



JKTIL:SECTL:SE:AGM 2021

Date: 2<sup>nd</sup> August, 2021

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 and Annual Report 2020-21

Dear Sir, -

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2020-21 along with Notice of the 68<sup>th</sup> Annual General Meeting scheduled to be held on Friday, 27<sup>th</sup> August 2021 at 12:15 P.M. IST through Video Conferencing (VC)/Other Audio Visual Means(OAVM) which are being 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





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

## NOTICE

NOTICE is hereby given that the sixty-eighth Annual General Meeting of the Members of JK Tyre & Industries Ltd. will be held on Friday, 27<sup>th</sup> August 2021 at 12.15 P.M. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 and the Reports of the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Arun Kumar Bajoria 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 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof, re-appointment of Dr. Raghupati Singhania (Director Identification Number: 00036129) as Chairman & Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> October 2021, be and is hereby approved on the terms and remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Chairman & Managing Director for a period or periods not exceeding three years in the aggregate and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act and/or Regulation 17 of the Listing Regulations, as may be applicable.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Chairman & Managing Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

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 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any statutory modification(s) or re-enactment(s) thereof, appointment of Shri Anshuman Singhania (Director Identification Number: 02356566) as Managing Director of the Company for a period of five years with effect from 21<sup>st</sup> October 2020, be and is hereby approved on the terms and remuneration

as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Listing Regulations; and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Managing Director for a period or periods not exceeding three years in the aggregate and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act and/or Regulation 17 of the Listing Regulations, as may be applicable.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Managing Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

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 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act 2013 (Act) and rules thereunder or any statutory modification(s) or re-enactment(s) thereof, re-appointment of Shri Arun K. Bajoria (Director Identification Number: 00026540) as Whole-time Director with the designation 'Director & President- International Operations' of the Company for a period of three years with effect from 20<sup>th</sup> January 2022 be and is hereby approved on the terms and remuneration as set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof, which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); and in the event of inadequacy or absence of profits under Section 197 and all other applicable provisions of the Act in any financial year or years during the term of appointment, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period or periods not exceeding three years in the aggregate and the approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the Act and/or Regulation 17 of the Listing Regulations, as may be applicable.

RESOLVED FURTHER that the Chairman & Managing Director/ Managing Director of the Company be and are hereby severally authorized to vary and/or revise the remuneration of the said Whole-time Director within the overall limit approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 197 of the Companies Act, 2013 read with Schedule V thereto and the other relevant provisions, rules, regulations and guidelines

as may be applicable from time to time, approval of the Company be and is hereby accorded - for continuation of Shri Bharat Hari Singhania (age eighty three years), Director Identification Number: 00041156, as a non-executive Director with effect from 1<sup>st</sup> October 2021 and for payment of remuneration of ₹ 33.50 lakh per month to Shri Bharat Hari Singhania, (along with other remuneration as may be applicable to the directors of the Company who are neither managing directors nor whole-time directors) for a period of 3 years commencing 1<sup>st</sup> October 2021, and approval of the Company be and is hereby also accorded to the payment of remuneration as aforesaid, in case his remuneration exceeds fifty per cent of the total annual remuneration payable to all the non-executive directors of the Company taken together, during the period of three years commencing 1<sup>st</sup> October 2021 including the financial year ending 31<sup>st</sup> March 2022, and approval of the Company be and is hereby also further accorded to the payment of remuneration, which is over and above the limit of one percent of the net profits on the remuneration for all the directors who are neither managing directors nor whole-time directors and also over and above the limit, on total managerial remuneration, of eleven percent of the net profits specified in Section 197 of the said Act, in respect of any financial year.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof, be and is hereby authorised to do all such acts, deeds and things, as may be deemed necessary to give effect to this resolution and for the matters connected herewith or incidental hereto."

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

"RESOLVED that in supersession of the resolution passed by the Company at its Annual General Meeting held on 25<sup>th</sup> September 2014, consent of the Company be and is hereby accorded pursuant to the provisions of Section 181 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors to contribute in any financial year to *bona fide* charitable and other funds, sum or sums up to ₹ 25 Crore or 5% of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year."

