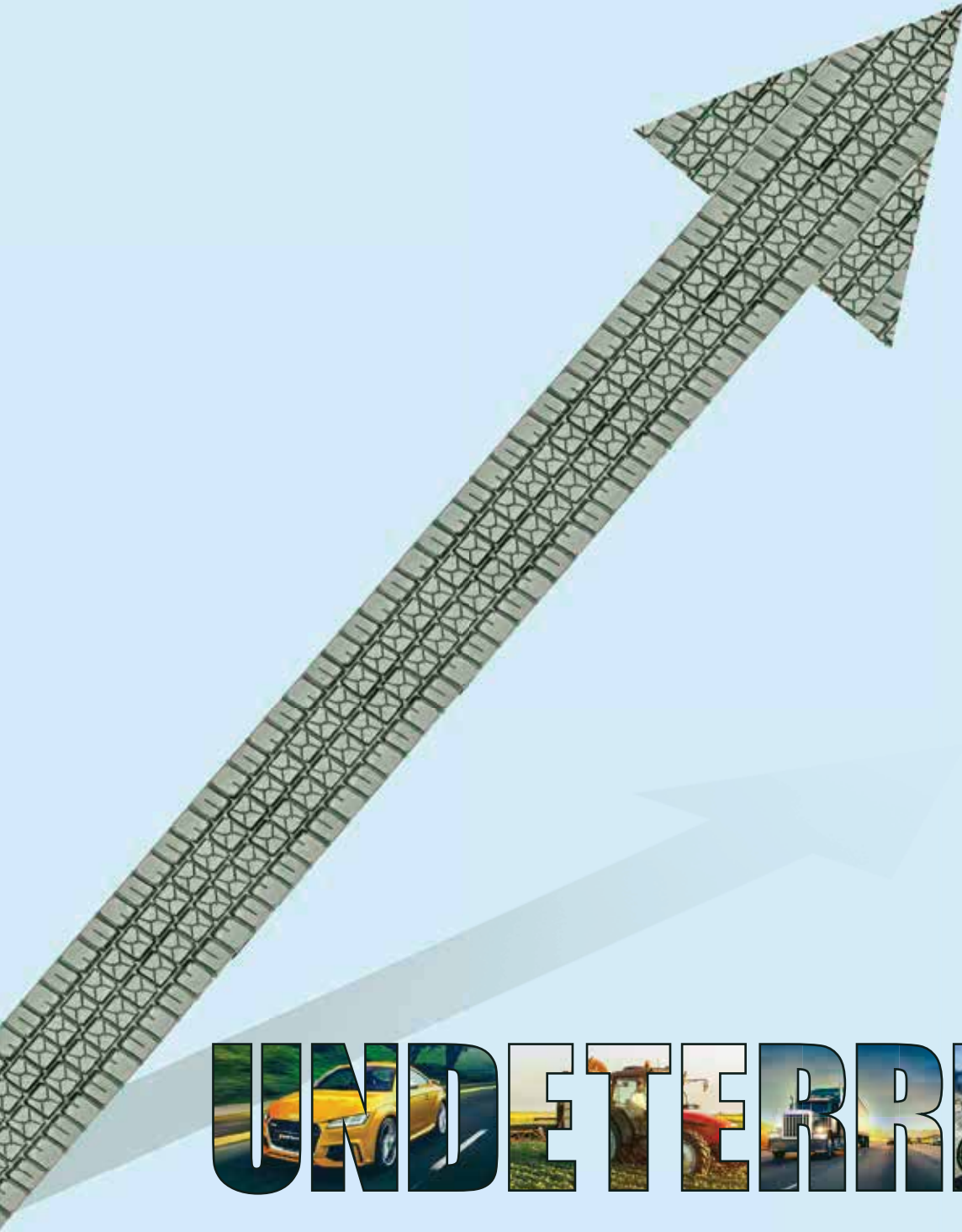
Signed this.....day of.....2019

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



UNDETERRED

ANNUAL REPORT
2018-19

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Cover concept



JK Tyre achieved the milestone of **₹10,000 crores** turnover on the back of an all-round increase in market presence, **undeterred** by the headwinds of a market slowdown and poor credit availability.



A prestigious honour

Dr. Raghupati Singhania,
Chairman and Managing Director, being conferred the highest civilian honour of Mexico

Her Excellency Ms. Melba Pría, Ambassador of Mexico to India, conferred on Dr. Singhania 'The Order of the Aztec Eagle', the highest Mexican order given by that country to foreign nationals. This honour was in recognition of Dr. Singhania's exemplary leadership, his noteworthy services to humanity and efforts to strengthen bilateral ties between India and Mexico.

Board of Directors



DR. RAGHUPATI SINGHANIA
Chairman & Managing Director



BHARAT HARI SINGHANIA
Managing Director



VIMAL BHANDARI
Director



BAKUL JAIN
Director



ANSHUMAN SINGHANIA
Whole-time Director



DR. WOLFGANG HOLZBACH
Director



KALPATARU TRIPATHY
Director



ARVIND SINGH MEWAR
Director



SUNANDA SINGHANIA
Director



SHREEKANT SOMANY
Director



ARUN K. BAJORIA
Director & President –
International Operations

ADMINISTRATIVE OFFICE

3, Bahadur Shah Zafar Marg,
New Delhi – 110 002

REGISTERED OFFICE

Jaykaygram, PO – Tyre Factory,
Kankroli – 313 342, Rajasthan

AUDITORS

S. S. Kothari Mehta & Co.
Chartered Accountants

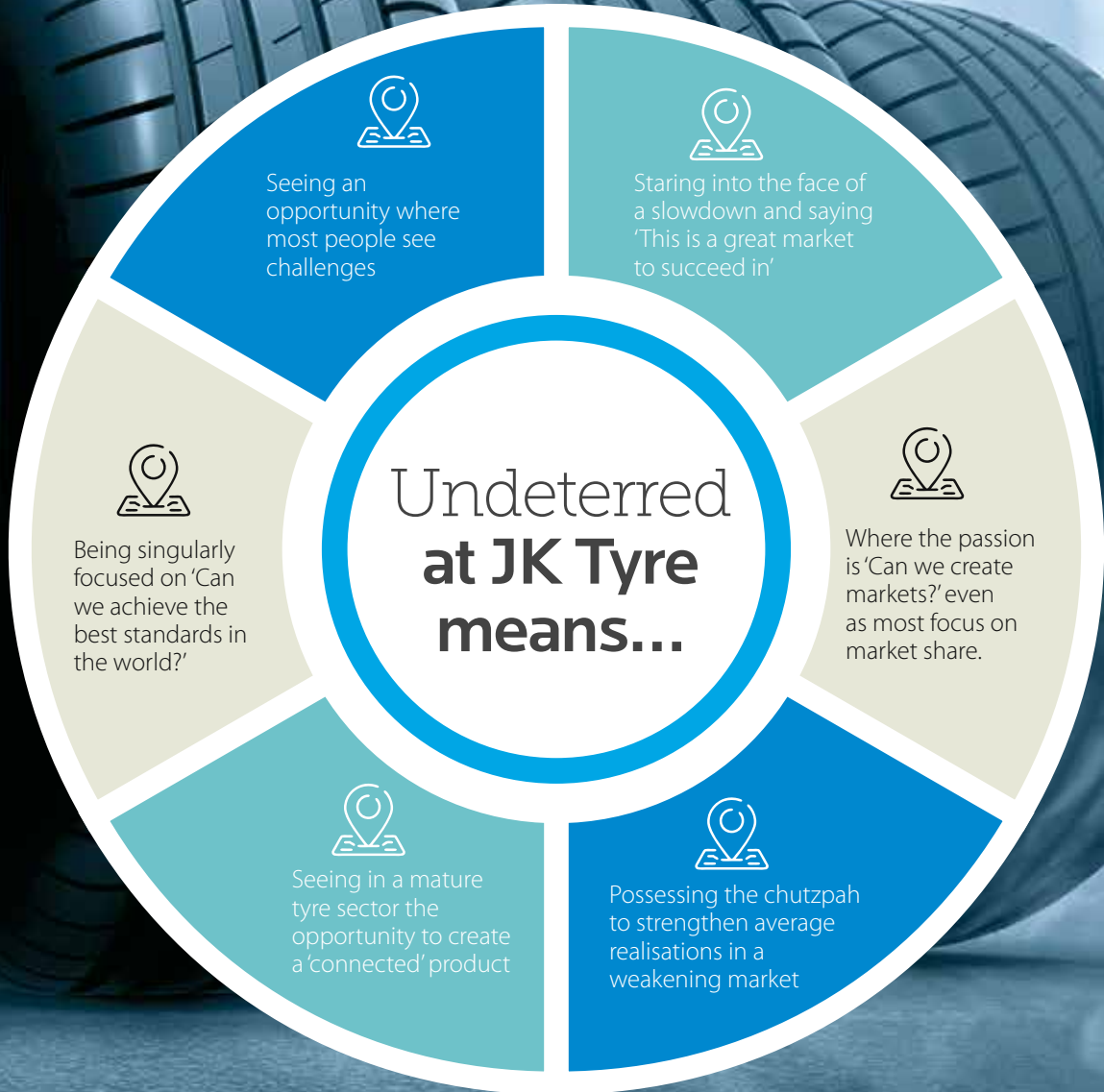
**VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY**

Pawan Kumar Rustagi

CIN: L67120RJ1951PLC045966

Website: www.jktyre.com





Undeterred.

Means pretending not to hear when they say 'Impossible!'



Energy

They said, 'You will at best be able to moderate energy use marginally.'

We reported one of the lowest levels of energy consumption per tonne of tyre manufactured in the world



Water

They laughed when we said we would halve water consumption in an arid region like Kankroli.

We are recognised today as a global benchmark for the lowest water use per kg of tyre manufactured anywhere



Productivity

They said, 'You will be able to make only a marginal improvement in people productivity.'

We delivered one of the highest per person productivity benchmarks in India's tyre industry



Technology

They said, 'What is the new technology standard that you will deliver?'

We emerged as the first global tyre company to install the 'On level Tyre Test Machine, generating real-time data in tyre testing



Standards

They asked, 'Who are you benchmarking operations with?'

We emerged as the benchmark when we became the first tyre company in Asia to receive ISO 50001 certification for Energy Management (second globally)



Pioneering

They said, 'The concept of an eco-friendly 'green' tyre is too futuristic for you to attempt.'

We emerge as the pioneer in the manufacture of 'green' tyres in India and the first Indian tyre company with a verified carbon footprint (as per ISO-14064)



Knowledge

They said, 'But the technology to manufacture is closely guarded.'
We became the first Indian tyre company to commission an independent research and development centre, one of its kind in the Asia-Pacific



Product

They asked, 'Pray, what is a radial tyre useful for in India?'
We evangelised the radial movement and emerged the catalyst of India's radial revolution



Intelligent

They asked, incredulously, 'An 'intelligent' tyre? Are you sure?'
We transformed from the design of conventional tyres to ones whose temperature and pressure can be checked in real time from a remote location



Fleet Management Solutions

They enquired, 'Why will anyone want to rent a tyre?'
We graduated from the conventional sale of tyres to Fleet Management Solutions



Renewable energy

They asked, 'How much of a difference can renewable energy make?'
We migrated from complete grid dependence and expect to derive half our energy needs from captive renewable energy this year

JK Tyre & Industries Ltd.

The Company is more than just a tyre company.

A metaphor for courage in the face of challenges.

Core values

Excellence comes not from mere words or procedures. It comes from an urge to strive and deliver the best. A mindset that says, when it is good enough, improve it. It is a way of thinking that comes only from a power within.

- Caring for people
- Integrity including intellectual honesty, openness, fairness and trust
- Commitment to excellence

Group pedigree

Headquartered in India, the J.K. Organisation is a multi-national group with a heritage of more than 125 years. The Group's footprint is spread across six continents with manufacturing operations in India and Mexico. All the products of the JK Group enjoy a significant market presence in their respective segments. The Company has been able to strengthen its brand recall by implementing the latest technologies in the market. The Group set up multiple

Research & Development institutes in various fields to promote technological advancements and innovation.

Products

JK Tyre is engaged in the manufacture and marketing of automotive tyres, tubes and flaps. The Company's tyre products comprise Truck/Bus Radial, Truck/Bus Bias, Passenger car radials, 2/3 wheeler tyres, OTR, Racing, Military/ Defence, LCV Radial, LCV/SCV Bias, Industrial and Speciality and Farm.

Leadership

JK Tyre & Industries Ltd. is one of India's leading tyre manufacturers and also among the top 25 tyre manufacturers in the world. The Company produces one of the widest range of tyre products catering to multiple segments, delivering a one-stop solution.

Competitive advantage

JK Tyre's manufacturing operations comprise 12 state-of-the-art

manufacturing facilities. The Company has nine modern plants in India (three plants in Mysore, three plants in Haridwar and one plant each in Banmore, Kankroli and Chennai) and three plants in Mexico – with an overall production capacity of ~32 million tyres per annum.

Thought leader

The Company pioneered the radial technology in India in the Seventies and has since helped grow the radial market through technological innovation and new product introduction. The Company is the market leader in the Truck/ Bus Radial (TBR) segment, in addition to offering tyres for the entire range of passenger and commercial vehicles. The Company was the only tyre manufacturer in India to be included in the list of Superbrands in 2019 for the seventh time in a row. The Company has established state-of-the-art global R&D Centre – Raghupati Singhania Centre of Excellence (RPSCOE) at Mysuru.



JK Tyre Xpress Wheels

Distribution

The Company markets products through a strong network of more than 4500 dealers and more than 550 dedicated brand shops known as Steel Wheels and Xpress Wheels, providing complete solutions to customers.

Environment-friendly

All of JK Tyre's plants are ISO-14001 certified for environmental conservation. Over the years, it has undertaken several green initiatives to reduce its carbon footprint. The Mysore plant is also a recipient of the 'Golden Peacock Environment Award'.

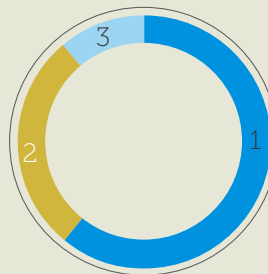
Enduring partnerships

The Company has established long-lasting relationships with major automotive Original Equipment Manufacturers like Maruti Suzuki, Tata Motors, Ashok Leyland, Mahindra, Volvo Eicher, Volkswagen, Fiat, TAFE and Nissan, among others.

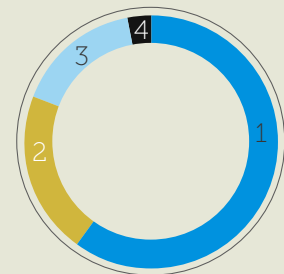
13448 Team size,
31st March 2019

Revenue Segmentation – FY19

By Market



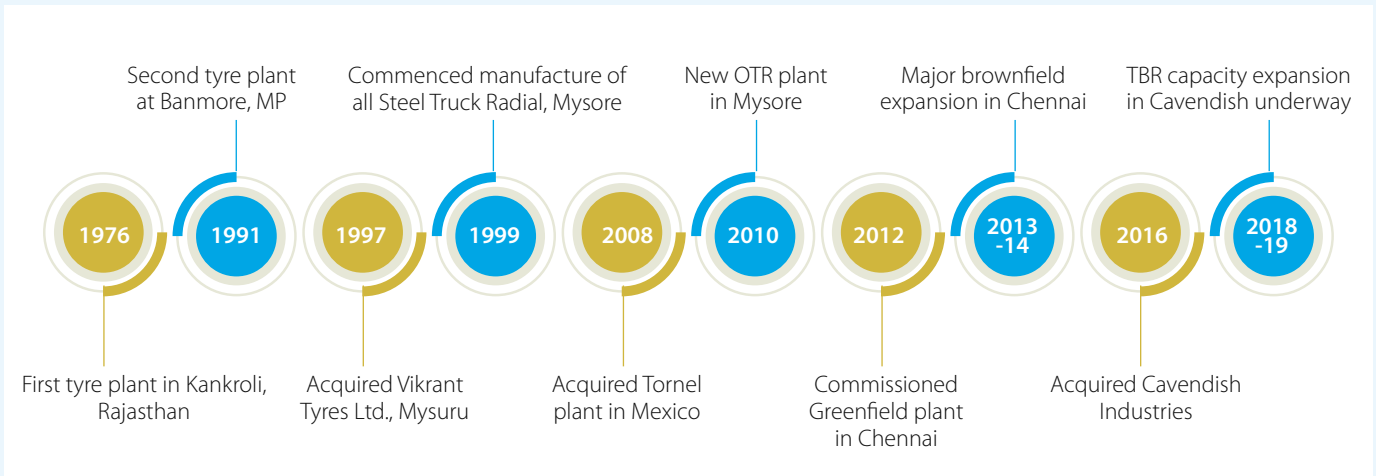
By product line





JK Tyre featured in Limca Book of Records for manufacturing India's largest off-the-road tyre (VEM 045).

Milestones of what we achieved over the years



What we achieved in 2018-19

Operational highlights, 2018-19

- Total production increased 13.4% increase by tonnage
- Strengthened capacity utilisation from 71% in FY18 to 79% in FY19 (CIL capacity utilisation increased from 62% to 81%)
- Embarked on Truck Radial expansion at Cavendish
- Reported sales growth across all

- product categories: Truck bias by 13%, Truck radial by 18%, P. Line radial 18%, N. Truck bias by 30%, 2/3 wheeler tyres 39% and total tyres by 23%
- Entered new OEMs; strengthened regular supplies to Bajaj Auto and Hero
- Initiated the implementation of

- TQM for the Deming Prize journey
- TBR capacity utilisation in JK Tyre and CIL > 90% in FY19. CIL TBR capacity being expanded to 20.57 Lakh tyres per annum
- 39% jump in 2/3 wheeler tyre sales in FY19. Entered OEMs
- Completed a major labour restructuring at JK Tornel

Brand and recognition highlights, 2018-19

- JUH5 truck radial tyre was recognised as the best in India by Tyre Times magazine (Tyre & Rubber industries Leadership Award)
- Awarded Superbrand status seventh time in a row
- Recognised as a Great Place to Work by Great Place to Work Institute
- Achieved National Award for Best Water Management by CII.

Financial highlights, 2018-19

- Consolidated turnover crossed ₹10,000 crores (₹10452 crores), an impressive growth of 24.2% over FY18
- Achieved impressive growth at JK Tornel - 17.2% in sales numbers and 22% increase in turnover
- Infused ₹200 crores into net worth
- Invested 1% of net sales (approximately) in Research & Development

Efficiency highlights, 2018-19

- Addressed 39% power requirement from renewable power
- Reported an extensive improvement in manufacturing efficiencies across manufacturing plants in India



Chairman's overview

The theme of this annual report 'Undeterred' is more than a communication theme; it is our operating philosophy and the passion with which we manage our business.

I am pleased to report that JK Tyre is as futuristic as it is competitive, as research-led as it is manufacturing-driven and as resilient in the face of short-term challenges as it is committed to the long-term.

Seldom in recent years has this undeterred positioning been as relevant as during the last financial year.

The Indian economy in general and the automotive sector (of which we are a part) in particular encountered some of the most challenging days in probably a decade, starting from the second half of the last financial year. There was a sharp decline in consumer sentiment on the back of liquidity crunch; automotive sales declined virtually month-on-month in the last five months, increased global trade tensions moderated product offtake and the scepter of embargoes imposed by importing countries affected global cross-border trade.

At this challenging juncture, it would have been convenient to pass off any performance decline to external circumstances.

At JK Tyre, we took a different view.

We resolved to produce and sell as much as we could. We encouraged our teams to moderate costs despite rising raw material prices. We worked closer with trade partners to deepen market presence. We graduated from product sale to consumer solutions. We exported across a wider global footprint.

At a time when Company would have generally liked to protect the business, JK Tyre focused on growing it. In the process, JK Tyre reported two financial measures that it is proud of – crossed ₹10,000 crores of revenues for the first ever time and reported a 24% growth in revenues that exceeded the growth of India's tyre sector. At a time when product movement was sluggish we succeeded in enhancing realisations.



Cavendish Tyre Plant, Laksar (Haridwar)

This contrarian performance was the result of the philosophy of JK Tyre that we have consistently cherished and nourished. A philosophy encapsulated in a single word - undeterred.

The principal factor for the performance of the Company in a challenging year must be traced back to the decision we took three years ago to acquire Cavendish Industries Ltd. - one of the largest acquisitions in India's tyre sector.

The Company was faced with a number of challenges: convincing stakeholders of the attractiveness of the opportunity and backing our capability to turn a losing plant around. If there is one reason why the Company remained undeterred in the face of challenges was the robust India story where the government's investment in infrastructure is opening new opportunities.

During the year under review, our Cavendish plant increased capacity utilisation to 81%. Our Cavendish unit,

Our contrarian performance was the result of the philosophy of JK Tyre that we have consistently cherished and nourished. A philosophy encapsulated in a single word - undeterred.

which had helped complete our portfolio through the introduction of two and three-wheeler tyres, enhanced the proportion of value-added tyres in our portfolio. More importantly, the successful and comprehensive turnaround of this plant has graduated the Company into the next league.

There are a number of factors which make us optimistic of our long-term prospects. The ease of liquidity is expected to improve in the current financial year, strengthening the offtake of automobiles. We expect better commercial vehicle offtake inspired by pre-emptive BSVI buying. We expect sector substantial allocation for road building projects like NHDP, Bharatmala and PMGSY that could grow the market for vehicles and hence tyres. The proposed Vehicle Scrappage Policy could accelerate the demand for new vehicles. There is additional tyre demand from taxi aggregators. Rising disposable income in India has strengthened the offtake of personal vehicles.

The government's thrust on agriculture and rural development should catalyse tractor sales. Infrastructure development and growing freight is expected to drive the demand for MHCV tyres. With the introduction of GST, the need for last mile connectivity has given rise to LCV



Tyre Expo, Singapore

and SCV tyre demand. LCV tyre demand is expected to be driven by increased awareness and shift to Indian radial tyres by medium and small fleet operators. Car and UV tyre demand is expected to be driven on account of shared mobility and pre-buying due to the implementation of BS VI norms. Two/three wheeler tyre demand is expected to be driven by increasing penetration in rural and semi-rural areas due to improvement in road infrastructure. We expect imports into India to remain subdued on account of an ongoing anti-dumping duty on imported TBR tyres and a higher customs duty on TBR and PCR.

Besides, the Company embarked on a TBR capacity expansion, which was completed at a cost almost a third of the cost of a similar brownfield expansion, strengthening our overall competitiveness.

At JK Tyre, we are well positioned to capitalise on the growth of the Indian

market. The Company possesses a diversified product portfolio. It has invested in an extensive and growing distribution network. It is increasingly investing in R&D capabilities leading to faster product development. The Company strengthened long-standing relationships with customers and suppliers.

I am optimistic that JK Tyre is at the cusp of positive change.

Virtually every aspect of our organisation is working undeterred with the singular commitment to enhance shareholder value.

Dr Raghupati Singhania,
Chairman and Managing Director

INDIAN BUSINESS

7.3%

Estimated growth (in volume) of India's tyre sector, 2018-19 (4-wheeler domestic)

15.7%

JK Tyre's growth (in volume)

18.2%

Growth (volume) in JK Tyre's truck and bus radial segment



Our Indian business

UNDETERRED

As recently as five years ago, the proportion of radial tyres within JK Tyre's product mix was just 46%.

When the management announced a target to increase this to 60%, the response was guarded.

The challenges were considerable: there would be slowdown years when radial growth would be muted; some customers would remain loyal to the conventional product; there would be a need to evangelise the radial product.

JK Tyre embraced the challenge... undeterred.

The team brainstormed. The team proposed clutter-cutting ideas. The team resolved to evangelise deeper with OEM customers. And did all of this with just more passion.

This is the result: revenues from radial products increased every single year in the last five years to 61% of the Company's revenues in 2018-19.

Walking undeterred into a challenge pays.

Overview

India represents the largest market of the Company's operations.

The Company derived 87.5% of its revenues from the Indian market during the year under review; revenues from India grew 22.4% during the year under review.

The Company has consistently grown its Indian operations inspired by a conviction that India represents one of the most attractive tyre markets of the world. This conviction has been reinforced by the fact that the average Indian is earning more than ever, aspirations are rising, independent vehicle ownership and personal mobility continue to be priorities and the headroom available for vehicle ownership is vast, given the extensive per capita under-penetration in India compared with global benchmarks.

Besides, the government is investing extensively in road infrastructure, introduced the Goods & Services Tax that accelerated inter-state cargo movement and enhanced logistical efficiency, resulting in a widening of the commercial vehicle segment.

These realities augur favourably for the long-term growth of the Indian tyre market.

Challenges, 2018-19

The Company faced a number of challenges during the year under review. The increase in axle load norms by 14% during the course of the year (September 2018) proved to be a setback for the automotive sector, moderating demand growth by a corresponding quantum.

The Indian tyre sector attracted growing competition from existing Indian manufacturers on the one hand and new global marquee brands on the other, putting a premium on increased competitiveness and quality.

The slowdown in the Indian economy from the second half affected the festive offtake of automobiles (and hence tyres) and thereafter extended into a month-

on-month contraction in volumes, one of the most extended seen in the country's automotive sector following the 2008 meltdown.

The market was affected by the increased volatility in oil prices, which encouraged buyers to defer purchases.

Achievements, 2018-19

Vigour: The Company rediscovered its animal spirit by significantly outperforming the growth of the economy and automotive markets. The Company reported a domestic volume growth of 20.9% during the year under review compared with an automotive sector growth of 6.6% and a tyre sector growth of 5.6%.

Profitable growth: The Company resolved to not just sell more tyres but also market the right product mix – products addressing specific vehicle and terrain needs, delivered just where customers wanted and evoking the right value proposition for customers to pay a small premium. The result is that the Company reported quicker offtake, strengthened average realisations and reported profitable growth.

Broadbased: The Company strengthened its positioning as a broadbased tyre

company following the introduction of two- and three-wheeler tyres from the Laksar plant, strengthening the wallet share across retail points of sale and corresponding visibility.

Asset utilisation: The Company strengthened capacity utilisation of the Indian operations from 77% in 2017-18 to 84%. The highlight was a sharp increase in the capacity utilisation of the Laksar facility from 62% to 81% during the year, strengthening the overall Company average.

Realisations: The Company strengthened per unit realisations the weakness in the domestic market notwithstanding, succeeding in passing a part of the cost increases to customers through a superior product mix addressing the specific needs of customers.

Relationships: The Company strengthened its trade relationships resulting in enhanced points-of-sale effectiveness, translating customer enquiries into offtake.

Exports: The Company laid a stronger emphasis on exports across market cycles, making it possible to evacuate products out of India faster and achieve a geographic balance.

When JK Tyre made its biggest acquisition of the Laksar plant from Birla Tyre for ₹2170 crores in 2016, the challenges were staggering.

The plant employed more people than international benchmarks suggested. Productivity was low. The overarching culture was one of indiscipline. Human resources structures and systems were absent.

The general whisper was: 'The new owners will not last.'

JK Tyre proceeded undeterred.

The Company stationed its senior executives within the plant. Processes were streamlined. New productivity standards were enunciated.

The wheel gradually moved. Output increased. Morale lifted. Quality strengthened. Productivity improved.

The plant now delivers a range of tyres for the demanding needs of some of the most respected OEMs in India.

Staying undeterred works.



JK Tyre Steel Wheels



JK Tyre Truck Wheels

Strengths

Trust: The Company's brand generates the unaided recall of 'trust' among users across India, translates into superior offtake

Flexibility: The Company possesses the flexibility of addressing the just-in-time needs of customers through the ability to produce across any one of the Company's 9 Indian manufacturing facilities

Largest: The Company is the largest Indian tyre brand addressing commercial vehicles, the backbone of India's cargo transportation system

Radialisation: The Company is acknowledged as a radialisation evangelist in India, respected for bringing a number of forward-looking radial products across four decades following the pioneering launch of this product by the Company in India in 1977

Efficiency: The Company enjoys a high manufacturing efficiency that translates into a superior value proposition for customers

Outlook

Going ahead, the Company will consolidate its growth across the Indian leg of operations through various initiatives.

The Company intends to increase its manufacturing capacity across its Indian operations over the years.

The Company intends to generate around 65% of revenue from the aftermarket through a broadbasing of

its presence across a wider product mix, customised products, deeper penetration and stronger promotion.

The Company has embarked on the journey to win the Deming Prize across the foreseeable future, strengthening its quality culture to new benchmarks across every aspect of its operations.

The Company will continue to strengthen its customer-centricity by

manufacturing products for specific terrain applications on the one hand and transforming a product into a service on the other.

The Company will deepen the institutionalisation of its Customer Interface Programmes with the objective of understanding their stated / un-stated requirements and launch customised products ahead of the sectoral curve.

Our Indian Distribution Footprint

4,500+

Dealers

550+

Brand shops, which include Steel Wheels, Xpress Wheels, Truck Wheels and Retread Centres

140+

Sales, service and stocking points

20+

Regional offices



JK Tyre plant, Tornel, Mexico

Our global business

UNDETERRED

'New York taxis moving on JK Tyre.'

Some years ago, when this suggestion was casually dropped at a sales meeting, the reference was laughed away.

However, a small team of dreamers at JK Tyre persisted. They kept the dream alive. They built on the dream. Undeterred.

They dreamt of a day when a JK Tyre product would move vehicles

in Buenos Aires. Would be on taxis in Dubai. Would help roll vehicles in Nairobi. Would be respected for durability in Johannesburg. Would deliver a superior price-value proposition in Madrid.

JK Tyre has a presence in 105 countries including brand shops in some of the countries.

Where 'JK Tyre' is respected for being a dependable global citizen.

Staying undeterred can be rewarding.

Overview

JK Tyre is a global citizen of Indian origin. The Company's products are marketed in more than 100 international markets.

The tyres were exported in the Company's brand names (JK Tyre, Vikrant and Tornel), strengthening a respect for trust, terrain-relevance, superior research and dependability.

Challenges

Following a 3.8% growth in 2017 that extended into the first half of 2018, the global economy slowed in the second half of 2018. The reasons for this decline are to be found in a confluence of factors like the failure of Brexit negotiations, tightened financial conditions, geopolitical tension, trade wars and higher crude oil costs. The result is that global economic growth declined to 3.6% in 2018 and is projected to decline further to 3.3% in 2019. Besides, aggressive Chinese dumping of tyres increased global competition.

Strengths

JK Tyre addressed the various challenges faced in the global markets through a combination of products and services.

The Company positioned itself as a one-stop solution provider, marketing the complete range of tyres from its Indian and Mexican operations.

The Company widened its SKU range to address growing global demand, strengthening its ability to address diverse terrain realities on the one hand and specific customer needs on the other.

The Company's R&D worked closely with representatives and customers across regions to customise products for regions as opposed to generic marketing.

The Company enhanced operating flexibility through the ability to market products out of two countries (India and Mexico) based on logistical costs and convenience as well as considerations of trade relations with countries.

Achievements, 2018-19

With a view to expand its international footprint, the Company enhanced its Mexico capacity and product bouquet at the onset of the year. The restructured

Mexico operations resulted in higher efficiencies.

To enhance operational efficiency the Company strengthened synergies between its India and Mexico operations by leveraging the rich internal expertise across various functions.

Not only was the product range enhanced from JK Tyre's own facilities but riding on the dynamic business environment through business tie-ups, the well-accepted JK Tyre brand was produced at external facilities and made available as per consumer needs in various markets.

Higher market penetration and higher brand visibility was achieved by increase in number of sales points. Marketing hubs were established by building regional sales teams resulting in a deeper sales thrust in Middle East, South East Asia and Africa.

The international leadership team was strengthened with the appointment of a Head of International Trade for a higher business thrust and greater industry expertise.

Outlook

The Company intends to scale its international presence in new geographies by implementing various strategic measures like enhancing and enriching the product mix and focusing on increasing realisations by providing superior products and services.



Global presence

Mexico distribution footprint

97

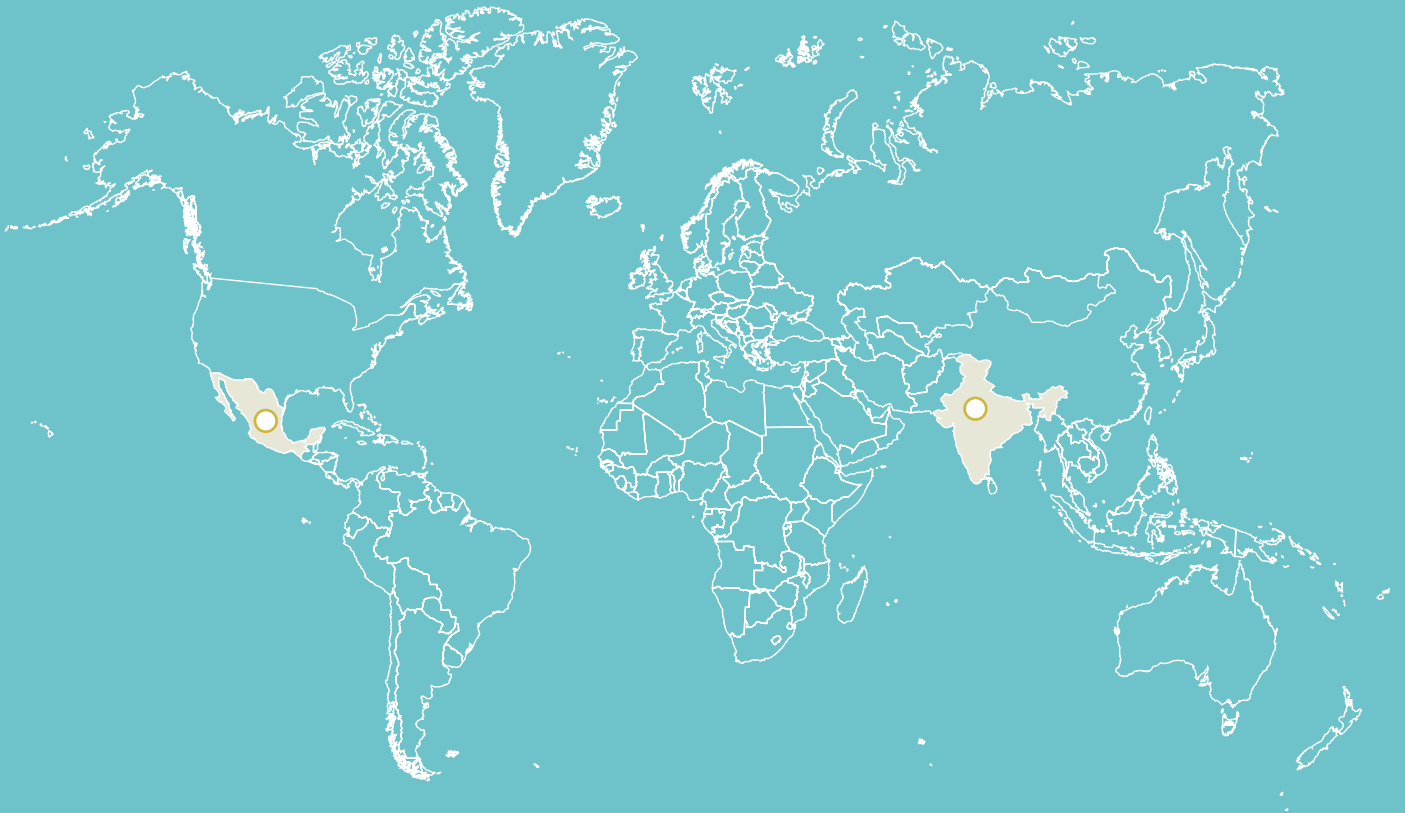
Dealers

144

Network of third party
dealers/distributors

34

Network of Distributors
for Exports



Presence in other geographies

60

Distributors in North
and Latin America

76

Distributors in Middle
East and South East Asia

61

Distributors
in Africa





21st JK Tyre National Racing Championship

A culture of marketing excellence

UNDETERRED

A few years ago, we were faced with a challenge.

There was an expressed need to outperform competition.

At a time when we were discussing our products, one of our executives had a brain wave. He refused to refer to the JK Tyre product as a 'product'.

His words: "What we make in our factories is a tyre. What we market to customers is trust."

From that one sentence emerged a completely new way of doing business – and a monetised service.

When the Company first suggested that it needed to graduate beyond marketing

a tyre to market the concept of pay-by-use backed by dedicated service, maintain the tyre across a period of time, the idea was received cautiously.

At JK Tyre, we proceeded undeterred.

We marketed with conviction. We evangelised with passion.

The result is that a number of large fleet owners in India have graduated from the purchase of tyres to renting them instead. Most fleet owners have also evolved from worrying about which tyre will next need to be replaced to a peace of mind.

And all because JK Tyre encountered caution and proceeded undeterred.

Overview

Marketing is one of the most challenging functions going into the success of a tyre company.

Successful marketing warrants responsiveness to dynamic market realities. A number of emerging realities are unforeseen. The number of variables affecting the external environment have increased over the years.

In view of these realities, what companies need is a deep institutional framework that enhances agility.

The year under review put a premium on the marketplace responsiveness of JK Tyre. The Company acquitted itself through record sales by volume and revenue, sectoral outperformance and a stronger foundation to build sustainable growth.

Challenges, 2018-19

The Company was faced with the challenge of sustaining its percentage growth on a larger revenue base in the face of increasing competition.

The Company addressed a premium in responding with speed to changes in marketplace dynamics related to price, offtake and competitive action.

The Company needed to respond with speed to the change in axle load norms during the course of the years, affecting sales momentum; besides, the Company needed to implement measures to counter the sluggishness arising from rumours that the applicable GST rate on tyres would be reduced (inspiring destocking).

The OEM market faced a slowdown in offtake in the second half, which needed to be countered with stronger offtake on the one hand and increased realisations on the other.



Achievements, 2018-19

The Company responded with a positive spirit to the various challenges it encountered during the year under review.

The Company evolved its product portfolio from slow moving segments to faster moving segments (tippers and buses) in the second half of the year and made focused effort on ground at target locations to induce fitment of its premium products.

The Company focused on the replacement market even as OEM offtake slowed; a closer tracking of government replacement purchases and consequent orders helped arrest a decline in demand.

The Company countered the decline in potential demand following the axle load revision by evolving focus from customers addressing long routes to short routes and addressing infrastructure growth areas.

The Company leveraged its positioning as a complete one-stop tyre supplier, accounting for a larger share of the retailer's wallet.

The Company marketed the right product mix, passing on a part of the cost increase to consumers and strengthening realisations.

The Company engaged deeper with trade partners, strengthening their confidence through proactive initiatives that enhanced the Company's respect as a trend maker and also strengthened offtake.

The Company accelerated the launch of new products; the number of products on offer was 93 during the course of the year.

The Company entered into collaboration with JCB, the international backhoe payload giant, to seed the use of its Off Highway Tyres, resulting in OHT growth of more than 40%.

The Company increased the proportion of revenues from renting tyre services to fleet owners, strengthening the Company's brand as an innovative service provider.

The Company enhanced visibility through the sponsorship of racing events, sending out a signal that the tyres used by the racers are the tyres the Company marketed to consumers.