9. 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 1<sup>st</sup> April 2021, be paid the remuneration of ₹ 2.50 Lakh (Rupees Two Lakh Fifty Thousand Only) per annum, 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 19<sup>th</sup> May 2021.

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."

10. 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 the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, in this regard including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, approval of the Members be and is hereby accorded, to the related party transaction(s), between the Company and Cavendish Industries Ltd., a subsidiary and a related party of the Company,

during the financial year 2021-22, entered or to be entered at arm's length and in the ordinary course of business of the Company with due approval of the Audit Committee of the Board of Directors of the Company, as may be required, aggregating up to ₹1,250 Crore, which exceeds 10% of the annual consolidated turnover of the Company for the financial year 2020-21.

RESOLVED FURTHER that the Key Managerial Personnel of the Company be and are hereby authorised jointly and/or severally to settle any difficulty that may arise and do all such acts, deeds and things as may be required in this connection."

Regd. Office:  
Jaykaygram, PO-Tyre Factory,  
Kankroli - 313 342(Rajasthan)  
Phone: 02952-233400/233000  
Fax: 02952-232018  
Email id: [investorjktyre@jkm.com](mailto:investorjktyre@jkm.com)  
CIN: L67120RJ1951PLC045966  
Website: [www.jktyre.com](http://www.jktyre.com)  
Date: 19<sup>th</sup> May, 2021

By Order of the Board

Pawan Kumar Rustagi  
Vice President (Legal)  
& Company Secretary

#### NOTES:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 13<sup>th</sup> January 2021 have permitted holding of Annual General Meeting (AGM) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") without physical presence of members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular dated 15<sup>th</sup> January 2021, the 68<sup>th</sup> AGM of the Members of the Company will be held through VC/OAVM. The venue of the AGM shall be deemed to be the Registered Office of the Company.

2. Pursuant to the said Circulars of MCA and SEBI, the facility for appointment of proxies by the members will not be available for the AGM. Accordingly, the Proxy Form and Attendance Slip are not annexed hereto.

However, in pursuance of Sections 112 and 113 of the Companies Act, 2013 (the Act), representatives of the members may be appointed for the purpose of voting through remote e-voting, for participation and voting in the AGM held through VC/OAVM Facility.

3. Statement pursuant to Section 102 of the Act, setting out the material facts concerning Item Nos. 4 to 10 of the Notice, is annexed hereto.
4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and also after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on first-come-first-served basis. The large Shareholders (i.e., Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., are allowed to attend the AGM without restriction on account of first-come-first-served principle.
6. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In compliance with the said MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note

that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.jktyre.com](http://www.jktyre.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The Notice of AGM is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)

8. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection electronically up to the date of AGM. The relevant Registers maintained under the Act and required to be placed at the AGM will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com).
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before, Thursday, 19<sup>th</sup> August, 2021 through email on [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com). The same will be replied by the Company suitably.
10. For receiving all communication (including Annual Report) from the Company electronically: a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com) or [ra@alankit.com](mailto:ra@alankit.com); b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 21<sup>st</sup> August to 27<sup>th</sup> August, 2021 (both days inclusive).
12. The dividend of ₹ 2/- per Equity Share of ₹ 2/- each (100%) as recommended by the Board of Directors, if declared at the AGM, is planned to be paid within two weeks of the date of the AGM to the Members whose names are borne on the Company's Register of Members on 27<sup>th</sup> August, 2021 or to their mandatees.
13. 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.
14. Pursuant to the requirement of the Income-tax Act, 1961, the Company will be required to withhold taxes as may be required, at the prescribed rates on the dividend paid to its shareholders.

The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

15. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS:

For brief resume of Shri Arun K. Bajoria, proposed to be re-appointed, please refer to the Statement under Section 102 of the Act annexed hereto, pertaining to the Item No. 6 of this Notice.

16. In compliance with the provisions of Section 108 of the Act read with relevant rules thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December 2020, the Company is pleased to provide to its members, facility to exercise their right to vote at the 68<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting services provided by CDSL. Further, the facility for voting through electronic voting system will also be made available at the AGM and members who have not already cast their vote by remote e-voting will be able to exercise their right to cast vote at the AGM.

**A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 24<sup>th</sup> August, 2021 from 10.00 A.M. and ends on 26<sup>th</sup> August, 2021 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., 20<sup>th</sup> August 2021 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 meeting date would not be entitled to vote at the Meeting.
- (iii) Pursuant to the said SEBI Circular dated 9<sup>th</sup> December 2020, under Regulation 44 of the Listing Regulations, all individual shareholders holding equity shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.
- (iv) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to the above said SEBI Circular dated 9<sup>th</sup> December 2020, login method for e-Voting and joining AGM for Individual shareholders holding securities in Demat Mode, is **given below:**

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing User Id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and select New System Myeasi.</li> <li>2) After successful login, the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-Voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider (ESPs) i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by the Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email id as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>

<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company Name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company Name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important Note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & Shareholders holding shares in physical form:**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders/Members” module.
- 3) Now enter your User ID:-
  - a. For CDSL: 16 digits Beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in physical form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.
- 6) If you are a first-time user, follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual shareholders and Shareholders holding shares in physical form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend 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. <ul style="list-style-type: none"> <li>• 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 (3).</li> </ul>

(vi) After entering these details appropriately, click on “SUBMIT” tab.

- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN relevant for 'JK Tyre & Industries Ltd.'
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the 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.
- (xvi) **Facility for Non-Individual Shareholders and Custodians – Remote e-voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address i.e., [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

**B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:**

- (i) The procedure for attending Meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-Voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops/ iPads for better experience.
- (v) Further, shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance i.e., on or before 19<sup>th</sup> August 2021 mentioning their name, demat account number/folio number, email id, mobile number at [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries prior to meeting i.e., on or before 19<sup>th</sup> August 2021 mentioning their name, demat account number/folio number, email id, mobile number at [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com). These queries will be replied to by the Company suitably by email.  
  
The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the Meeting is available only to the shareholders attending the Meeting.

**C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- (i) For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investorjkyre@jkm.com](mailto:investorjkyre@jkm.com) or [ra@alankit.com](mailto:ra@alankit.com).

- (ii) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorjkyre@jkmil.com](mailto:investorjkyre@jkmil.com) or [ra@alankit.com](mailto:ra@alankit.com).

**D. OTHER INSTRUCTIONS:**

- (i) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
- (ii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatal Mills Compound, N. M. Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
17. 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., 20<sup>th</sup> August 2021 may follow the same instructions as mentioned above for remote e-Voting.
18. 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 i.e., 20<sup>th</sup> August 2021 and a person who is not a member as on the cut-off date should treat the Notice for information purpose only.
19. 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 Ms. Pooja Mehta (Certificate of Practice No.-23099), 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 and they have communicated their willingness to be appointed and be available for the purpose of ascertaining the requisite majority.
20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, scrutinize the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting and submit, 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 not later than two working days of the conclusion of the Meeting.
21. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM and vote.
22. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.jktyre.com](http://www.jktyre.com) and on the website of CDSL ([www.evotingindia.com](http://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 of the Company.

**STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item no. 4**

The Board of Directors has re-appointed Dr. Raghupati Singhania, as Chairman & Managing Director of the Company for a tenure of five years w.e.f. 1<sup>st</sup> October 2021 on the terms and remuneration set out hereunder subject to the approval of the Shareholders and such other necessary approval(s), as may be required.

In terms of Schedule V to the Companies Act 2013, 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 institution appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators:

Particulars for the Financial Year ended 31 <sup>st</sup> March 2021	₹ in Crore
- Sales and Other Income	6,170.12
- Profit before Interest, Depreciation and Tax	886.61
- Profit Before Tax	395.56

- (5) Foreign investments or collaborations, if any: Not Applicable

**II. Information about the appointee:**

- (1) Background, Recognition or Awards details: Dr. Raghupati Singhania, age 74 years, holds a Bachelors' Degree in Science. He is an Industrialist with about 55 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) Ltd. 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 trades and industry bodies such as CII, ASSOCHAM and CAPAXIL in various capacities.