JK Tyre presents 'Indian Car of the Year' award to Mr. Kenichi Ayukawa, MD & CEO, Maruti Suzuki for 'Maruti Swift'



JK Tyre presents 'Indian Premium Car of the Year' award to Mr. Charles Frump, MD, Volvo Car India for 'Volvo XC40'



JK Tyre presents 'Indian Motorcycle of the Year' award to Mr. Siddhartha Lal, CEO, Royal Enfield for 'Royal Enfield Interceptor 650'

Strengths

Service <p>The Company's respect extends from superior product attributes to sensitive and responsive service</p>	Loyalty <p>The Company's marketing eco-system is defined by multi-decade and multi-generation relationships with dealers on the one hand and large fleet owners on the other</p>	Brand shops <p>The Company's branded outlets (550+ in India) provide a standardised service (products and engagement) across the country</p>	Coverage <p>The Company is present in more than 500 districts of the country (out of 725), driven by the conviction that a JK Tyre vendor should be proximate whenever a customer intended to buy</p>
Fusion <p>The Company's distribution strategy represented an effective fusion (dealers in prominent locations with a limited sales footprint coupled with distributors present deep inside districts), one of few tyre brands to employ this approach</p>	Flexible <p>The Company provided large fleet owners the option of buying the product (tyre) or buying the service (where the Company charges a rent for the use of tyre in exchange for ongoing maintenance) – a fleet management solution</p>	Customised <p>The Company customised its marketing communication and policies from region to region, enhancing familiarity and product acceptance</p>	Availability <p>The Company enhanced product availability and reduced the incidence of retail stock-out through the increased flexibility in being able to access products from any of its nine manufacturing facilities across India</p>
Logistics <p>The Company rationalised the number of warehouses from 40 to 30, shrinking the time to deliver, moderating logistic costs and increasing sales velocity</p>	Proactive <p>The Company's marketing team graduated from active trouble-shooting to planning marketing initiatives a quarter in advance, strengthening effective through calendarised planning</p>	Research <p>The Company strengthened its access to a centralised research facility in Mysuru, enhancing its responsiveness to market needs and shrinking its time-to-market tenure</p>	Solution <p>The Company provides a complete tyre portfolio solution following the introduction of two- and three-wheeler tyres following its 2016 acquisition</p>
Team <p>The Company's go-getting marketing team comprises more than 600 individuals driven by the need to outperform</p>	Stronger supply chain <p>The Company shrunk the time lag between counter sale and product replenishment through hand-held information technology tools, which increased demand fulfillment, strengthened dealer trust and moderated working capital outlay</p>	Product introduction <p>The Company introduced its next generation product line, strengthening its respect and wallet share of trade partner</p>	Infrastructure <p>The Company increased the rollout of exclusive 'JK Tyre Steel Wheels' (addressing passenger car and LCV tyres) and 'JK Tyre Truck Wheels' (addressing HCVs) retail outlets</p>

Outlook

The Company intends to be prepared for the next round of market rebound through a proactive investment in product research, relationships and presence.

The Company expects to widen and deepen its distribution penetration through engagements with a larger number of dealers and distributors.

The Company expects to carve out a larger share of its rent-based service proportion (fleet management solution) and accelerate product development in readiness for the OEM demand rebound.



How we enhanced our brand recall

UNDETERRED

Three decades ago, JK Tyre as a sustained approach decided to position the brand as young and adventurous.

Some felt that increased spending around a core message in the print and electronic media would enhance recall. Others felt that the Company's association with a specific subject would suffice. Others felt that a mix of both would work best.

JK Tyre chose the middle path. However, new challenges arose here too as well. What subject should the Company associate with? Should it be just one subject or a number of them?

JK Tyre eventually decided to practice the highest level of motorsport by introducing international Formula Cars and build a world class motorsport infrastructure in the country. The challenges here too were varied: To what extent would it be able to enhance mind space? Would the spending be justified?

The Company proceeded undeterred.

It increased its participation and presence across all motorsport events in the country so much that today the brand stands synonymous to motorsport in India. It showcased to the world that the tyres being raced were the tyres the Company

marketed. Even better, the 'open laboratory' where the product was tested in diverse terrains enabled feedback to be provided to the Company's research team. The result is that what started out as an initiative in enhancing visibility has now evolved into an active user engagement programme that is helping the Company make better tyres with an interesting spin-off: ability to launch tyres that succeed in a competitive multi-brand marketplace from day one.

And all because someone at JK Tyre trusted that a motorsport positioning would strengthen the business in more ways than one.



Achievements, 2018-19

JK Tyre continued to make its presence felt in the Indian markets by aggressively and smartly promoting various motorsport events. The Company's tyres were deployed in all kinds of terrain (tarmac to dirt road to forests to mountains).

The Company hosted the JK Tyre National Racing Championship for the 21st successive year. JK Tyre Motor Sport made its presence felt in various other formats across India: Off-roading events in Arunachal Pradesh, Nagaland and Chandigarh, the Parliamentarians Rally in Delhi. This year the Company supported the cause of women empowerment and promoted women in motorsport through various women's rallies that were held in Delhi & Mumbai. The JK Tyre Defence

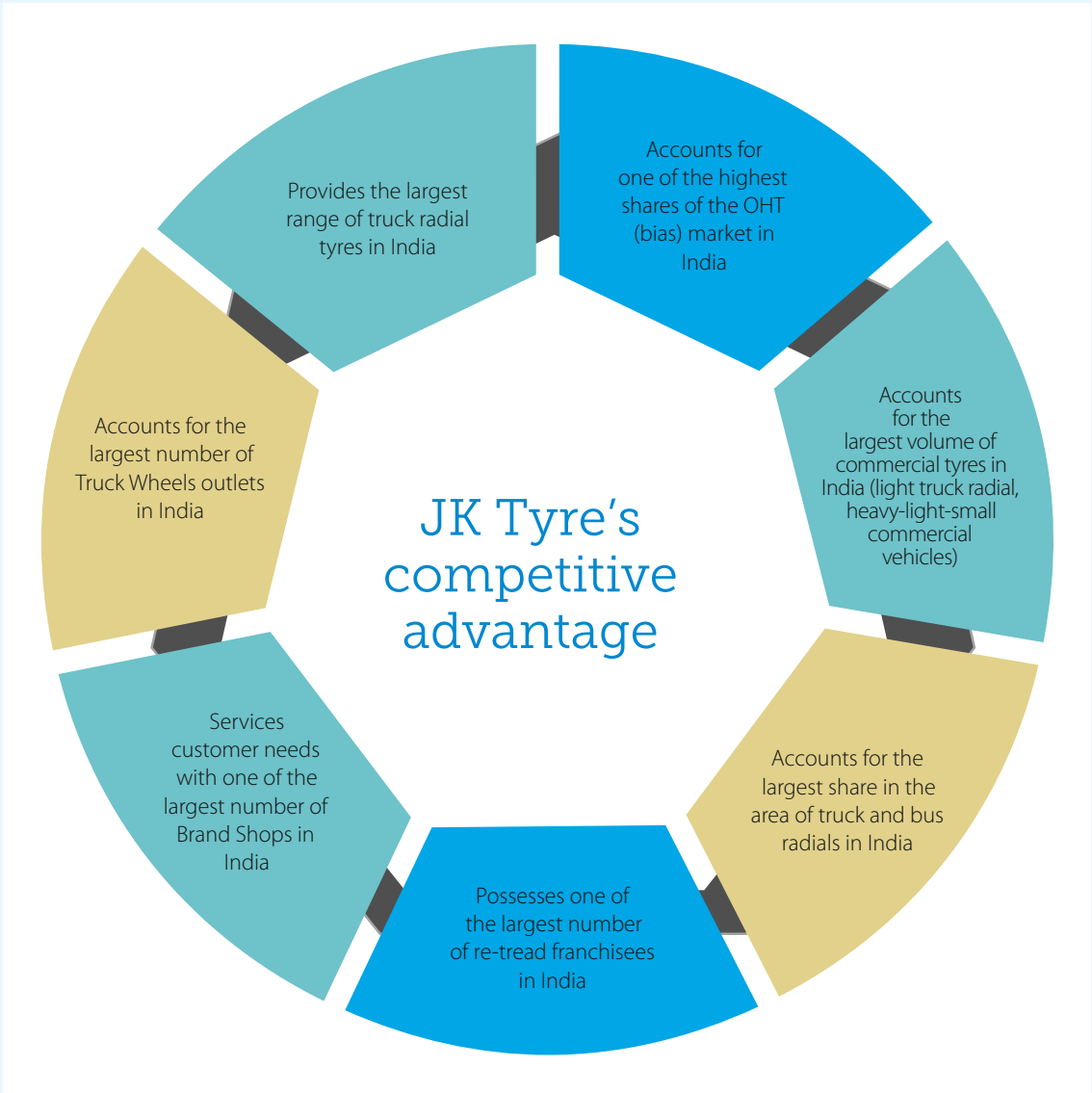
Wives Power Drive held in Delhi, was a unique initiative undertaken for the wives of the Armed Forces.

The engagement with motorsport served as a real-life laboratory that validated the Company's products in extreme conditions. The Company invested more than ₹100 crores in building world-class motor sport infrastructure.

Outlook

The Company enjoys a robust corporate brand supported by a number of active products enjoying a high recall. The Company continues to be India's first and only tyre Superbrand. The Company will continue to invest aggressively in brand-building.

The Company continues to be India's first and only tyre Superbrand.



<p>Our Fleet Management Solution</p>	<p>We provide truckers with solutions related to tyre care and maintenance</p>	<p>We provide a preventive maintenance solution, extending tyre life</p>
<p>We demonstrated an attractively lower cost per km of tyre used</p>	<p>We extended this solution to fleet owners</p>	<p>We provide fleet with cradle to grave solutions for tyres</p>

Strengthening our knowledge capital

Overview

In a world marked by increasing quality standards and competition, the principal differentiator between companies comes down to just one reason: people.

Companies with superior knowledge outperform across market cycles, report stronger margins, generate larger cash flows and create sustainable businesses.

Over the years, the Company invested in people competencies, training, empowerment, team working, knowledge sharing and transparent communication (monthly web cast, town hall meetings etc.) and succession planning.

The result is that the Company is recognised as a Great Place To Work in, enjoys high people retention and rising productivity.

Challenges, 2018-19

The year under review was challenging for the Indian economy in general and the tyre sector in particular.

There was a need to enhance employee engagement with the Company resulting in high productivity.

There was a perceived need to enhance training and knowledge sharing across management functions and tiers.

The Company was required to match the right talent with the right position at the right time to enhance fitment.

Achievements, 2018-19

The Company reported a record performance in a challenging economic and sectoral environment.

This outperformance was marked by a number of achievements.

The Company achieved all its targeted productivity benchmarks including workstation benchmarking.

The Company emerged as a Great Place To Work in 2018-19 and 2019-20, validating its positioning as a preferred employer

The Company concluded three wage agreements without a single day's production loss.

The Company achieved a position as a 'Great Place to Work' in top 100 companies.

The Company retained more than 95% of the senior management and 91% employees on the overall.

The Company contained people cost as a percentage of revenue.

The Company invested deeper in digitalisation with the objective to enhance productivity.

Outlook

The Company will focus on smooth and effective succession planning, retain its position as a Great Place To Work In and incorporate drivers for sustained outperformance.





Our culture of manufacturing excellence

UNDETERRED

Until some years ago, the Company either drew water from the neighbouring environment or purchased water at a prohibitive cost to sustain operations at its Kankroli plant.

The Company consumed about 1200 KL per day in this water-stressed region, so when a senior executive suggested that he could moderate this to less than half within a year, he was not taken seriously.

The first reaction: 'How will you achieve this at the Company's oldest manufacturing facility?'

The plan would have been shelved but for the fact that the executive remained undeterred.

He brainstormed. He drew out a technical blueprint. He presented a zero-capex plan. He drew the co-operation of workers. He made this a plant agenda.

As the number of cooling towers was rationalised, the water consumption trended down. And then surprises or surprises... the plant touched an unbelievably low water consumption benchmark of 500 KL per day in just eight months.

That one successful experiment with water moderation opened the floodgates. The plant's consumption

of 1.25 litres per kg of the end product is today possibly the lowest in the global tyre industry. The 220 KLPD consumption of water at Kankroli is the lowest across all JK Tyre facilities.

The unforeseen positive spinoffs comprise: a decline in pumping costs; the quantum of water to be sent for effluent management has declined from 150 KL per day to nil.

The Kankroli team is now focused on an even more challenging target: to consume absolutely no raw water in tyre manufacture across the foreseeable future.

Remaining undeterred can transform realities.

Overview

In the tyre industry, the role of manufacturing is considered central to competitiveness.

The competitive manufacture of tyres enhances output from a given capacity, making it possible to amortise fixed costs more effectively. Besides, increased output across a wider variety makes it possible to service the widening and growing needs of the marketplace.

There is also a growing premium on the need to manufacture in line with rising

quality benchmarks and consume a smaller resource quantum per unit of the end product.

JK Tyre's objective is to establish the best global manufacturing standards, measured by the highest standards of people productivity, process integrity and product quality.

Challenges, 2018-19

The Company encountered a number of manufacturing challenges during the year under review.

In a business where manufacturing costs account for 75% of the revenues and where the pricing of most resources is beyond the direct control of the Company, there was a growing need to optimise manufacturing efficiencies.

The Company was required to increase output, enhance capacity utilisation, reduce energy consumption / natural resources and the amount of person-days required to manufacture a tonne of the end product.

These challenges were compounded by a need for extensive improvements through the active engagement of more than 8000 workers, addressing long-standing blockers and an organisational conviction woven around successive wins.

Outlook

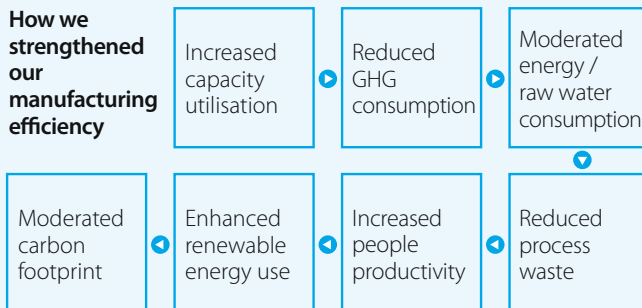
The Company intends to sustain its manufacture excellence through an improvement in all operating parameters during the current financial year.

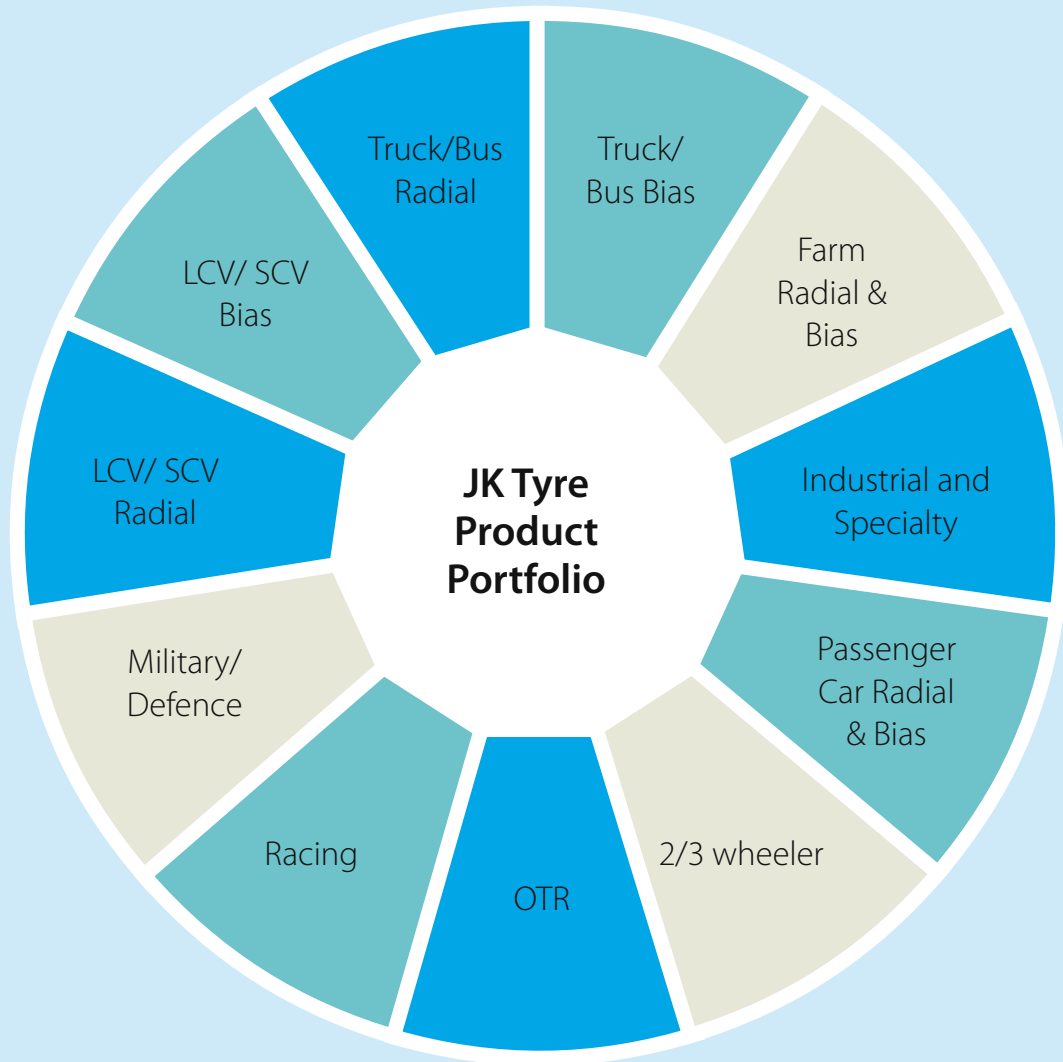
<h1>Strengths</h1>	Benchmark	The Company focused on reducing processes and materials; scrap generation reduced to less than 1% of material consumption, a global benchmark.	The Company institutionalised its value engineering and product improvement products (VEPIP); the Company focused on quality enhancement where cost reduction emerged as an incidental byproduct	Outperformance
	Cost leadership	The Company is among the lowest cost tyre manufacturers in India and the most competitive in the world in terms of resource consumption parameters (especially water consumption per tonne of the end product) and among the global lowest in terms of energy consumption	The Company's active multi-plant benchmarking discipline and a knowledge sharing platform enhanced operating standards closer to the world's best.	Carbon footprint
	Benchmarking	The Company also reduced its carbon footprint; the CFV measure declined; energy consumption per tonne of tyre manufactured declined to a level rated among the best tyre factories in the world; the Company reduced its water consumption to a level that is considered among the lowest in the global tyre industry.	Kaizen	The Company implemented a number of low-cost automation projects with the objective of enhancing productivity across manufacturing plants. This focus enhanced productivity in some of the Company's modern plants to levels around the industry's best; the oldest plant with the lowest automation (Kankroli) reported productivity improvement.

Capacity utilisation of our Laksar plant

FY17	41%
FY18	62%
FY19	81%

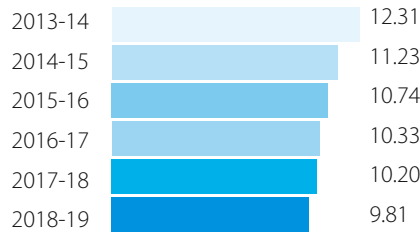
How we strengthened our manufacturing efficiency



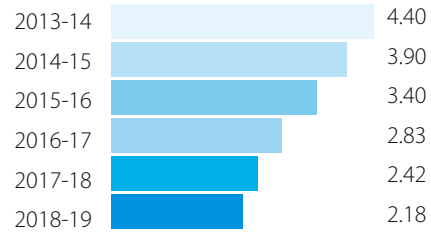


How we strengthened a culture of manufacturing excellence

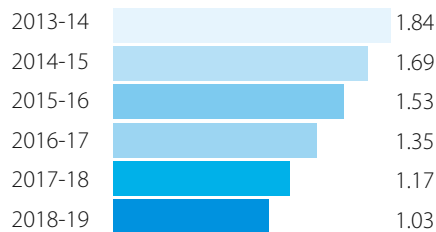
Energy consumption trend (Gj per tonne)



Water consumption trend (KL per tonne)



Emission intensity (Equivalent CO₂ per tonne)



Contribution of renewable power in total energy consumption



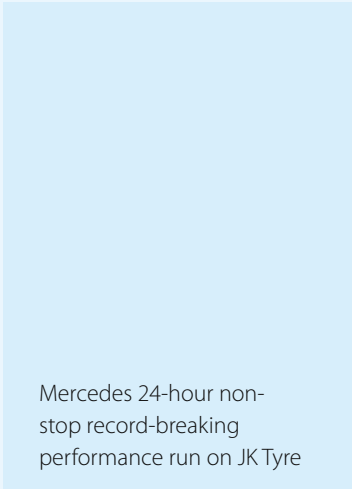
Year	FY16	FY17
Process waste (% by weight)	0.82	0.80
	FY18	FY19
	0.73	0.75

Year	FY16	FY17
People productivity (person-days / MT)	10.1	9.4
	FY18	FY19
	9.5	9.0

Year	FY16	FY17	FY18	FY19
% achievement of 5-year target to reduce GHG emissions by 50%	17	27	36	44



JK Tyre - Constitution Club of India Car Rally for Parliamentarians 2018 for the cause of road safety being flagged off by Honourable Vice President of India.



Mercedes 24-hour non-stop record-breaking performance run on JK Tyre



JK Tyre Times Women's Drive



From left to right: Mr. Sanjeev Aggarwal, Chief Financial Officer; Mr. Anshuman Singhania, Whole-time Director; Mr. Vikram Malhotra, Marketing Director, Mr. VK Misra, Technical Director; Mr. AK Bajoria, Director & President (International Operations); Mr. Rajiv Prasad, President (India Operations)

A culture of financial outperformance

UNDETERRED

When the senior management at JK Tyre emphasised the stretch target of growing faster than the Indian tyre sector in 2018-19, there were a number of reasons why industry observers would have said 'Impossible!'

The Indian automobile market slowed from the second half of the financial year. Competition increased.

In most instances, the plan would never have proceeded beyond the blueprint. Except at JK Tyre where various teams proceeded undeterred.

As if the slowdown in the economy never happened.

Teams focused on not just selling more tyres but on selling more of the right portfolio mix. The Company shifted its focus from long-haul markets to short-run. The Company strengthened its focus on the aftermarket. The Company sustained its focus on selling more radial products.

The result is that the Company outperformed the growth of the tyre sector during the year under review.

And all because it remained undeterred in the midst of a storm.

Overview

The tyre industry in India is large, competitive and exposed to a number of global brands.

In this competitive environment, there is a perpetual need to enhance financial ratios, strengthen cash flows, increase margins, repay debt on schedule and enhance business sustainability.

JK Tyre possesses a credible Balance Sheet that addresses the timely needs of all its stakeholders and woven around sustainability across market cycles.

Challenges, 2018-19

The Company encountered a number of challenges during the year under review.



From left to right: Mr. Bharat Aggarwal, Head-International Trade; Mr. AK Kinra, Financial Advisor; Mr. Anil Makkar, Manufacturing Director; Mr. Ashish Pandey, Vice-President-Materials; Dr. R. Mukhopadhyay, R&D Director

These challenges comprised a need to counter market sluggishness, rising competition (especially following the emergence of global brands in India), moderate costs, enriched the product mix with the objective to maximise realisation, strengthen the terms of trade with vendors and trade partners, pass on cost increases to consumers, strengthen access to banks (providing working capital), moderate corresponding short-term debt and concluded long-term wage agreements. Besides, the Company needed to mobilise adequate accruals to reinvest in the business and enhance business sustainability.

Achievements, 2018-19

The Company strengthened revenues to touch a milestone of ₹10,000 crores, the highest turnover in the Company's existence. The Company achieved ₹5000 crores in revenues in 33 years and replicated this growth in only the next 8 years, indicating an accelerating momentum even as the Company has got larger.

The Company enhanced revenues by 24.2% compared to a 6.6% growth of the Indian economy and 5.6% growth of the Indian tyre sector.

The Company reported profitable growth during a challenging year marked by a sector slowdown: even as revenues increased by 24.2%, EBITDA increased by 35.4%.

A key driver of the Company's enhanced profitability was an improvement in the product mix: the Company prioritised sales, promotion and marketing of value-added aftermarket products. Besides, the Company altered this product mix in response to a slowing sales environment, delivering the right product mix for segments that resisted the broad slowdown. The result was that the Company increased revenue derived from the aftermarket.

One of the important drivers of the growth in the Company's profitability was derived from its financial discipline: inventories moderated from 63 days of turnover equivalent to 59 days. As a result, working capital cycle moderated from 84 days of turnover equivalent to 76 days.

The Company strengthened its Balance Sheet during the year under review through a preferential allotment of equity shares made to the promoters of the Company at ₹103 per share. The infusion of ₹200 crores in net worth by the promoters strengthened the debt-equity ratio and enhanced investor confidence in the Company's prospects.

Outlook

The Company is attractively placed to grow its business in the foreseeable future. Following the introduction of two- and three-wheeler tyres in the last three years, the Company's product mix is now complete, providing consumers with a one-stop solution and carving out a superior customer wallet share.

In the foreseeable future, the Company expects to moderate its gearing, reinforcing its financial foundation and long-term business stability.

With debt peaking and no major expansions planned in the next couple of years, the Company plans to reduce debt in coming years, strengthening its financial foundation.



Designing the next generation product at a **faster pace**

UNDETERRED

'Can a tyre 'talk'?'

This is precisely the kind of question our engineers work with.

Except that at our research-driven and passion-inspired company, we focus on turning such questions into reality.

Through patience. Through out-of-the-box thinking. Through team-working.

The result is that the JK Tyre of today is well on its way to emerge as an IoT product.

Because a sensor fitted on the tyre rim indicates the location, temperature, pressure and even a shift in position – in real-time. This is then communicated to the fleet owner so that he/she can engage in preventive maintenance.

The day is then not far off when the Company's products will

communicate to their owners, virtually sending out messages of their operating conditions and road worthiness.

In a world where automobiles are getting 'autonomous', even tyres are getting 'intelligent'.

And just because however ridiculous the concept may have first sounded, the research engineers said 'Let's try and figure a way out'.

Being undeterred can pay off big time.

UNDETERRED

When the research engineers at JK Tyre embarked on the simulation-driven development of a new generation of a tyre, there was a mix of optimism and apprehension.

While this was a futuristic thing to do, felt industry observers, they wondered whether we were ahead of our time.

Others felt that the conventional route would endure for some more time so perhaps we could defer.

At JK Tyre, we continued undeterred.

We believe that this was the right thing to do immediately. The area of simulation, modelling and computational research would strengthen the Company's practices. It would enhance the Company's familiarity with cutting-edge design. It would help

moderate costs. It would excite and attract fresh talent.

The challenges were considerable. The technology was new. The customer needs were demanding.

The Company lived up to its commitment.

The result is something that most observers would have scarcely expected. New product development time collapsed from 24 months to a mere six months. JK Tyre is launching new and more complex products in considerably lower time.

Now that the product development cycle has declined by nearly 75%, the Company's engineers have responded to a new ask: halve the target from this point and deliver new products within a quarter.

Most engineers would have been daunted. At JK Tyre, we remained undeterred.

Raghupati Singhania Centre of Excellence (RPSCOE)



In 2018, JK Tyre inaugurated its Global Technology Centre RPSCOE in Mysuru, converging best-in-class facilities under one roof. This state-of-the-art facility comprises two advanced research and development facilities.

HASETRI: Established in 1991. HASETRI is Asia's first and India's largest and foremost tyre research centre, developing new and better tyre cum

polymer technologies. The goal of this autonomous institute is to catalyse the development of new technologies for the rubber and allied industries for the domestic and international markets. HASETRI was earlier located at Kankroli (Rajasthan) and Faridabad (Haryana) before being shifted to RPSCOE, Mysuru. It is actively engaged in material and compound characterisation / development, advanced analytical

testing, process development, predictive technology development and product validation, both in-house and external.

The centre features the first-of-its-kind semi-anechoic chamber for noise, harshness and vibration measurement. These chambers have a sound-absorption level of 100%.

The RPSCOE continues to invest extensively in areas of product validation and various analytical and computational tools, addressing emerging challenges.

JK Tyre Tech Centre: The JK Tyre Tech Centre is the hub of new product development, addressing existing and emerging needs. This centre is engaged in product design, development, validation and industrialisation using the most sophisticated tools and techniques. The Centre covers all tyre categories (passenger car radial, light truck radial, light truck bias, truck and bus radial, farm & off-the-road tyres and 2/3-wheeler tyres).

Overview

In the business of tyre manufacturing and marketing, the one word that defines new product development is 'tomorrow'.

The Company needed to respond to the revised axle load norms and growing competition from some of the largest global brands (operating in India) with corresponding products.

There was a greater premium on the need to manufacture products benchmarked around the needs of the future – in terms of tubeless variants, rolling resistance, environment friendliness and durability.

JK Tyre has been launching new and more complex products in considerably less time in various categories – in as low as six months. Since the total time of new product development has reduced considerably, owing to predictive technology capabilities, scientists and engineers from the Centre of Excellence facility have taken up the challenge of reducing the development cycle time further and launch products faster.

The Company introduced its next generation product line comprising to 93 new products across the entire range from 2/3 wheeler to OTR categories in 2018-19.

Challenges, 2018-19

The Company's principal challenge was a growing need to address increased competition, widen the product range in standard and premium segments, introduce a wider range of tubeless in the Truck and Bus Radial category, optimise rolling resistance with grip and mileage, achieve higher re-treadability in the commercial vehicle category and enhance safety and comfort in the passenger car segment. There has also been increased focus in accelerating OEM approvals, widening product choice and value enhancement through value-engineering without any quality compromise.

Achievements, 2018-19

The Company leveraged its deep research-led know-how to convert into application engineering-based products competitive in performance and cost parameters.

Looking at the overall expectations of OEMs to improve fuel efficiency, the Company lays an utmost focus on lower rolling resistance. It introduced new products considerably lower in rolling resistance without compromising the overall performance, thereby reducing the total ownership cost of customer.

The Company has also developed value-added services by making the fuel

efficient tyres smart by incorporating sensors to alert the customer about prompt maintenance to realise the benefits of fuel-efficiency.

The Company made products BSVI-compliant. While doing so, it maintained balance in terms of grip, mileage, ride comfort and other performance measures.

The Company provided the utmost importance to safety, developing puncture-resistant tyres with self-sealing capabilities.

Outlook

The Company intends to accelerate new product introduction. It intends to increase the use of biomass, eco-friendly material, superior polymers, different simulation tool development and enhanced virtualisation to accelerate the development of the next generation of tyres.

Besides, the Company intends to introduce new tubeless tyres for truck applications, increase its coverage of all passenger car OEMs, export passenger car tyres, test truck tyres across more continents and countries, strengthen capabilities for electric vehicles, develop an eco-system of rubber growers in different regions and enhance its retention of knowledge professionals.



Strengths

Futuristic

The Company invested in contemporary research centre in 1991 with the objective to possess independent technology in a world where the tyre manufacturing technologies were largely guarded. With a widening of the teams in technology and R&D groups over the years, as well as substantial increase in testing and development infrastructure, the Company established a centralised Global R&D centre called 'Raghupati Singhanian Centre of Excellence' in Mysuru to strengthen synergies between the various technology and R&D groups. This Centre also plays a vital role in accelerating new product development.

Decoupling

The Company focused on decoupling technologies - producing the same tyre with fewer resources on the one hand and increasing production on the other, while continuously reducing environmental impact.

Standards

The Company has progressively future-proofed its tyres through the absorption of tomorrow's standards today. This future-proofing has been derived from a proactive investment in complex material research, advanced modelling techniques, real-time simulation and testing with the objective to address emerging standards related to safety, digitalisation and electric vehicles.

Petroleum-agnostic

The Company has also developed competence in becoming progressively petroleum-agnostic, an area of growing relevance in a world where petroleum prices are volatile and where 50-60% of the material cost of a tyre is petroleum-based. This competence has been derived through a growing use of natural fillers with the objective of enhancing environmental integrity.

Simulation

The Company invested in advanced simulation and modelling with the objective of making first-time right products and reducing the overall time to market. The capability is enhanced to a level where both manufacturing process and product testing can be simulated in real time.

Virtual proven ground

The Company has established jointly with the Raghupati Singhanian Centre of Excellence at IIT Madras, a virtual proving ground, making it possible to 'experience' actual driving of vehicles with different tyres with different characteristics. This enables us to bring down the cycle time of passenger car tyres.

Toolbox development

The Company leveraged toolbox development with the objective to accurately estimate mileage, noise, vibration, fuel efficiency and safety.

Responsible

The Company replaced the use of finite fossil fuels with biomass, marked by a cradle-to-cradle perspective comprising resource reduction, enhanced reuse, greater recycling, higher use of renewable energy and stronger recyclability.

Alliance

The Company continued to engage with IITs and Universities of international and national repute to create the country's next generation of rubber science and technology scientists. The RPS Centre of Excellence, at the Indian Institute of Technology Madras, is a fitting example of industry-academia joint ventures. Located at the IIT campus, the Centre facilitates research on various aspects of tyre mechanics and vehicle dynamics through FEA, mathematical models and experiments.

Lighter

The Company invested in high-strength new-generation and environment-friendly raw materials to produce lighter and stronger tyres, which enhanced fuel-efficiency and reduction in cost per km.

JK Tyre:
Synonymous
with
technology
leadership

The first Indian company to manufacture and market radial tyres in India (passenger radials in 1977; truck/bus radials in 1999)

First Indian company to launch an eco-friendly 'green' tyre

First Indian company to launch high-performance H, V and Z-rated passenger radial tyres

First Indian company in India to conduct institutionalised national racing and national karting championships, the biggest motorsport events of India

First Indian company to achieve OE fitment of tubeless radials

First Indian tyre vendor selected by Suzuki Motor Corporation to work on its Swift model from the drawing board onwards

First Indian company to commission an independent research and development centre – HASETRI (Hari Shankar Singhania Elastomer & Tyre Research Institute), a one-of-its-kind state-of-the-art R&D centre in the Asia-Pacific.

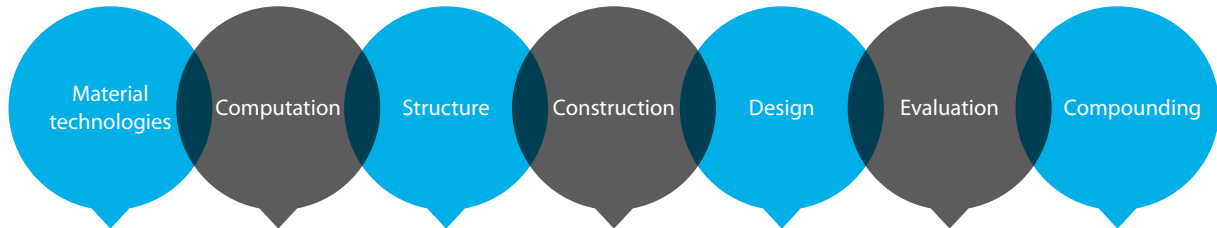
First Indian tyre to be recognised as a Superbrand by global advertising professionals

First Indian tyre company to be awarded the CII-EXIM Business Excellence Award commendation certificate

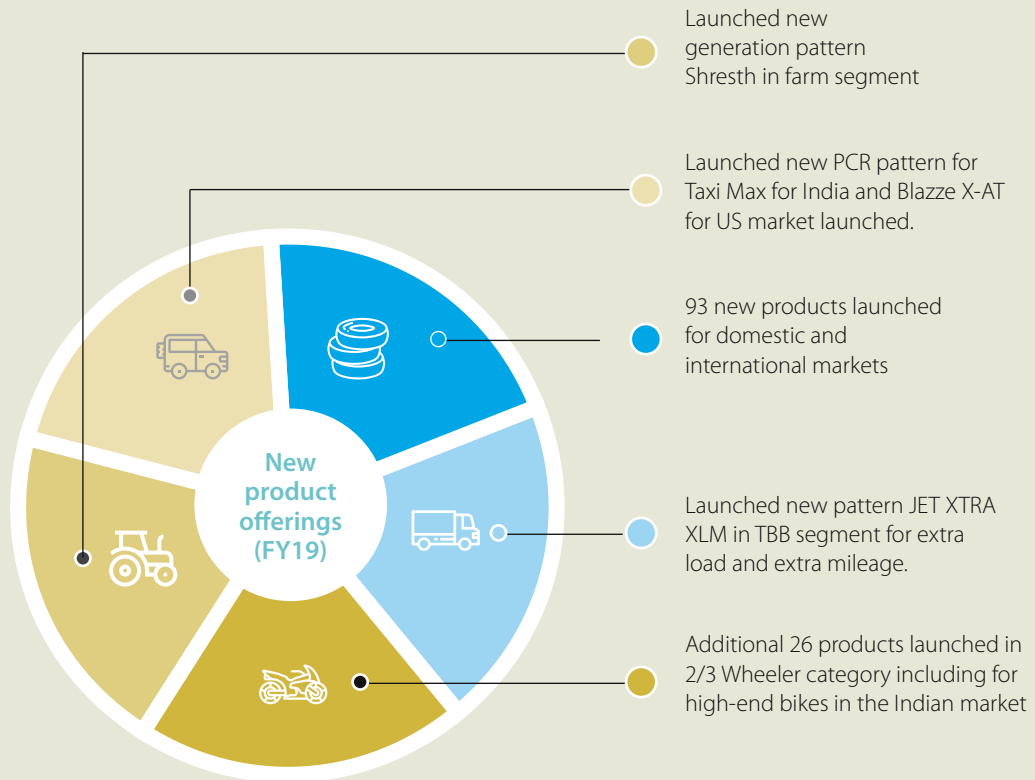


JK Tyre Plant, Chennai

Our competencies



Prominent launches in 2018-19



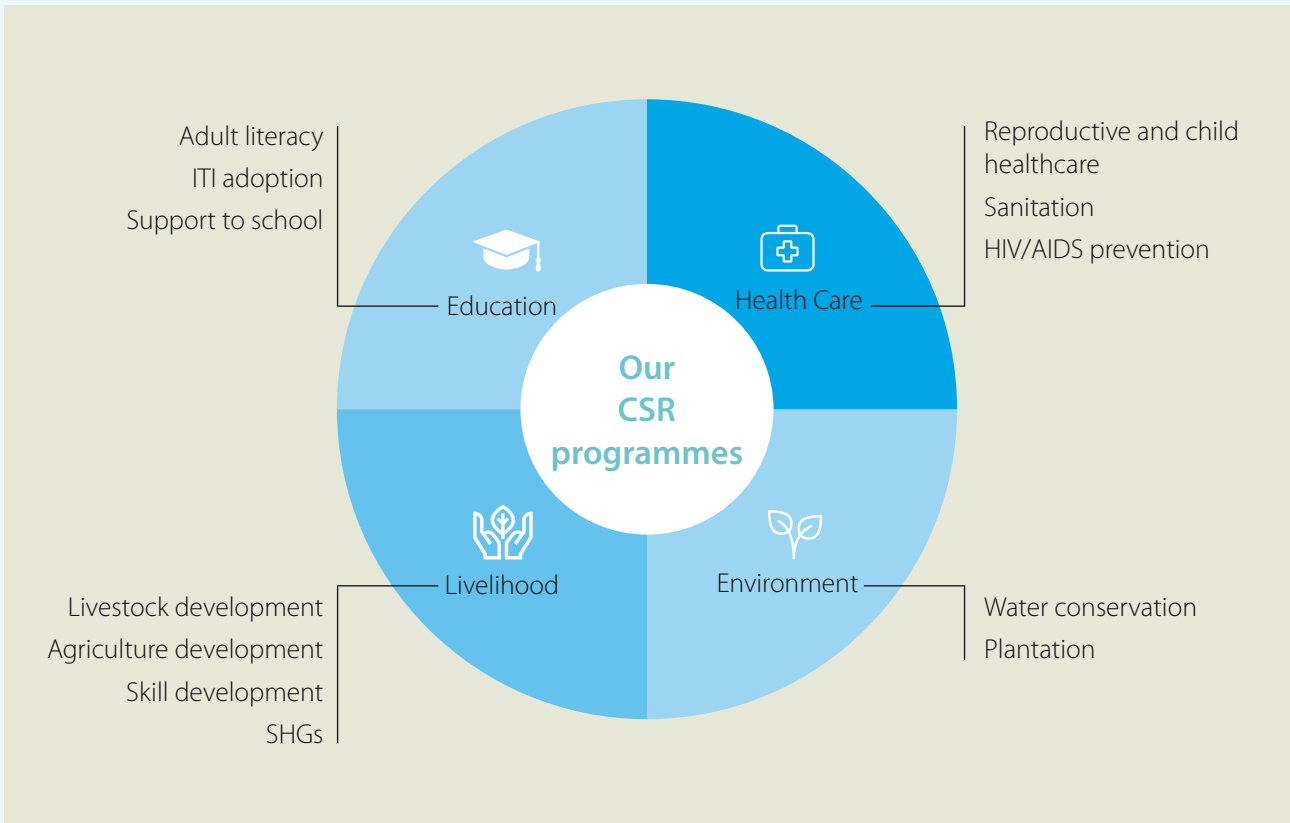


UCCI Excellence Award 2019 for outstanding achievement in Corporate Social Responsibility

JK Tyre. **The corporate citizen**

JK Tyre is a responsible corporate.

The Company is not only driven by the need to make the world a better place through the manufacture of a safer and technology advanced product, but also by widening its prosperity circle.



At JK Tyre, our corporate citizenship is defined by a number of priorities.

One, we believe that we are engaged in business to make the world a better place.

Two, we believe that our corporate propriety must extend to all stakeholders including those who are not connected with the Company in any way.

Three, our engagement in corporate social responsibility projects are aligned with UN's Sustainable Development Goals (SDGs) and national and regional priorities.

Four, we have extended beyond cosmetic engagement to a deeper engagement with the objective to make a lasting positive difference.

Five, we partner specialised agencies who possess a deeper terrain experience and understanding.

Six, we believe in making initial investments where a moderate engagement from our side can translate into incrementally larger societal impact.

Seven, we focus on responsible engagement where we empower beneficiaries to assume control of their lives.

Eight, we engage in programmes relevant to grass-roots existences. The Company is focused on various areas (livelihood, health care, education, rural and semi-urban infrastructure

and environment conservation) with the objective of mitigating poverty, unemployment and environmental imbalance.

Nine, these programmes are based on need-assessment surveys in relevant locations using various social research methodologies.

Ten, the Company's engagement is directed by a defined CSR Policy, implemented under the guidance of a CSR Committee and senior management.

Eleven, the outcomes of these programmes are periodically tracked.



Healthcare and sanitation

Swachh Bharat Mission: In line with the 'Swachh Bharat Mission' of Government of India, the Company helped build 3847 toilets, making more than 60 villages open defecation-free.

HIV/AIDS prevention: Six health clinics benefited more than 15,000 patients in FY19 in addition to 250,000 transporters covered till date. The Company supported HIV/AIDS (PLHIV) patients in Rajsamand (Rajasthan) with support, guidance, medicines and nutritional supplements for PLHIVs including HIV positive children. The PLHIV network enrolled 1159 PLHIVs in Rajsamand and linked a large number of PLHIVs with government-run social schemes.

Reproductive and child health care: Project 'Parivartan' focused on tribal-dominated Rajsamand district, moderating the infant mortality rate and maternal mortality rate. During the reporting year, more than 8000 patients have been provided medical support and free medicines.

General health care: Pushpawati Singhania Hospital and Research Institute, New Delhi, a super-specialty and non-profit hospital, is co-promoted by JK Tyre for the well-being of the common people. More than 100,000 patients availed affordable and best-in-class healthcare services during the reporting year.



Water conservation

JK Tyre has achieved the distinction of being the lowest water consuming company in the global tyre sector. The Company also initiated rural water conservation projects to enable communities become water-sufficient. Total 28 community water tanks, 10 check dams and 38 farm ponds have been developed to benefit rural communities. These helped harvest water for irrigation, recharge depleted ground water and provide drinking water for animals. The Company has also supported farm bunding, borewell recharge and soak pits, benefiting more than 10,000 local people.

Employee volunteering

JK Tyre employees volunteered in adult literacy classes, shared technical expertise with ITI students and sponsored less-privileged students. Some 1710 employees donated blood on the birth anniversary (20th June 2018) of the late Mr. Hari Shankar Singhania, former Chairman of the Company.



Education

Adult literacy: Since 2004, JK Tyre transformed the lives of more than 50,000 rural women through making them functionally literate under the adult literacy programme. The programme was extended to the Central Prison, Mysore, addressing more than 5,500 inmates and transforming them into functionally literate.

ITI Adoption: JK Tyre adopted three government ITIs under the public-private- partnership model. The job-oriented vocational education benefited more than 500 students each year leading to almost 100% employment.

The Company also helped schools improve their pedagogy, learning outcomes, digital learning and infrastructure in addition to remedial classes for weaker students after school hours.

Sustainable livelihood

The two primary resources for livelihood in rural India are agriculture and livestock. Improvements in these two sectors can bring about sustained development in rural lives.

Livestock development programme: Under the livestock development project, artificial insemination, fodder development and livestock healthcare services are delivered locally for cattle breed improvement and enhancing milk production. Some 3,089 high milk producing hybrid calves were born and 14,923 artificial inseminations were performed in the last three years; more than 20,000 cattle were provided vaccination, deworming, de-ticking and infertility treatment.

Agricultural development programme: Farmers (including women) were trained in modern agricultural practices comprising the use of high-yielding variety/seeds, optimum use of fertilizers and pesticides for enhancing agricultural production.

Vocational and skill-imparting training: Location-specific and market-oriented vocational skills were provided to approximately 540 unemployed youths covering vehicle driving, mobile repair, motor winding, tailoring and beautician training. A number of trainees secured employment, with some going on to launch their own businesses (and becoming employers in turn).

Awards and recognition

- Awarded at 'National Water Awards for Excellence in Water Management 2018' by Confederation of Indian Industries (CII) as 'Noteworthy Project in Water Management' under 'Beyond the fence' category.
- Awarded at UCCI Excellence Award 2019 for outstanding achievement in the Corporate Social Responsibility category.
- 7th ACEF Asian Award for Excellence in CSR, 2018 for sustainable community development.

Case study



How JK Tyre brought a smile to a landless labourer

Rajaram Sharma. Landless farmer. Veerampura village, Morena, Madhya Pradesh. Earned a meager livelihood from 2 acres leased land and struggled to provide decent living for a five-member family. Rajaram possessed one local cow yielding a low milk quantity.

There was little hope for Rajaram until he encountered JK Tyre's Integrated Livestock Development Centre (one of six), providing artificial insemination and health care services for dairy animals across Morena.

The project team treated Rajaram's cow and performed artificial insemination later. The mother cow yielded around 4 litres of milk per day; the F1 hybrid calf of the same cow yielded 17 litres milk per day.

Suddenly dairying is profitable for Rajaram. He generates around ₹15,000 per month from milk sale in addition to his daily wage and earning from agriculture.

Rajaram has begun to smile again.



How JK Tyre's Project 'Parivartan' is building a secure generation

One of the biggest health care challenges in rural India is that a number of children continue to be delivered at home, resulting in a high incidence of child mortality and the health of mothers being affected. At JK Tyre, we resolved to address this reality through a structured programme comprising door-to-door awareness-building, training grass-root health workers and repeated engagement. The result has been transformative: virtually all deliveries in the regions of the Company's presence are conducted in hospitals today; ante-natal care has improved; the infant mortality rate has collapsed. The unexpected bonus: women have a stronger say in issues related to family planning, maternal health, safe delivery and childcare health.



How JK Tyre is partnering Mukhyamantri Jal Swavlamban Abhiyan (Government of Rajasthan)

A large agrarian challenge in rural India is the poor quality of water infrastructure. The silting of water tanks, for instance, results in low water storage capacity. JK Tyre played the role of a game-changer in this respect. The Company collaborated with the government of Rajasthan to desilt nine water tanks, helping conserve 38,000 KL. In turn, this additional storage widened irrigation coverage, benefiting 2000 farmers across six villages. Besides, the Company constructed 10 check-dams/ anicuts, conserving 16,000 KL that touched more than 2,500 beneficiaries.

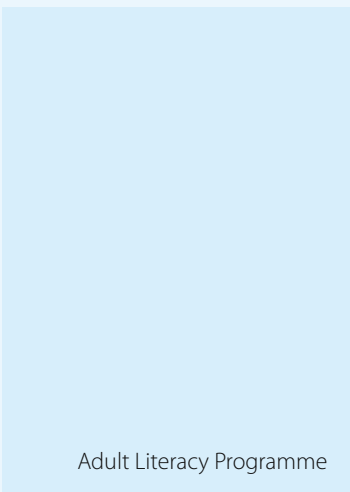


How JK Tyre helped liberate the lives of women in Kankroli

There was a time when rural women of 13 project villages of Kankroli (Rajasthan) would need to walk hours each day to fetch water resulting in absence from home, family neglect and reduced spare time. The result is that life of these women was reduced to drudgery. Especially for the thousands of women in villages located far from the main village and not covered under the village water supply scheme. JK Tyre collaborated with the NGO Seva Mandir to devise an innovative solution. Community water tanks (13) were built of 4,000- 10,000 liters capacity. Perennial wells and borewells (13) were created or renovated. Gram Vikas committees were formed to address operations and maintenance of drinking water supply infrastructure. A water user fee was imposed to ensure ownership and sustenance of the project. The tank filling responsibility was delegated to a local youth by committee. Defunct hand pumps were also repaired. The results have proved transformative: more than 3000 people were provided a sustainable drinking water solution; health expenditure declined. Freed from the drudgery of fetching drinking water every single day, women are now paying a greater attention to their children's health, education – and their own leisure.



National Water Award for Excellence in Water Management 2018



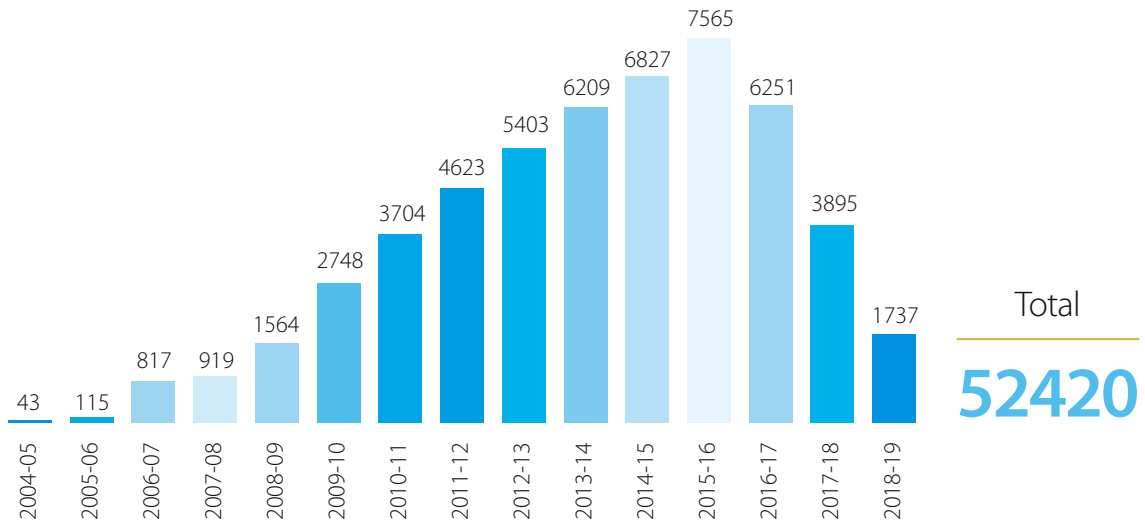
Adult Literacy Programme



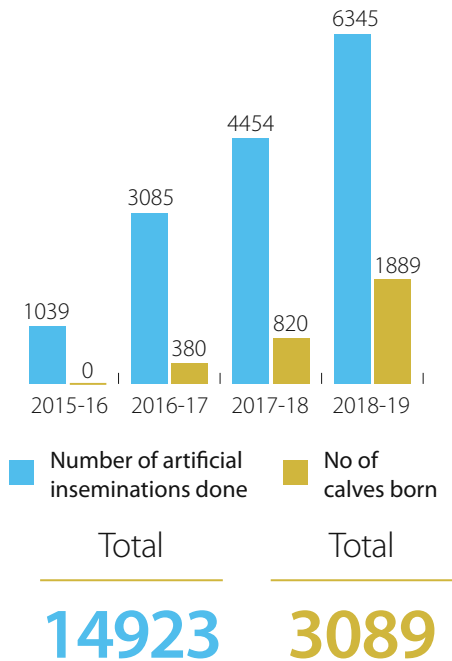
Water Conservation Project, Kankroli, Rajasthan

Progress of adult literacy programme

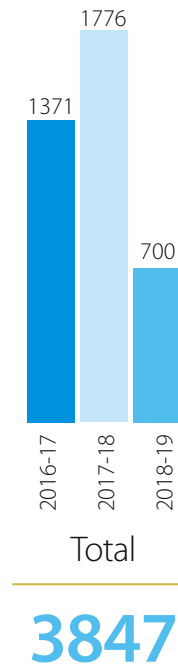
No of women becoming literate



Livestock development



Sanitation (construction of individual toilets)



Awards and accolades

The year 2018-19 was a landmark for JK Tyre. The Company distinguished itself through a wider range of awards and recognitions validating its quality, brand appeal and competitiveness



Top Rankers Excellence Award for Outstanding & Dynamic Leadership

JK Tyre & Industries Ltd. was conferred with Top Rankers Excellence Award for Outstanding & Dynamic Leadership by Top Rankers Management Club.



Superbrand 2019

JK Tyre has been awarded the Superbrand status 7th time in a row-India's Only tyre Superbrand.



Icon of Indigenous Excellence

JK Tyre & Industries Ltd. was recognised as an icon of Indigenous Excellence by Economic Times at the Iconic Brand of India Summit 2018. This award outlines the DNA of legendary brands of Indian origin.



Lifetime Achievement Award 2019 by Udaipur Chamber of Commerce

Dr. Raghupati Singhania, Chairman and Managing Director, JK Tyre & Industries Ltd., received the Lifetime Achievement Award 2019 for his visionary leadership, determination, humanitarianism and exemplary community service.

PP Singhal CSR Award 2019

JK Tyre has been awarded PP Singhal CSR Award 2019 for exemplary CSR initiatives by Udaipur Chamber of Commerce & Industries.

SAP ACE Award 2018

JK Tyre & Industries Ltd. was awarded at the 11th edition of SAP ACE Award 2018 in the category of 'Customer Excellence

– Sales & Marketing'. This prestigious award showcases JK Tyre's investment in technologies like SAP HANA, SAP Cloud Platform adoption and connecting distributors and dealers on its information network.

National Water Award for Excellence in Water Management

JK Tyre & Industries Ltd. was recognised twice for its exemplary water conservation efforts at the Kankroli tyre plant during the National Water Award for Excellence in Water Management by CII in October 2018. The Kankroli tyre plant was awarded as 'Noteworthy Water Efficient Unit' under the 'Within the fence' category. The water conservation-based CSR initiative at the

plant was awarded 'Noteworthy Project in Water Management' under 'Beyond the fence' category.

Most effective use of Sponsorship and Event Marketing for Auto Expo 2018

The Company was recognised for the Most effective use of Sponsorship and Event Marketing For Auto Expo 2018 at the 7th ACEF Asian Leadership Awards.

Social Impact Award

The Company was given the Social Impact Award for 'Integrated drinking water, drought proofing and women empowerment project in Kankroli area' at the 7th ACEF Asian Leadership Awards.



Limca Book of Records

The Company was recognised by Limca Book of Records for developing India's largest off-the-road tyre (VEM 045).



BOARD'S REPORT

To the Members

Your Directors are pleased to present the Annual Report of your Company, along with Audited Financial Statements for the year ended 31st March, 2019.

MILESTONE

The performance of the Company during the last financial year was historic as your Company achieved the coveted milestone of crossing ₹ 10,000 Crores in consolidated turnover, one of the few companies in India's tyre sector to do so.

JK Tyre in its eventful journey over the years, commencing with the first tyre plant being commissioned at Jaykaygram, Kankroli (Rajasthan) in 1977, has now 12 tyre plants across the world – 9 in India and 3 in Mexico. The Company undertook several expansions both greenfield and brownfield apart from acquisitions and invested in capacity growth, with the objective of responding to the nation's growing needs and servicing the global appetite for quality tyres. Further investments are being made to accelerate growth in the near future. JK Tyre supplies tyres to all segments of the market, i.e., OEM, Defence, Replacement, with Replacement segment accounting for more than 68% of its sales.

During the last four decades, the Company reinforced its respect as a torch bearer. It was the first tyre company in India to introduce passenger car radials in 1977; and yet again in 1999, it became the first tyre company to introduce truck radial tyres. The result of being the first-to-market is, that JK Tyre continues to maintain its leadership in truck radial tyres in the country, attractively positioned to grow this segment of the business in the foreseeable future.

OPERATIONS

The year under review was marked by two halves of a divergent nature. The performance of the Indian economy and Company were marked by stability and growth during the first half, driven by moderate inflation, growth in personal incomes and reasonable monsoons. The result was that the Country's Index of Industrial Production (IIP) reported an attractive 8.4% growth during the period April - October 2018.

However, the Indian economy encountered headwinds and turbulence during the second half of the year, starting with the financial markets. Even as India's commercial banks were reeling under the pressure of non-performing assets, the confidence and stature of non-banking financial companies (NBFCs) was affected starting the second half with a liquidity crisis. Since NBFCs played an important role in servicing the growth capital needs of the

Country's automobile sector, a liquidity crunch affected the sector and the prospects of related industries. The result was that IIP growth declined significantly in the following months, touching a multi-month low in February 2019. This affected the demand for automobiles across the commercial and passenger segments and OEMs responded with production cuts.

In this backdrop, JK Tyre performed well. Volumes increased across segments, strengthening sales growth. The Company and its subsidiaries recorded a consolidated turnover of ₹ 10,452.01 Crores, 22.34% higher than previous year and Profit Before Tax (PBT) of ₹ 270.46 Crores, 153.22% higher than previous year, while on a standalone basis, the Company achieved a turnover of ₹ 7,689.67 Crores with a PBT of ₹ 304.68 Crores.

The Company's offtake of Truck & Bus Radial tyres recorded an impressive growth of 18% during the year under review, strengthening its leadership position, market share, brand visibility and peer respect.

RAW MATERIALS

As mentioned, the year 2018-19 was very eventful. The first half of the year witnessed spiraling of Oil prices and Exchange Rate volatility.

These two factors led to continuous increase in raw material prices during the first three quarters of the year. The Oil prices crossed the US\$ 80 / Barrel mark, which was around 39% higher than 2017-18 average.

Exchange Rate also breached ₹ 73 / USD high during the year which impacted raw material prices vis-a-vis last year. The year also witnessed the worst ever floods in Kerala which led to reduced local Natural Rubber availability to merely 60% of requirement making higher import inevitable. These factors impacted profitability during the year.

R&D AND TECHNOLOGY

With the increasing environmental concerns globally, renewed activity was focused towards Technology which supports Green Movement while enhancing product attributes. This has led to major technology challenges in Automotive Technology and particularly in Tyre Technology associated with substitution of petroleum based materials and improvements in fuel efficiency of tyres. To stay ahead and be competitive, R&D and Technology teams of your Company are continuously working on developing new technologies in terms of newer material, advance designs and processes, to develop

products which achieve lower Rolling Resistance essential for fuel efficiency. In this competitive era, high degree of creativity and innovative approach are the key to efforts in R&D and Technology.

Towards this end your Company has set up a new "Global Research & Technology Centre – RPS Centre of Excellence" (RPSCOE), at Mysuru. This Centre was inaugurated in September 2018. The key objective in creating is, all our scientists and Engineers of HASETRI from Kankroli and Faridabad, Engineers from our "JKTyre Tech Centre Faridabad" could be relocated under one roof, at this new RPSCOE. This has helped in developing a creative ambience and setting up of cross functional teams which can brainstorm and work together in enhancing various technology capabilities in the areas of advanced material sciences, alternate materials, new designs, enhanced use of simulation & predictive technology etc. for developing newer and better products for domestic as well as international markets.

With all these efforts your Company has been able to develop a number of benchmark products in India, as also for global markets during this year.

AWARDS

During the year under review, your Company received several coveted awards for excellence in the following areas:

1. Super Brand 2019 – awarded 7th time consecutively.
2. National Water Award for Excellence in Water Management - Kankroli Tyre Plant.
3. National Award for Excellence in Energy Management 2018 - for third consecutive year.
4. TPM Excellence Award 2018 - The Japan Institute of Plant Maintenance (JIPM) awarded the prestigious award to Chennai Tyre Plant.
5. Best Energy Efficient Case Study 2nd CII National Energy Efficiency Circle Competition 2018.
6. National Water Award for Excellence in Water Management 2018 by CII on Noteworthy Water Efficient Unit.
7. CSR Award - Large Enterprise 2018 on 54th Foundation Day of UCCI.
8. Certified as "Great Place to Work" by Great Place of Work Institute for the year 2019.

PREFERENTIAL ALLOTMENT OF EQUITY SHARES

With a view to augment the net worth of the Company as also long term equity finance, the Company made Preferential Issue of 1,94,17,400 equity shares of ₹ 2/- each to the constituents of the Promoter Group, at a price of ₹ 103/- per equity share based on a price prescribed under relevant SEBI Regulations, aggregating to

₹ 200 Crores. The equity allotment was completed on 29th March 2019.

Consequently, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 45,36,26,960/- comprising of 22,68,13,480 equity shares of ₹ 2/- each to ₹ 49,24,61,760/- comprising of 24,62,30,880 equity shares of ₹ 2/- each.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share of ₹ 2 each (i.e. 75%) on the equity share capital of ₹ 49.24 crores for the financial year ended 31st March 2019. The dividend outgo will be ₹ 44.52 crores (inclusive of a dividend tax of ₹ 7.59 crores). The dividend payout is in accordance with the Dividend Distribution Policy of the Company.

APPROPRIATIONS

The amount available for appropriation, including surplus from the previous year, stood at ₹ 609.94 crores and the same has been carried forward to Balance Sheet.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return, as on 31st March 2019 in the prescribed form MGT – 9, is attached as Annexure – 'A' with this report and forms a part of it and is also available on the website of the Company at the link <https://www.jktyre.com/annualreports.aspx>

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2019, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

Further, the Company did not enter into any contract or arrangement or transaction with related parties that could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

The Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, as amended and approved by the Board, is available on the Company's website.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees, securities and investments, covered under the provisions of Section 186 of the Companies Act 2013, are furnished in the financial statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Members of the Company at the Annual General Meeting (AGM) held on 22nd August 2018 reappointed Shri Arun K. Bajoria as Whole-time Director of the Company with the designation, 'Director & President – International Operations,' for a term of three years commencing 20th January 2019.

Shri Anshuman Singhania, Whole-time Director retires by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

Shri Arvind Singh Mewar, Shri Bakul Jain, Dr. Wolfgang Holzbach, Shri Vimal Bhandari and Shri Kalpataru Tripathy were appointed as Independent Directors of the Company for a term of five consecutive years each, at the AGM held on 25th September 2014. Accordingly, the respective terms of the said five Independent Directors will be determined on 24th September 2019. Being eligible, the Board of Directors recommended reappointments of the said five Independent Directors at the ensuing AGM effective 25th September 2019, in accordance with the provisions of Section 149 of the Companies Act, 2013 and the other applicable Regulations, etc. for second terms comprising of – three consecutive years in case of Shri Arvind Singh Mewar; four consecutive years each in case of Shri Bakul Jain and Dr. Wolfgang Holzbach and five consecutive years each in case of Shri Vimal Bhandari and Shri Kalpataru Tripathy. Declarations have been received from all the said five Independent Directors of the Company that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Shri Sanjeev Aggarwal was appointed as Key Managerial Personnel (KMP) in the capacity of Chief Financial Officer of the Company with effect from 18th February 2019 in place of Shri Ashok Kumar Kinra who has consequently ceased to be a KMP in the normal course.

Except this, there was no other change in the Directors/KMP of the Company during the year under review.

CONSERVATION OF ENERGY, ETC.

The details, as required under Section 134(3)(m) read with the Companies (Accounts) Rules 2014, are annexed to this Report as Annexure 'B' and forms a part of it.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the applicable accounting standards. The audited consolidated financial statements, together with the Auditors' Report, form a part of the Annual Report.

A report on each of the subsidiaries and associates together with highlights of their performances and financial position is presented in a separate section in this Annual Report. Please refer to AOC-1 annexed to the financial statements in the Annual Report. Highlights of the contribution of major operating subsidiaries and associates to the overall performance of the Company during the year under review are given hereunder:

(₹ crores)

Name of Company	Turnover	PBT
- Cavendish Industries Ltd.	2,316.46	(44.30)
- JK Tornel (together with its subsidiaries)	1,309.45	12.44

Pursuant to the provisions of Section 136 of the Act, the financial statements, the consolidated financial statements, along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

During the financial year under review, no Company has become or ceased to be your Company's subsidiary or associate. The Company does not have any Joint Venture.

DEPOSITS

Pursuant to the approval of members by means of a special resolution dated 22nd September 2015, the Company has continued to accept deposits from the public, in accordance with the provisions of the Companies Act, 2013 and rules thereunder.

The particulars with respect to deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2019 are: (a) accepted during the year - ₹ 42.14 crores; (b) remained unclaimed as at the end of the year - ₹ 1.31 crores; (c) default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - Nil and (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act - Nil.

AUDITORS

(a) Statutory Auditors and their Report

In accordance with the provisions of the Companies Act, 2013 and rules thereunder, M/s S S Kothari Mehta & Co., Chartered Accountants, were appointed Auditors of the Company to hold office from the conclusion of the 64th Annual General Meeting (AGM) held on 4th August 2017 until the conclusion of the 67th AGM to be held in the year 2020. The observations of the auditors in their report on accounts and the financial statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain

Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the secretarial audit of the Company for the financial year 2018-19. The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as Annexure 'C'. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

The Company has one material unlisted subsidiary incorporated in India, namely- Cavendish Industries Ltd.(CIL). The Secretarial Audit Report of Shri Namu Narain Agarwal, the Secretarial Auditor, for the financial year 2018-19 of CIL in the prescribed format is annexed to the Annual Report of CIL for the said financial year.

(c) Cost Auditor and Cost Audit Report

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. The Cost Audit for the financial year ended 31st March 2018 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi, and as required, the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2019 is also being conducted by the said firm.

PARTICULARS OF REMUNERATION

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are placed on the Company's website www.jktyre.com as an annexure to the Board's Report. A physical copy of the same will be made available to any shareholder on request, as per provisions of Section 136(1) of the said Act.

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the said Rules, which form part of the Board's Report, will be made available to any shareholder on request, as per provisions of Section 136(1) of the said Act.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company has been undertaking and participating in the socially important projects in the fields of health, education, rural development, adult literacy, renewable energy, among others – ever since it commenced operations i.e., even before Corporate Social Responsibility (CSR) was mandated by law.

The Company has also framed a CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The contents of the CSR policy are disclosed on the website of the Company.

The annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure 'D'.

INTERNAL FINANCIAL CONTROLS

With a view to have a robust Internal Financial Control system, the Company has put in place budgetary controls, internal reporting policies and procedures. These systems, policies and procedures are reviewed from time to time and are updated. This ensures accuracy and completeness of the accounting records, safeguarding of the assets and resources of the Company and also helps in prevention and detection of frauds and errors. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company also has a robust management information system commensurate with the size and nature of its operations, which not only facilitates speedy business decisions but also helps in sharing reliable information across various levels in the Company. No reportable material weaknesses were observed in the system during the previous fiscal.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, there were no significant and material orders passed by the regulators or courts or tribunals that could impact the going concern status of the Company and its future operations.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of business.

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Sustainability & Business Responsibility Report of the Company for the financial year ended 31st March 2019 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms part of it.

CORPORATE GOVERNANCE INCLUDING DETAILS PERTAINING TO BOARD MEETINGS, NOMINATION AND REMUNERATION POLICY, PERFORMANCE EVALUATION, RISK MANAGEMENT, AUDIT COMMITTEE AND VIGIL MECHANISM, ETC.

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report as Annexures - 'E' & 'F'.

The Corporate Governance Report which forms part of this Report also covers the following:

- (a) Particulars of the four Board Meetings held during the financial year under review.
- (b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of directors. The Policy is also available on the website of the Company at www.jktyre.com.
- (c) The manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made.
- (d) The details with respect to composition of the Audit Committee and establishment of Vigil Mechanism.
- (e) Details regarding Risk Management.
- (f) Dividend Distribution Policy.
- (g) Compliance with provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

Your Directors further state that applicable Secretarial Standards issued under Section 118 of the Companies Act, 2013 have been complied with.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and cooperation received from various State Governments including those of Rajasthan, Madhya Pradesh, Karnataka, Tamil Nadu, Uttarakhand as well as the Governments of India and Mexico. The Directors also thank the banks, shareholders, suppliers, dealers and in particular the valued customers for their trust and patronage.

Your Directors record their appreciation for the dedication and hard work put in by 'Team-JK Tyre', which has enabled the Company to continue to grow stronger in these challenging times.

On behalf of the Board of Directors

16th May, 2019
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

Annexure A to Board's Report

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	: L67120RJ1951PLC045966
(ii)	Registration Date	: 14th February 1951
(iii)	Name of the Company	: JK Tyre & Industries Ltd.
(iv)	Category/Sub-Category of the Company	: Public Company/Limited by Shares
(v)	Address of the Registered Office and Contact Details-	: Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) Ph. No. : 02952-302400/330011 Fax No. : 02952-232018 Email id : investorjkyre@jkmail.com Website : www.jkyre.com
(vi)	Whether Listed Company	: Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent-	: Alankit Assignments Ltd. Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi - 110 055 Ph. No. : 91-11-4254 1234 Fax No. : 91-11-4154 3474 Email id : rta@alankit.com Website : www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

Sl. No	Name and Description of the main products/ services	NIC Code of the Product/ Service*	% to total turnover of the Company
1.	Manufacture of Tyres, Tubes & Flaps	22111	100%

* As per National Industrial Classification (2008)– Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held †	Applicable Section
1.	J.K. International Ltd. Oakhurst House, 57 Ashbourne Road, Derby, Derbyshire DE22 3FS	Not Applicable	Subsidiary	100	2(87)
2	J.K. Asia Pacific Ltd. Room 908, Dominion Centre, 43-59, Queens Road, East, Hong Kong	Not Applicable	Subsidiary	100	2(87)
3	J.K. Asia Pacific (S) Pte. Ltd. 10, Jalan Besar, #10-12, Sim Lim Tower, Singapore - 208 787	Not Applicable	Subsidiary	100	2(87)

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held †	Applicable Section
4	Lankros Holdings Ltd. Lampousas, 1 Nicosia 1095 Cyprus	Not Applicable	Subsidiary	100	2(87)
5	Sarvi Holdings Switzerland AG Acton Treuhand AG, Gotthardstrasse 28, Postfach 7163 CH – 6302 Zug	Not Applicable	Subsidiary	100	2(87)
6	JK Tornel S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
7	Comercializadora America Universal, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
8	Compania Hulera Tacuba, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
9	Compania Hulera Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
10	Compania Inmobiliaria Norida, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
11	General de Inmuebles Industriales, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
12	Gintor Administracion, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
13	Hules Y Procesos Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
14	Cavendish Industries Ltd. 7, Council House Street, Kolkata -700 001, West Bengal	U74900WB2015PLC204899	Subsidiary	80	2(87)
15	3DInnovations Private Ltd. 3, Bahadur Shah Zafar Marg, New Delhi -110 002	U74110DL2007PTC158104	Subsidiary	100	2(87)
16	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002	U31200DL2005PLC278945	Associate	Equity -35 OCCRPS [^] - 33.33	2(6)
17	Hari Shankar Singhania Elastomer and Tyre Research Institute(HASETRI) Jaykaygram, P.O. Tyre Factory, Kankroli, Rajasthan	U73100RJ1991NPL006245	Associate	24 *	2(6)
18	Valiant Pacific LLC P.O. Box 48679, 305, Al Masraf, Dubai, UAE	Not Applicable	Associate	49	2(6)
19	Western Tire Holdings, Inc 222, Pennbright Drive, Houston, TX, State of Texas	Not Applicable	Associate	40	2(6)

[^] OCCRPS-Optionally Convertible Cumulative Redeemable Preference Shares.

* HASETRI is an approved Scientific and Research Institute which cannot distribute Equity Dividend to its shareholders being a Company licensed under Section 25 of the Companies Act, 1956.

† Represents aggregate % of shares held by the Company and/or its subsidiaries.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (as on 1st April 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters **									
(1)	Indian									
a)	Individual/HUF	4691105	-	4691105	2.07	4689105	-	4689105	1.90	(0.17)
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	114343550	-	114343550	50.41	□133760950	-	133760950	54.32	3.91
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-		119034655	-	119034655	52.48	138450055	-	138450055	56.23	3.74
(2)	Foreign									
a)	NRIs –Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)**		119034655	-	119034655	52.48	138450055	-	138450055	56.23	3.74

** The total shareholding of Promoters at (A) above includes 6,21,91,560 Equity Shares (27.42%) as on 1st April 2018 and 7,53,18,140 Equity Shares (30.59%) as on 31st March 2019, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The same does not form part of the Promoters as defined in the Companies Act, 2013.

□ Includes 1,94,17,400 Equity Shares allotted by the Company on 29th March 2019 on preferential basis.

Category of Shareholders		No. of Shares held at the beginning of the year (as on 1st April 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	3378359	1260	3379619	1.49	1709759	1260	1711019	0.69	(0.80)
b)	Banks/FI	313336	15385	328721	0.14	492391	15385	507776	0.21	0.07
c)	Central Govt.∞	642885	-	642885	0.28	704273	-	704273	0.29	0.01
d)	State Govt. (s)	1427600	-	1427600	0.63	1427600	-	1427600	0.58	(0.05)
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	2281875	135	2282010	1.01	2659578	-	2659578	1.08	0.07
g)	FIs	24302995	-	24302995	10.71	9489589	-	9489589	3.85	(6.86)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-		32347050	16780	32363830	14.27	16483190	16645	16499835	6.70	(7.57)

Category of Shareholders		No. of Shares held at the beginning of the year (as on 1st April 2018)				No. of Shares held at the end of the year (as on 31st March 2019)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	19144985	19275	19164260	8.45	19257607	18170	19275777	7.83	(0.62)
ii)	Overseas	17437500	-	17437500	7.69	17437500	-	17437500	7.08	(0.61)
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	27396434	1224862	28621296	12.61	41064822	1148052	42212874	17.14	4.53
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	6975002	99500	7074502	3.12	9035874	-	9035874	3.67	0.55
c)	Others (specify)									
i)	Clearing Members	666684	-	666684	0.29	422514	-	422514	0.17	(0.12)
ii)	Foreign National	500	-	500	-	500	-	500	-	-
iii)	Non-Resident Indians	2301733	119515	2421248	1.07	2778741	116005	2894746	1.18	0.11
iv)	Trust	29005	-	29005	0.01	1205	-	1205	-	(0.01)
	Sub-Total (B)(2):-	73951843	1463152	75414995	33.25	89998763	1282227	91280990	37.07	3.83
	Total Public shareholding (B)= (B)(1)+(B)(2)	106298893	1479932	107778825	47.52	106481953	1298872	107780825	43.77	(3.74)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	225333548	1479932	226813480	100.00	244932008	1298872	246230880	100.00	-

∞ As on 31st March 2018 includes 6,42,430 Equity Shares and as on 31st March 2019 includes 7,03,818 Equity Shares held in the demat Account of IEPF Authority.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2018)			Shareholding at the end of the year (as on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Bengal & Assam Company Ltd.	55074250	24.28	-	61434600	24.95	16.24	0.67
2	Shri Bharat Hari Singhania	773325	0.34	-	773325	0.31	-	(0.03) φ
3	Dr. Raghupati Singhania	923990	0.41	-	923990	0.38	-	(0.03) φ
Total		56771565	25.03	-	63131915	25.64	16.24	0.61

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Bengal & Assam Company Ltd.				
	At the beginning of the year	55074250	24.28	55074250	24.28
	Date wise Increase in Promoters' Shareholding during the year- Preferential Allotment on 29th March 2019 – 63,60,350 Equity Shares			61434600	24.95
	At the end of the year i.e., 31st March 2019			61434600	24.95
2	Shri Bharat Hari Singhania				
	At the beginning of the year	773325	0.34	773325	0.34
	Date wise Increase/Decrease in Promoters' Shareholding during the year			NO CHANGE	
	At the end of the year i.e., 31st March 2019			773325	0.31φ
3	Dr. Raghupati Singhania				
	At the beginning of the year	923990	0.41	923990	0.41
	Date wise Increase/Decrease in Promoters' Shareholding during the year			NO CHANGE	
	At the end of the year i.e., 31st March 2019			923990	0.38φ

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2018)		Shareholding at the end of the year (31st March 2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	BMF Investments Ltd.#	25807500	11.38	38864550	15.78
2	Florence Investech Ltd	32659100	14.40	32659100	13.26
3	Edgefield Securities Ltd.	17437500	7.69	17437500	7.08
4	Tasha Investment Advisors LLP	4701198	2.07	4744141	1.93
5	HSBC Global Investment Funds – Asia Ex Japan Equity Smaller Companies	3659253	1.61	4317686	1.75
6	Deepak Bhagnani	896617	0.40	2475115	1.01
7	Life Insurance Corporation of India	1980445	0.87	1980445	0.80
8	SBI Contra Fund	1700000	0.75	1700000	0.69
9	Karnataka State Industrial and Infrastructure Development Corporation Limited	1427600	0.63	1427600	0.58
10	Dimensional Emerging Markets Value Fund	945541	0.42	984128	0.40

Note: More than 99% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

Date of acquisition of 1,30,57,050 equity shares (4.40%) as informed by the acquirer to the Company is 29th March 2019.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. Raghubati Singhania, Chairman & Managing Director				
	At the beginning of the year	923990	0.41	923990	0.41
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			923990	0.38φ
2	Shri Bakul Jain, Director				
	At the beginning of the year	4000	0.00	4000	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			4000	0.00
3	Shri Shreekant Somany, Director				
	At the beginning of the year	7500	0.00	7500	0.00
	Date wise Increase in Shareholding during the year				
	• Market Purchases on 27th July 2018 - 20000 Equity Shares			27500	0.01
	At the end of the year i.e., 31st March 2019			27500	0.01
4	Smt. Sunanda Singhania, Director				
	At the beginning of the year	562500	0.25	562500	0.25
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			562500	0.23φ
5	Shri Bharat Hari Singhania, Managing Director				
	At the beginning of the year	773325	0.34	773325	0.34
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			773325	0.31φ
6	Shri Anshuman Singhania, Whole-time Director				
	At the beginning of the year	63375	0.03	63375	0.03
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			63375	0.03
7	Shri Arun K. Bajoria, Director & President – International Operations				
	At the beginning of the year	500	0.00	500	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			500	0.00
8	Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2019			10	0.00
9	Shri Ashok Kumar Kinra, Chief Financial Officer *				
	At the beginning of the year	1870	0.00	1870	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., upto 17th February 2019			1870	0.00

Note: Shri Arvind Singh Mewar, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2018 and at the end of the year i.e., as on 31st March 2019. Also, there was no increase/decrease in their shareholding during the financial year.