Dr. Raghupati Singhania, a promoter director, has been on the Board of the Company since 29<sup>th</sup> May 1967 and as Managing Director of the Company since 1975.

During this period, the Company started with annual capacity of 5 lac tyres in the year 1977, in the backward district in the State of Rajasthan. Since then the Company has been expanding and upgrading its manufacturing facilities, as detailed in para (3) hereunder.

With the expansions and new plants, JK Tyre has grown manifold over the years and today is one of the top 25 tyre companies in the world.

Dr. Raghupati Singhania has also been inducted into the "TIA Hall of Fame 2015" on 2<sup>nd</sup> 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.

During the FY 2018-19, H.E. the President of Mexico bestowed the Mexican Order of the Aztec Eagle on 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. The Mexican Order was personally presented to Dr. Raghupati Singhania by H.E. Melba Pria, Ambassador of Mexico to India. 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. He has been conferred with Lifetime Achievement Award 2019, by the Udaipur Chamber of Commerce and Industry (UCCI) for visionary leadership, determination, humanitarianism and exemplary community services undertaken in Rajasthan. He has been also conferred with Lifetime Achievement Award at Manufacturing Today India Conference & Awards 2019.

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 31<sup>st</sup> March 2021. Dr. Singhania holds 16,43,990 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) and JK Agri Genetics Ltd. (B) Unlisted Companies – He is Chairman of J.K. Fenner (India) Ltd., Cavendish Industries Ltd. and JKT&I Employees Welfare Association 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., Hari Shankar Singhania Elastomer and Tyre Research Institute, Pushpawati Singhania Hospital & Research Institute, Henry F. Cockill & Sons Ltd. and JK Tornel SA de CV.

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 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: The remuneration of Dr. Raghupati Singhania approved by the members of the Company at their Annual General Meeting held on 2<sup>nd</sup> September 2016 is as under:
- (A) Salary: ₹ 55.0 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.
- (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. Under his leadership, 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 been also taken for further enhancing the capacity in TBR and Tractor Rear Tyre at an estimated project cost of ₹ 675 Crore.</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 Crore in the year 1983 to ₹ 9,145 Crore for the year ended 31<sup>st</sup> March 2021, on consolidated basis.</p>	<p>The Profit Before Interest, Depreciation and Tax of the Company has gone up from ₹ 13 Crore in the year 1983 to ₹ 1,349 Crore for the year ended 31<sup>st</sup> March 2021, on consolidated basis.</p>

The Company besides setting up a greenfield manufacturing facility in the year 1991 at Banmore, in the State of M.P., acquired a large tyre manufacturing company (Vikrant Tyres) from Karnataka government in 1997 and thereafter also acquired another large tyre company in Mexico in 2008 and also set up yet another greenfield, the most modern world class all steel radial truck/bus tyre as well as passenger car tyre manufacturing plant, near Chennai in 2012. In the year 2016, the Company acquired Cavendish Industries Ltd. (CIL) from Kesoram Industries Ltd., which houses three tyre plants located in Laksar, Haridwar. Following the acquisition of CIL, the Company has further



consolidated its leadership position in the Truck and Bus Radial tyres, which represents a high growth segment. The acquisition also provided the Company an entry into the fast-growing two and three wheeler tyre segment. Post-acquisition, CIL has become a subsidiary with eighty six percent shareholding held by the Company along with a subsidiary and balance through associates/group companies. Under his guidance and leadership, CIL has recorded highest ever performance for the financial year 2020-21 with Net Revenue of ₹ 2571 Crore; EBIDTA of ₹ 398 Crore and PBT of ₹ 142 Crore with higher capacity utilization of 90% plus, despite widespread disruptions and lockdown owing to COVID-19 pandemic, particularly in the first quarter of the financial year.