- * Shri Ashok Kumar Kinra has ceased to be Chief Financial Officer (CFO) w.e.f. 18th February 2019. Shri Sanjeev Aggarwal, CFO w.e.f. the said date does not hold any equity shares of the Company. Also, neither he was holding in the beginning nor he purchased/sold any equity shares during the year.
- φ There is no change in the shareholding except change in percentage of shares held due to increase in capital on allotment of equity shares.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Crores)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April 2018)				
(i) Principal Amount	2,726.22	655.11	116.75	3,498.08
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	6.24	1.98	7.34	15.56
Total (i+ii+iii)	2,732.46	657.09	124.09	3,513.64
Change in indebtedness during the financial year				
• Addition	1,044.30	132.88	42.14	1,219.32
• Reduction	(784.10)	(557.85)	(51.74)	(1,393.69)
Net Change	260.20	(424.97)	(9.60)	(174.37)
Indebtedness at the end of the financial year (As on 31st March 2019)				
(i) Principal Amount	2,981.37	230.06	108.18	3,319.61
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	11.29	2.06	6.31	19.66
Total (i+ii+iii)	2,992.66	232.12	114.49	3,339.27

VI . REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr. Raghupati Singhania (Chairman & Managing Director)	Shri Bharat Hari Singhania (Managing Director)	Shri Arun K. Bajoria (Director & President - International Operations)	Shri Anshuman Singhania (Whole-time Director)	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5.84	2.90	4.17	2.17	15.08
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.29	0.24	0.01	0.18	0.72
2	Commission - as % of profit	4.25	4.25	0.75	2.00	11.25
3	Others (mainly contribution to Provident Fund)	0.59	0.32	0.19	0.24	1.34
	Total (A)	10.97	7.71	5.12	4.59	28.39
	Ceiling as per the Act	₹ 29.53 Crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

(The Company does not have Sweat Equity/Scheme for stock option.)

B. Remuneration to other Directors:

(₹ Crores)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Arvind Singh Mewar	Shri Bakul Jain	Smt. Sunanda Singhania	Shri Shreekant Somany	Shri Vimal Bhandari	Shri Kalpataru Tripathy	Dr. Wolfgang Holzbach	
1	Independent Directors								
	• Fee for attending Board/ Committee Meetings	0.06	0.05	-	0.05	0.03	0.05	0.03	0.27
	• Commission	0.12	0.12	-	0.13	0.13	0.12	0.13	0.75
	Total (1)	0.18	0.17	-	0.18	0.16	0.17	0.16	1.02
2	Other Non-executive Directors								
	• Fee for attending Board/ Committee Meetings	-	-	0.01	-	-	-	-	0.01
	• Commission	-	-	0.13	-	-	-	-	0.13
	Total (2)	-	-	0.14	-	-	-	-	0.14
	Total(B)= (1+2)	0.18	0.17	0.14	0.18	0.16	0.17	0.16	1.16
	Total Managerial Remuneration ((A)+(B))								29.55*
	Overall Ceiling as per the Act	₹ 32.48 Crores (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

*Total Remuneration to Managing Directors, Whole-time Directors and other Directors (being the total of A and B), includes sitting fees of ₹ 0.28 Crore.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

(₹ Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary	Shri Sanjeev Aggarwal, Chief Financial Officer*	Shri Ashok Kumar Kinra, Chief Financial Officer*	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.17	0.21	2.30	3.68
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	0.02	0.02
2	Others (mainly contribution to Provident Fund)	-	0.01	0.07	0.08
	Total (A)	1.17	0.22	2.39	3.78

* The remuneration of Shri Sanjeev Aggarwal is from the date of his appointment i.e., 18th February 2019 to 31st March 2019 and remuneration of Shri Ashok Kumar Kinra is upto date of his cessation i.e. 17th February 2019.

(The Company does not have Sweat Equity/Scheme for stock option. Commission- Not Applicable.)

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2019.

On behalf of the Board of Directors

16th May, 2019
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

Annexure B to Board's Report

CONSERVATION OF ENERGY, ETC.

A. ENERGY CONSERVATION

JK Tyre is committed to be a Green and Clean Company with sustainable use of energy. The Company continued to give major emphasis on conservation of energy and the measures taken during the previous years were continued. In alignment to this principle JK Tyre as a Company has achieved new milestones to reduce the energy consumption. We are very pleased to record that JK Tyre in FY-2018-19 achieved a total energy benchmark level of 9.81 GJ/Ton of production and stands in the line with top five best companies in the sector worldwide. We are committed to improve this further and with this in view the efficiency of energy utilization in each manufacturing unit is monitored at the corporate level every quarter. Since JK Tyre is the 1st Indian Tyre Company to have certified CFV as per IS standard, the focus continues on GHG emission resulting in over 27% reduction in emission over base year (2013-14). Monitoring carbon footprint is part of our commitment to the society for better & safer environment for our future generation.

It is indeed very satisfying that JK Tyre is now setting up new benchmark in water consumption by achieving milestone of 2.20 Ltr/Kg of production. Consistent efforts of phase wise plan, implementation over past 5 years, has resulted into this milestone.

Energy conservation is an important element of our energy policy. Major efforts involved in conservation are to push towards renewable energy source. Efficient lighting system, rationalization on boiler capacity and redistribution of thermal energy in view of demand patterns, are some new innovative ideas adopted to increase the energy efficiency.

At JK Tyre emphasis on green energy is one of the core approaches towards Green Company. As a result of the same, today almost 39% of our total power requirement is being met from renewable energy sources both solar & wind.

B. TECHNOLOGY ABSORPTION

a) Research & Development

Areas of R&D activities

Innovation and Technology are critical ingredients to move forward in developing advanced processes & products to meet the emerging customer needs & expectations. Maintaining

technological excellence through consistent creativity has been the Company's focus and key to success.

During the year, in line with the global Innovation trend, our Research activities focused on Resource decoupling (reducing the rate of use of resources per unit of economic activities) and Impact decoupling (maintaining economic output while reducing the negative environmental impact of any economic activity that are undertaken). Over and above, Research & Development activities concentrated on new concept development, selection of low impact material, reduction of material, optimisation of production techniques, optimisation of initial life time and optimisation of end of life system.

b) Expenditure on R&D

The expenditure on R&D during the year was ₹ 75.53 Crores, which was 0.98% of the turnover.

c) Technology, Absorption and Innovation

i) Efforts towards Technology Absorption, Adaption and Innovation

Your Company's in-house R&D Centres work in the field of advanced material, alternate material, nano technology, process and product simulation, predictive technology, advanced tyre mechanics, vehicle dynamics including tyre characterisation and other relevant areas in association with Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI), Mysuru, Raghupati Singhania Centre of Excellence for Tyre & Vehicle Mechanics (RPS CoE), IIT Madras; Rubber Technology Centre, IIT Kharagpur and major international raw material suppliers.

The Company has a highly competent, professionally qualified and well trained team of scientists, engineers and technologists who have successfully adopted, adapted and absorbed latest global technologies as well as best practices for improving the productivity and quality of its processes, products and services.

We continue to expand our product portfolio and participation in newer markets eg. OHT. Our teams

are continuously benchmarking to establish superior performance of our products.

ii) Benefits derived as a result of above efforts are:

The Company has derived immense benefits as a result of the above efforts in the areas of new product development, green Technology, product performance improvement, cost optimization, improved product reliability and optimization of material usage, waste & scrap reduction including water and energy conservation.

Key new Product Development:

- 93 new products launched for Domestic and International markets (OEM + Replacement).
- New **“Taxi Max”** range PCR Tyres launched in India with highest mileage (over 1 lac kms life).
- **Ranger X-A/T** tyre for Sports Utility Vehicle and SUV’s launched in India (in export market launched as **Blazze X-A/T**).
- Only Indian Company to launch **“Raised White Letter”** SUV tyres in India.

- Developed and ‘Patented’ new design in Farm Rear tyre - **“SHRESTH”**. The highest durability tyre and launched in Premium positioning.
- Launched new TBB Tyres - **“JET XTRA XLM”**. The best in class Bias Truck Tyre for heavy loads and mileage.
- 33 new products launched in the Export Market in TBR & PCR / LTR categories.

C. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(₹ crores)	
	2018-19	2017-18
Export, Foreign Exchange Earnings	796.35	902.39
Foreign Exchange Outgo	1,605.24	1,357.32

On behalf of the Board of Directors

16th May, 2019
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

Annexure C to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
JK Tyre & Industries Ltd.,
Jaykaygram, PO - Tyre Factory,
Kankroli-313 342, Rajasthan

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JK Tyre & Industries Ltd. (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company which have been complied with:-
 - (a) Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control) Order, 2009;

- (b) Bureau of Indian Standards Act, 2016 and the Rules made thereunder as applicable to Tyre Industry; and
- (c) Rubber Act, 1947 and Rubber Rules, 1955.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, there was no change in the composition of the Board of Directors of the Company.

Adequate Notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were also sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the Company has issued and allotted 1,94,17,400 Equity Shares of ₹ 2 each, at a premium of ₹ 101 per share, to the Promoter Group of the Company on preferential basis.

Further, this report is to be read alongwith the following, stating that:-

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- (5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Namo Narain Agarwal

Secretarial Auditor

Place: New Delhi

Date : 27th April, 2019

CP No. 3331, FCS No. 234

Annexure D to Board's Report

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2019

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs-

The Company has been one of the foremost proponents of inclusive growth and since inception it has been undertaking projects for overall development and welfare of the society in areas pertaining to promoting preventive healthcare, education, rural development, environmental sustainability, conservation of natural resources, etc.

As required under the provisions of Section 135 of the Companies Act 2013, the Company has framed a CSR Policy. The details of the CSR Policy has been posted on the website of the Company and the web-link for the same is <http://www.jktyre.com/CSRPolicy.pdf>.

As mentioned above, various social development projects undertaken by the Company as per the CSR Policy are in the areas of livelihood enhancement, sanitation & healthcare, education, water conservation, rural development, renewable energy, etc.

2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Dr. Raghupati Singhania (Chairman of the Committee), Non-independent
- Shri Arun K. Bajoria, Non-independent
- Shri Arvind Singh Mewar, Independent

3. Average Net Profit of the Company for last three financial years: ₹ 35,934.13 Lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 718.68 Lakh

5. Details of CSR spent during the financial year

- Total amount to be spent for financial year: ₹ 718.68 Lakh
- Amount unspent, if any : ₹ 46.06 Lakh
- Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakh)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
1	Prevention of HIV/AIDS through Khushi & Jeevan Kiran Clinics and support to PLHIV network	Cl.(i) Promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	VKI Nagar, Shahpura, Jaipur, Udaipur (Rajasthan); Gwalior (MP); Chandigarh (Punjab) & Kankroli (Rajasthan)	46.00	41.18	41.18	Vatsalya Society, TCI Foundation & Rajsamand Network of PLHIV
2	Health camps and Project Parivartan		Kankroli (Rajasthan); Banmore (MP); Mysuru (Karnataka) & Sriperumbudur (Tamil Nadu)	28.00	28.20	28.20	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakh)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
3	Sanitation & Safe drinking water		Kankroli (Rajasthan); Banmore (MP) & Mysuru (Karnataka)	79.25	65.08	65.08	FINISH Society & MYKAPS
4	Providing better health services through support to Hospital		Delhi	300.00	300.00	300.00	PSRI Hospital
5	Support to schools, ITIs, R&D & educational institutes including adult literacy	Cl. (ii) Promoting education including special	Kankroli (Rajasthan); Banmore (MP) & Mysuru (Karnataka)	16.00	20.84	20.84	Bhartiya Janseva Pratisthan & Direct
6	Road Safety Awareness Programs	education and employment enhancing vocational skills	Delhi	5.00	5.29	5.29	Direct
7	Livelihood enhancement and water conservation project	Cl.(ii) Promoting Livelihood enhancement projects Cl. (iii) Promoting gender equality, empowering women, Cl. (iv) Conservation of natural resources	Delhi, Kankroli (Rajasthan); Banmore (MP); Mysuru (Karnataka) & Sriperumbudur (Tamil Nadu)	178.00	143.81	143.81	Seva Mandir, JK Trust, CARD, BIRD-K, MYKAPS & Hand in Hand
8	Green cover & environment conservation	Cl. (iv) Ensuring environmental sustainability and ecological balance, Conservation of natural resources	Kankroli, Udaipur (Rajasthan) & Mysuru (Karnataka)	25.00	34.73	34.73	UCCI & Direct
9	Infrastructure development	Cl. (x) Rural development projects	Banmore (MP)	2.00	1.43	1.43	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakh)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
10	Impact assessment & process documentation	Cl. (ii) Promoting education including special education and employment enhancing vocational skills	Kankroli (Rajasthan) & Banmore (MP)	5.40	4.45	4.45	Score Livelihood Foundation & FIINOVATION
11	Administrative Expenses				27.61	27.61	
	Total				(1) 645.01 (2) 27.61 Total= 672.62	672.62	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

As a socially responsible corporate citizen, the Company has been one of the foremost proponents of inclusive growth ever since its inception and has been spending sizeable amount, and is committed to continue to play a larger role in the Country's sustainable development. As regards the lower expenditure during the financial year ended 31st March 2019, it may be noted that full budgeted expenditure on certain identified CSR projects, being of continuing nature, could not be spent during the year itself. However, the same is budgeted to be spent in the ensuing year.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Arun K. Bajoria)
Director & President-International Operations
Date: 16th May 2019

(Dr. Raghupati Singhania)
Chairman, CSR Committee

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC & BUSINESS ENVIRONMENT

The Indian economy is transforming and has emerged as the sixth-largest economy of the world. This strength has enabled it withstand global headwinds by way of high crude prices, volatile currency fluctuations, geopolitical tensions, rising trade barriers, among others. Despite a slowdown, it has remained as one of the fastest-growing economies of world overtaking China's growth rate. GDP growth hovered ~7% with core sectors remaining sluggish, thereby impacting the Index of Industrial Production.

The effect of a unified market under the GST regime should bear better results in the year ahead. Government tax revenues are buoyant and have enabled increased social sector spending.

There has been a greater impetus laid on improving and developing the country's infrastructure with massive spends on projects like Bharat Mala Pariyojana and Sagarmala, which are expected to increase connectivity within the economy and facilitate trade with neighbouring countries like Nepal, Bhutan, Bangladesh and Myanmar. It is expected to further contribute to the Indian growth momentum with the expected growth in the economy pegged at 7.5% in 2019-20 and 7.7% in 2020-21, helping India become a US\$ 5-trillion economy by 2025.

It is hoped that the muted retail demand and consumer sentiment will revive in the months ahead. With the captive domestic demand of 135 crore people, a stable economy coupled with an overhauled tax regime, a steady inflation rate and higher liquidity will emerge as critical determinants of growth.

INDIAN AUTOMOTIVE INDUSTRY

The Indian Automotive Mission Plan 2026 visualises that the Indian automotive industry to be among the top-three in the world, contributing to 12% of the GDP and creating an additional 65 million jobs. However, this year the industry has had a mixed bag with the NBFC crunch, higher insurance costs, increased vehicle costs and regulatory changes taking a toll. Vehicle sales remained unusually poor even during the festive season due to the Kerala floods and the calendar year-end push too did not have desired impact.

The work on conversion to BS-VI engines is going on. A keen thrust is being laid on electric vehicles through the ₹ 10000 Crores FAME II programme with a focus on public transport. With increasing policy clarity, the automotive industry is likely to increase investments on E-vehicles.

The truck and bus segment after a good start in the first two quarters experienced a huge dip in demand. The NBFC crunch had a greater impact on the commercial vehicle segment. An even greater disruption was the higher axle load norms for the commercial vehicles and tyre industry, causing significant demand shifts and affecting business prospects, Q3 onwards. This is likely to spill over during Q1 of 2019-20. The segment ended the year with a sales growth of 14%.

Sales of light commercial vehicles were also affected and the year ended with a small growth of ~3%. Small commercial vehicles registered double-digit growth for the second consecutive year (27%), largely due to the acceleration in the hub-and-spoke transportation system. This could augur well for the economy as last-mile activity is emerging as an important economic indicator.

The hitherto fast-growing passenger car segment registered flat sales during the year with the drop coming from Q3 onwards and ended the year with a growth of <1%, including the hitherto fast-growing SUV/MUV segment - the slowest in five years. The reduction in gap between petrol and diesel prices has led to a shift in consumer preference in favour of petrol vehicles.

Overall sales of tractor vehicles were positive with a sharp revival during the post-monsoon period, ending the year with an 8% increase. The Central Government also implemented measures like higher market support prices and loan waivers to stimulate rural demand.

Sales in the two/three wheeler segment registered single-digit growth of 7%, much slower than the previous year. Motorcycles and three wheelers reported better growth than scooters.

An increased emphasis is being laid on the introduction of premium models with value-added features and higher safety norms, across vehicle segments.

Overall vehicle sales in India grew by only 6.5% and the fluctuating demand had an impact on the tyre industry.

TYRE INDUSTRY SCENARIO

The Indian tyre industry had its share of challenges during the year. Supply of natural rubber was severely impacted by the floods in Kerala and prices increased in the range of 7-8%. Crude prices kept fluctuating and after a sharp increase of 30%, stabilised at ~15%, higher than what it was at the beginning of the year. Prices of synthetic rubber also went up by 10%. Undoubtedly, prices were

also impacted by the depreciation of the rupee by ~ 6%. Keeping in mind the demand sluggishness and competitive intensity, it was difficult to pass on the impact of increased costs to the customers. In the truck segment, a new range of products were developed and introduced to cater to the new axle load norms. In bias, there was a gentle de-growth as projected. However, demand buoyancy in sectors like construction was observed.

In the truck radial segment, demand remained steady with domestic radialisation reaching 52%. Although the threat from Chinese imports abated, imports from Thailand grew sharply within a short time.

In the light truck segment, radialisation crossed 60% in the domestic market driven by high radialisation in the OEM segment.

In line with the slowdown in the passenger vehicle industry, the demand for car tyres decelerated in the latter half of the year. Due to the variety of vehicles and increased size mix, dealer inventories also went up.

Overall tractor tyre demand remained steady with no significant increase, especially in the aftermarket segment.

With the slowdown in sales of two and three-wheelers, increased availability intensified competition in the aftermarket segment.

JK TYRE – AN OVERVIEW

Tough market situations bring the best out of team JK Tyre. Despite the challenges, JK Tyre beat the slowdown and defied the industry de-growth trend to register one of the best growth rates in the recent years in the domestic market, across categories. This was a result of the Company's sustained, multipronged efforts to introduce products as per changing market needs, emphasise on premiumisation, take a multi-channel approach, widen distribution, open branded shops and engage in above and below-the-line brand-building as well as high-decibel digital marketing. Intense channel partner engagement through business training helped enhance confidence levels. Some of the initiatives are mentioned hereunder.

BRAND JK TYRE

JK Tyre continued to aggressively undertake branding activities in the marketplace. The endeavour was to drive brand premiumisation by adopting a differentiated approach in terms of marketing communication and various other initiatives. The thrust was

on ensuring presence across all media - TV, print, digital, radio, outdoor - resulting in a greater mind share of the customers being captured. Digital media was leveraged to a greater extent for brand promotion via consumer offers, event integration during festive and topical occasions as well as motorsport events. Brand recognitions continued to flow as JK Tyre was recognised as India's only tyre 'Super Brand' for the sixth consecutive year. JK Tyre was also recognised as an 'Icon of Indigenous Excellence'. JK Tyre was recognised by the Limca Book of Records for developing India's largest off-the-road tyre in the country - the 40.00-57 VEM045 - weighing 3.7 tonnes and standing 12 feet tall.

TRUCK BUS RADIAL AND BIAS

JK Tyre has always believed in making available best-in-class products to end-users as per evolving market needs.

Premium product introductions, intensive and extensive on-the-ground consumer activities have been key elements of the business strategy in truck radial as well as truck bias segments.

In the TBR segment two new premium products for drive wheel applications were launched. The new 10.00R20 Jet Steel JDE++ with extra mileage and load capabilities was launched in >100 locations across the country followed by a fitment drive at the onset of the year. In the latter half, a new tyre with excellent durability for the super heavy load segment, 10.00R20 JETSTEEL JDY, was launched and showcased to a large customer base in targeted markets at their doorsteps. Jet Way JUH 5, for steer wheel applications, remained a preferred product and market leader.

The JK Tyre Truck Wheels centres continued to grow throughout the country with >40 such centres providing complete tyre solutions and services to customers.

In the truck bias segment the premium products, Jet R Miles and Jet R Extra miles were the first choice of customers for front wheel applications. The rear wheel application tyres, Jet Extra XLM with extra load and mileage capabilities launched in the previous year, as well as Jet L Miles for high mileage applications, gained acceptance.

Effective consumer communication for the premium range of truck tyres was achieved through extensive wall paintings on the Golden Quadrilateral highways as well as around key transport clusters and consumption locations. Sustained and structured on-site interactive customer outreach campaigns by JK Tyre personnel received a

tremendous response. Among other messages, consumers were educated about product-specific applications.

Large fleets continued to benefit tremendously as Team JK Tyre enabled them to derive superior value from their tyres through the tyre care programme - Heal the Wheel - as well as driver training programmes. Customer visits were conducted at the Raghupati Singhania Centre of Excellence in Mysuru apart from national and regional fleet meets.

The Ace Club programme, which accords recognition on the basis of business value commitment, continued to be well-received.

PASSENGER

The objective for JK Tyre in the passenger tyres segment was to build a strong brand followed by a multi-level branded shop retail network - Steel Wheels and Xpress Wheels. This enabled JK Tyre to make its premium range of passenger car tyres available across the nation through its >400-strong branded shop chain. The premium range of tyres including UX 1, UX Royale, Elanzo Touring, Ranger and for commercial operators Taxi Max were the preferred brands for consumers. Aggressive customer engagement by using bundled offers, especially during regional festivals, was leveraged to induce brand switching. JK Tyre's motorsport programmes were leveraged across the country for building the brand as well as engaging with customers and channel partners, particularly those belonging to the next-generation.

TWO/THREE-WHEELERS

JK Tyre entered the two and three-wheeler segment three years back and has taken rapid strides ever since. Innovative communications across media (digital amplification and regional activations) were used to enable meaningful market penetration for the premium Blaze range of products (tubeless and tube-type). To ensure product availability for end-users, a wide network of distributors and sub-dealers was established. Special training programmes for mechanics on tubeless tyres were conducted. Business training programmes for two-wheeler tyres were held at plant and zonal levels, which helped enhance both product knowledge and customer confidence.

Targeted campaigns for high-end motorcycle and scooter tyres caught the imagination of customers. Motorsport helped in brand-building in this category through a scooter rally and the JK National Racing Championship held in partnership with Suzuki. Thus, JK Tyre continued to march ahead in the two and three-wheeler segment.

FARM TYRE

Thrust on premium products, enhanced size mix and focused communication in target markets yielded good results in the category. The grand launch of Super Premium tyre (Shresth) took place across major agricultural markets and was followed by an aggressive marketing campaign. The existing premium tyre (Sona 1)

was promoted extensively over the radio and one-on-one contact programmes and outdoor media. A cross-functional joint campaign along with tractor OEMs was conducted in Rajasthan, Haryana and Punjab, impacting consumers effectively. JK Tyre started supplying Sona 1 to OEMs like Escorts and Sonalika.

Under the JK Ustad programme, 5,000 tractor mechanics were enrolled to share knowledge on products and their usage applications across the country. Dedicated campaigns were conducted to educate customers about tyre use in haulage applications across target markets.

A new range of tyres for the mini tractor segment was developed to cater to the requirements in Gujarat and Maharashtra.

LIGHT AND SMALL COMMERCIAL VEHICLES

Customer-centric campaigns were conducted at top-200 light and commercial vehicle stands across the country, forging ties with >5,000 individual owners. Intense localised contact programmes were held to identify markets where demand was weak. The product range was strengthened with new launches in the light and small commercial vehicle segments.

DISTRIBUTION NETWORK

JK Tyre adopted a multi-channel approach to widen its sales and service retail network comprising branded shops, multi-brand outlets and dealers of oil marketing companies and OEM franchises. A distribution network was also commissioned to cater to the two-wheeler demand in the smaller rural markets. These efforts increased the number of touch points available for end-users across locations, enhancing convenience.

OFF-THE-ROAD

The off-the-road business grew significantly during the past year, across business segments - OEM as well as the aftermarket and institutional business. An important addition to JK Tyre's wide range of tyres was 14.00-25 36 PR E4/L4 Mine Champion - a premium tyre offering excellent strength and durability with best-in-class load-carrying capacity and casing strength. This product was specifically developed for the new-age 50-tonner tipper trucks. The new product joined JK Tyre's comprehensive off-the-road range that enjoys extensive applications in the industrial and mining segments. For the first time, JK Tyre participated in the prestigious bauma CONEXPO INDIA 2018, which attracted participation from 700 companies from 26 countries with a visitor footfall of 40,000 including buyer delegations from Bangladesh, Bhutan, Nepal and Sri Lanka, among others.

In the OEM segment, a breakthrough was made in the prestigious Doosan Bobcat account in addition to the prevailing arrangements with JCB and Escorts. All off-the-road channel partners from India, Bhutan and Nepal participated at the HFT channel partner

meet. These partners also visited the off-the-road tyre facility and the Raghupati Singhania Centre of Excellence in Mysuru. The programme was appreciated by channel partners.

RETREAD BUSINESS

The retread business, which completed a decade of operations, grew steadily. Treads manufactured at the state-of-the-art facility in Kankroli enjoyed a high abrasion resistance thanks to the new compound technology resulting in superior mileage and performance. The chain of JK Retread Centres grew rapidly. Equipped with ultra-modern retreading machinery and JK Tyre-recommended repair and retread procedures, JK Retread Centres provide comprehensive solutions to individual and institutional customers. Channel partners were provided technical training on a periodic basis.

BUSINESS AND SALES TRAINING

JK Tyre is a leading tyre brand commanding the respect of customers across market segments and categories. In view of this, it is imperative to periodically equip and upgrade the business and technical skills of channel partners as well as sales and service teams to address rising customer expectations.

Accordingly a comprehensive business training programme was executed for the above stakeholders while showcasing the state-of-the-art global R&D facility Raghupati Singhania Centre of Excellence apart from various manufacturing facilities

SERVICE

Superior service is considered to be a key marketplace differentiator, acting as an interface between the technical, manufacturing and product development functions at JK Tyre and customers. Testing products (pre and post-service), raising customer awareness about tyre use and analysing market trends were some key functions undertaken by the team. The diverse range of customers hailed from OEMs and the replacement market, across product categories - two-wheelers to trucks and from farm tyre users in remote locations to drivers and mechanics. Some key initiatives undertaken by JK Tyre included Back to School, wherein school bus drivers were educated. In addition, franchises of partner OEMs were oriented on tyre care and usage. This was also done for institutional buyers like defence and STUs. Tyre fitters were guided on correct tyre fitment practices as incorrect fitment could lead to early product failure and probable customer loss.

MOBILE-BASED BUSINESS APPLICATIONS

With the scale of business increasing, the need for faster market responsiveness is rising. The JK Connect Portal provided an interface to channel partners where comprehensive information

was available in real-time. Customers could also place orders from their smart phones.

INTERNATIONAL SALES

The Company's export performance surged ahead despite facing global competition in several large international markets including, the US, Brazil, Peru, Spain and countries from the MENA regions. Export revenues during year 2018-19 stood at ₹ 837 crores.

Export performance was affected by growing geopolitical and economic challenges in Eastern and Western Africa, South Eastern Asia, Australia, Latin America and the Middle East. There was also intense competition from China in most markets – both from Chinese tyre plants in China and now also in South Eastern Asia. The Company's export sales increased in the radial segment thanks to its ability to meet customer demand for a wide range of premium products efficiently. The JK brand of truck radials increasingly made their presence felt across markets with a performance that was at par with several other established brands. Participation in trade expositions and focus on deepening the distribution reach were instrumental in sustaining exports in this -competitive environment.

MANUFACTURING EXCELLENCE AT JK TYRE

Continuous improvement in all coordinates has been the hallmark of our manufacturing process. Riding a culture of improvements and innovation, JK Tyre is committed to deliver a consistent quality product to customers. The Company's culture of excellence efforts at all manufacturing locations was recognized at different fora by several institutions, a few mentioned hereunder:

- National Water Awards for Excellence in Water Management 2018 by CII.
- "Fame Environment Excellence Award 2019" for the outstanding Project on "Environment Protection".
- Gold Medal in the National Awards for Manufacturing Competitiveness (NAMC) and Special Award for Strategic Improvement Initiatives.
- ENERGY EFFICIENT UNIT in CII 19th National Energy Management award - 2018.

Our commitment towards being green continues to be a driver for all our efforts in improving energy and water conservation. Another aspect of conserving Green House Gases (GHG) is to minimize our process scrap generation, which also form part of manufacturing excellence agenda.

Our efforts on these fronts have resulted in very encouraging results making us competitive not only on local industry level but even at global levels.

These efforts will continue till we achieve best possible globally competitive benchmark.

FINANCIAL PERFORMANCE

The following is a brief summary of the Company's performance during the financial year ended 31st March, 2019,

(₹ crores)

PARTICULARS	Year Ended		Year Ended	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
	Standalone		Consolidated	
Turnover	7689.67	6485.80	10452.01	8418.22
Operating Profit (PBIDT)	807.52	519.80	1196.16	883.19
Finance costs	316.28	274.12	521.08	465.50
Profit before Tax (PBT)	304.68	63.85	270.46	106.81
Tax expenses	100.28	20.76	94.17	43.89
Profit after Tax (PAT)	204.40	43.09	176.29	62.92

On account of improved Profitability, there was significant improvement in following financial ratios in comparison to previous year as given hereunder:

(Standalone)

Particulars	2018-19	2017-18
Interest Coverage Ratio (Timers)	2.55	1.90
Current Ratio (Times)	1.04	0.83
Operating / EBTIDA Margin (%)	10.50	8.01
Net Profit Margin (%)	2.66	0.66
Return on Networth (%)	11.23	2.60

JK TORNEL

JK Tornel, Mexico, recorded a turnover of ₹ 1309 Crores. Following the successful implementation of the labour restructuring, labour costs declined significantly. Profitability should improve in future.

CAVENDISH INDUSTRIES LTD.

The operations of Cavendish Industries Ltd. (CIL) reported a smart turnaround during the year under review. The turnover from this business segment increased from ₹ 1670 Crores to ₹ 2316 Crores during the year under review, recording an increase of 39%. During the year under review, capacity utilization at all three manufacturing plants increased significantly. The project for expanding the capacity of Truck / Bus Radials (TBR) was completed in stages and the full benefit will be realized during the coming years.

The next round of expansion of the TBR/Tractor rear capacity, estimated to cost ₹ 675 Crores, is under implementation, which is expected to further reinforce the Company's TBR leadership.

R&D AND TECHNOLOGY

A competitive edge in Research & Development (R&D), product design, technology development and enhanced process technology development are key to success.

Besides modern and state-of-the art equipment, the Company enhanced people skills through their international exposure and tie-ups. Our teams participated in various international technology conferences and seminars.

Our technology team also focused on substantially enhancing process technology to achieve product quality consistency in manufacturing.

RAW MATERIALS

The financial year 2018-19 reported a steep increase in oil prices with higher exchange rates during the major part of the year, which resulted in a price rise throughout the first three quarters.

The extensive flooding in Kerala resulted in a lower rubber production in the country, increasing raw material costs and compelling manufacturers import natural rubber.

Since the tyre industry consumes a high percentage of crude oil derivatives, higher crude oil prices during the major part of 2018-19 over 2017-18 had an adverse impact on raw material costs. The last quarter of the year brought some respite.

The company took various measures through prudent planning to mitigate partly the impact of the cost increase.

MOTORSPORT

The last financial year was a landmark for JK Motorsports, with JK Tyre National Racing Championship, our blue-riband event, reinforced its position as the most significant event in the Indian motorsport calendar. The grand finale at the Buddh International Circuit in Greater Noida wore a festive look with over 35,000 fans occupying the grand stand. World-class stuntmen like Multiple Guinness record-holder Terry Grant from United Kingdom and Red Bull's Aras Gibieza from Lithuania engaged in never-seen-before daredevilry and enthralled the audience.

The company made its presence felt across various disciplines comprising rallying, off-roading and racing. The biggest off-roading event at Kikar near Chandigarh, time, speed, distance rallies like the Constitution Club Car Rally for Parliamentarians in Delhi, the Himalayan Drive which traversed neighboring countries and Monsoon Scooter Rally in Nasik were some of the mega events. In addition the North east the Hornbill Rally in association with the Government of Nagaland and Orange Festival in Dambuk in association with the Government of Arunachal Pradesh were conducted. These were unique initiatives which were a blend of adventure and music in the toughest of environs.

In a strategic thrust to promote women in motorsport exciting platforms were created across the country, namely the All-Women Racing team in LGB 4, and rallies like the YFLO Power Drive in Delhi, JK Tyre Times Women's Drive from Delhi to Chandigarh, the Rally to the Valley in Mumbai and the Defence Power Drive for ladies. These events captured the imagination of the media.

The vibrancy of Brand JK Tyre was amplified by JK Motorsport.

HUMAN RESOURCE DEVELOPMENT

The Company firmly believes that its success is due to consistent employee commitment, passion and contribution. The company is committed to providing employees with a supportive, rewarding and safe work environment coupled with engagement and empowerment enabling them to realize their full potential. We have consistently focused on recruiting the best talent with the objective to generate superior performance.

With a dedicated focus on workforce issues which include learning & development programmes and succession planning, we are providing our employees with opportunities of career advancement. Our structured human resource development covers employee engagement initiatives, performance and compensation management, competency mapping and assessment centres.

RISKS AND CONCERNS

A continuously changing environment - external and internal - enhances business uncertainty. These risks can be of different types - regulatory uncertainties, changing competitive landscapes, technological obsolescence, talent hiring and retention, availability of raw material - and prudent risk management involves the proactive identification of risks, evaluation, quantification and preparedness with the objective of comprehensive mitigation.

The company invested in an established structure for risk management. This comprises a Risk Management Committee, which reviews the overall risk management exercise in the company. All functions were covered in the risk identification; these risks are quantified to ascertain their potential to impact business. Detailed planning was carried out to avert risks through the development of a detailed risk mitigation action plan.

KEY BUSINESS RISKS:

Economic risks

During the last financial year, there was considerable uncertainty related to trade treaties (US-China) leading to a slowdown in the global economy. Uncertainty over Brexit increased. Few European economies reported economic concerns which impacted overall global demand and Indian GDP growth. To reduce the impact of this risk leading to an uncertain demand outlook, the company identified new markets, wider product range to market there and deployment of teams.

The Indian market is also witnessing increased competition with the arrival of some new entrants in the market and existing multi-national companies expanding their operations. However, the Company has been working on product and channel development to remain on the first choice of customers.

Low-cost Chinese imports have reduced in the market due to the imposition of anti-dumping duty. However, low-cost imports from few other countries have started taking their place, resulting in an almost similar situation as it was earlier.

Raw material availability and cost risks

The industry faces risks of raw material availability and cost continuously. Natural rubber, a key raw material in tyre production, falls severely short in terms of production compared to the overall Indian tyre industry's demand. The share of domestic natural rubber in tyre manufacturing has dropped continuously, leading to a higher reliance on imports. This increases the risks faced by the Company and the tyre industry when it comes to linkages with the foreign exchange position, which has been quite volatile during last year. Crude oil prices are also strengthening, impacting the prices of almost all major raw materials required for tyre manufacturing. The Company has been venturing into non-traditional areas to source higher levels of natural rubber locally to reduce the aforementioned dependence on imports.

Operational risks

Operational risks arise in the day-to-day functioning of business and include risks like equipment obsolescence, power and water shortages, among others. The Company has well-established processes to regularly monitor the health of operating capacities and undertake timely interventions to maintain a high level of equipment availability. The Company is also investing in modernisation and technologies such as IoT and Industry 4.0 to improve operational efficiencies and equipment health.

Water is also big area of concern for sustenance of operations. The Company has been making continuous progress in terms of reducing water consumption and using rainwater harvesting and recycling to ensure sustainable operations.

Technology risks

The Company continually tracks changing customer needs, preferences and accordingly plans for future market requirements. The Company inaugurated a world-class R&D centre, the Raghupati Singhania Centre of Excellence (RPSCOE), at Mysuru, during FY19. This centre will help the Company in leading the industry on technological front. The Company also invests in continuous skill upgradation of its employees through knowledge-sharing with various national and international experts and networks.

Risk management is an integral part of the strategic business planning and review cycle at the Company. The plan so formed to mitigate risks is continuously tracked for timely implementation. The Company takes a lot of care to safeguard the interests of its stakeholders. The Company ensures compliance with all legal and statutory requirements as well as maintains complete transparency in financial reporting and disclosures.

INTERNAL CONTROL SYSTEMS

The Company has since its inception, laid down a system of internal control system, which is commensurate with the size and nature of the business. Adequate and effective checks have been put in place to ensure that the financial data is accurate and reliable. The internal control systems also ensure that the assets and the interest of the Company are well-protected.

The internal audit is carried out throughout the year based on a systematic plan covering all functions and aspects of the business. The internal audit reports are reviewed by the senior management and are placed before the audit committee of the Board of Directors

along with the actions taken. The Audit Committee undertakes a detailed review of the audit observations and actions, in order to ensure that the internal audit system is effectively functioning. The recommended actions by the audit team are monitored and improvements are implemented that are regularly reviewed by the senior management. The IT framework of the Company is based on a robust ERP system, ensuring seamless connectivity of plants, sales offices and head office and facilitating faster and more reliable processing of transactions as well as generating reports for rapid decision-making. The Company also has strong control and management reporting systems, which help ensure that business results are achieved and continuous improvement projects are undertaken.

CAUTIONARY STATEMENT

This Annual Report and the Management Discussion & Analysis report contain forward-looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements. Your Company's actual results, performance or achievements could thus, differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publically amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



Road safety awareness campaign

Annexure F to Board's Report

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and

Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors consists of Eleven Directors as on 31st March 2019, of which four are Executive Directors and seven are Non-Executive Directors(NED); out of seven NED, six are Independent Directors(IND). Four Board Meetings were held during the twelve months period from 1st April 2018 to 31st March 2019 i.e., on 17th May 2018, 18th July 2018, 30th October 2018 and 14th February 2019. Attendance and other details as on 31st March 2019 are as given below:-

S. no*	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/Chairmanships held in other companies		
					Directorships \$	Committee Memberships**	Committee Chairmanships**
1	Dr. Raghupati Singhania, Chairman & Managing Director	Executive	4	Yes	8	4	2
2	Shri Arvind Singh Mewar Δ	IND	3	Yes	-	-	-
3	Shri Bakul Jain Δ	IND	3	Yes	4	4	2
4	Shri Shreekant Somany Δ	IND	4	No	5	2	-
5	Smt. Sunanda Singhania	NED	2	No	-	-	-
6	Shri Vimal Bhandari Δ	IND	3	Yes	6	4	1
7	Shri Kalpataru Tripathy Δ	IND	4	Yes	4	3	1
8	Dr. Wolfgang HolzbachΔ	IND	3	Yes	-	-	-
9	Shri Bharat Hari Singhania, Managing Director	Executive	2	No	4	1	-
10	Shri Anshuman Singhania, Whole-time Director	Executive	4	Yes	-	-	-
11	Shri Arun K. Bajoria, Director & President – International Operations	Executive	4	Yes	1	-	-

Δ The appointment of Independent Directors is in accordance with the provisions of the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Shri Arvind Singh Mewar, Shri Bakul Jain, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach who were appointed as Independent Directors of the Company for a term of five consecutive years at the AGM held on 25th September 2014 are proposed to be re-appointed as Independent Directors at the forthcoming AGM in accordance with the provisions of Section 149 of the Companies Act, 2013 and Listing Regulations.

* DIN of the above named directors in seriatim: 1 - 00036129; 2 - 00008244; 3 - 00380256; 4 - 00021423; 5 - 02356376; 6 - 00001318; 7 - 00865794; 8 - 06422833; 9 - 00041156; 10 - 02356566 and 11 - 00026540.

§ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

** Only covers Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.

Details of directorships in other listed companies and the category of directorship:

Name of Director and name of the listed company (category of Directorship)

Dr. Raghupati Singhania: JK Lakshmi Cement Ltd. (NED), Bengal & Assam Company Ltd. (NED), JK Agri Genetics Ltd.(NED), DCM Ltd.(Ind.) and Radico Khaitan Ltd.(Ind.)

Shri Bakul Jain: DCW Ltd. (Executive, Managing Director) and Bengal & Assam Company Ltd. (Ind.)

Shri Shreekant Somany: Somany Ceramics Ltd. (Executive, Chairman & Managing Director) and Shree Cement Ltd. (Ind.)

Shri Vimal Bhandari: DCM Shriram Ltd. (Ind.), Bayer Cropscience Ltd. (Ind.), Bharat Forge Ltd.(Ind.), Kalpataru Power Transmission Ltd. (Ind.).

Shri Kalpataru Tripathy: Avadh Sugar & Energy Ltd.(Ind.), Texmaco Infrastructure & Holdings Ltd.(Ind.)

Shri Bharat Hari Singhania: JK Lakshmi Cement Ltd. (Executive), Bengal & Assam Company Ltd. (NED), JK Agri Genetics Ltd.(NED) and JK Paper Ltd.(NED). He is Chairman of all these listed companies.

Note: Other directors do not hold directorship in any other listed company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/expertise/competencies required in the context of the Company's business and sector for it to function effectively:- (i) financial and accounting knowledge; (ii) strategic expertise; (iii) risk governance; (iv) legal & corporate governance expertise; (v) technology/ knowledge pertaining to tyre industry; (vi) commercial experience; (vii) community service, sustainability and corporate social responsibility and (viii) quality and safety experience.

All these skills/expertise/competencies are available with the Board of Directors of the Company.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any. The Board is satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors). In terms of the provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Dr. Raghupati Singhania, Chairman & Managing Director.

Relationships between Directors inter-se: Dr. Raghupati Singhania and Shri Bharat Hari Singhania are brothers. Smt. Sunanda Singhania is wife of Dr. Raghupati Singhania.

The number of Equity Shares of ₹ 2/- each (i.e. Shares) held by the Non-executive Directors as on 31st March 2019 are: Shri Arvind Singh Mewar - Nil Shares, Shri Bakul Jain - 4,000 Shares, Shri Shreekant Somany - 27,500 Shares, Smt. Sunanda Singhania - 5,62,500 Shares, Shri Kalpataru Tripathy - Nil Shares, Shri Vimal Bhandari - Nil Shares and Dr. Wolfgang Holzbach - Nil Shares. The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, two separate meetings of the Independent Directors of the Company were held on 4th May 2018 and 14th February 2019. Shri Arvind Singh Mewar was unanimously elected as Chairman of the said meetings. Five Independent Directors were present at the meeting held on 4th May 2018 and all the Independent Directors were present at the meeting held on 14th February 2019.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on

the website of the Company, the web link for which is http://www.jktyre.com/Familiarisation_Prog_IND.pdf

5. PERFORMANCE EVALUATION:

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

Accordingly, the Board of Directors made formal annual evaluation of its own performance and that of its committees and individual Directors in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board also carried out evaluation of the performance of individual directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors since 1986. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee consists of four Directors, out of which three are Non-executive Independent Directors and one is Executive Director. Four meetings of the Audit Committee were held during the financial year ended 31st March 2019.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
17th May 2018	4
18th July 2018	3
30th October 2018	3
14th February 2019	4

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Bakul Jain	Chairman	3
Shri A.S. Mewar	Member	3
Shri Shreekant Somany	Member	4
Shri Arun K. Bajoria	Member	4

All the Committee Meetings were attended by the Head of Finance Function, Head of Internal Audit, Company Secretary and the representative of Statutory Auditor. The Company Secretary acts as the Secretary of the Committee.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors out of which two are Non-executive Independent Directors and one is Executive Director. The composition and the Role/'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year ended 31st March 2019, one meeting of the Committee was held on 17th May 2018 which was attended by all the members of the Committee, namely - Shri Bakul Jain (Chairman of the Committee), Shri Shreekant Somany and Shri Arun K. Bajoria, Members of the Committee.

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2019, the Company received three complaints from the investors and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to a 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2019, 16 Meetings of the 'Share Transfer Committee' were held.

8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
17th May 2018	2
18th July 2018	3
14th February 2019	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Arvind Singh Mewar	Chairman	3
Shri Vimal Bhandari	Member	2
Shri Kalpataru Tripathy	Member	3

9. RISK MANAGEMENT COMMITTEE:

The Company has been having an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by President (India Operations) was in place which evaluated the efficacy of the framework relating to risk identification and its mitigation and the Board Members were informed accordingly from time to time. The said Committee has been dissolved and a new 'Risk Management Committee' has been constituted by the Board on 14th February 2019 comprising of four Directors - namely, Shri Shreekant Somany (Chairman of the Committee), Shri Kalpataru Tripathy, Shri Anshuman Singhania and Shri Arun K. Bajoria and two senior executives of the Company - namely, Shri Rajiv Prasad, President - India Operations and Shri Ashok Kumar Kinra, Financial Advisor. The composition of the Committee is in conformity with the provisions of Regulation 21 of the Listing Regulations. Further, the Board of Directors has also defined the role and responsibilities of the Committee. The Company Secretary acts as the Secretary of the Committee.

10. NOMINATION AND REMUNERATION POLICY:

In accordance with the provisions of the Companies Act 2013 and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The Policy is

available at the website of the Company and the weblink is <https://www.jktyre.com/NominationRemunerationPolicy.pdf>. The salient features of the policy are as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like -respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to the Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time, Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any person for appointment as a Director on the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled in by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

11. REMUNERATION PAID TO DIRECTORS:

- (i) Executive Directors: The remuneration comprising of salary, perquisites and retirement benefits, such as contribution to Provident Fund, etc. for the financial year ended 31st March 2019 to the following Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director ₹ 6.72 Crores plus ₹ 4.25 crores payable as commission; Shri Bharat Hari Singhania, Managing Director ₹ 3.46 Crores plus ₹ 4.25 crores payable as commission; Shri Arun K. Bajoria, Director & President - International Operations ₹ 4.37 Crores plus ₹ 0.75 crores payable as commission and Shri Anshuman Singhania, Whole-time Director ₹ 2.59 Crores plus ₹ 2.0 crores payable as commission. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT - 9, which forms part of the Board's Report and has been uploaded on the website of the Company. The tenure of office of the Chairman & Managing Director, Managing Director and Whole-time Director is five years from the respective dates of appointments and three years from the date of appointment in case of Director & President - International Operations. In the case of all Executive Directors, notice period is six months. Severance Fees for the Chairman & Managing Director and the Managing Director is equivalent to the remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.
- (ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹ 0.28 Crore to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof. In addition to sitting fees, commission was also payable to Non-executive Directors amounting to ₹ 12.50 Lakh each, aggregating to ₹ 0.88 Crore, in accordance with the Special Resolution passed by the members of the Company at the Annual General Meeting held on 25th September 2014.
- Non-executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

12. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM) of the Company were:

Financial Year	Location	Date	Time
2015-16	Jaykaygram, PO-Tyre Factory, Kankroli - 313 342 (Rajasthan)	2.9.2016	11.30 A.M.
2016-17	Same as above	4.8.2017	4.15 P.M.
2017-18	Same as above	22.8.2018	11.30 A.M.

Details of the Special Resolution(SR) passed: Three SRs were passed at the AGM held in the Year 2016, no SR was passed at the AGM held in the year 2017 and one SR was passed at the AGM held in the year

2018. One Special Resolution was also passed at the Extraordinary General Meeting of the Company held on 22nd March 2019 held at the Registered Office of the Company.

No SRs was required to be put through postal ballot during the financial year ended 31st March 2019. There is no immediate proposal for passing any resolution through postal ballot.

13. DISCLOSURE:

(i) Related Party Transactions: Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: **None**

Suitable disclosures as required by Ind AS 24 – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/RPolicy.pdf>

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There were no cases of non-compliance of any matter related to capital markets during the last three years.

(iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 12th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

(iv) Prevention of Sexual Harassment of Women at Workplace: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work places to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment. Further, there were no complaints pending as on the end of the financial year 31st March 2019.

(v) Disclosure of commodity price risks and commodity hedging activities: As a part of Risk Management mechanism, the Company has identified fluctuations in commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to ensure availability of raw material and prices under check.

(vi) Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A): The Company has raised an amount of ₹ 200 Crores through preferential allotment of equity shares to the constituents of the Promoter Group, on 29th March 2019. The proceeds of the Issue have been utilized for the objective i.e., for augmenting the Net worth of the Company and also the long term finance with a view to strengthen the financial base of the Company and maximize overall value for all shareholders of the Company.

During the financial year, the Company has not raised any funds through Qualified Institutions Placement.

(vii) Certificate: The Company has received a certificate dated 27th April 2019 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS 234, CP No. 3331) that none of the directors on the board of JK Tyre & Industries Ltd. has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

(viii) Subsidiary Companies: The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

The Company has formulated a Policy for determining material subsidiary. The Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/pdms.pdf>. The Company has one material subsidiary - namely, Cavendish Industries Ltd. and the requirements pertaining to the same are complied with.

(ix) Corporate Social Responsibility Committee: The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of three Directors out of which one is Independent

and two are Executive Directors. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2019 i.e., on 17th May 2018 and on 14th February 2019. All the members of the Committee, namely - Dr. Raghupati Singhania (Chairman of the Committee), Shri Arun K. Bajoria (Member) and Shri Arvind Singh Mewar (Member) attended all the Meetings held during the said financial year.

(x) Dividend Distribution Policy: The Board at its meeting held on 9th February 2017 has formulated Dividend Distribution Policy as per the requirements of the Listing Regulations. The Policy is as follows:

(1) PREAMBLE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 9th February, 2017.

(2) OBJECTIVE

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

(3) FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

While recommending/declaring Dividend, the Board shall take into account various Internal & External factors which shall *inter-alia* include:

- (1) Profitability of the Company during the relevant year.
- (2) Past Dividend trends.
- (3) Leverage profile.
- (4) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (5) Company's Liquidity Position and Cash flow position.
- (6) Economic conditions and regulatory environment.

- (7) Any other relevant factors that the Board may deem fit to consider.

(4) UTILISATION OF RETAINED EARNINGS

The retained earnings will be used *inter-alia* for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

(5) DECLARATION OF DIVIDEND

The Board may declare/recommend Dividend either as an Interim or as Final Dividend during any financial year.

The Dividend shall be declared or paid by the Company for any financial year out of the profits of the Company arrived at in conformity with the Companies Act.

The Board shall endeavour to achieve a Dividend Payout Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

(6) REVIEW & MODIFICATION OF DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefor.

(7) DISCLOSURE

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

(xi) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended 31st March 2019.

(xii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: During the financial year ended 31st March 2019, the Company has paid total fees for various services including statutory audit, amounting to ₹ 48 Lakh to the Statutory Auditor, namely - M/s SS Kothari Mehta & Co., Chartered Accountants. No fees has been paid by any of the subsidiaries to the said Statutory Auditor. Further, no fees was paid by any of the subsidiaries or by the Company to any entity in the network firm/network entity of which the Statutory Auditor is a part.

14. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Hindi language Newspaper (published from Rajasthan). The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

15. GENERAL SHAREHOLDER INFORMATION:

(i)	Registered Office	Jaykaygram, PO- Tyre Factory, Kankroli- 313 342 (Rajasthan) Phone No: 02952-302400/330011			
(ii)	Annual General Meeting (AGM)				
	(a) Date, Time & Venue	14th August, 2019 at the Registered Office of the Company at 11.30 a.m.			
	(b) A brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.				
(iii)	Financial Calendar (tentative)				
	Financial Reporting:				
	<ul style="list-style-type: none"> 1st Quarter ending June 30, 2019 2nd Quarter ending September 30, 2019 3rd Quarter ending December 31, 2019 	} Within 45 days of the end of the quarter			
	<ul style="list-style-type: none"> Annual and 4th Quarter ending March 31, 2020 	Within 60 days of the end of the 4th quarter			
	<ul style="list-style-type: none"> Annual General Meeting for the financial year 2019-20 	Between July and September 2020			
(iv)	Dividend Payment Date	within two weeks of conclusion of AGM			
(v)	Date of Book Closure	8th August to 14th August, 2019			
(vi)	Names and addresses of Stock Exchanges where equity shares of the Company are listed	<p>The Equity Shares of the Company are listed on the following Stock Exchanges:</p> <p>(i) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001</p> <p>(ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051</p> <p>The annual listing fee for the financial year 2019-20 have been paid to both the aforesaid Stock Exchanges. The securities of the Company are not suspended from trading.</p>			
(vii)	Security Code for Company's Equity Shares on Stock Exchanges and ISIN	<p>BSE – 530007</p> <p>NSE – JKTYRE</p> <p>ISIN – INE573A01042</p>			
(viii)	Stock Market Price Data				
	Month	BSE	NSE		
		High (₹)	Low (₹)	High (₹)	Low (₹)
	April-2018	170.80	148.10	170.60	147.70
	May-2018	160.80	131.75	160.95	131.50
	June-2018	134.70	117.70	134.70	117.63
	July-2018	134.35	116.00	134.75	116.10
	August-2018	136.20	125.15	136.20	125.20
	September-2018	129.75	96.00	129.85	95.65
	October-2018	110.00	87.70	109.90	87.60
	November-2018	114.80	98.05	114.80	98.05
	December-2018	110.70	82.70	110.85	86.35
	January-2019	106.30	90.00	106.35	90.00
	February-2019	93.80	84.05	93.90	84.10
	March-2019	99.70	86.25	99.65	86.25

JK Tyre & Industries Ltd's (JK Tyre's) Share Performance v/s BSE Sensex (April 2018 – March 2019)

Month & Year	BSE - JK Tyre's Share Price (Closing)		BSE Sensex (Closing)	
	₹	Relative Values to 100	Actual	Relative Values to 100
April-18	156.05	100.00	35160.36	100.00
May-18	133.85	85.77	35322.38	100.46
June-18	121.90	78.12	35423.48	100.75
July-18	130.30	83.50	37606.58	106.96
August-18	128.40	82.28	38645.07	109.91
September-18	97.20	62.29	36227.14	103.03
October-18	103.65	66.42	34442.05	97.96
November-18	98.95	63.41	36194.30	102.94
December-18	103.80	66.52	36068.33	102.58
January-19	90.65	58.09	36256.69	103.12
February-19	86.05	55.14	35867.44	102.01
March-19	91.75	58.80	38672.91	109.99

(ix) Distribution of Shareholding (as on 31.3.2019):

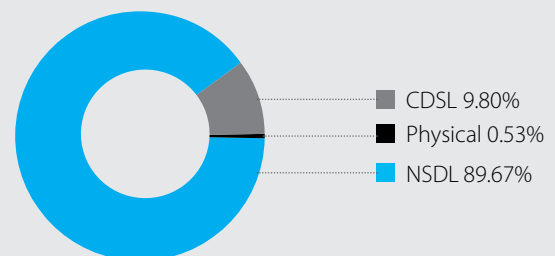
No. of Equity Shares Held (of ₹ 2/- each)	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	8157476	3.31	102919	76.48
251-500	6138998	2.49	15757	11.71
501-1000	6823297	2.77	8642	6.42
1001-5000	12714539	5.17	5954	4.43
5001-10000	5017016	2.04	673	0.50
10001 & above	207379554	84.22	621	0.46
Total	246230880	100.00	134566	100.00

(x) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited(NSDL)/Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

(xi) Dematerialization of Shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may dematerialise their holdings with any one of the Depositories – namely, NSDL and CDSL. The Equity Shares of the Company are actively traded on BSE and NSE. In respect of shares held in demat form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Shares held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2019 (%)

As on 31st March 2019, 99.47% of the Equity Shares are held in dematerialized form.

(xii) Outstanding GDRs/ADRs/Warrants/ Options or any Convertible instruments, conversion date and likely impact on equity

NIL

(xiii) Commodity price risk or foreign Exchange risk and hedging activities:

During the financial year ended 31st March 2019, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and exports.

The Company is having a Risk Management framework for identifying various risks and for formulating plans for mitigating the same. The risks as well as mitigating plans are viewed from time to time and are updated as may be required. The Company has also identified various risks involved in respect of key raw material and has drawn risk mitigation plans for the same. Rubber is considered a material commodity, as its consumption in comparison to the overall cost of raw material consumed, is more than 30%. During the year ended 31st March 2019, the Company consumed 101324 MT rubber, valuing ₹ 1290 Crores. The Company does not have any exposure hedged through commodity derivatives.

(xiv) Plant Locations

- (a) Jaykaygram, Rajasthan
- (b) Banmore, Madhya Pradesh
- (c) Mysuru Plant I, Karnataka
- (d) Mysuru Plant II, Karnataka
- (e) Mysuru Plant III, Karnataka
- (f) Chennai Plant, Tamil Nadu

(xv) Address for Correspondence for Share Transfer and Related Matters

1. Vice President (Legal) & Company Secretary
JK Tyre & Industries Ltd.
Secretarial Department
Gulab Bhawan
6A, Bahadur Shah Zafar Marg,
New Delhi -110 002.
Phone No.: 91-11-30179263
Fax No. : 91-11-23322059
Email: investorjkyre@jkmil.com
Website : www.jkyre.com
2. Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Alankit Heights, 3E/7, Jhandewalan Extension,

New Delhi-110 055 (India)
Phone No. :91-11-42541234
Fax No : 91-11-41543474
Contact Person: Shri J.K. Singla
Email: rta@alankit.com
Website: www.alankit.com

(xvi) List of all Credit Ratings obtained by the Company alongwith revisions thereto during the financial year ended 31st March 2019, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:

- A) Ratings to various facilities of the Company by CARE Ratings Ltd. are: (a) Long-term Bank Facilities - CARE A+; Negative (Single A Plus; Outlook: Negative). Rating Action - Revised from CARE A+; Stable (Single A Plus; Outlook: Stable). (b) Short-term Bank Facilities - CARE A1+ (A One Plus). Rating Action – Reaffirmed. (c) Long-term/Short-term Bank Facilities - CARE A+; Negative/ CARE A1+ (Single A Plus; Outlook: Negative/A One Plus). Rating Action - Revised from CARE A+; Stable/ CARE A1+ (Single A Plus; Outlook: Stable/A One Plus). (d) Short-term Bank Facilities - Commercial Paper issue - CARE A1+ (A One Plus). Rating Action – Reaffirmed. (e) Long/Short Term instruments - Fixed Deposit programme - CARE A+ (FD); Negative/ CARE A1+ (FD)(Single A Plus [Fixed Deposit]; Outlook: Negative/A One Plus [Fixed Deposit]). Rating Action – Revised from CARE A+ (FD); Stable/ CARE A1+ (FD) (Single A Plus [Fixed Deposit]; Outlook: Stable/ A One Plus [Fixed Deposit]).
- B) Ratings to various facilities of the Company by India Ratings & Research Pvt. Ltd. are: (a) Long-term Loans - IND A/Negative. Rating Action - Revised from IND A+/ Negative. (b) Fund-based and non-fund based limits - IND A/Negative/ IND A1. Rating Action- Revised from IND A+/ Negative/ IND A1+. (c) Term deposit - IND tA+/Negative. Rating Action - Revised from IND tAA-/Negative. (d) Rating withdrawn for Commercial Paper.

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2019 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Executive; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jkyre.com. At present, the half-yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of unqualified

financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Dr. Raghupati Singhania is the Chairman & Managing Director of the Company; and (e) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the President (India Operations). However, his Internal Audit Reports are placed before the Audit Committee.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xx) Bankers:

Bank of India	State Bank of India
Corporation Bank	The Federal Bank Ltd.
IDBI Bank Ltd.	Indian Bank
Punjab National Bank	

(xxi) (a) Transfer of Shares to IEPF Authority

As on 1st April 2018, the Company had 6,42,430 Equity Shares in the demat account of Investor Education and Protection Fund Authority (IEPF Authority). In accordance with the Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (IEPFA Rules), the Company has transferred 61,668 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF Authority), during the year. During the year, one shareholder has claimed back 280 Equity Shares from the IEPF Authority. As on 31st March 2019, there are 7,03,818 Equity Shares in the demat account of IEPF Authority. The details of such shareholders are available on the website of the Company. The said shares can be claimed back by the shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.

(b) Information in terms of Schedule V(F) of the Listing Regulations:

As on 1st April 2018, the Company had 1,52,505 Equity Shares, which were unclaimed by 562 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company has transferred 34,785 Equity Shares, which remained unclaimed by 130 Equity Shareholders, to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 11 requests during the year, for 3,505 Equity Shares for despatch, from the suspense account. These have since been despatched. Accordingly, as on 31st March 2019, the Company has 1,14,215 Equity Shares which remain unclaimed by 421 Equity Shareholders in the suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owners of such shares claim the same.

16. DECLARATION:

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of JK Tyre & Industries Ltd." during the Financial Year ended 31st March 2019.

Dr. Raghupati Singhania
Chairman & Managing Director

17. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JK Tyre & Industries Limited

I have examined the compliance of the conditions of Corporate Governance by JK Tyre & Industries Limited ('the Company') for the financial year ended March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2019.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: New Delhi
Date : May 16, 2019

Namo Narain Agarwal
Company Secretary, FCS 234, CP 3331

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

INTRODUCTION:

JK Tyre presents its Business Responsibility Report (BRR) for the financial year 2018-19. The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective.

We, at JK Tyre, have always believed that, progress needs to extend beyond corporate premises to the communities around our establishments. JK Tyre attaches highest importance to its core values – commitment to excellence and customer satisfaction, maximizing long term shareholders value, socially valued enterprise and caring for people and environment.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L67120RJ1951PLC045966				
2.	Name of the Company	:	JK Tyre & Industries Ltd.				
3.	Registered address	:	Jaykaygram, PO - Tyre Factory, Kankroli – 313 342 (Rajasthan)				
4.	Website	:	www.jktyre.com				
5.	E-mail id	:	investorjktyre@jkm.com				
6.	Financial Year reported	:	2018-19				
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>22111</td> <td>Manufacture of Tyres, Tubes & Flaps.</td> </tr> </tbody> </table>	NIC Code	Description	22111	Manufacture of Tyres, Tubes & Flaps.
NIC Code	Description						
22111	Manufacture of Tyres, Tubes & Flaps.						
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Tyres, Tubes & Flaps				
9.	Total number of locations where business activity is undertaken by the Company	:	The Company along with its subsidiaries has twelve manufacturing plants across the world.				
	(A) Number of International Locations (Provide details of major 5)	:	3 - through subsidiaries in Mexico.				
	(B) Number of National Locations	:	Nine - six manufacturing plants – one each at Kankroli (Rajasthan); Banmore (Madhya Pradesh); Chennai (Tamil Nadu) and three plants at Mysuru (Karnataka). In addition, three manufacturing plants through a subsidiary at Laksar, Haridwar (Uttarakhand).				
10.	Markets served by the Company – Local/State/National/International	:	The Company has pan-India presence through a network of its own offices, dealers/business associates. In addition to serving Indian markets, the Company exports to over 100 countries across six continents.				

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	49.24 Crores
2.	Total Turnover (INR)	:	7689.67 Crores
3.	Total profit after taxes (INR)	:	204.40 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	3.29% of the profit after tax of FY 2018-19. The total spending on CSR for the FY 2016-17 and FY 2017-18 was 1.10% and 10.58% of the average net profits of the Company during the relevant three immediately preceding financial years

5. List of activities in which expenditure in 4 above has been incurred:- : The major activities in which the above CSR expenditure has been incurred includes:
- Health Care
 - Education
 - Livelihood enhancement
 - Environmental conservation

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? : Yes, the Company has 15 subsidiaries.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) : The Company's two Indian subsidiaries participate in the BR Initiatives. The remaining thirteen subsidiaries in foreign countries follow the laws in their respective regions.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] : No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR :

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies : The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies. The Committee comprises of the following Directors:

Name	DIN	Designation
Dr. Raghupati Singhania, Chairman of the Committee	00036129	Chairman & Managing Director
Shri Arvind Singh Mewar, Member	00008244	Independent Director
Shri Arun K. Bajoria, Member	00026540	Director & President- International Operations

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00026540
2	Name	Shri Arun K. Bajoria
3	Designation	Director & President - International Operations
4	Telephone number	+91 11 30179106
5	e-mail id	akbajoria@jkmail.com

2. Principle-wise (as per NVGs) BR Policy/policies: The nine principles are as follows:

Principle No.	Principle Description
P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the wellbeing of all employees.

P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P 5	Businesses should respect and promote human rights.
P 6	Business should respect, protect, and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and Equitable Development
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? These Policies conform to the International Standards like SA8000, ISO 14001, OHSAS 18001, EnMS/ISO 50000, ISO/TS-16949, etc.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? - Note 1	Y	N	N	Y	N	N	N	Y	N
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? - Note 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	Y	-	-	Y	-	-	-	-

Note 1- These Policies, however, have been signed by Director & President –International Operations.

Note 2 - It has been Company's practice to upload all the policies on the intranet site for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management, and CSR Policy are available on the website of the Company - <http://www.jktyre.com/codeofconduct.aspx> and <http://www.jktyre.com/CSRPolicy.pdf>.

(b) If answer to the question at series number 1 against any principal is 'NO', please explain why:

(tick upto 2 options) – Not applicable

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Business Review Meetings are held on monthly basis. Such Meetings are chaired by CEO. In addition, on quarterly basis, the Board and the Audit Committee of the Board also review business performance.

Besides this, the CSR Committee of Directors reviews the CSR initiatives taken by the Company every 3-6 months.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? The Company has published Sustainability Report for the Financial Year 2017-18 and 2016-17.

The Company's Sustainability Report for the financial year 2017-18 and 2016-17 can be viewed at <http://www.jktyre.com/Sustainability-Report.aspx>. and also, Business Responsibility Report for the Financial Year 2017-18 and 2016-17 as per the format prescribed by SEBI can be viewed at www.jktyre.com/annualreport.aspx.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has in place a "Code of Corporate Ethics And Conduct" from February 2002, which reiterates its commitment to maintain the highest standards in its interface with stakeholders, clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. All the employees sign this Code at the time of joining the Company.

The Company also has in place a "Code of Conduct for Board Members and Senior Management". Every year, the Board Members and Senior Management affirm compliance with this Code of Conduct.

The Company also has in place a Policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, violation of the Company's Code of Conduct or ethics Policy, and any other event which would adversely affect the interests of the business of the Company.

The said Codes/Policy covers all dealings with suppliers/customers/business associates/others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has received three complaints from the shareholders during the financial year 2018-19, which were promptly resolved. No complaint was pending as on 31st March 2019.

The Company has not received any complaint under the said Codes/Policies during the financial year ended 31st March 2019.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a) Low RRc tyres in TBR & PLT

With the stiffer regulatory requirements by global regulatory agencies, tyres are getting much stiff targets. After successfully Meeting stringent regulation like ECE R117 for stage -1 level which ensures that product meet all environment needs and is a green product. Now company is moving towards Stage-2 level of ECE Regulation 117, ensuring Tyre Noise, Wet grip and Rolling Resistance within European Standard limits of stage -2. In this process lot of projects are already under testing for example – 295/90R20

JETWAY – JW213, 295/90R20 JETSTEEL – JS117 etc. for Passenger Cars segment, JK Tyre has already developed dedicated Electric Vehicle Tyre Technology and working actively with OEMS. JK Tyre is approved for Bajaj Qute EV as OEM tyre in Size 135/70 R12 Ultima LXT.

b) Tyres for E-Rickshaws :

India has seen a steep rise in use of Electric vehicles for last mile Connectivity and local commuting on the form of Electric Rickshaws and E-Scooters. JK tyres is supporting this trend by providing tyres suited for this application to both the replacement market as well as OEMs in this segment. Increased usage of Electric vehicles will provide a big impetus to reduce Air pollution in cities and reduce the carbon footprint.

Sizes are – A) 90/90-12 Blaze BA 21 E-Rickshaw

B) 90/90-12 Blaze BA 21 TL (E- Scooter).

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

JK Tyre as a company is committed to our goal of being Green and Clean Company with sustainable use of energy. The Company continued to give major emphasis on conservation of energy and the measures taken during the previous years were continued. And we are very pleased to record that JK Tyre in FY-2018-19 achieved a total energy benchmark level of 9.81 GJ/Ton of production and stands in the line with top five best companies in the sector worldwide.

Our commitment to improve further would continue to achieve even better milestones. In view of that, the efficiency of energy utilization in each manufacturing unit is monitored at the corporate level every quarter. Since JK Tyre is the 1st Indian Tyre Company to have certified CFV as per IS standard, the focus continues on GHG emission resulting in over 44% reduction in emission over base year (2013-14). JK Tyre has now achieved a new benchmark by achieving water consumption of 2.20 ltr/kg of production (9% reduction over last year).

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Technology innovation as a continual process and product service at consumer end has enabled company deliver product prone to fuel saving. This act ultimately leads to the conservation of energy at the consumer end.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

During the year, the Company has procured sizeable material from the local sources or vendors (except the major raw materials). These vendors are basically supplying the general consumables as well as spares for the equipment. The Company also encourages the vendors to adopt quality, environmental and safety management practices. This helps in developing entrepreneurship (Make in India Initiative), reduce costs and reduce dependence on fossil fuels as a part of Green Supply Chain initiative.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.

Yes. The Company has a well-defined procedure to recycle and re-use the entire process waste. Additional approximately 5% of the recycled/regenerated material is used in the virgin product. Working with the above principle company has achieved process scrap/waste below 1%. The disposition of waste of all types (including non hazardous), generated or handled at plants, to various (approved) customers, are done strictly as per directives of Central/ State Pollution Control Boards and compliance reports are submitted to the authorities.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 6599
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 4963
3. Please indicate the Number of permanent women employees: 42
4. Please indicate the Number of permanent employees with disabilities: 17
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association? Approximately 69%. (while all permanent workmen are unionized in all plants)

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

The Company has systems certified to Social Accountability SA-8000 standards (from BSI) and has robust and effective tracking/monitoring/review systems in place.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual/Temporary/Contractual Employees	100%
(d)	Employees with Disabilities	100%

Training and re-training of all sections of people working in all our plant premises has become a hygiene factor which has delivered excellent performance on safety.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders?**

Yes, the Company has mapped its internal and external stakeholders and has identified - employees, customers, business partners/ suppliers, government and government agencies, lenders, shareholders/ investors and society as its stakeholders.

The Company has various mechanism in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company.

The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community development initiatives.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders in and around its manufacturing plants. The Company engages with these stakeholders through various programs, targeted projects and development activities.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Yes, following CSR initiatives of JK Tyre have engaged disadvantaged communities and provided long term sustainable solutions more specifically in rural and semi – urban areas;

- Livelihood enhancement initiatives for livestock development, agricultural improvement & skill development of unemployed youths
- Health care & sanitation based initiatives like project 'Parivartan' for providing better reproductive and child health care services, prevention of HIV/ AIDS among truckers, support to People Living with HIV, health camps, construction of toilets, etc.
- Education based initiatives like support to schools, adult literacy project for rural women and prison inmates, distribution of laptops for promoting digital literacy, etc.
- Water conservation & plantation

For more details on our work with communities, refer to Annexure D to the Directors report in the Annual Report and our websites, www.jktyre.com.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. All the practices and policies of the Company including engagement with suppliers, contractors, etc. ensures that human rights are honored and protected. For instance:

- (i) All employees are treated equally regardless of nationality, caste, religion, colour or sex.
 - (ii) The Company is committed to creating and providing a healthy environment for all the employees with high standards of safety measures.
 - (iii) Not employing child labour.
 - (iv) The Company has been committed towards welfare of underprivileged sections of society by undertaking various developmental initiatives like reproductive and child health care project- Parivartan, prevention of HIV/ AIDS, medical camps, adult literacy, and livelihood based projects, etc.
 - (v) The Company is committed to set out basic standards and procedure regarding "Health & Safety, Freedom of Association and Right to Collective Bargaining, Disciplinary Practices, Working Hours and Remuneration".
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholders complaint in the financial year 2018-19 for violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

Sustainability is built into JK Tyre's business processes through well-defined HEALTH, SAFETY & ENVIRONMENTAL (HSE) POLICY. The Company is committed to design, manufacture and distribute its products in a manner that protects the environment; prevents injury and ill health in all the activities being carried out under our control. The Company continually improve on Occupational Health, Safety and Environmental performance for sustainable growth by:

- Complying with legal and other HSE requirements applicable to products, processes and services.
- Taking measures in HSE management system by being proactive, innovative and cost effective.
- Conserving natural resources and energy by optimizing efficiency, minimizing waste and supporting environment friendly processes.
- Enhancing effectiveness of Safety, Health & Environmental Management system through Risk assessment and regularly reviewing its objectives and targets.
- Providing our employees, sub contractors and transporters the appropriate work environment, facilities, information and training to work safely and involving them in HSE matters concerning them.
- Integrating Safety, Health and Environmental policy into our business planning, decision making and performance review at appropriate levels. The policy will be reviewed periodically on need base to suit its applicability for the business requirements.
- We commit to consult all stakeholders and ensure participation of workers representatives and ensure adequate supervision to enhance the OHS & Environment performance.

The Company communicates this policy to all employees, persons working for and on its behalf and to make it available to all interested parties on request.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company is committed to design, manufacture and distribute its products and services in a manner that will be green and believe in quantification of greenhouse gas emissions by value addition processes as a first step in reducing these emissions in a systematic manner by following means:

- Ensure conformance with ISO 14064-1:2006 international standard.
- Ensuring that this information would facilitate the preparation of GHG reports which will remain Relevant, Complete, Consistent, Transparent and Accurate.
- Ensuring availability of resources to enhance GHG performance and build a suitable corporate culture.
- Aligning employee competencies to needs of this system.
- Creating a continual improvement mind set in respect of GHG performance within the organization.

Mission Statement on Sustainable Growth

Being cognizant of the need of sustainable growth and dwindling stock of natural capital, the Company is committed to the attainment of the following Ten - Natural Capital Commandments:

1. Reduce specific consumption of energy and water by 2-5% every year over next ten years.
2. Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next ten years.
3. Increase use of renewable, including renewable energy by 2-5% every year in place of non-renewable over next ten years. The Company already uses about 39% of its total requirement of power, through renewable resources.
4. Reduce specific greenhouse gas emissions and other process emissions by 2-5% every year over next ten years and explore opportunities through Clean Development Mechanism (CDM) & other Carbon Exchange Programs.
5. Increase use of recyclables and enhance recyclables of resources embedded in the product by 2-5% every year over next ten years.
6. Increase the share of harvested rainwater in the overall annual use of water by 2-5% every year over next ten years.
7. Incorporate life cycle assessment criteria for evaluating new and alternative technologies & products.
8. Strive to adopt green purchase policy and incorporate latest clean technologies.
9. Take lead in promoting and managing product stewardship program, by forging partnerships with businesses and communities.
10. Reduce depletion of natural capital, which is directly attributable to Company's activities, products and services by 2-5% every year over next ten years. We also commit to demonstrate attainment of these commandments in our pursuit to certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO- 50001, ISO-27001, Green Buildings, Eco Labels Sustainability reporting and the like.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company has established system under ISO 14001: 2015 through which Environmental risk, impact and assessment is done and reviewed periodically. The purpose of this procedure is to establish and maintain procedures for identifying environmental/ Hazard aspects of activities, Risk assessment and Determining Control, and products and services that can be controlled and influenced.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company announced 'Becoming Green Company' as a part of its Mission Statement. All plants are certified by CII-GODREJ with Greenco Awards since last 4 years. Pursuant to Swachh Bharat Initiatives, the Mission is to be water positive in all plants by 2022. The on-going greening initiatives includes plantation of over 10,000 trees/year, life cycle assessment for products, green supply chain for logistics, carbon foot print measurements as per ISO-14064:2006 (by BSI) periodically keep us on this journey of clean development.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations. Also, the Company is working to make 40% use of Renewable Energy in Plants. The projects towards achieving this have started.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Each of the manufacturing plant has consents from State Pollution Control Boards (PCB) for air, water and solid waste. During the financial year 2018-19, the plants were compliant of relevant statutory laws in this regard and the requisite reports are filed periodically to State PCBs.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

This is to confirm that there were no show cause/legal notices received from the State Pollution Control Boards (PCB) and nothing is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of the following:-

- Automotive Tyre Manufacturers Association (ATMA)
- Confederation of Indian Industry (CII)
- PHD Chamber of Commerce and Industry
- Indo-American Chamber of Commerce

Apart from above, some of the senior executives of the Company are active members (Office Bearers) of Industry Associations of repute and work towards promoting common interests of trade and industries and address issues faced by businesses and encourage formulation of industry friendly environment through policy makers.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company has been extensively using platforms of the above Trade Association/Chambers of Commerce and Industry and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles, etc.

Principle 8: Businesses should support inclusive growth and equitable Development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has been committed towards inclusive growth and equitable development since inception and it has been undertaking projects for overall development and welfare of the society in areas pertaining to promoting preventive healthcare, education, sustainable livelihood, rural development, conservation of natural resources, environmental sustainability, etc. Details of the same have been given in Annexure D to the Director's Report in the annual report.

The Company aims to contribute to sustainable growth of the society at large. As a means to this end, the Company will continue responding to society's expectations and demands in a holistic and decisive manner in the fields of environment, conservation of natural resources, health, education, rural development, among others.

The Company has framed its CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made there under. The contents of the CSR policy are disclosed on the website of the Company.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The CSR programmes/projects of the Company are run directly by in-house teams and also by external NGOs.

The company believes in developing partnerships and has collaborated with Government, like minded corporate, NGOs and other stakeholders to effectively implement & scale up the CSR projects.