Furthermore, the Company has taken up Research & Development activities and exports in a big way besides expansion/ debottlenecking at the new greenfield and existing multi location plants in the states of Rajasthan, Madhya Pradesh, Karnataka and Chennai.

Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company. It has therefore been considered desirable to re-appoint Dr. Raghupati Singhania as Chairman & Managing Director of the Company for a further period of five years commencing 1<sup>st</sup> October 2021.

- (4) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 19<sup>th</sup> May 2021 approved the terms of remuneration for the five years tenure of Dr. Raghupati Singhania as Chairman & Managing Director commencing 1<sup>st</sup> October 2021 as under:

- (A) Salary: ₹ 62.0 Lakh per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 50.0 Lakh per month to ₹ 90.0 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 may be applicable, 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 limits approved herein.
- (I) In the event of inadequacy or absence of profits under Sections 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, the Managing Director shall be entitled to such remuneration, 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 IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate, and the approval accorded herein shall also be deemed to be the approval as contemplated under Section 197(10) read with Schedule V of the said Act, as may be applicable.

The approval accorded herein shall also be deemed to be the approval as contemplated under Regulation 17(6)(e) of the Listing Regulations which specifies limits on promoter executive directors' remuneration.

- (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; financial position of the Company; past performance, past remuneration, profile and responsibilities of Dr. Raghupati Singhania, before approving the remuneration as proposed herein before.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Director, 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 up to 30<sup>th</sup> September, 2021, 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: At present, the Company is having adequate profits. However, the appointment is for a term of five years commencing 1<sup>st</sup> October 2021 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment.
- (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 and to minimize impact of COVID-19 pandemic on the operations of the Company, several steps have been taken by the Company, like - direct supply to the customers in coordination with the dealers, leveraging on digitization of sale activities and use of ecommerce platform, introduction of smart tyres, etc. The Company also further intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, greater emphasis on augmenting export sales and increasing penetration in the domestic replacement market, artificial intelligence based customer solutions, big-data analytics on customer response and behavior, focus on renewable energy, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. This has enabled the Company to achieve impressive growth during the financial year 2020-21 as detailed hereinbefore. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well, both on standalone and on consolidated basis.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The Resolutions are recommended to the shareholders by the Board for passing as Special Resolutions.

Except Dr. Raghupati Singhania, Shri Bharat Hari Singhania and Smt. Sunanda Singhania, Directors 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 Resolutions.

**Item no. 5**

The Board of Directors has appointed Shri Anshuman Singhania as Managing Director of the Company for a tenure of five years with effect from 21<sup>st</sup> October 2020 on the terms and remuneration set out hereunder subject to the approval of the shareholders and such other necessary approval(s), as may be required.

In terms of Schedule V to the Companies Act, 2013, 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 institution appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators:

Particulars for the Financial Year ended 31 <sup>st</sup> March 2021	₹ in Crores
- Sales and Other Income	6,170.12
- Profit before Interest, Depreciation and Tax	886.61
- Profit Before Tax	395.56

- (5) Foreign investments or collaborations, if any: Not Applicable

**II. Information about the appointee:**

- (1) Background, Recognition or Awards details:

Shri Anshuman Singhania, age 41 years, joined the Company as an executive on 1<sup>st</sup> January, 2007 and over the years has been deeply involved as an Executive, Vice President (Operations), Whole-time Director and as Dy. Managing Director in the areas of strategic planning, manufacturing & technology, product development, expansion (organic and inorganic), quality control, technology services, business process re-engineering, corporate governance, risk management, alignment of HR practices with Company's vision, exports, marketing and sales including brand positioning, new age social media and digital marketing, costing and budget, IT services including latest tools of data analytics, etc.

Shri Anshuman Singhania is a promoter director and is an Industrialist with about 16 years experience. He has been on the Board of the Company since 16<sup>th</sup> March 2016. Shri Anshuman Singhania has taken some of the transformative initiatives which include – supply chain management, sales force effectiveness, plant automation, IT, ERP & SAP implementation, cost reduction initiatives, closely working on implementing key reforms initiatives, closely involved with the R&D and product development centre team, etc.