3. **Have you done any impact assessment of your initiative?**

There is a dedicated CSR team for regular monitoring and evaluation of the CSR projects. The projects activities are periodically reviewed by CSR Committee. The help of external agencies is also taken to assess impacts of CSR projects. During the reporting year, impact assessment of all CSR projects at Banmore Tyre Plant, Morena has been conducted by an external agency.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the financial year 2018-19, the Company has spent ₹ 6.72 Crores on CSR initiatives, while the details of the Company's CSR Projects and activities have been given in Annexure D to the Director's Report in the annual report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company ensures participation of the local community in various CSR initiatives right from planning to completion of the project. The participatory stakeholder approach helps in precisely identifying needs of the stakeholders, effective implementation and leads to greater sense of ownership among the people, ensuring sustained outcomes.

Likewise, the drinking water project at Kankroli has been implemented with active participation of local people, panchayat & government. More than 30% cost of the project has been borne by local people and panchayat and now the project is completely managed and maintained by local community only.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

One of the missions of the Company is to "Be a Customer Obsessed Company - Customer First 24x7". With this philosophy, the Company undertakes customer comprehensive customer care measures which include customer education on preventive tyre care and proactive pre and post service. The Company has enabled access to customers through various modes whether be it toll free helpline, Website, emails, or interface at the nationwide network of offices and extended reach through over 4000 channel partners including the exclusive retail outlets -Truck Wheels and Steel Wheels. The Company has well laid out redressal procedures for complaints of customers and the complaints are immediately attended to both from the customers of Original equipment as well as retail buyers. The Technical Service Department has technically qualified and well trained personnel. Service levels are monitored closely. Large fleet customers have dedicated personnel assigned to them. The Company has also facilitated end users with user friendly warranties.

The % total consumer cases under process as on 31st March 2019 were insignificant (of total complaints/claims processed).

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

The Company's products conform to Bureau of Indian Standards specifications, well as standards of countries where the Company's products are exported as may be required. The Company also adheres to various stringent worldclass processes and quality standards.

The Company displays all the requisite product information on Tread and on the sidewall of tyres as per statutory requirements under applicable laws such as tyre size designation, ply rating/load index, speed symbol, date of production and Tread Wear indicator etc. Over and above the mandatory requirements, the Company displays additional information related to tyre usage & maintenance like Visual Alignment indicator (VAI), Safety Warning for tyre fitment and service operating conditions etc.

The Company is also continuously interacting and educating customers on tyre selection, care & maintenance as per customer application & usage needs. This is done through various customer interaction programmes, driver training programmes, as well as during various customer care initiatives in partnership with automotive vehicle manufacturers. We also share road safety and tyre maintenance information on our digital & social media platforms for the benefit of customers at large.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No court case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or pending as at end of the financial year.

After investigation into the alleged Restrictive Trade Practice of cartelization by the Company in association with other tyre manufacturers for the period 2005-06 to 2009-10, the Competition Commission of India (CCI) under the Competition Act 2002 pronounced its verdict on 30th October 2012 that there is no sufficient evidence to hold violation by the Company and other tyre manufacturers and Automotive Tyre Manufacturers Association (ATMA) of the provisions of Section 3(3)(a) and 3(3)(b) read with Section 3(1) of the said Act.

Again, under the said Act, investigation was conducted for the period 2009-10 to 2013-14, to find out presence of any agreement or understanding within the meaning of Section 3 of the said Act between the market players namely – Apollo Tyres Ltd., MRF Ltd., Ceat Ltd, JK Tyre & Industries Ltd. and Birla Tyres Ltd. and ATMA. The Company in its response has denied presence of any cartel. Other tyre manufacturers and ATMA have also submitted their responses and the matter is sub-judice.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Cascading from the mission of the company to "Be a Customer Obsessed Company - Customer First 24x7. The Company has been measuring and monitoring the health of its relationship with its customers. Company undertakes 3rd party surveys including subscription to 3rd party reports for this purpose. Customer Interactions, during market visits and through structured programs is yet another mode of obtaining customer feedback and initiating corrective actions. The Company has created various interactive CRM Platforms such as ACE Club, JK Badshah, Advantage club etc for customer & trade engagement, which also acts as a source of obtaining customer feedback. It has also conducted numerous interactive training programs and regional meetings where feedback is captured and acted upon from channel partners and end users.

Voice of consumer & Consumer insights, obtained from various modes, are used for New Product Development, formulating customer value propositions and business plans, which are documented in the company's Strategic Business Plan and reviewed at the highest level in the organization.

The Company is customer focused and is committed to understand the fast evolving customer's needs and fulfilling the same for achieving total customer satisfaction.



Sustainable livelihood programme for women

Independent Auditor's Report

To the Members of
JK Tyre & Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JK Tyre & Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in

accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS-115 "Revenue from Contracts with Customers" in place of Ind AS-18 "Revenue"

The Company recognises revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.

For the year ended 31st March, 2019, the Company's Statement of Profit & Loss included Sales of ₹7613.35 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.

Refer to Accounting policies Note No. 1 (xiii) and Note No. 24 of the Standalone Financial Statements.

Auditor's Response

Principal Audit Procedures

- We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.
- Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.
- We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.
- We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions.
- We validated the appropriateness and completeness of the related disclosures in Note No. 24 of the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. - Refer Note No. 31, 34 & 36 to the Standalone Financial Statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 16th May, 2019

Membership Number: 098336

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management according to the programme of periodical verification in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, the material discrepancies, if any, noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts.
- iii. According to the records and information and explanation made available to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP, and other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). However, Outstanding year-end balance of deferred receivable from a Company is ₹48.55 crores related to past year transaction under the Companies Act, 1956 and:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) In respect of aforesaid receivable, receipts of principals as well as interest accrued thereon are as per stipulated terms and conditions.
 - (c) There is no overdue amount in respect of principal and interest.
- iv. According to the information, explanations and representations given to us and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of sections 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Act in respect to the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2019.
 - (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom, value added tax and entry tax that have not been deposited on account of any dispute except as given below:

Name of the statute	Nature of dues	Period to which amount relates	Period to which the Amount Relates	Amount (₹ in Lacs)
Sales Tax Act and VAT Laws	Sales Tax and Interest	Additional Commissioner (Appeals)	2010-2014	10.28
		Deputy Commissioner/ Deputy Commissioner (Appeals)	1996-2017	22.48
		Revision Board	2005-2006	14.57
		Joint Commissioner Tribunal	2011-2017	8.87
		High Court	2005-2009	46.89
		Appellate Tribunal	1980-1982	1.80
			2006-2017	3.41
Central Excise Act, 1944	Excise Duty	Commissioner-Appeals	1996-2013	96.80
		Additional Commissioner	2004-2010	52.34
		CESTAT	1981-2010	312.29
Custom Act, 1962	Custom Duty	Supreme Court	2012-2013	241.15
		High Court	2013-2014	1558.33
Income Tax Act, 1961	Income Tax	Deputy Commissioner	2013-2015	1428.58
Finance Act, 1994	Service Tax	Assistant Commissioner	2006-2017	414.45
		CESTAT	2005-2017	100.45
		Additional/Joint Commissioner (Audit)	2018-2019	23.50
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	Commissioner	2008-2011	137.98

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and financial institution.

The Company has not taken any loans or borrowings from the government or has not issued any debentures.

ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised.

x. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has made preferential allotment of shares during the year. The Company has complied with the requirement of Section 42 of the Act and the amount raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as the provisions of the Section is not applicable to the Company.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 16th May, 2019

Membership Number: 098336

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of JK Tyre & Industries Limited ("the Company") as of 31st March, 2019, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 16th May, 2019

Membership Number: 098336

JK Tyre & Industries Limited

Balance Sheet as at 31st March, 2019

₹ in Crores (10 Million)

	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	2	3320.46	3566.82
(b) Capital Work-in-progress		73.80	83.31
(c) Investment Property	3	5.93	6.04
(d) Other Intangible Assets	4	3.93	5.06
(e) Financial Assets			
- Investments	5	596.61	544.87
- Loans	6	47.99	49.00
- Other Financial Assets	7	80.62	87.52
(f) Other Non-current Assets	8	35.41	33.97
		4164.75	4376.59
2. Current Assets			
(a) Inventories	9	1136.12	1026.01
(b) Financial Assets			
- Trade Receivables	10	1632.45	1289.72
- Cash and Cash Equivalents	11	75.84	59.80
- Other Bank Balances	12	24.46	12.49
- Other Financial Assets	13	140.85	186.65
(c) Current Tax Assets (Net)	14	11.43	10.76
(d) Other Current Assets	15	219.48	216.39
		3240.63	2801.82
TOTAL ASSETS		7405.38	7178.41
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	49.24	45.36
(b) Other Equity	SOCE - II	1945.88	1598.93
		1995.12	1644.29
LIABILITIES			
1. Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	16	1558.22	1457.75
- Other Financial Liabilities	17	314.36	298.45
(b) Provisions	18	26.66	24.15
(c) Deferred Tax Liabilities (Net)	19	404.91	373.84
		2304.15	2154.19
2. Current Liabilities			
(a) Financial Liabilities			
- Borrowings	20	1451.85	1522.38
- Trade Payables			
Micro & Small Enterprises		15.50	16.46
Others		963.60	944.93
- Other Financial Liabilities	21	527.92	769.67
(b) Other Current Liabilities	22	139.55	120.36
(c) Provisions	23	7.69	6.13
		3106.11	3379.93
TOTAL EQUITY AND LIABILITIES		7405.38	7178.41
Company Overview, Basis of preparation and Significant Accounting Policies.	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*

Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Directors

JK Tyre & Industries Limited

Statement of Profit & Loss for the year ended 31st March, 2019

₹ in Crores (10 Million)

	Note No.	2018-2019	2017-2018
I. Revenue from Operations	24	7613.35	6578.50
II. Other Income	25	76.32	32.45
III. Total Income (I+II)		7689.67	6610.95
IV. Expenses			
Cost of Materials Consumed		4071.30	3748.74
Purchases of Stock-in-trade		1273.24	667.96
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	26	(180.24)	(69.80)
Employee Benefits Expense	27	560.36	523.60
Finance Costs	28	316.28	274.12
Depreciation and Amortisation Expense		188.36	175.14
Excise Duty on Sales		-	125.15
Other Expenses	29	1157.49	1095.50
Total Expenses		7386.79	6540.41
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		302.88	70.54
VI. Exceptional Items	42	1.80	(6.69)
VII. Profit / (Loss) before Tax (V+VI)		304.68	63.85
VIII. Tax Expense			
(1) Current Tax		63.69	15.96
(2) Mat Credit Entitlement		(21.15)	(18.44)
(3) Deferred Tax		57.74	23.24
IX. Profit / (Loss) for the Year (VII-VIII)		204.40	43.09
X. Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss:			
- Re-measurement Losses on Defined Benefit Plans		(15.79)	(6.88)
- Income Tax relating to Items that will not be reclassified to Profit or Loss		5.52	2.38
Total Other Comprehensive Income		(10.27)	(4.50)
XI. Total Comprehensive Income for the Year (IX+X)		194.13	38.59
XII. Earnings per Equity Share of ₹2 each			
Basic / Diluted (₹)	43	9.01	1.90

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

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Vimal Bhandari
Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

JK Tyre & Industries Limited

Statement of Changes in Equity (SOCE) for the year ended 31st March, 2019

I. SHARE CAPITAL

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
a. Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
b. Issued, Subscribed and fully paid up:		
Equity Shares - 24,62,30,880 (Previous year: 22,68,13,480) of ₹2 each		
Balance at the beginning of the year	45.36	45.36
Addition during the year	3.88	-
Balance at the end of the year	49.24	45.36
c. Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	22,68,13,480	22,68,13,480
Addition during the year	1,94,17,400	-
Shares outstanding as at the end of the year	24,62,30,880	22,68,13,480
d. Details of each shareholder holding more than 5% shares:		
Name of Shareholder	No. of shares held	No. of shares held
Bengal & Assam Company Limited	6,14,34,600	5,50,74,250
BMF Investment Limited	3,88,64,550	2,58,07,500
Florence Investech Limited	3,26,59,100	3,26,59,100
Edgefield Securities Limited	1,74,37,500	1,74,37,500

Rights and preferences attached to Equity Shares:

- The Company has only one class of Equity Shares having face value of ₹2 each and each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

Statement of Changes in Equity (SOCE) for the year ended 31st March, 2019

II. OTHER EQUITY

₹ in Crores (10 Million)

Particulars	Reserves & Surplus					Total Other Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
				Surplus in P/L Statement	Other Comprehensive Income*	
As at 31st March, 2017	262.88	7.00	903.46	471.71	(16.46)	1628.59
Profit for the year				43.09		43.09
Other Comprehensive Income (Net of Taxes)					(4.50)	(4.50)
Cash Dividend				(56.70)		(56.70)
Dividend Distribution Tax on Cash Dividend				(11.55)		(11.55)
As at 31st March, 2018	262.88	7.00	903.46	446.55	(20.96)	1598.93
Addition during the year \$	196.12					196.12
Share issue expenses charged during the year	(2.29)					(2.29)
Profit for the year				204.40		204.40
Other Comprehensive Income (Net of Taxes)					(10.27)	(10.27)
Cash Dividend				(34.02)		(34.02)
Dividend Distribution Tax on Cash Dividend				(6.99)		(6.99)
As at 31st March, 2019	456.71	7.00	903.46	609.94	(31.23)	1945.88

\$ The Company allotted 1,94,17,400 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share on preferential basis to the promoter group resulting into augmentation of net worth of the Company.

* Represents Re-measurement Losses on Defined Benefit Plans.

Component of Equity	Nature and Purpose
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or/and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner

New Delhi, the 16th May, 2019

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*

Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari

Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

Notes to the financial statement

NOTE - 1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The Company overview:

JK Tyre & Industries Limited (JKTIL) is a public limited company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the company is situated at Jaykaygram, PO - Tyre Factory, Kankroli - 313342 Rajasthan, India.

JKTIL develops, manufactures, markets and distributes automotive Tyres, Tubes, Flaps and Retreads. The company markets its Tyres for sale to vehicle manufacturers for fitment in original equipments and for sale in replacement markets worldwide. The company has six manufacturing plants located at Kankroli (Rajasthan), Banmore (Madhya Pradesh), Sriperumbudur (Tamil Nadu) and three plants at Mysuru (Karnataka).

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 16th May 2019.

1.2 Basis of preparation and measurement of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013. All accounting policies and applicable IND AS have been applied consistently for all periods presented.

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

1.3 Significant accounting policies:

(i) Property, plant and equipment:

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective property, plant and equipment on completion of construction / erection.

- b) Depreciation on property, plant and equipment (including Continuous Process Plants considered on technical evaluation) has been provided using Straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 15 to 35 years for plant and machinery and 15 to 70 years for buildings. Accelerated depreciation in respect of a production accessory is provided over 6 years. Leasehold land is being amortised over the lease period.

The carrying amount is eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the Statement of Profit and Loss.

(ii) Investment property:

Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on Investment property has been provided using Straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

Notes to the financial statement

(iii) Intangible assets:

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any.

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

Expenditure incurred on intangible asset which are under development is included under Intangible Assets under Development.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

(iv) Lease:

Lease is classified as Operating Lease, when substantial risks and rewards of ownership are not transferred - rentals thereon are recognised as expense over the lease term.

Leases under which, the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

(v) Foreign currency transactions and translation:

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets till 31st March, 2020 and depreciated over their balance life pursuant to the option in Notification No. G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non-Monetary Foreign Currency items are stated at cost.

(vi) Inventories:

Inventories are valued at lower of cost and net realisable value. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(vii) Borrowing cost:

Borrowing Cost is charged to Statement of Profit and Loss except meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

(viii) Employee benefit:

Employee benefits include wages & salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences, etc.

(a) Defined-contribution plans

Contributions to the employees' regional provident fund, superannuation fund, Employees' Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

Notes to the financial statement

(b) Defined-benefit plans

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

(c) Short term employee benefits

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

(ix) Income tax:

Income tax is comprised of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in other comprehensive income.

(a) **Current tax:** Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.

(b) **Deferred tax:** Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent, it is probable that taxable income will be available against which the same can be realised. Deferred tax assets are reviewed at the end of each subsequent reporting period.

(c) **Minimum Alternate Tax (MAT) Credit:** MAT credit is recognised when there is convincing evidence that the Company will pay normal income tax during the specified period. It is reviewed at the end of each subsequent reporting period.

(x) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities and Assets:

Contingent liabilities are disclosed after evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

Notes to the financial statement

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

- Financial assets at amortised cost: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss on time proportionate basis. The losses arising from impairment are recognised in the profit or loss.
- Financial assets at fair value through other comprehensive income: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method on time proportionate basis, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.
- Financial assets at fair value through profit or loss: At the date of initial recognition, financial assets are held for trading, designated financial assets to be valued through profit or loss or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss. Dividend income on equity shares is recognised when the right to receive payment is established, which becomes certain after shareholders' approval.

Investment in Equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. Upon derecognition the difference between the carrying amount of a financial asset derecognised and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that entity expects to receive (i.e. all cash shortfalls) discounted at original effective interest rate. Impairment loss allowance (or reversal) for the period is recognised in the Statement of Profit and Loss.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.
- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held

Notes to the financial statement

for trading. Fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability derecognised and the sum of consideration paid and payable is recognised in statement of profit and loss as other income or finance costs/ other expenses.

(xii) Derivative financial instruments:

Derivative instruments such as forward currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xiii) Revenue:

Revenue is recognised upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue, when or as the entity satisfies a performance obligation.

(xiv) Grants:

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue Grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet by deducting the grant from carrying amount of the asset and depreciation is charged on reduced carrying value of asset.

Export incentives are recognised in the Statement of Profit and Loss.

(xv) Impairment:

The carrying amount of Property, plant and equipments, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(xvi) Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and Remittances in transit for the purpose of meeting short-term cash commitments.

Notes to the financial statement

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation				Net Value	
	As at 31.03.2018	Additions / Adjustments ^	Sales / Adjustments	As at 31.03.2019	Upto 31.03.2018	For the year	Sales/ Adjustments	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land - Freehold	58.53	1.32	-	59.85	-	-	-	-	59.85	58.53
	(58.53)	-	-	(58.53)	-	-	-	-	(58.53)	(58.53)
- Leasehold	10.96	-	-	10.96	2.14	0.12	-	2.26	8.70	8.82
	(10.96)	-	-	(10.96)	(2.02)	(0.12)	-	(2.14)	(8.82)	(8.94)
Buildings *	790.00	4.57	-	794.57	155.56	13.28	-	168.84	625.73	634.44
	(748.12)	(41.88)	-	(790.00)	(142.43)	(13.13)	-	(155.56)	(634.44)	(605.69)
Plant and Equipments	4575.89	157.72	248.28	4485.33	1742.60	167.53	19.55	1890.58	2594.75	2833.29
	(4197.53)	(402.86)	(24.50)	(4575.89)	(1607.86)	(154.87)	(20.13)	(1742.60)	(2833.29)	(2589.67)
Furniture and Fixtures	17.59	0.81	0.02	18.38	10.63	1.10	0.02	11.71	6.67	6.96
	(16.23)	(1.36)	-	(17.59)	(9.51)	(1.12)	-	(10.63)	(6.96)	(6.72)
Office Equipments	19.79	1.00	0.11	20.68	14.53	1.54	0.11	15.96	4.72	5.26
	(18.25)	(1.78)	(0.24)	(19.79)	(13.04)	(1.71)	(0.22)	(14.53)	(5.26)	(5.21)
Vehicles	30.31	6.28	4.52	32.07	10.79	3.55	2.31	12.03	20.04	19.52
	(28.81)	(5.32)	(3.82)	(30.31)	(9.49)	(3.48)	(2.18)	(10.79)	(19.52)	(19.32)
Total	5503.07	171.70	252.93	5421.84	1936.25	187.12	21.99	2101.38	3320.46	3566.82
Previous Year	(5078.43)	(453.20)	(28.56)	(5503.07)	(1784.35)	(174.43)	(22.53)	(1936.25)	(3566.82)	(3294.08)

Figures in brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

^ includes forex reinstatement of ₹25.50 crores (Previous year: ₹14.92 crores). (Unamortised forex reinstatement as on 31.03.2019 ₹94.65 crores (Previous year: ₹72.27 crores))

* Buildings include ₹2.05 crores (Previous year: ₹2.05 crores) constructed on leased land, 32 shares held in co-operative housing societies.

Factory & Service Buildings and Plant and Equipments at Jaykaygram unit were revalued as at 1st January 1985 & 1st April 1991. On 1st April 1997, the revaluation of such assets was updated along with similar assets of Banmore unit. The revaluation of said assets of Jaykaygram and Banmore was further updated alongwith Factory Land and Township Building as at 1st April 2002 based on replacement cost by a Valuer. The Gross Value includes revaluation of ₹417.71 crores (Previous year: ₹423.71 crores).

NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation				Net Value	
	As at 31.03.2018	Additions / Adjustments	Sales / Adjustments	As at 31.03.2019	Upto 31.03.2018	For the year	Sales/ Adjustments	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Building	6.53	-	-	6.53	0.49	0.11	-	0.60	5.93	6.04
	(6.53)	-	-	(6.53)	(0.39)	(0.10)	-	(0.49)	(6.04)	(6.14)
Total	6.53	-	-	6.53	0.49	0.11	-	0.60	5.93	6.04
Previous Year	(6.53)	-	-	(6.53)	(0.39)	(0.10)	-	(0.49)	(6.04)	(6.14)

Figures in brackets represent amounts pertaining to previous year.

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value				Amortisation				Net Value	
	As at 31.03.2018	Additions / Adjustments	Sales / Adjustments	As at 31.03.2019	Upto 31.03.2018	For the year	Sales/ Adjustments	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Computer Software#	17.45	-	-	17.45	12.39	1.13	-	13.52	3.93	5.06
	(11.78)	(5.67)	-	(17.45)	(11.78)	(0.61)	-	(12.39)	(5.06)	-
Total	17.45	-	-	17.45	12.39	1.13	-	13.52	3.93	5.06
Previous Year	(11.78)	(5.67)	-	(17.45)	(11.78)	(0.61)	-	(12.39)	(5.06)	-

Figures in brackets represent amounts pertaining to previous year.

Being amortised over a period of 5 years.

Notes to the financial statement

NOTE - 5 INVESTMENTS [NON-CURRENT] (Other than Trade)

₹ in Crores (10 Million)

	As at 31.03.2019		As at 31.03.2018	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Investment in Equity Shares:				
Subsidiary Companies (at Cost):				
Lankros Holdings Limited (Euro 1 each) *	42,95,604	73.71	40,02,000	26.31
Sarvi Holdings Switzerland AG (CHF 1000 each) *	100	0.40	100	0.40
JK Tornel S.A. de C.V. (Mexican Pesos 1000 each) *	25	0.01	25	0.01
J. K. International Ltd. (£1 each)	1,35,000	0.61	1,35,000	0.61
J. K. Asia Pacific Ltd. (HK\$ 1 each)	19,99,999	0.71	19,99,999	0.71
3D Innovations Pvt. Ltd (₹10 each)	15,00,000	1.50	15,00,000	1.50
Cavendish Industries Ltd. (₹10 each) ^	3,20,03,286	448.04	3,20,03,286	448.04
Associate Companies (at Cost):				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; Previous year: ₹2400)	24	-	24	-
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35
Others (at fair value through P&L):				
HDFC Bank Ltd. (₹2 each)	5,000	1.16	5,000	0.95
Bengal & Assam Company Ltd. (₹10 each)	11,641	1.99	11,641	2.44
V. S. Lignite Power Pvt. Ltd. (₹10 each) #	12,56,039	-	12,56,039	-
J.K.I. Employees Co-operative Credit Society Ltd. (₹1000 each) (₹5000; Previous year: ₹5000)	5	-	5	-
Reliance Industries Ltd. (₹10 each)	-	-	8,720	0.77
Vaayu Renewable Energy (Godavari) Pvt. Ltd. (₹10 each)	49,400	0.33	49,400	0.09
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	14,000	0.16	14,000	0.15
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	36,000	0.04	36,000	0.04
Investment in Preference Shares (at fair value through P&L):				
Associate Company:				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Shares) (₹100 each)	11,00,000	9.81	11,00,000	8.84
Others:				
V. S. Lignite Power Pvt. Ltd. (0.01% Cumulative Redeemable Preference Shares) (₹10 each) #	11,14,222	0.47	11,14,222	0.42
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	70,00,000	56.67	70,00,000	52.64
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.65	2,50,000	0.60
		596.61		544.87
Aggregate amount of quoted Investments/ market value thereof		3.80		4.76
Aggregate amount of unquoted Investments		592.81		540.11
Aggregate provision for impairment in value of Investments		-		-

* Pledged with bank for loans availed by certain foreign subsidiaries.

^ Pledged with banks for 51% shareholding out of 64% held.

Under lien with Issuer.

Notes to the financial statement

NOTE - 6 LOANS [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
<i>Unsecured, Considered Good:</i>		
Security Deposits	47.99	46.20
Loan to Related Party (Refer Note No. 45)	-	2.80
	47.99	49.00

NOTE - 7 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	80.62	87.52
	80.62	87.52

NOTE - 8 OTHER NON-CURRENT ASSETS

Advances - Project Related	14.94	9.81
Others	20.47	24.16
	35.41	33.97

NOTE - 9 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials *	414.35	490.15
Work-in-progress	66.49	47.03
Finished Goods **	513.45	389.01
Stock-in-trade	79.96	43.62
Stores and Spares	61.87	56.20
	1136.12	1026.01

* Includes raw materials in transit ₹142.08 crores (Previous year: ₹205.57 crores).

** Includes finished goods in transit ₹21.10 crores (Previous year: ₹10.44 crores).

NOTE - 10 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1632.45	1289.72
Credit Impaired	8.64	7.14
Less : Allowance for Bad and Doubtful debts	(8.64)	(7.14)
	1632.45	1289.72

NOTE - 11 CASH AND CASH EQUIVALENTS

Balances with Banks in Current Accounts	18.49	10.43
Remittances in transit and Cheques on hand	57.27	49.27
Cash on hand	0.08	0.10
	75.84	59.80

Notes to the financial statement

NOTE - 12 OTHER BANK BALANCES

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Unclaimed Dividend Accounts	1.69	1.47
Deposit Accounts*	22.77	11.02
	24.46	12.49

* Represent Deposit Repayment Reserve Account ₹14.74 crores (Previous year: ₹10.93 crores) and margin money under lien with banks against bank guarantees ₹8.03 crores (Previous year: ₹0.09 crore).

NOTE - 13 OTHER FINANCIAL ASSETS [CURRENT]

<i>Unsecured, Considered Good:</i>		
Interest Accrued on Deposits	2.23	1.90
Due from Related Parties (Refer Note No. 45)	18.83	10.41
Balances with Government Authorities	54.50	84.14
Deferred Receivable	55.46	72.50
Others	9.83	17.70
	140.85	186.65

NOTE - 14 CURRENT TAX ASSETS / (LIABILITIES) (NET)

Current Tax Assets / (Liabilities) (Net)	11.43	10.76
	11.43	10.76

NOTE - 15 OTHER CURRENT ASSETS

Balances with Government Authorities	164.01	131.58
Prepaid Expenses	15.97	28.76
Others	39.50	56.05
	219.48	216.39

NOTE - 16 BORROWINGS [NON-CURRENT]

₹ in Crores (10 Million)

	Non - Current		Current *	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Secured Loans				
Term Loans: **				
- Financial Institutions	252.30	285.89	51.54	48.52
- Banks	1249.16	1095.95	207.58	189.13
	1501.46	1381.84	259.12	237.65
Unsecured Loans				
Term Loans:				
- Bank	-	-	-	233.33
- Others	-	8.18	8.17	8.17
Fixed Deposits	56.76	67.73	42.25	38.80
	56.76	75.91	50.42	280.30
TOTAL	1558.22	1457.75	309.54	517.95

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 21).

** Net of ₹4.27 crores (Previous year: ₹5.03 crores) for unamortised processing charges.

Notes to the financial statement

NOTE - 16 BORROWINGS [NON-CURRENT] (contd..)

- (i) Term Loan of ₹1.43 crores from a Bank, secured by a first pari passu charge created on movable and immovable assets of Company's Plant in Madhya Pradesh, both present and future is repayable during 2019-20 (since repaid).
- (ii) Term Loans aggregating ₹41.72 crores from Banks, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Karnataka, both present and future are repayable in 16 equal quarterly instalments.
- (iii) Term Loans aggregating ₹351.05 crores (₹232.45 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹118.60 crores including ₹30.65 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 16 equal quarterly instalments.
- (iv) Term Loans aggregating ₹308.23 crores (₹122.16 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹186.07 crores including ₹16.25 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation created on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 34 equal quarterly instalments.
- (v) Term Loans aggregating ₹569.34 crores from a Bank, secured by a first pari passu charge created/to be created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future is repayable in 57 quarterly instalments.
- (vi) Foreign Currency Loan from a Bank amounting to ₹85.78 crores including ₹9.74 crores due to forex reinstatement, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 20 equal quarterly instalments.
- (vii) Foreign Currency Loan from a Bank amounting to ₹207.30 crores including ₹11.19 crores due to forex reinstatement is secured by first pari passu charge on movable fixed assets at Company's Plants at Rajasthan and Karnataka (excluding those specifically charged to other banks), both present & future. Loan of Tranche – I, ₹84.76 crores and Tranche – II, ₹122.54 crores are repayable in 20 and 23 quarterly instalments respectively.
- (viii) Term Loan of ₹200 crores from a Bank, secured by a first pari passu charge created on movable fixed assets at a Company's Plant in Madhya Pradesh, both present and future is repayable in 10 equal quarterly instalments commencing from September 2019.
- (ix) Term Loans carrying first pari passu charge on the movable and immovable assets also have second charge on stocks and book debts hypothecated with banks for working capital borrowings.
- (x) Term Loan of ₹8.17 crores from a body corporate is repayable in 4 equal quarterly instalments.
- (xi) Fixed Deposits of ₹42.25 crores, ₹27.88 crores and ₹28.88 crores (aggregating ₹99.01 crores) are due for repayment in 2019-20, 2020-21 and 2021-22 respectively.

NOTE - 17 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Trade Deposits and Others	314.36	298.45
	314.36	298.45

NOTE - 18 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	26.66	24.15
	26.66	24.15

NOTE - 19 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability related to Property, Plant and Equipment	721.58	679.99
Deferred Tax Assets on:		
- Expenses / Provisions Allowable	(55.25)	(46.21)
- Unabsorbed Losses	-	(19.67)
Deferred Tax Liabilities / (Assets) - Net	666.33	614.11
MAT Credit Entitlement	(261.42)	(240.27)
	404.91	373.84

Notes to the financial statement

NOTE - 20 BORROWINGS [CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Secured Loans *		
- Repayable on Demand from Banks	1220.79	1022.95
- Others	-	83.78
	1220.79	1106.73
Unsecured Loans		
Fixed Deposits	9.17	10.22
Loans from:		
- Banks	221.89	205.43
- Others	-	200.00
	231.06	415.65
	1451.85	1522.38

* Represent Working Capital borrowings secured by hypothecation of stocks, book debts, etc. of the Company, both present and future with second charge created on movable and immovable assets of the Company's Plants in Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu.

NOTE - 21 OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Borrowings	309.54	517.95
Interest Accrued but not due on Borrowings	19.66	15.56
Unclaimed Dividends #	1.69	1.47
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	2.05	1.63
Others	194.98	233.06
	527.92	769.67

Investor Education & Protection Fund will be credited, as and when due.

NOTE - 22 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	115.09	97.37
Others	24.46	22.99
	139.55	120.36

NOTE - 23 PROVISIONS [CURRENT]

Provision for Employee Benefits	7.69	6.13
	7.69	6.13

Notes to the financial statement

NOTE - 24 REVENUE FROM OPERATIONS

₹ in Crores (10 Million)

	2018-2019	2017-18
Sale of:		
- Products *	7430.62	6431.08
- Services	81.50	84.37
Other operating revenues:		
- Miscellaneous Income #	101.23	63.05
	7613.35	6578.50

* Sale of Products (excluding Excise Duty) ₹ 7430.62 crores (Previous year: ₹ 6305.93 crores)

Includes Government incentive of ₹34.12 crores (Previous year: ₹ 27.29 crores)

NOTE - 25 OTHER INCOME

Income from Non-current Investments:		
- Dividends	0.72	0.67
- Interest	2.97	2.45
- Profit / (Loss) on Sale of Investments	0.29	-
- Fair Value changes in Investments	0.05	0.89
Profit on sale of Property, plant and equipment (Net)	48.19	0.46
Other Interest Income	24.10	24.52
Deferred Government Grant	-	3.46
	76.32	32.45

NOTE - 26 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock		
Finished Goods	389.01	367.44
Work-in-progress	47.03	44.57
Stock -in-trade	43.62	49.10
	(A) 479.66	461.11
Closing Stock		
Finished Goods	513.45	389.01
Work-in-progress	66.49	47.03
Stock -in-trade	79.96	43.62
	(B) 659.90	479.66
(Increase) / Decrease in Stocks	(A-B) (180.24)	(18.55)
Less: Adjustments for differential Excise Duty	-	51.25
Net (Increase) / Decrease in Stocks	(180.24)	(69.80)

Notes to the financial statement

NOTE - 27 EMPLOYEE BENEFITS EXPENSES

₹ in Crores (10 Million)

	2018-2019	2017-2018
Salaries and Wages	396.23	371.42
Contribution to Provident and other Funds	35.10	38.60
Employees' Welfare and other Benefits	129.03	113.58
	560.36	523.60

NOTE - 28 FINANCE COSTS

Interest Expenses	313.09	268.93
Other Borrowing Costs	3.19	5.19
	316.28	274.12

NOTE - 29 OTHER EXPENSES

Consumption of Stores and Spares	74.98	66.80
Power and Fuel	256.49	251.19
Lease Rent	53.33	54.29
Freight and Transportation	266.16	272.03
Advertisement and Sales Promotion	135.58	109.85
Allowance for Doubtful Debts / Advances	1.50	1.51
Corporate Social Responsibility Expenses	6.73	4.56
Foreign Exchange Fluctuations Loss (Net)	-	5.17
Miscellaneous Expenses	362.72	330.10
	1157.49	1095.50

NOTE - 30

Estimated amount of contracts remaining to be executed on capital account ₹79.46 crores (Previous year: ₹76.23 crores).

NOTE - 31

Contingent liabilities in respect of claims not accepted and not provided for ₹61.58 crores (Previous year: ₹85.12 crores) pertain to Excise & Customs duty matters in appeal ₹8.34 crores, Service tax matters ₹4.37 crores, Sales Tax matters in appeal ₹2.13 crores, Income tax matters in appeal ₹7.73 crores & other matters ₹39.01 crores (Previous year: ₹8.80 crores, ₹0.59 crore, ₹30.57 crores, ₹8.87 crores & ₹36.29 crores respectively).

NOTE - 32

Capital work in progress includes Machinery in stock / transit, construction / erection materials and the following pre-operative expenses pending allocation:

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Employee Benefits Expense	1.76	3.12
Power and Fuel	-	0.09
Miscellaneous Expenditure	0.34	0.91
	2.10	4.12
Add: Expenditure upto previous year	3.07	2.21
	5.17	6.33
Less: Transferred to Property, Plant and Equipment	3.86	3.26
	1.31	3.07

Notes to the financial statement

NOTE - 33

Debts / Advances include ₹52.06 crores (Previous year ₹48.12 crores) for which legal and other necessary action has been taken. In the opinion of the Management, these debts are recoverable and the same have been classified as good.

NOTE - 34

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

NOTE - 35

The Company has taken certain specified Plant and Equipment on operating lease basis, which is cancellable at the option of lessee.

NOTE - 36

The Company has worked out reversal of Modvat Credit availed on exports under Value Based Advance Licence in earlier years and reversed the same in accounts. Pursuant to special scheme announced by the Government, the Company has also paid interest on such reversals. Further, the Excise department has issued certain basis for reversal of Modvat, which is disputed and has been contested by the Company in a Writ Petition before the Hon'ble Delhi High Court and directions have been issued to treat the reversal already made by the Company as provisional.

NOTE - 37

Hon'ble Supreme Court has pronounced a judgement in February, 2019 as a clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity yet, either from Govt., or from other concerned authorities.

In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

NOTE - 38

- Forward Contracts for hedging Receivables: US \$ 5 Million (Previous year: US \$16 Million) are outstanding as at 31.03.2019.
- Foreign currency exposure unhedged net payable is ₹537.23 crores – US \$ 77.67 Million (Previous year: ₹687.52 crores – US \$ 105.70 Million) as at 31.03.2019.

NOTE - 39

The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under:

- Principal & Interest amount due and remaining unpaid as at 31.03.2019: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2019: Nil (Previous year: Nil).

NOTE - 40 EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES DURING THE YEAR

₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
i) Revenue Expenditure*:		
1. Employee Cost	17.25	13.71
2. Cost of Materials and Testing Charges	43.78	40.39
3. Other R&D Expenses	4.84	4.41
Subtotal (i)	65.87	58.51
ii) Capital Expenditure	9.66	2.45
Total (i+ii)	75.53	60.96

* Included in respective revenue accounts.

Notes to the financial statement

NOTE - 41 AMOUNT PAID TO AUDITORS:

₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
i) Statutory Auditors		
a) Audit Fee	0.25	0.25
b) Taxation	0.03	0.03
c) Certificates / other services	0.18	0.05
d) Reimbursement of expenses	0.02	0.01
ii) Cost Auditors		
a) Audit Fee	0.02	0.02
b) Certificates / other services ₹ 35000 (Previous year: ₹ 35050)		
c) Reimbursement of expenses ₹ 11400 (Previous year: Nil)		

NOTE - 42

Exceptional items include net impact of favorable foreign exchange rate fluctuation ₹ 6.69 crores, (Previous Year: Nil) crores and expenditure on VRS for the employees ₹ 4.89 crores (Previous year: ₹ 6.69 crores).

NOTE - 43 EARNINGS PER SHARE (EPS)

₹ in Crores (10 Million)

	2018-2019	2017-2018
a) Profit for the year attributable to Equity Shareholders	204.40	43.09
b) Weighted average number of Equity Shares for Basic/Diluted EPS	22,69,73,075	22,68,13,480
c) Earnings per share of ₹ 2 each		
- Basic / Diluted (₹)	9.01	1.90

NOTE - 44

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

(a) Defined Benefit Plan:

(i)

₹ in Crores (10 Million)

Particulars	Leave Encashment		Gratuity	
	(Non Funded)		(Funded)	
	2018-2019	2017-2018	2018-2019	2017-2018
I. Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	29.28	24.54	118.37	107.80
2) Current Service Cost	3.26	3.14	6.33	6.06
3) Past Service Cost	-	-	-	5.73
4) Interest Expense or Cost	1.94	1.82	8.79	7.97
5) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	0.39	(0.77)	1.09	(2.15)
- experience variance (i.e. actual experience vs assumptions)	6.30	7.65	8.19	1.20
6) Benefit Paid	(8.08)	(7.10)	(8.60)	(8.24)
7) Present Value of Obligation as at the end of the year	33.09	29.28	134.17	118.37

Notes to the financial statement

₹ in Crores (10 Million)

Particulars	Leave Encashment		Gratuity	
	(Non Funded)		(Funded)	
	2018-2019	2017-2018	2018-2019	2017-2018
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	132.53	112.19
2) Investment Income	-	-	9.97	8.30
3) Employer's Contribution	-	-	2.53	21.23
4) Benefits Paid	-	-	(8.60)	(8.24)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	0.18	(0.95)
6) Fair value of Plan Assets as at the end of the year	-	-	136.61	132.53
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	3.26	3.14	6.33	6.06
2) Past Service Cost	-	-	-	5.73
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	1.94	1.82	(1.18)	(0.33)
4) Expenses recognised in the Income Statement	5.20	4.96	5.15	11.46
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	0.39	(0.77)	1.09	(2.15)
- experience variance (i.e. actual experience vs assumptions)	6.30	7.65	8.19	1.20
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(0.18)	0.95
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	6.69	6.88	9.10	-
V Actuarial Assumptions :				
1) Discount Rate	7.55%	7.70%	7.55%	7.70%
2) Expected rate of return on Plan Assets	-	-	7.55%	7.70%
3) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
4) Salary Escalation	5.50%	5.50%	5.50%	5.50%

* Included under the head Employee Benefits Expense – Refer Note No. 27.

(ii)

₹ in Crores (10 Million)

Particulars	Leave Encashment					Gratuity				
	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Present Value of Defined Benefit Obligation	33.09	29.28	24.54	18.69	17.19	134.17	118.37	107.80	97.16	97.12
Fair Value of Plan Assets	-	-	-	-	-	136.61	132.53	112.19	95.95	90.97
Surplus / (Deficit)	(33.09)	(29.28)	(24.54)	(18.69)	(17.19)	2.44	14.16	4.39	(1.21)	(6.15)
Experience adjustment on Plan Liabilities (Gain) / Loss	6.30	7.65	6.27	4.14	2.42	8.19	1.20	4.49	6.70	1.60
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	(0.18)	0.95	(1.99)	(0.05)	(1.42)

Notes to the financial statement

(iii) Sensitivity analysis

Reasonably possible changes at the year end, to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as the amounts shown below: -

₹ in Crores (10 Million)

Particulars	Leave Encashment				Gratuity			
	31st March, 2019		31st March, 2018		31st March, 2019		31st March, 2018	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	35.92	30.72	32.00	26.97	142.05	127.37	125.90	111.69
Salary Growth Rate (- / + 1%)	30.65	35.95	26.91	32.03	127.46	141.77	111.77	125.62
Attrition Rate (- / + 50% of attrition rates)	32.53	33.60	28.74	29.76	133.01	135.32	117.29	119.33
Mortality Rate (- / + 10% of mortality rates)	33.09	33.12	29.27	29.30	134.19	134.28	118.32	118.41

(iv) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

(v) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) Employer's Contribution to PF (trust) during the 12 months ended 31st March, 2019 of ₹12.16 crores (Previous year: ₹10.87 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 27)

(vii) Maturity Profile of Defined Benefit Obligation:

₹ in Crores (10 Million)

Particulars	Leave Encashment		Gratuity	
	(Non Funded)		(Funded)	
	2018-2019	2017-2018	2018-2019	2017-2018
Within next 1 Year	6.67	5.13	26.45	22.34
Between 2 - 5 Years	12.51	10.27	64.46	57.41
Between 6 - 10 Years	16.52	11.43	71.15	52.03
More than 10 Years	24.90	45.30	104.43	84.37

(b) Defined Contribution Plans:

Employer's Contribution to Provident and other Funds charged off during the 12 months ended 31st March, 2019 of ₹17.79 crores (Previous year: ₹16.27 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 27)

Notes to the financial statement

NOTE - 45 RELATED PARTIES

a) Subsidiaries:

J. K. International Ltd.
J. K. Asia Pacific Ltd. (JKAPL)
J. K. Asia Pacific (S) Pte. Ltd. (JKAPPL - Subs. of JKAPL)
3DInnovations Pvt. Ltd. (3DIPL)
Cavendish Industries Ltd. (CIL)
Lankros Holdings Ltd. (LANKROS)
Sarvi Holdings Switzerland AG. (SARVI - Subs. of LANKROS)
JK Tornel S.A. de C.V. (JKTSA - Subs. of SARVI)
Comercializadora América Universal, S.A. de C.V.*
Compañía Hulera Tacuba, S.A. de C.V.*
Compañía Hulera Tornel, S.A. de C.V. (CHT)*
Compañía Inmobiliaria Norida, S.A. de C.V.*
General de Inmuebles Industriales, S.A. de C.V.*
Gintor Administración, S.A. de C.V.*
Hules y Procesos Tornel, S.A. de C.V.*

* Subsidiary of JK TSA

b) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
Valiant Pacific LLC. (VPL - Associate of JKAPPL)
Dwarkesh Energy Ltd. (DEL)
Western Tire Holdings, Inc. (WTHI - Associate of CHT) (w.e.f. 1st October, 2017)
Western Tires, Inc. (WTI - Subs. of WTHI - Associate of CHT) (w.e.f. 1st October, 2017)

c) Key Management Personnel (KMP):

(i)	Dr. Raghupati Singhania	Chairman & Managing Director
(ii)	Shri Bharat Hari Singhania	Managing Director
(iii)	Shri Anshuman Singhania	Whole Time Director
(iv)	Shri Arun Kumar Bajoria	Director & President-International Operations
(v)	Smt. Sunanda Singhania	Non-Executive Non-Independent Director
(vi)	Shri Arvind Singh Mewar	Independent Director
(vii)	Shri Bakul Jain	Independent Director
(viii)	Shri Shreekant Somany	Independent Director
(ix)	Shri Vimal Bhandari	Independent Director
(x)	Shri Kalpataru Tripathy	Independent Director
(xi)	Dr. Wolfgang Holzbach	Independent Director
(xii)	Shri Ashok Kumar Kinra (till 17th February, 2019)	Chief Financial Officer
(xiii)	Shri Sanjeev Aggarwal (w.e.f. 18th February, 2019)	Chief Financial Officer
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary

d) Post-Employment Benefit Plan Entities:

JK Tyre & Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata (JKEPFK)
JK Tyre & Industries Ltd. Officers Superannuation Fund, Kolkata (JKOSFK)
JK Tyre & Industries Ltd. Employees Gratuity Fund, Kolkata (JKEGFK)
JK Tyre & Industries Ltd. Employees Provident Fund Trust, Mysuru (JKEPFV)
JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust, Mysuru (JKOSFV)
JK Tyre & Industries Ltd. Employees Gratuity Fund Trust, Mysuru (JKEGFV)

Notes to the financial statement

e) Other Related Party with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) - Holds more than 20% shares in the Company.

(l) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to CHT, VPL	116.36	248.92		365.28
Sale of Tyres to CHT, VPL	(137.05)	(251.82)		(388.87)
Sale of Goods to CIL	8.63			8.63
Sale of Goods to CIL	(17.48)			(17.48)
Sale of Capital Items to CIL	1.49			1.49
Sale of Capital Items to CIL- 3.42, JKTSA	(4.04)			(4.04)
Purchase of Goods from CIL - 688.74, 3DIPL	688.91			688.91
Purchase of Goods from CIL - 624.10, CHT - 0.04, prototype from 3DIPL	(624.22)			(624.22)
Purchase of Capital Items from CIL-(₹23418), 3DIPL- 2.86	2.86			2.86
Purchase of Capital Items from CIL	(0.30)			(0.30)
Sharing of Expenses received - CIL, HASETRI, BACL	0.01	3.59	0.01	3.61
Sharing of Expenses received - CIL, HASETRI, BACL	(0.01)	(3.20)	(0.01)	(3.22)
Investment in Equity Shares of LANKROS	47.40			47.40
Issue of Equity Shares – BACL			65.51	65.51
Sharing of Expenses paid – BACL			0.56	0.56
Sharing of Expenses paid - BACL			(0.55)	(0.55)
Services Availed - CIL - 10.08, JKAPPL, HASETRI - 24.08, VPL	11.93	24.28		36.21
Services Availed - JKAPPL, HASETRI - 19.79, WTI - 0.79, VPL	(1.13)	(20.76)		(21.89)
Services Rendered to CIL - 108.80, JKTSA	125.26			125.26
Services Rendered to CIL- 61.39, CHT- 41.97, JKTSA	(118.54)			(118.54)
Interest Income from 3DIPL	0.11			0.11
Interest Income from 3DIPL	(0.35)			(0.35)
Royalty Income from VPL		0.37		0.37
Royalty Income from VPL		(0.50)		(0.50)
Contribution to Trusts- JKEPFK- 5.89, JKOSFK- 0.38, JKEGFK- 7.58, JKEPFV - 19.98, JKOSFV- 0.35, JKEGFV			40.86	40.86
Contribution to Trusts- JKEPFK- 4.59, JKOSFK- 0.43, JKEGFK- 9.44, JKEPFV - 18.18, JKOSFV- 0.35, JKEGFV			(35.00)	(35.00)
Outstanding as at year end:				
Due from HASETRI - 17.61, JKTSA-1.22	1.22	17.61		18.83
Loan to 3DIPL - 2.98, Due from CHT - 0.05, HASETRI - 10.18	(3.03)	(10.18)		(13.21)
Receivable:				
-CIL - 48.13, CHT - 87.45, JKTSA – 15.29	150.87			150.87
- CHT - 121.41 & JKTSA - 10.51	(131.92)			(131.92)
-VPL - 103.74, BACL - 0.48, JKEGFV – 2.95		103.74	3.43	107.17
- VPL - 120.14, BACL - 0.48, JKEGFK- 6.28, JKEGFV - 7.89		(120.14)	(14.65)	(134.79)
Payable:				
- JKEGFK- 0.51			0.51	0.51
- CIL- 137.56	(137.56)			(137.56)

Figures in brackets represent amounts pertaining to previous year.

Notes to the financial statement

(II) Remuneration paid to Key Managerial Personnel ₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
Short-term Employee Benefits	30.75	15.25*
Post-employment Benefits**	1.42	1.01
Other Payments	1.36	1.14

* Subject to requisite approvals, as required under Companies Act, 2013.

** Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

NOTE - 46

Disclosure pursuant to Regulation 34(3) read with Schedule V, Part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Promoter / promoter group companies holding more than 10% in equity share capital of the Company:

BMF Investment Ltd. (BMF)

Florence Investech Ltd. (FINVL)

The following transactions were carried out with aforesaid parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Promoter / Promoter group companies
Issue of Equity Shares – BMF	134.49
Sharing of Expenses received- BMF (₹18000), FINVL - 0.01	0.01
Sharing of Expenses received- BMF (₹13500), FINVL - 0.01	(0.01)
Service rendered - FINVL (₹45000)	
Service rendered - FINVL (₹19800)	
Outstanding balances as at year end- NIL (Previous year-Nil)	

Figures in brackets represent amounts pertaining to previous year.

NOTE - 47

Loans and Advances pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

₹ in Crores (10 Million)

Particulars	Outstanding as at 31st March, 2019	Maximum Amount Outstanding during 2018-2019	Outstanding as at 31st March, 2018	Maximum Amount Outstanding during 2017-2018
Loan to Subsidiary (Repayment as per Repayment Schedule)				
- 3DIPL (for business purpose)	-	2.98	2.98	3.50

Note: Advances to employee as per Company's Policy are not considered.

NOTE -48 DIVIDENDS

The following dividends were declared and paid by the company during the year:

₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
For the year ended March 31, 2018 - 75% i.e. ₹1.50 per equity share, (31st March, 2017 - 125% i.e. ₹2.50)	34.02	56.70
Dividend Distribution Tax thereon	6.99	11.55
Total	41.01	68.25

Notes to the financial statement

The following dividends were proposed by the board of directors in their meeting subject to approval of shareholders at the Annual General Meeting and are not recognised as a liability. Dividend would attract dividend distribution tax when declared or paid.

Particulars	₹ in Crores (10 Million)	
	2018-2019	2017-2018
For the year ended March 31, 2019 - 75% i.e. ₹1.50 per equity share, (31st March, 2018 – 75% i.e. ₹1.50)	36.93	34.02
Total	36.93	34.02

NOTE - 49 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss

Particulars	₹ in Crores (10 Million)	
	2018-2019	2017-2018
Current Tax	63.69	15.96
Mat Credit Entitlement	(21.15)	(18.44)
Total	42.54	(2.48)
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	57.74	23.24
Income Tax Expense reported in the Statement of Profit and Loss	100.28	20.76

(B) Income Tax recognised in Other Comprehensive Income

Particulars	₹ in Crores (10 Million)	
	2018-2019	2017-2018
Current Tax on Re-measurement Losses on Defined Benefit Plans	-	(2.38)
Deferred Tax on Re-measurement Losses on Defined Benefit Plans	(5.52)	-
Total	(5.52)	(2.38)

(C) Reconciliation of Effective Tax Rate

Particulars	₹ in Crores (10 Million)	
	2018-2019	2017-2018
Accounting Profit before Income Tax	304.68	63.85
At applicable Statutory Income Tax Rate @ 34.944% (Previous Year @ 34.608%)	106.47	22.10
In House R&D expenses u/s 35(2AB)	(10.15)	(8.00)
Exempt Income	(0.25)	(0.23)
Change in Tax Rate	-	6.02
Others	4.21	0.87
Reported Income Tax Expense	100.28	20.76
Effective Tax Rate	32.91%	32.51%

(D) Reconciliation of Deferred Tax Liabilities (Net)

Particulars	₹ in Crores (10 Million)	
	2018-2019	2017-2018
Opening Balance	614.11	590.87
Deferred Tax Expense recognized in:		
Statement of Profit and Loss	57.74	23.24
Other Comprehensive Income	(5.52)	-
Deferred Tax Liabilities/ (Assets) – Net	666.33	614.11
MAT Credit Entitlement	(261.42)	(240.27)
Deferred Tax Liabilities (Net)	404.91	373.84

Notes to the financial statement

NOTE -50 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	14.61	14.61	14.30	14.30
(b) At Amortised Cost				
- Investments	56.67	56.67	52.64	52.64
- Trade Receivables	1632.45	1632.45	1289.72	1289.72
- Others	369.76	369.76	395.46	395.46
Total	2073.49	2073.49	1752.12	1752.12
(ii) Financial Liabilities				
At Amortised Cost				
- Borrowings	3319.61	3319.61	3498.08	3498.08
- Trade Payables	979.10	979.10	961.39	961.39
- Others	532.74	532.74	550.17	550.17
Total	4831.45	4831.45	5009.64	5009.64

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
- Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
- Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

Notes to the financial statement

The following table presents the fair value measurement hierarchy of financial assets and liabilities, which have been measured, subsequent to initial recognition, at fair value as at 31st March, 2019 and 31st March 2018:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2019			
Financial Assets			
- Quoted Equity Shares	3.15	-	-
- Unquoted Equity Shares	-	-	0.53
- Unquoted Preference Shares	-	-	10.28
- Mutual Funds	0.65	-	-
- Forward Contracts	-	1.69	-
31st March, 2018			
Financial Assets			
- Quoted Equity Shares	4.16	-	-
- Unquoted Equity Shares	-	-	0.28
- Unquoted Preference Shares	-	-	9.26
- Mutual Funds	0.60	-	-
- Forward Contracts	-	1.10	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2019.

NOTE -51

The fair value of Investment property as at 31st March, 2019 is ₹12.41 crores (Previous year ₹12.41 crores) after considering the rental income from current leases and other assumptions that market participants would use while pricing investment property under current market conditions.

NOTE -52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
- **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

After taking cognisance of the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on company's profit before tax is due to changes in the foreign exchange rate is as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(0.76)	(0.77)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	0.76	0.77

Notes to the financial statement

- o **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(8.30)	(8.75)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	8.30	8.75

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- o **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres, and therefore, requires a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, beadwire rubber chemicals etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).
 - o **Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.
 - o **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.
- **Liquidity Risk:** Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
As at 31st March 2019		
Borrowings*	2730.48	589.13
Trade and Other Payables	979.10	-
Other Financial Liabilities	218.38	314.36
Total	3927.96	903.49
As at 31st March 2018		
Borrowings*	3139.11	358.97
Trade and Other Payables	961.39	-
Other Financial Liabilities	251.72	298.45
Total	4352.22	657.42

* Including working capital facility from consortium banks renewed every year.

Notes to the financial statement

NOTE -53 CAPITAL MANAGEMENT

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Borrowings	3319.61	3498.08
Less: Cash and Cash Equivalents	75.84	59.80
Net Debt	3243.77	3438.28
Equity Share Capital	49.24	45.36
Other Equity	1945.88	1598.93
Total Capital	1995.12	1644.29
Capital and Net Debt	5238.89	5082.57
Gearing Ratio	61.92%	67.65%

NOTE -54 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS-116, 'Leases' and relevant changes in other Accounting Standards as per notification issued by the Ministry of Corporate Affairs in 30th March, 2019 has been made applicable from Financial Year 2019-20 (i.e. 1st April, 2019 onwards) and will supersede Ind AS-17. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Standard establishes a single lessee accounting model and requires a lessee to recognize assets and liabilities for the rights and obligations created by leases. Currently, operating lease expenses are charged to the statement of Profit & loss. The Company has evaluated the requirements of Ind AS-116, which has no material impact.

NOTE -55

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March, 2019 is ₹7.19 crores (31st March, 2018 ₹9.25 crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

The Company has spent ₹6.73 crore on Corporate Social Responsibility Projects / initiatives during the year (Previous year: ₹4.56 crores).

NOTE -56

Figures less than ₹50000 have been shown at actual in brackets.

NOTE -57

Previous year figures have been reclassified/ regrouped wherever necessary.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 16th May, 2019

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

JK Tyre & Industries Limited

Cash Flow Statement for the year ended 31st March, 2019

₹ in Crores (10 Million)

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	304.68	63.85
Adjustment for:		
Depreciation and Amortisation expense	188.36	175.14
Finance Costs	316.28	274.12
(Profit) / Loss on sale of Property, Plant and Equipment	(48.19)	(0.46)
Deferred Government Grant	-	(3.46)
(Profit) / Loss on Sale of Investments	(0.29)	-
Fair Value Changes in Non-current Investments	(0.05)	(0.89)
Unrealised Foreign Exchange Fluctuation	12.54	(3.07)
Interest / Dividend Received	(27.79)	(27.64)
Allowance for Doubtful Debts / Advances and Bad Debts written off	1.50	1.51
Operating Profit before Working Capital changes	747.04	479.10
(Increase) / Decrease in Trade and Other Receivables	(306.62)	135.24
(Increase) / Decrease in Inventories	(110.11)	(95.23)
Increase / (Decrease) in Trade and Other Payables	(4.26)	4.75
Cash generated from Operations	326.05	523.86
Direct Taxes (Net)	(64.36)	(28.70)
Net Cash from Operating Activities	261.69	495.16
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(132.50)	(369.78)
Sale of Property, Plant and Equipment	303.07	95.59
Movement in Loans & Advances	(5.62)	66.96
Investment in Subsidiary	(47.40)	-
Purchase of Investments	-	(70.37)
Redemption of Investments	1.06	0.12
Deposit Accounts with Banks	(11.75)	(0.59)
Interest Received	22.91	22.41
Dividend Received	0.72	0.67
Net Cash used in Investing Activities	130.49	(254.99)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital (Net of Expenses)	197.71	-
Proceeds/ (Utilisation) from Short-term Borrowings (Net)	(70.18)	27.24
Proceeds from Long-term Borrowings	830.44	420.60
Repayment of Borrowings	(982.32)	(343.95)
Finance Costs paid	(310.78)	(271.72)
Dividend paid (including dividend tax)	(41.01)	(68.25)
Net Cash from / (used in) Financing Activities	(376.14)	(236.08)
Net increase / (decrease) in Cash and Cash Equivalents	16.04	4.09
Cash and Cash Equivalents as at the beginning of the year	59.80	55.71
Cash and Cash Equivalents as at the end of the year	75.84	59.80

Cash Flow Statement for the year ended 31st March, 2019

Notes:

₹ in Crores (10 Million)

	2018-2019	2017-2018
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	57.35	49.37
- Balances with Banks	18.49	10.43
Total	75.84	59.80

2. Non Cash Changes in liabilities arising from financing activities:

₹ in Crore (10 Million)

Particulars	As At 31.03.2018	Cash Flows	Non- Cash Changes		As At 31.03.2019
			Foreign Exchange Movement	Others	
Short-term Borrowings	1522.38	(70.18)	(0.35)	-	1451.85
	(1494.54)	(27.24)	(0.60)	-	(1522.38)
Long-term Borrowings	1975.70	(151.88)	42.54	1.40	1867.76
	(1880.31)	(76.65)	(15.84)	(2.90)	(1975.70)
Total Liabilities from Financing Activities	3498.08	(222.06)	42.19	1.40	3319.61
Previous Year	(3374.85)	(103.89)	(16.44)	(2.90)	(3498.08)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 16th May, 2019

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*

Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari

Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
JK Tyre & Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of JK Tyre & Industries Limited (herein referred to as "the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2019, the Consolidated profit, Consolidated total comprehensive income, Consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenue in view of adoption of Ind AS-115 "Revenue from Contracts with Customers" in place of Ind AS-18 "Revenue"

The Group recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer.

For the year ended 31st March 2019, the Group's Statement of Profit & Loss included Sales of ₹10369.94 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated. Refer Note No. 27 of the Consolidated Financial Statements.

Auditor's Response

Principal Audit Procedures

- We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.
- Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group.
- We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.
- We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions.
- We validated the appropriateness and completeness of the related disclosures in Note No. 27 of the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated total comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective

Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and an associate has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related

to events or conditions that may cast significant doubt on the ability of the Group and an associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 14 subsidiaries (including 12 subsidiaries incorporated outside India) whose financial statements reflect total assets of ₹5241.83 crores as at 31st March 2019, total revenue of ₹4418.53 crores, total net profits after tax of ₹(26.82) crores, total comprehensive income of ₹(26.71) crores and net cash outflow of ₹0.89 crore for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also includes the Group's share of net profit of ₹(5.43) crores and total comprehensive income of ₹(5.43) crores for the year ended 31st March 2019, as considered in the Consolidated Financial Statements, in respect of two associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of the other auditors.
- (b) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹0.01 crore as at 31st March 2019, as considered in the Consolidated Financial Statements. These financial statements are unaudited (exempted under UK Laws) and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of said subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.
- (c) The Consolidated Financial Statements include the Company's share of net profit of ₹(0.29) crore and total comprehensive income of ₹(0.29) crore for the year ended 31st March 2019, as considered in the Consolidated Financial Statements, in respect

of an associate whose financial statements have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the financial statements, to the extent they have been derived from such financial statements is based solely on the certificate furnished by the management.

- (d) The financial statements of an associate, namely, Hari Shankar Singhania Elastomer and Tyre Research Institute has not been considered for consolidation as stated in Note No. 1.3(a)(ii) of the accompanying Consolidated financial statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate incorporated in India, none of the directors of the Group companies and its associates companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company, its subsidiary companies and an associate incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note No. 33, 35 and 36 to the consolidated financial statements.
 - ii. The Group and its associates have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and an associate incorporated in India.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 16th May, 2019

Membership Number: 098336

Annexure 'A' to the Independent Auditor's Report

of even date on the Consolidated financial statements of JK Tyre & Industries Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to financial statements of JK Tyre & Industries Limited (the Holding Company) and its subsidiary companies and an associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies and an associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to

the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and an associate company, which are incorporated in India, have

maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 16th May, 2019

Membership Number: 098336

JK Tyre & Industries Limited

Consolidated Balance Sheet as at 31st March, 2019

₹ in Crores (10 Million)

	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	5974.83	5874.93
(b) Capital Work-in-progress		269.76	308.51
(c) Investment Property	3	5.93	6.04
(d) Other Intangible Assets	4	246.85	261.46
(e) Financial Assets			
- Investments accounted using Equity Method	5	59.89	61.28
- Other Investments	6	71.28	66.94
- Loans	7	55.73	52.92
- Other Financial Assets	8	83.68	90.70
(f) Deferred Tax Assets (Net)	9	47.59	32.62
(g) Other Non-current Assets	10	55.09	37.62
		6870.63	6793.02
(2) Current Assets			
(a) Inventories	11	1689.09	1448.47
(b) Financial Assets			
- Trade Receivables	12	1945.10	1545.32
- Cash and Cash Equivalents	13	109.33	95.32
- Other Bank Balances	14	60.34	35.40
- Other Financial Assets	15	154.38	207.65
(c) Current Tax Assets (Net)	16	73.37	50.92
(d) Other Current Assets	17	414.17	391.36
		4445.78	3774.44
TOTAL ASSETS		11316.41	10567.46
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	49.24	45.36
(b) Other Equity	SOCE - II	2235.16	1915.74
Equity Attributable to Owners of the Parent		2284.40	1961.10
(c) Non-controlling Interest	SOCE - II	136.23	142.01
		2420.63	2103.11
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	18	3317.16	3126.45
- Other Financial Liabilities	19	408.32	383.20
(b) Provisions	20	73.37	59.60
(c) Deferred Tax Liabilities (Net)	21	457.60	413.50
		4256.45	3982.75
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	22	1904.29	1862.20
- Trade Payables			
Micro & Small Enterprises		24.17	16.46
Others		1574.85	1148.92
- Other Financial Liabilities	23	847.53	1138.55
(b) Other Current Liabilities	24	266.15	294.87
(c) Provisions	25	20.36	19.74
(d) Current Tax Liabilities (Net)	26	1.98	0.86
		4639.33	4481.60
TOTAL EQUITY AND LIABILITIES		11316.41	10567.46
Group Overview, Basis of preparation and Significant Accounting Policies.	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*

Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Directors

JK Tyre & Industries Limited

Consolidated Statement of Profit & Loss for the year ended 31st March, 2019

₹ in Crores (10 Million)

	Note No.	2018-2019	2017-2018
I. Revenue from Operations	27	10369.94	8397.29
II. Other Income	28	82.07	146.12
III. Total Income (I+II)		10452.01	8543.41
IV. Expenses			
Cost of Materials Consumed		6302.94	5246.65
Purchases of Stock-in-Trade		676.56	90.94
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		(294.90)	(87.86)
Employee Benefits Expense	29	909.62	818.06
Finance Costs	30	521.08	465.50
Depreciation and Amortisation Expense		315.67	299.46
Excise Duty on Sales		-	125.19
Other Expenses	31	1661.63	1467.24
Total Expenses		10092.60	8425.18
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		359.41	118.23
VI. Exceptional Items	38	(88.95)	(11.42)
VII. Profit / (Loss) before Tax (V+VI)		270.46	106.81
VIII. Tax Expense			
(1) Current Tax		59.44	18.64
(2) Mat Credit Entitlement		(21.15)	(18.44)
(3) Deferred Tax		55.88	43.69
IX. Profit / (Loss) for the Year (VII-VIII)		176.29	62.92
X. Share in Profit / (Loss) of Associates		(5.72)	0.40
XI. Profit / (Loss) for the year (IX+X)		170.57	63.32
XII. Profit / (loss) for the year attributable to:			
Owners of the Parent		176.34	66.04
Non-controlling Interest		(5.77)	(2.72)
XIII. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss:			
Re-measurement losses on Defined Benefit Plans		(15.64)	(12.20)
Income Tax Relating to Items that will not be reclassified to Profit or Loss		5.48	4.08
(B) Items that will be reclassified to Profit or Loss:			
Exchange Differences on Translating the Financial Statements of Foreign Operations		0.89	(0.57)
Total Other Comprehensive Income		(9.27)	(8.69)
XIV. Total Comprehensive Income for the year (XI+XIII)		161.30	54.63
XV. Other Comprehensive Income for the year attributable to:			
Owners of the Parent		(9.26)	(8.41)
Non-controlling Interest		(0.01)	(0.28)
XVI. Total Comprehensive Income for the year attributable to:			
Owners of the Parent		167.08	57.63
Non-controlling Interest		(5.78)	(3.00)
XVII. Earnings per equity share of ₹ 2 each			
Basic / Diluted (₹)	39	7.77	2.91

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*

Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria *Directors*

JK Tyre & Industries Limited

Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2019

I. SHARE CAPITAL

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
Issued, Subscribed and fully paid up:		
Equity Shares - 24,62,30,880 (Previous year: 22,68,13,480) of ₹2 each		
Balance at the beginning of the year	45.36	45.36
Addition during the year	3.88	-
Balance at the end of the year	49.24	45.36

II. OTHER EQUITY

₹ in Crores (10 Million)

Particulars	Reserves & Surplus						Other Comprehensive Income		Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests	Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings		Exchange differences on translating the financial statements of foreign operations			
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans				
As at 31st March, 2017	262.88	18.13	7.00	9.82	903.46	770.40	(44.57)	(7.70)	1919.42	145.01	2064.43
Profit for the year						66.04			66.04	(2.72)	63.32
Other Comprehensive Income (Net of Taxes)							(7.84)	(0.57)	(8.41)	(0.28)	(8.69)
Cash Dividends						(56.70)			(56.70)		(56.70)
Dividend Distribution Tax on Cash Dividend						(11.55)			(11.55)		(11.55)
Reinstatement Gain / (Loss) of Reserve on Consolidation		7.12							7.12		7.12
Depreciation charge arising out of Revaluation for Foreign Subsidiaries		(17.71)				17.71			-		-
Share in goodwill of associate's subsidiary		(0.18)							(0.18)		(0.18)
As at 31st March, 2018	262.88	7.36	7.00	9.82	903.46	785.90	(52.41)	(8.27)	1915.74	142.01	2057.75

Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2019

II. OTHER EQUITY (contd...)

₹ in Crores (10 Million)

Particulars	Reserves & Surplus						Other Comprehensive Income	Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests	Total	
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings					Exchange differences on translating the financial statements of foreign operations
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans				
Addition during the year \$	196.12							196.12		196.12	
Share issue expenses charged during the year	(3.07)							(3.07)		(3.07)	
Profit for the year						176.34		176.34	(5.77)	170.57	
Other Comprehensive Income (Net of Taxes)							(10.15)	0.89	(9.26)	(0.01)	
Cash Dividends						(34.02)			(34.02)	(34.02)	
Dividend Distribution Tax on Cash Dividend						(6.99)			(6.99)	(6.99)	
Reinstatement Gain / (Loss) of Reserve on Consolidation		0.30							0.30	0.30	
As at 31st March, 2019	455.93	7.66	7.00	9.82	903.46	921.23	(62.56)	(7.38)	2235.16	136.23	2371.39

\$ The Company allotted 1,94,17,400 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share on preferential basis to the promoter group resulting into augmentation of net worth of the Company.

Component of Equity	Nature and Purpose
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Reserve	Represents Capital Reserve on Consolidation.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
Legal Reserve	Represents the statutory reserve created in Subsidiaries, registered in Mexico, out of the current year profits upto a prescribed limit.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or/and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

Notes to the consolidated financial statement

NOTE - 1 GROUP OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1. The Group overview:

The Group, JK Tyre & Industries Limited (JKTIL) and its subsidiaries, majorly develops, manufactures, markets and distributes automotive Tyres, Tubes, Flaps and Retreads. The Group markets its tyres for sale to vehicle manufacturers for fitment in original equipment and for sale in replacement markets worldwide. The Group has manufacturing plants located in India and Mexico with worldwide distribution.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 16th May, 2019.

1.2. Statement of compliance:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended time to time and other relevant provisions of the Companies Act, 2013.

1.3. Basis of preparation of Consolidated financial statements:

a) The Consolidated Financial Statements comprise of the financial statements of JK Tyre & Industries Limited (Parent Company) and the following as on 31.03.2019:

- i) **Subsidiaries:** The Control in subsidiary is gained when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights, it considers all relevant facts and circumstances in assessing the control including the contractual arrangements, potential voting rights, right to direct relevant activities of entity.

Name	Proportion of Ownership Interest
J. K. International Ltd., U.K	100%
J. K. Asia Pacific Ltd., Hong Kong	100%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100%
3DInnovations Pvt. Ltd.	100%
Cavendish Industries Ltd., India	80%
Lankros Holdings Ltd., Cyprus	100%
Sarvi Holdings Switzerland AG., Switzerland	100%
JK Tornel S.A. de C.V., Mexico	99.96%
Comercializadora América Universal, S.A. de C.V., Mexico	99.96%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.96%
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.96%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.96%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.96%
Gintor Administración, S.A. de C.V., Mexico	99.96%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.96%

- ii) **Associates:** An associate is entity over which the group has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Name	Status	Ownership Interest
Valiant Pacific LLC., UAE	Audited	49.00%
Dwarkesh Energy Limited, India	Audited	35.00%
Western Tire Holdings, Inc., USA (w.e.f. 1st October, 2017)	Unaudited	40.00%
Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)*	Audited	24.00%

* Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

Notes to the consolidated financial statement

- b) The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – “Consolidated Financial Statements”. The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent’s shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-controlling Interest is not considered.
- d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or/and exercises significant influence, Investments are accounted for by using equity method in accordance with Ind AS 28 – “Investments in Associates and Joint Ventures”.
- e) Post-acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- f) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments.
- g) The accounts of J. K. International Ltd. and Western Tire Holdings, Inc. are exempt from Audit.
- h) The Accounting Policies of the parent company, its subsidiaries and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements.
- i) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are recognised as Other Comprehensive Income/(Loss) and disclosed accordingly.
- j) Significant Accounting Policies and Notes accompanying to the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.

1.4. Significant accounting policies:

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combination:

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders’ proportionate share of the acquiree’s identifiable net assets.

b) Deferred Tax:

The Company does not recognize deferred tax liability with respect to undistributed retained earnings of subsidiaries and associate and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries and associates as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

Notes to the consolidated financial statement

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation / Amortisation					Net Value	
	As at 31.03.2018	Additions / Adjustments [^]	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2019	Upto 31.03.2018	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Land - Freehold #	569.27	1.32	-	(0.16)	570.75	-	-	-	-	-	570.75	569.27
	(565.48)	-	-	3.79	(569.27)	-	-	-	-	-	(569.27)	(565.48)
- Leasehold	10.96	-	-	-	10.96	2.14	0.12	-	-	2.26	8.70	8.82
	(10.96)	-	-	-	(10.96)	(2.02)	(0.12)	-	-	(2.14)	(8.82)	(8.94)
Buildings*	1187.46	4.57	-	(0.15)	1192.18	247.55	24.05	-	(0.03)	271.63	920.55	939.91
	(1141.64)	(41.92)	-	3.90	(1187.46)	(221.98)	(23.50)	-	2.07	(247.55)	(939.91)	(919.66)
Plant and Equipments	6693.68	618.76	251.80	(0.65)	7061.29	2377.93	268.67	20.20	(0.20)	2626.60	4434.69	4315.75
	(6402.32)	(453.53)	(178.81)	16.64	(6693.68)	(2153.15)	(259.05)	(45.92)	11.65	(2377.93)	(4315.75)	(4249.17)
Furniture and Fixtures	29.46	0.95	0.56	(0.02)	29.87	18.16	1.75	0.17	(0.01)	19.75	10.12	11.30
	(28.34)	(1.36)	(0.43)	0.19	(29.46)	(16.09)	(1.90)	-	0.17	(18.16)	(11.30)	(12.25)
Office Equipments	31.50	1.81	0.23	-	33.08	24.65	1.71	0.17	(0.01)	26.20	6.88	6.85
	(28.41)	(2.98)	(0.24)	0.35	(31.50)	(21.83)	(2.73)	(0.22)	0.31	(24.65)	(6.85)	(6.58)
Vehicles	37.76	6.44	4.94	(0.23)	39.49	14.73	4.20	2.63	(0.05)	16.35	23.14	23.03
	(36.09)	(5.45)	(3.85)	0.07	(37.76)	(12.51)	(4.35)	(2.21)	0.08	(14.73)	(23.03)	(23.58)
Total	8560.09	633.85	257.53	(1.21)	8937.62	2685.16	300.50	23.17	(0.30)	2962.79	5974.83	5874.93
Previous Year	(8213.24)	(505.24)	(183.33)	(24.94)	(8560.09)	(2427.58)	(291.65)	(48.35)	(14.28)	(2685.16)	(5874.93)	(5785.66)

Figures in brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

[^] Includes forex reinstatement ₹25.50 crores (Previous Year: ₹14.92 crores) (Unamortised forex reinstatement as on 31.03.2019 : ₹94.65 crores (Previous Year: ₹72.27 crores))

[@] Represents translation adjustments arising on consolidation of foreign subsidiaries.

As at 31st March 2019, title deed of 4.75 acres of land amounting to ₹2.32 crores is yet to be executed in favour of the subsidiary.

* Buildings include ₹2.05 crores (Previous Year: ₹2.05 crores) constructed on Leased Land and 32 shares held in co-operative housing societies.

Factory & Service Buildings and Plant and Equipments at Jaykaygram unit, were revalued as at 1st January 1985 & 1st April 1991. On 1st April 1997, the revaluation of such assets was updated along with similar assets of Banmore unit. The revaluation of said assets of Jaykaygram and Banmore was further updated along with Factory Land and Township Building as at 1st April 2002 based on replacement cost by a Valuer. Further, Property, plant and equipment of certain foreign subsidiaries at Mexico were revalued as at 12th June, 2008 on the basis of report of a certified valuer. The Gross Value includes revaluation of ₹754.97 crores (Previous year: ₹766.50 crores).

NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation					Net Value	
	As at 31.03.2018	Additions	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2019	Upto 31.03.2018	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Buildings	6.53	-	-	-	6.53	0.49	0.11	-	-	0.60	5.93	6.04
	(6.53)	-	-	-	(6.53)	(0.39)	(0.10)	-	-	(0.49)	(6.04)	(6.14)
Total	6.53	-	-	-	6.53	0.49	0.11	-	-	0.60	5.93	6.04
Previous Year	(6.53)	-	-	-	(6.53)	(0.39)	(0.10)	-	-	(0.49)	(6.04)	(6.14)

Figures in brackets represent amounts pertaining to previous year.

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value					Amortisation					Net Value	
	As at 31.03.2018	Additions	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2019	Upto 31.03.2018	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
Computer Software #	21.69	-	0.05	-	21.64	14.73	1.86	0.04	-	16.55	5.09	6.96
	(16.02)	(5.67)	-	-	(21.69)	(13.38)	(1.35)	-	-	(14.73)	(6.96)	(2.64)
Industrial Commercial Benefit *	261.02	-	-	(0.34)	261.36	6.52	13.20	-	0.12	19.60	241.76	254.50
	-	(254.43)	-	6.59	(261.02)	-	(6.36)	-	0.16	(6.52)	(254.50)	-
Total	282.71	-	0.05	(0.34)	283.00	21.25	15.06	0.04	0.12	36.15	246.85	261.46
Previous Year	(16.02)	(260.10)	-	(6.59)	(282.71)	(13.38)	(7.71)	-	(0.16)	(21.25)	(261.46)	(2.64)

Figures in brackets represent amounts pertaining to previous year.

[@] Represents translation adjustments arising on consolidation of foreign subsidiaries.

Being amortised over a period of 5 years.

* Being amortised over a period of 20 years.

Notes to the consolidated financial statement

NOTE - 5 INVESTMENTS ACCOUNTED USING EQUITY METHOD [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Investments in Equity Shares of Associates*:		
- Equity Investments - At Cost	0.56	0.56
- Share in Net Assets	59.33	60.72
	59.89	61.28

* Carrying amount of investment in associates includes ₹0.27 crore (Previous year: ₹0.25 crore) towards Goodwill as well as share of profits & reserves on consolidation.