Shri Anshuman Singhania is a graduate BBA (Hons. Business & Management Degree) and also holds a post Graduate Diploma from International Management Institute, New Delhi. He has undergone training with Standard Chartered Bank-UK; Free Markets- Singapore; Ernst & Young-Delhi where he was engaged in their Management Consultancy Division. He is also an alumni of London Business School and has done Emerging Leaders Programme from London Business School in the year 2011.

Shri Singhania attended all the four board meetings of the Company held during the financial year ended 31<sup>st</sup> March 2021. Shri Singhania holds 2,44,875 Equity Shares of ₹ 2/- each of the Company.

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 Hari Shankar Singhania Elastomer

and Tyre Research Institute. 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.

- (2) Past Remuneration:

A. Salary: ₹ 20.0 Lakh per month in the salary range of ₹ 8.0 Lakh to ₹ 20.0 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).

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. The remuneration in any financial year may exceed 5% of the net profits of the Company, subject to the overall limits for all managerial persons specified in Section 197(1) read with other relevant provisions of the said Act.

- (3) Job Profile and his suitability: Shri Anshuman 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 deeply involved in the areas of strategic planning, manufacturing & technology, product development, expansion (organic and inorganic), quality control, technology services, business process re-engineering, corporate governance, risk management, alignment of HR practices with Company's vision, exports, marketing and sales including brand positioning, new age social media and digital marketing, costing and budget, IT services including latest tools of data analytics, etc.

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 greenfield and existing multi-location plants in the States of Rajasthan, Madhya Pradesh, Karnataka and Chennai. 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, responsibilities of the managerial personnel have increased substantially with the growth of the Company.

- (4) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 21<sup>st</sup> October 2020 approved the terms of remuneration for the five years tenure of Shri Anshuman Singhania as Managing Director, commencing 21<sup>st</sup> October 2020 as under:
- (A) Salary: ₹ 35.0 Lakh per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 30.0 Lakh per month to ₹ 60.0 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, Superannuation Fund or Annuity Fund as may be applicable, 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 limits approved herein.
  - (I) In the event of inadequacy or absence of profits under Sections 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, the Managing Director shall be entitled to such remuneration, 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 IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate, and the approval accorded herein shall also be deemed to be the approval as contemplated under Section 197(10) read with Schedule V of the said Act, as may be applicable.

The approval accorded herein shall also be deemed to be the approval as contemplated under Regulation 17(6)(e) of the Listing Regulations which specifies limits on promoter executive directors' remuneration.

- (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; financial position of the Company; past performance, past remuneration, profile and responsibilities of Shri Anshuman Singhania, before approving the remuneration as proposed herein before.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Directors, if any: Besides the remuneration proposed, Shri Anshuman Singhania, does not have any pecuniary relationship with the Company. Shri Anshuman Singhania is not related to any other Director or any other Key Managerial Personnel of the Company.

### III. Other Information:

- (1) Reasons of inadequate profits: At present, the Company is having adequate profits. However, the appointment is for a term of five years commencing 21<sup>st</sup> October 2020 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment.
- (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 and to minimize impact of COVID-19 pandemic on the operations of the Company, several steps have been taken by the Company, like - direct supply to the customers in coordination with the dealers, leveraging on digitization of sale activities and use of ecommerce platform, introduction of smart tyres, etc. The Company also further intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, greater emphasis on augmenting export sales and increasing penetration in the domestic replacement market, artificial intelligence based customer solutions, big-data analytics on customer response and behavior, focus on renewable energy, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. This has enabled the Company to achieve impressive growth during the financial year 2020-21 as detailed hereinbefore. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well, both on standalone and on consolidated basis.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The Resolutions are recommended to the shareholders by the Board for passing as Special Resolutions.

Except Shri Anshuman Singhania 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 is concerned or interested, financially or otherwise, in the aforesaid Resolutions.