NOTE - 6 OTHER INVESTMENTS [NON-CURRENT] (Other than Trade)

At fair value through P & L:		
- Equity Shares	3.68	4.44
- Preference Shares:		
in Associate	9.81	8.84
in Others	0.47	0.42
- Mutual Funds	0.65	0.60
At amortised cost:		
- Preference Shares	56.67	52.64
	71.28	66.94

NOTE - 7 LOANS [NON-CURRENT]

<i>Unsecured, Considered Good:</i>		
Security Deposits	55.73	52.92
	55.73	52.92

NOTE - 8 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	80.62	87.52
Others*	3.06	3.18
	83.68	90.70

* Represent fixed deposits having maturity more than 12 months as security deposit with Sales Tax department ₹0.01 crore (Previous year: ₹0.01 crore) and with banks as DSRA ₹3.05 crores (Previous year: ₹3.17 crores).

NOTE - 9 DEFERRED TAX ASSET (NET)

Deferred tax Assets are as under:		
Deferred Tax Assets		
- Expenses / Provision Allowable	26.38	26.93
- Unabsorbed depreciation / Loss	257.61	180.93
Deferred Tax Liability related to Property, Plant & Equipment	(243.97)	(182.81)
Deferred Tax Asset - Net	40.02	25.05
MAT Credit Entitlement	7.57	7.57
	47.59	32.62

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Notes to the consolidated financial statement

NOTE - 10 OTHER NON-CURRENT ASSETS

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Advances - Project related	32.55	11.75
Others	22.54	25.87
	55.09	37.62

NOTE - 11 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials*	576.45	642.20
Work-in-Progress	106.83	93.05
Finished Goods**	784.26	557.85
Stock-in-trade	119.66	65.16
Stores and Spares	101.89	90.21
	1689.09	1448.47

* Includes raw materials in transit ₹184.17 crores (Previous year: ₹ 248.76 crores).

** Includes finished goods in transit ₹21.48 crores (Previous year: ₹ 15.97 crores).

NOTE - 12 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1945.10	1545.32
Credit Impaired	17.59	15.79
Less: Allowance for Bad and Doubtful debts	(17.59)	(15.79)
	1945.10	1545.32

NOTE - 13 CASH AND CASH EQUIVALENTS

Balances with Banks:		
- Current Accounts	34.89	30.61
- Deposit Accounts	2.87	3.08
Remittances in transit and Cheques on hand	71.40	61.41
Cash on hand	0.17	0.22
	109.33	95.32

NOTE - 14 OTHER BANK BALANCES

Unclaimed Dividend Accounts	1.69	1.47
Deposit Accounts*	58.65	33.93
	60.34	35.40

* Represent Deposit Repayment Reserve Account ₹14.74 crores (Previous year: ₹10.93 crores) and deposits with banks under lien towards margin money against bank guarantee ₹8.83 crores, security deposit with Sales Tax department ₹0.01 crore and DSRA ₹35.07 crores (Previous year: ₹0.09 crore, ₹0.01 crore and ₹22.90 crores respectively).

Notes to the consolidated financial statement

NOTE - 15 OTHER FINANCIAL ASSETS [CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
<i>Unsecured, Considered Good:</i>		
Interest Accrued on Deposits	3.74	2.82
Due from Related Parties (Refer Note No. 41)	18.51	11.12
Balance with Government Authorities	54.50	84.14
Deferred Receivable	55.46	72.50
Others	22.17	37.07
	154.38	207.65

NOTE - 16 CURRENT TAX ASSETS (NET)

Current Tax Assets (Net)	73.37	50.92
	73.37	50.92

NOTE - 17 OTHER CURRENT ASSETS

Balances with Government Authorities	334.94	294.60
Prepaid Expenses	31.73	36.84
Others	47.50	59.92
	414.17	391.36

NOTE - 18 BORROWINGS [NON-CURRENT]

₹ in Crores (10 Million)

	Non - current		Current *	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Secured Loans				
Term Loans: **				
- Financial Institutions	825.38	892.06	123.36	116.06
- Banks	2433.25	2156.82	362.28	314.90
	3258.63	3048.88	485.64	430.96
Unsecured Loans				
Term Loans:				
- Bank	-	-	-	233.33
- Others	-	8.18	8.17	119.54
Fixed Deposits	56.76	67.73	42.25	38.80
Loan from Body Corporate	1.77	1.66	-	-
	58.53	77.57	50.42	391.67
TOTAL	3317.16	3126.45	536.06	822.63

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 23).

** Net of ₹19.29 crores (As at 31.03.2018 ₹18.54 crores) for unamortised processing charges.

Notes to the consolidated financial statement

NOTE - 19 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Trade Deposits and Others	408.32	383.20
	408.32	383.20

NOTE - 20 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	73.37	59.60
	73.37	59.60

NOTE - 21 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities are as under:		
Deferred Tax Liabilities related to Property, Plant and Equipment	815.27	782.22
Deferred Tax Assets:		
- Expenses / Provision Allowable	(65.53)	(55.94)
- Unabsorbed Depreciation / Loss	(30.72)	(72.51)
Deferred Tax Liabilities - Net	719.02	653.77
MAT Credit Entitlement	(261.42)	(240.27)
	457.60	413.50

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 22 BORROWINGS [CURRENT]

Secured Loans		
Repayable on Demand from Banks	1652.58	1329.02
Others	20.65	117.53
	1673.23	1446.55
Unsecured Loans		
Fixed Deposits	9.17	10.22
Loans from:		
- Banks	221.89	205.43
- Others	-	200.00
	231.06	415.65
	1904.29	1862.20

NOTE - 23 OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Borrowings	536.06	822.63
Interest Accrued but not due on Borrowings	22.84	19.47
Unclaimed Dividends #	1.69	1.47
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	2.05	1.63
Others	284.89	293.35
	847.53	1138.55

Investor Education & Protection Fund will be credited as and when due.

Notes to the consolidated financial statement

NOTE - 24 OTHER CURRENT LIABILITIES

₹ in Crores (10 Million)

	As at 31.03.2019	As at 31.03.2018
Government and Other Statutory Dues	241.19	271.87
Others	24.96	23.00
	266.15	294.87

NOTE - 25 PROVISIONS [CURRENT]

Provision for Employee Benefits	20.36	19.74
	20.36	19.74

NOTE - 26 CURRENT TAX LIABILITIES (NET)

Current Tax Liabilities (Net)	1.98	0.86
	1.98	0.86

NOTE - 27 REVENUE FROM OPERATIONS

₹ in Crores (10 Million)

	2018-2019	2017-2018
Sale of:		
- Products *	10144.09	8226.49
- Services	42.72	49.89
Other operating revenues:		
- Provision no longer required	0.17	5.28
- Miscellaneous Income #	182.96	115.63
	10369.94	8397.29

* Sale of Products (excluding excise duty) ₹10144.09 crores (Previous Year: ₹8101.30 crores).

Includes Government Incentive of ₹92.00 crores (Previous Year: ₹67.69 crores).

NOTE - 28 OTHER INCOME

Income from Non-current Investments:		
- Dividends	0.72	0.67
- Interest	2.98	2.45
- Profit / (Loss) on Sale of Investments	0.29	-
- Fair Value changes in Investments	0.05	0.89
Profit on sale of Property, Plant and Equipment (Net)	48.38	102.21
Other Interest Income	29.65	32.09
Foreign Exchange Fluctuation Gain (Net)	-	4.28
Deferred Government Grant	-	3.46
Others	-	0.07
	82.07	146.12

Notes to the consolidated financial statement

NOTE - 29 EMPLOYEE BENEFITS EXPENSES

₹ in Crores (10 Million)

	2018-2019	2017-2018
Salaries and Wages	668.97	587.98
Contribution to Provident and other Funds	78.79	80.14
Employees' Welfare and other Benefits	161.86	149.94
	909.62	818.06

NOTE - 30 FINANCE COSTS

Interest Expenses	516.44	457.82
Other Borrowing Costs	4.64	7.68
	521.08	465.50

NOTE - 31 OTHER EXPENSES

Consumption of Stores and Spares	141.74	114.55
Power and Fuel	418.57	361.78
Lease Rent	53.81	54.65
Freight and Transportation	390.83	361.94
Advertisement and Sales Promotion	150.52	131.86
Allowance for Doubtful Debts / Advances	1.79	1.51
Corporate Social Responsibility Expenses	6.73	4.63
Miscellaneous Expenses	497.64	436.32
	1661.63	1467.24

NOTE - 32

Estimated amount of contracts remaining to be executed on capital account ₹188.64 crores (Previous year: ₹97.43 crores).

NOTE - 33

Contingent liabilities in respect of claims not accepted and not provided for ₹71.33 crores (Previous year: ₹102.35 crores), pertaining to Excise & Customs duty matters in appeal ₹8.34 crores, Service Tax matters ₹4.37 crore, Sales Tax matters in appeal ₹2.13 crores, Income Tax matters in appeal ₹7.73 crores & other matters ₹48.76 crores (Previous year: ₹8.80 crores, ₹0.59 crore, ₹30.57 crores, ₹8.87 crores & ₹53.52 crores respectively)

NOTE - 34

Debts /Advances include ₹69.09 crores (Previous year: ₹64.31 crores) for which legal and other necessary action has been taken. In the opinion of the Management, these debts are recoverable and the same have been classified as good.

NOTE - 35

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

NOTE - 36

The Company has worked out reversal of Modvat Credit availed on exports under Value Based Advance License in earlier years and reversed the same in accounts. Pursuant to special scheme announced by the Government, the Company has also paid interest on such reversals. Further, the Excise department has issued certain basis for reversal of Modvat, which is disputed and has been contested by the Company in a Writ Petition before the Hon'ble Delhi High Court and directions have been issued to treat the reversal already made by the Company as provisional.

Notes to the consolidated financial statement

NOTE - 37

Hon'ble Supreme Court has pronounced a judgement in February, 2019 as a clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity yet, either from Govt., or from other concerned authorities.

In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

NOTE - 38

Exceptional items include net impact of unfavorable foreign exchange fluctuation ₹83.22 crores (Previous year: Nil) and expenditure on VRS for the employees ₹5.73 crores (Previous Year: ₹11.42 crores).

NOTE - 39 EARNINGS PER SHARE (EPS)

₹ in Crores (10 Million)

	2018-2019	2017-2018
a) Profit for the year attributable to Equity Shareholders	176.34	66.04
b) Weighted average number of Equity Shares for Basic/Diluted EPS	22,69,73,075	22,68,13,480
c) Earnings per share of ₹2 each		
- Basic / Diluted (₹)	7.77	2.91

NOTE - 40

Operating lease has been entered into by JK Asia Pacific (S) Pte Ltd. for a remaining lock-in period of 1 year rental payable ₹0.18 crore for FY 2018-19 (Previous Year: ₹0.16 crore).

NOTE - 41 RELATED PARTIES

a) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL - Associate of JKAPPL)

Dwarkesh Energy Ltd. (DEL)

Western Tire Holdings, Inc. (WTHI - Associate of CHT) (w.e.f. 1st October, 2017)

Western Tires, Inc. (WTI - Subs. of WTHI - Associate of CHT) (w.e.f. 1st October, 2017)

b) Key Management Personnel (KMP):

(i)	Dr. Raghupati Singhania	Chairman & Managing Director
(ii)	Shri Bharat Hari Singhania	Managing Director
(iii)	Shri Anshuman Singhania	Whole Time Director
(iv)	Shri Arun Kumar Bajoria	Director & President-International Operations
(v)	Smt. Sunanda Singhania	Non-Executive Non-Independent Director
(vi)	Shri Arvind Singh Mewar	Independent Director
(vii)	Shri Bakul Jain	Independent Director
(viii)	Shri Shreekant Somany	Independent Director
(ix)	Shri Vimal Bhandari	Independent Director
(x)	Shri Kalpataru Tripathy	Independent Director
(xi)	Dr. Wolfgang Holzbach	Independent Director
(xii)	Shri Ashok Kumar Kinra (till 17th February, 2019)	Chief Financial Officer
(xiii)	Shri Sanjeev Aggarwal (w.e.f. 18th February, 2019)	Chief Financial Officer
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary

Notes to the consolidated financial statement

c) Post-Employment Benefit Plan Entities:

JK Tyre & Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata (JKEPFK)

JK Tyre & Industries Ltd. Officers Superannuation Fund, Kolkata (JKOSFK)

JK Tyre & Industries Ltd. Employees Gratuity Fund, Kolkata (JKEGFK)

JK Tyre & Industries Ltd. Employees Provident Fund Trust, Mysuru (JKEPFV)

JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust, Mysuru (JKOSFV)

JK Tyre & Industries Ltd. Employees Gratuity Fund Trust, Mysuru (JKEGFV)

e) Other Related Party with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) - Holds more than 20% shares in the Company.

(i) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL	249.14		249.14
Sale of Tyres to VPL	(252.57)		(252.57)
Purchase of Goods from VPL	8.04		8.04
Sharing of Expenses received – HASETRI, BACL	3.59	0.01	3.60
Sharing of Expenses received – HASETRI – 3.37, FINVL, BACL	(3.20)	(0.01)	(3.21)
Issue of Equity Shares – BACL		65.51	65.51
Sharing of Expenses paid – BACL		0.56	0.56
Sharing of Expenses paid – BACL		(0.55)	(0.55)
Services Availed – HASETRI –24.22, VPL	24.42		24.42
Services Availed – HASETRI –21.54, VPL-1.24 & WT	(23.67)		(23.67)
Subscription to Equity Shares of WTHI (₹26204)			
Interest Paid to VPL	0.04		0.04
Interest Paid to VPL	(5.27)		(5.27)
Royalty income from VPL	0.37		0.37
Royalty income from VPL	(0.50)		(0.50)
Contribution to Trusts- JKEPFK- 5.89, JKOSFK- 0.38, JKEGFK- 7.58, JKEPFV – 19.98, JKOSFV- 0.35, JKEGFV		40.86	40.86
Contribution to trusts- JKEPFK- 4.59, JKOSFK- 0.43, JKEGFK - 9.44, JKEPFV – 18.18, JKOSFV- 0.35, JKEGFV		(35.00)	(35.00)
Outstanding as at year end:			
Due from HASETRI – 17.61, WTHI – 0.90	18.51		18.51
Due from HASETRI – 10.18, WTHI – 0.94	(11.12)		(11.12)
Loan from VPL – 1.77	1.77		1.77
Loan from VPL – 113.03	(113.03)		(113.03)
Receivable:			
- VPL- 100.23, WTI – 0.03, JKEGFV– 2.95, BACL – 0.48	100.26	3.43	103.69
- VPL- 120.10, WTI – 0.03, JKEGFK- 6.28, JKEGFV– 7.89, BACL – 0.48	(120.13)	(14.65)	(134.78)
Payable:			
- JKEGFK – 0.51		0.51	0.51
- HASETRI – 0.30	(0.30)		(0.30)

Figures in brackets represent amounts pertaining to previous year.

Notes to the consolidated financial statement

(II) Remuneration paid to Key Managerial Personnel ₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
Short-term Employee Benefits*	30.75	15.25
Post-employment Benefits**	1.42	1.01
Other Payments	1.36	1.14

* Subject to requisite approvals, as required under Companies Act, 2013.

**Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

NOTE - 42

Disclosure pursuant to Regulation 34(3) read with Schedule V, Part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Promoter / promoter group companies holding more than 10% in equity share capital of the Company :

BMF Investment Ltd. (BMF)

Florence Investech Ltd. (FINVL)

₹ in Crores (10 Million)

Nature of Transactions	Promoter / Promoter group companies
Issue of Equity Shares – BMF	134.49
Sharing of Expenses received- BMF (₹18000), FINVL - 0.01	0.01
Sharing of Expenses received- BMF (₹13500), FINVL - 0.01	(0.01)
Service rendered - FINVL (₹45000)	
Service rendered - FINVL (₹19800)	
Outstanding balances as at year end- Nil (Previous Year- Nil)	

Figures in brackets represent amounts pertaining to previous year.

NOTE - 43 OPERATING SEGMENTS

a. Basis for segmentation

An operating segment is component of the Company that engages in the business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' results are reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance.

The Company has reportable segments based on geographical location (India, Mexico and Others), which are the Group's strategic business units. These business units are engaged in developing, manufacturing, marketing and distribution of automotive Tyre, Tubes, Flaps, etc. For each of the business units, the Company's chief operating decision maker reviews internal management reports at least on quarterly basis.

Notes to the consolidated financial statement

b. Information about reportable segment

Inter segment pricing is determined on an arm's length basis. Information regarding the results of each reportable segment is included below:

₹ in Crores (10 Million)

Particulars	India		Mexico		Others		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
1. Revenue								
Total Sales	9195.57	7483.87	1308.53	1064.63	2.33	2.20	10506.43	8550.70
Inter Segment Sales	(134.16)	(152.27)	-	-	(2.33)	(1.14)	(136.49)	(153.41)
External Revenue from Operation	9061.41	7331.60	1308.53	1064.63	-	1.06	10369.94	8397.29
Other Income	81.15	137.48	0.92	8.66	-	(0.02)	82.07	146.12
Total Revenue	9142.56	7469.08	1309.45	1073.29	-	1.04	10452.01	8543.41
2. Result								
Segment Result (PBIT) before Exceptional Items	803.03	490.43	77.75	93.54	(0.29)	(0.24)	880.49	583.73
Finance Costs	481.11	428.73	39.94	36.73	0.03	0.04	521.08	465.50
Profit / (Loss) before Exceptional Items	321.92	61.70	37.81	56.81	(0.32)	(0.28)	359.41	118.23
Exceptional Items	(63.80)	(11.42)	(25.37)	-	0.22	-	(88.95)	(11.42)
Profit / (Loss) before Tax	258.12	50.28	12.44	56.81	(0.10)	(0.28)	270.46	106.81
Income Taxes	84.09	15.70	10.08	28.19	-	-	94.17	43.89
Profit / (Loss) after Tax	174.03	34.58	2.36	28.62	(0.10)	(0.28)	176.29	62.92
Share of Profit in Associates	-	-	(0.29)	0.18	(5.43)	0.22	(5.72)	0.40
Less: Non-controlling Interest	(5.77)	(2.72)	-	-	-	-	(5.77)	(2.72)
Net Profit	179.80	37.30	2.07	28.80	(5.53)	(0.06)	176.34	66.04
3. Other Information								
Segment Assets	10008.92	9332.04	1241.29	1170.13	66.20	65.29	11316.41	10567.46
Segment Assets include:								
- Investments accounted for using Equity Method	0.35	0.35	-	0.18	59.54	60.75	59.89	61.28
Capital Expenditure	586.25	479.99	8.84	268.33	0.01	640.01	595.10	748.33
Depreciation	265.53	245.93	49.68	52.88	0.46	0.65	315.67	299.46
Segment Liabilities	7962.38	7587.20	930.58	875.17	2.82	1.98	8895.78	8464.35

c. Major Customer:

Revenue from one customer of the group is ₹1250.26 crores (Previous Year: ₹924.48 crores), which is more than 10 percent of the group's total revenue and belongs to Business Unit - India.

Notes to the consolidated financial statement

NOTE - 44 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss ₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
Current Tax	59.44	18.64
MAT Credit Entitlement	(21.15)	(18.44)
Total	38.29	0.20
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	55.88	43.69
Income Tax Expense Reported in the Statement of Profit or Loss	94.17	43.89

(B) Income Tax recognised in Other Comprehensive Income ₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
Current Tax on Re-measurement Losses on Defined Benefit Plans	-	(2.38)
Deferred tax on Re-measurement Losses on Defined Benefit Plans	(5.48)	(1.70)
Total	(5.48)	(4.08)

(C) Reconciliation of Effective Tax Rate ₹ in Crores (10 Million)

Particulars	2018-2019	2017-2018
Accounting Profit Before Income Tax	270.46	106.81
At applicable Statutory Income Tax Rate @ 34.944% (Previous year: 34.608%)	94.51	36.96
In House R&D Expenses u/s 35(2AB)	(10.15)	(8.00)
Exempt Income	(0.25)	(0.28)
Differential Tax Rates of Subsidiaries	(0.58)	(2.68)
Change in Tax Rate	-	6.02
Others	10.64	11.87
Reported Income Tax Expense	94.17	43.89
Effective Tax Rate	34.82%	41.09%

(D) Reconciliation of Deferred Tax Liabilities (Net) ₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	628.72	586.43
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	55.88	43.69
Other Comprehensive Income	(5.48)	(1.70)
Foreign Currency Translation Difference	(0.12)	0.30
Deferred Tax Liabilities/(Assets) - (Net)	679.00	628.72
MAT Credit Entitlement	(268.99)	(247.84)
Deferred Tax Liabilities (Net)	410.01	380.88

Notes to the consolidated financial statement

NOTE - 45 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019		As at 31.03.2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	14.61	14.61	14.30	14.30
(b) At Amortised Cost				
- Investments	56.67	56.67	52.64	52.64
- Trade Receivables	1945.10	1945.10	1545.32	1545.32
- Others	463.46	463.46	481.99	481.99
Total	2479.84	2479.84	2094.25	2094.25
(ii) Financial Liabilities				
At Amortised Cost				
- Borrowings	5757.51	5757.51	5811.28	5811.28
- Trade Payables	1599.02	1599.02	1165.38	1165.38
- Others	719.79	719.79	699.12	699.12
Total	8076.32	8076.32	7675.78	7675.78

The following methods and assumptions were used to estimate the fair values:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

Notes to the consolidated financial statement

The following table presents the fair value measurement hierarchy of financial assets and liabilities, which have been measured subsequent to initial recognition at fair value as at 31st March, 2019 and 31st March 2018:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2019			
Financial Assets			
- Quoted Equity Shares	3.15	-	-
- Unquoted Equity Shares	-	-	0.53
- Unquoted Preference Shares	-	-	10.28
- Mutual Funds	0.65	-	-
- Option Contracts	-	8.15	-
- Forward Contracts	-	1.69	-
31st March, 2018			
Financial Assets			
- Quoted Equity Shares	4.16	-	-
- Unquoted Equity Shares	-	-	0.28
- Unquoted Preference Shares	-	-	9.26
- Mutual Funds	0.60	-	-
- Option Contracts	-	16.57	-
- Forward Contracts	-	1.10	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2019.

NOTE - 46

The fair value of Investment property as at 31st March, 2019 is ₹12.41 crores (as at 31st March, 2018: ₹12.41 crores) after considering the rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions.

NOTE - 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
 - **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

After taking cognisance the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to the consolidated financial statement

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on company's profit before tax due to changes in the foreign exchange rate is as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Change in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on Profit before Tax	(2.16)	(2.40)
Change in USD	- ₹ 0.25	- ₹ 0.25
Effect on Profit before Tax	2.16	2.40

- o **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(14.39)	(14.53)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	14.39	14.53

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- o **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, beadwire rubber chemicals etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).
- o **Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Notes to the consolidated financial statement

- o **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.
- **Liquidity Risk:** Liquidity risk is the risk where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
As at 31st March 2019		
Borrowings *	4233.39	1524.12
Trade and Other Payables	1599.02	-
Other Financial Liabilities	311.47	408.32
Total	6143.88	1932.44
As at 31st March 2018		
Borrowings *	4414.00	1397.28
Trade and Other Payables	1165.38	-
Other Financial Liabilities	315.92	383.20
Total	5895.30	1780.48

* Including working capital facility from consortium banks renewed every year.

NOTE - 48 CAPITAL MANAGEMENT

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Borrowings	5757.51	5811.28
Less: Cash and Cash equivalents	109.33	95.32
Net debt	5648.18	5715.96
Equity Share Capital	49.24	45.36
Other Equity	2235.16	1915.74
Total Capital	2284.40	1961.10
Capital and Net Debt	7932.58	7677.06
Gearing Ratio	71.20%	74.46%

Notes to the consolidated financial statement

NOTE - 49 MATERIAL NON-CONTROLLING INTEREST IN SUBSIDIARY

Summarised financial information of Cavendish Industries Limited, which has material non-controlling interest: ₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Assets		
Non-current Assets	2579.52	2201.02
Current Assets	701.88	699.42
Liabilities		
Non-current Liabilities	1695.11	1629.89
Current Liabilities	905.13	560.51
Equity	681.16	710.04
Percentage of Ownership held by Non-controlling Interest	20%	20%
Accumulated Non-controlling interest	136.23	142.01

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	2316.46	1670.47
Net Profit/(Loss)	(28.83)	(13.62)
Other Comprehensive Income	(0.05)	(1.40)
Total Comprehensive Income	(28.88)	(15.02)
Total Comprehensive Income allocated to Non-controlling Interests	(5.78)	(3.00)

₹ in Crore (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Net Cash Inflow/(Outflow) from Operating Activities	498.40	(18.21)
Net Cash Inflow/(Outflow) from Investing Activities	(430.54)	122.98
Net Cash Inflow/(Outflow) from Financing Activities	(64.74)	(102.09)
Net Cash Inflow/(Outflow)	3.12	2.68

NOTE - 50 INTEREST IN ASSOCIATES

The summarised aggregate financial information of individually immaterial associates as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2019	As at 31.03.2018
Carrying Amount of Interests in Associates	69.70	70.12
Share in Profit / (Loss)	(5.72)	0.40
Share in Total Comprehensive Income	(1.50)	0.55

Notes to the consolidated financial statement

NOTE - 51 CONSOLIDATED NET ASSETS AND SHARE IN CONSOLIDATED PROFIT & LOSS

₹ in Crores (10 Million)

Sl. No	Name of the entity	Net Assets, (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A	Parent								
	JK Tyre & Industries Limited	57.68%	1317.93	115.12%	203.00	110.91%	(10.27)	115.34%	192.73
B	Subsidiaries								
(a)	Indian								
1	3DInnovations Pvt. Ltd.	0.03%	0.65	-0.08%	(0.14)	-	-	-0.08%	(0.14)
2	Cavendish Industries Limited	31.86%	727.96	-16.35%	(28.83)	0.54%	(0.05)	-17.29%	(28.88)
(b)	Foreign								
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.07%	1.55	-0.35%	(0.61)	-1.51%	0.14	-0.28%	(0.47)
3	J. K. Asia Pacific (S) Pte. Ltd.	0.04%	0.81	0.03%	0.06	0.11%	(0.01)	0.03%	0.05
4	Lankros Holdings Ltd.	0.10%	2.25	0.09%	0.15	-0.65%	0.06	0.13%	0.21
5	Sarvi Holdings Switzerland AG.	-0.02%	(0.57)	0.17%	0.30	2.70%	(0.25)	0.03%	0.05
6	JK Tornel S.A. de C.V. & its Subsidiaries	13.61%	310.82	1.34%	2.36	33.58%	(3.11)	-0.45%	(0.75)
6.1	JK Tornel S.A. de C.V. (JKTSA)	-6.76%	(154.42)	-21.67%	(38.21)	-	-	-22.87%	(38.21)
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	0.02	0.03%	0.06	-	-	0.04%	0.06
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.97%	44.92	-	-	-	-	-	-
6.4	Compañía Hulera Tornel, S.A. de C.V.*	15.11%	345.11	17.88%	31.53	42.44%	(3.93)	16.52%	27.60
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	3.43%	78.42	0.55%	0.97	-	-	0.58%	0.97
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.34%	7.69	0.89%	1.57	-	-	0.94%	1.57
6.7	Gintor Administración, S.A. de C.V.*	-0.65%	(14.85)	3.19%	5.62	-8.86%	0.82	3.85%	6.44
6.8	Hules y Procesos Tornel, S.A. de C.V.*	0.17%	3.93	0.47%	0.82	-	-	0.49%	0.82
	Less:- Non-controlling Interest @	-5.96%	(136.23)	3.27%	5.77	-0.11%	0.01	3.46%	5.78
C	Associates (Investment as per the equity method)								
	Indian								
1	Hari Shankar Singhania Elastomer & Tyre Research Institute §	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited (₹ 5930)	-	-	-	-	-	-	-	-
	Foreign								
1	Valiant Pacific LLC	2.59%	59.33	-3.08%	(5.43)	-45.57%	4.22	-0.72%	(1.21)
2	Western Tire Holdings, Inc.	0.00%	(0.11)	-0.16%	(0.29)	-	-	-0.17%	(0.29)
	TOTAL	100.00%	2284.40	100.00%	176.34	100.00%	(9.26)	100.00%	167.08

* Subsidiaries of JKTSA

@ Insignificant and immaterial Non-controlling Interest is not considered.

§ Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

Notes to the consolidated financial statement

NOTE - 52 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS-116, 'Leases' and relevant changes in other Accounting Standards as per notification issued by the Ministry of Corporate Affairs in 30th March, 2019 has been made applicable from Financial Year 2019-20 (i.e. 1st April, 2019 onwards) and will supersede Ind AS-17. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. The Standard establishes a single lessee accounting model and requires a lessee to recognize assets and liabilities for the rights and obligations created by leases. Currently, operating lease expenses are charged to the statement of Profit & loss. The Company has evaluated the requirements of Ind AS-116, which has no material impact.

NOTE - 53

Figures less than ₹50000 have been shown at actual in bracket.

NOTE - 54

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

NOTE - 55

Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

SANJEEV AGGARWAL

Chief Financial Officer

HARISH GUPTA

Partner

New Delhi, the 16th May, 2019

P. K. RUSTAGI

Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*

Bharat Hari Singhania *Managing Director*

Bakul Jain

Smt. Sunanda Singhania

Vimal Bhandari

Kalpataru Tripathy

Anshuman Singhania

Arun K. Bajoria

Directors

JK Tyre & Industries Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2019

₹ in Crores (10 Million)

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	270.46	106.81
Adjustment for:		
Depreciation and Amortisation Expense	315.67	299.46
Finance Costs	521.08	465.50
(Profit) / Loss on Sale of Property, Plant & Equipment	(48.38)	(102.21)
Deferred Government Grant	-	(3.46)
(Profit) / Loss on Sale of Investment	(0.29)	-
Fair Value Changes in Non-current Investments	(0.05)	(0.89)
Provision no longer required	(0.17)	(0.06)
Unrealised Foreign Exchange Fluctuation	83.09	(21.96)
Foreign Currency Translation gain / (loss) on Consolidation	(4.53)	0.97
Interest / Dividend Received	(33.35)	(35.21)
Allowance for Doubtful Debts / Advances and Bad debts written off	1.79	(3.71)
Operating Profit before Working Capital changes	1105.32	705.24
(Increase) / Decrease in Trade and Other Receivables	(150.62)	142.52
(Increase) / Decrease in Inventories	(240.89)	(124.74)
Increase / (Decrease) in Trade and Other Payables	163.91	(29.84)
Cash generated from Operations	877.72	693.18
Direct Taxes (net)	(80.91)	(55.74)
Net Cash from Operating Activities	796.81	637.44
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(564.42)	(744.76)
Sale of Property, Plant and Equipment	306.68	326.32
Movement in Loans & Advances	(8.60)	66.44
Purchase of Investments	-	(70.37)
Sale of Investment	1.06	0.12
Deposit Accounts with Banks	(24.60)	(3.41)
Interest Received	27.88	30.51
Dividend Received	0.72	0.67
Net Cash used in Investing activities	(261.28)	(394.48)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital (Net of Expenses)	197.71	-
Proceeds from Short-term Borrowings (Net)	29.39	52.95
Proceeds from Long-term Borrowings	1122.31	438.47
Repayment of Borrowings	(1310.54)	(367.76)
Finance Costs paid	(519.45)	(464.00)
Dividend paid (including Dividend Tax)	(41.01)	(68.25)
Net Cash used in Financing Activities	(521.59)	(408.59)
Net increase / (decrease) in Cash and Cash Equivalents	13.94	(165.63)
Cash and Cash Equivalents as at the beginning of the year	95.32	260.43
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	0.07	0.52
Cash and Cash Equivalents as at the end of the year	109.33	95.32

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

Notes:

₹ in Crores (10 Million)

Particulars	2018-19	2017-2018
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	71.56	61.63
- Balances with Banks	37.70	33.17
- Unrealised Translation gain / (loss) on Foreign Currency balances	0.07	0.52
Total	109.33	95.32

2. Non Cash Changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

Particulars	As At 31.03.2018	Cash Flows	Non- Cash Changes		As At 31.03.2019
			Foreign Exchange Movement	Others	
Short-term Borrowings	1862.20	29.39	12.73	(0.03)	1904.29
	(1805.74)	(52.95)	(3.51)	-	(1862.20)
Long-term Borrowings	3949.08	(188.23)	91.50	0.87	3853.22
	(3848.91)	(70.71)	(25.48)	(3.98)	(3949.08)
Total Liabilities from Financing Activities	5811.28	(158.84)	104.23	0.84	5757.51
Previous Year	(5654.65)	(123.66)	(28.99)	(3.98)	(5811.28)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 16th May, 2019

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria *Directors*

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

₹ in Crores (10 Million)

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of Shareholding
		3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	J. K. International Ltd.	N.A	Pound	90.5033	1.67	(1.67)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N.A	HKD \$	8.8466	1.77	0.84	4.48	4.48	1.07	-	(0.61)	-	(0.61)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A	SGD \$	51.2276	0.67	0.32	1.06	1.06	0.38	1.82	0.03	-	0.03	-	100.00
4	3D Innovations Pvt. Ltd.	N.A	INR	N.A	1.50	(0.85)	0.65	0.65	-	0.61	(0.28)	(0.03)	(0.25)	-	100.00
5	Cavendish Industries Ltd.	N.A	INR	N.A	50.00	631.16	3281.40	3281.40	-	2316.46	(44.30)	(15.47)	(28.83)	-	80.00
6	Lankros Holdings Ltd.	N.A	Euro	77.9084	33.47	43.71	77.29	77.29	74.97	0.23	0.14	-	0.14	-	100.00
7	Sarvi Holdings Switzerland AG.	N.A	CHF	69.7761	47.71	40.16	88.68	88.68	88.44	0.24	0.30	-	0.30	-	100.00
8	JK Tornel S.A. de C.V.	N.A	MXN PESO	3.5758	22.81	(149.83)	525.18	525.18	236.60	794.98	(38.59)	(0.79)	(37.80)	-	99.96
9	Comercializadora América Universal, S.A. de C.V.	N.A	MXN PESO	3.5758	0.01	3.34	3.55	3.55	-	0.13	0.12	0.06	0.06	-	99.96
10	Compañía Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	3.5758	0.36	37.51	61.05	61.05	-	5.80	0.38	0.38	-	-	99.96
11	Compañía Hulera Tornel, S.A. de C.V.	N.A	MXN PESO	3.5758	76.88	267.65	974.68	974.68	0.00	1221.24	35.07	6.71	28.36	-	99.96
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A	MXN PESO	3.5758	1.29	115.18	143.63	143.63	-	6.45	1.22	0.26	0.96	-	99.96
13	General de Inmuebles Industriales, S.A. de C.V.	N.A	MXN PESO	3.5758	0.04	33.05	41.56	41.56	-	3.43	1.79	0.23	1.56	-	99.96
14	Gintor Administración, S.A. de C.V.	N.A	MXN PESO	3.5758	0.01	25.98	47.45	47.45	-	45.27	8.40	2.89	5.51	-	99.96
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹ 1788)	N.A	MXN PESO	3.5758	*	10.03	12.68	12.68	-	1.72	1.05	0.24	0.81	-	99.96

Notes

1. Name of subsidiaries which are yet to commence operations - N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year - N.A.

PART "B": ASSOCIATES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

₹ in Crores (10 Million)

Sl. No.	Name of Associates	Valiant Pacific LLC	HASETRI	Dwarkesh Energy Ltd.	Western Tire Holdings, Inc.
1	Latest audited Balance Sheet Date	31.03.2019	31.03.2019	31.03.2019	31.03.2019*
2	Share of Associates held by the Company on the year end				
	No. of Shares	147	24	350000	400
	Amount of Investment in Associates	0.21	(₹ 2400)	0.35	(₹ 26204)
	Extent of Holding %	49.00%	24.00%	35.00%	40.00%
3	Description of how there is significant influence	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %
4	Reason why the Associate is not consolidated	N.A	HASTERI, an approved Scientific and Research Institute (a non-profit organisation) cannot be consolidated as the equity of the said Institute is not available for distribution.	N.A	N.A
5	Networth attributable to shareholding as per latest audited Balance Sheet	59.54	9.86 @	0.35	-
6	Profit / (Loss) for the year				
	Considered in Consolidation	(5.43)	-	(₹ 5930)	(0.29)
	Not Considered in Consolidation	(5.65)	(0.09)	(₹ 11013)	(0.44)

* Exempt from audit.

@Not Considered in Consolidation

1. Name of Associates which are yet to commence operations - N.A.
2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

HARISH GUPTA
Partner
New Delhi, the 16th May, 2019

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania *Chairman & Managing Director*
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Bakul Jain
Smt. Sunanda Singhania
Vimal Bhandari
Kalpataru Tripathy *Directors*
Anshuman Singhania
Arun K. Bajoria

THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019, AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive Directors: Shri Arvind Singh Mewar – 2.7, Shri Bakul Jain – 2.7, Smt. Sunanda Singhania – 2.7, Shri Kalpataru Tripathy – 2.7, Shri Vimal Bhandari – 2.7, Dr. Wolfgang Holzbach – 2.7 and Shri Shreekant Somany – 2.7.

Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 236.7; Shri Bharat Hari Singhania; Managing Director – 166.5; Shri Arun K. Bajoria, Director & President - International Operations – 110.4 and Shri Anshuman Singhania, Whole-time Director – 99.1.

(b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary in the financial year: During the financial year, remuneration of Dr. Raghupati Singhania, Chairman & Managing Director; Shri Bharat Hari Singhania, Managing Director; Shri Arun K. Bajoria, Director & President - International Operations and Shri Anshuman Singhania, Whole-time Director increased by 88.2%, 985.6%, 29.4% and 108.5% respectively. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy and Shri Shreekant Somany increased by 25.0%. Sh. Sanjeev Agarwal was appointed as Chief Financial Officer w.e.f 18.02.2019 in place of Sh. A.K. Kinra, being their respective remuneration were for part of the year, the same was not comparable. The remuneration of Shri P. K. Rustagi, Company Secretary increased by 10.0%.

(c) The percentage increase in the median remuneration of employees in the financial year: 7.8%

(d) The number of permanent employees on the rolls of the Company: 6,536

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During the financial year 2018-19, average increase in the salaries of employees other than the Managerial Personnel was 8.4%. However, during the same year, the remuneration for Managerial Personnel increased by 118.4%. Such increase was mainly attributable to increase in profits for the year by 374.4%, resulting in payment of higher commission.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

BRAND COMMUNICATION 2018-19

JK Tyre takes another leap towards technological excellence. Inaugurates global technology centre.

JK Tyre takes yet another step to drive innovation and growth with the inauguration of its new 3.0 Global Technology Centre of Excellence at Mysore. This concludes with the completion of 25 years of the Shriharishri Mysore. A 3.0 Research and Development (R&D) Centre, the first of its kind, established by JK Tyre in Mysore to the world. The Centre of Excellence brings under one roof everything - R&D, product development and product design into - "JK Tyre Tech Center". The centre is equipped with state-of-the-art facilities for product design, development and validation, and is managed by the best.

JK TYRE
CORPORATE

JK TYRE
TOTAL CONTROL

WE WORK HARD IN SILENCE. IT'S OUR SUCCESS THAT MAKES ALL THE NOISE.

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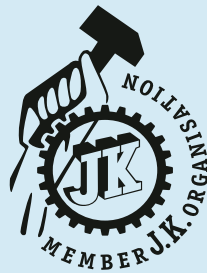
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