### Item no. 6

The Board of Directors has re-appointed 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 20<sup>th</sup> January 2022 on the terms and remuneration set out hereunder subject to the approval of shareholders and such other necessary approvals, as may be required.

In terms of Schedule V to the Companies Act 2013, 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:

Particulars for the Financial Year ended 31 <sup>st</sup> March 2021	₹ in Crores
- Sales and Other Income	6,170.12
- Profit before Interest, Depreciation and Tax	886.61
- Profit Before Tax	395.56

5. Foreign investments or collaborations, if any: Not Applicable.

**II. Information about the appointee:**

- (1) Background, Recognition or awards details: Shri Arun K. Bajoria, age seventy six 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 20<sup>th</sup> 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 54 years (including 32 years with Birla Group).

Shri Bajoria attended all the four Board Meetings of the Company held during the financial year ended 31<sup>st</sup> March 2021. 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, S.A. De C.V., all of which are Mexico based wholly-owned subsidiaries of the Company and are part of leading tyre manufacturing company of Mexico. He is 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: The remuneration of Shri Arun K. Bajoria approved by the members of the Company at their Annual General Meeting held on 22<sup>nd</sup> August 2018 is as under:

- A. Salary: ₹12.50 Lakh per month in the salary range of ₹ 8.0 Lakh to ₹ 17.0 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.

Shri Arun K. Bajoria is also Whole-time Director of Cavendish Industries Ltd. (CIL). In terms of Section V of Part II of Schedule V to the Companies Act, Shri Bajoria is entitled to and may draw remuneration from the Company or CIL or both the companies, provided that his aggregate remuneration drawn from both the companies shall not exceed the remuneration as may be determined in the Company from time to time, pursuant to his terms of appointment.

- (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. It has therefore been considered desirable to continue with the services of Shri Arun K. Bajoria as Whole-time Director with the designation "Director & President – International Operations" of the Company for a period of three years commencing from 20<sup>th</sup> January 2022.

- (4) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 19<sup>th</sup> May 2021 approved terms of remuneration for the three years tenure of Shri Arun K. Bajoria commencing 20<sup>th</sup> January 2022 as under:

- A. Salary: ₹12.50 Lakh per month in the salary range of ₹10.0 Lakh to ₹20.0 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 may be applicable, 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 limits approved herein.
- I. In the event of inadequacy or absence of profits under Sections 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, the Whole-time Director shall be entitled to such remuneration, 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 IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate, and the approval accorded herein shall also be deemed to be the approval as contemplated under Section 197(10) read with Schedule V of the said Act.

Shri Arun K. Bajoria is also Whole-time Director of Cavendish Industries Ltd. (CIL). In terms of Section V of Part II of Schedule V to the Companies Act, Shri Bajoria is entitled to and may draw remuneration from the Company or CIL or both the companies, provided that his aggregate remuneration drawn from both the companies shall not exceed the remuneration as may be determined in the Company from time to time, pursuant to his terms of appointment.

- (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; financial position of the Company; past performance, past remuneration, profile and responsibilities of Shri Arun K. Bajoria, before approving the remuneration as proposed herein before.

- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Director, 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. Shri Bajoria is not related to any other Director or any other Key Managerial Personnel of the Company.

### III. Other Information:

- Reasons of inadequate profits: At present, the Company is having adequate profits. However, the appointment is for a term of three years commencing 20<sup>th</sup> January 2022 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and the Listing Regulations, may be exceeded during the term of appointment.
- 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 and to minimize impact of COVID-19 pandemic on the operations of the Company, several steps have been taken by the Company, like - direct supply to the customers in coordination with the dealers, leveraging on digitization of sale activities and use of ecommerce platform, introduction of smart tyres, etc. The Company also further intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, greater emphasis on augmenting export sales and increasing penetration in the domestic replacement market, artificial intelligence based customer solutions, big-data analytics on customer response and behavior, focus on renewable energy, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. This has enabled the Company to achieve impressive growth during the financial year 2020-21 as detailed hereinbefore. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well, both on standalone and on consolidated basis.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The Resolutions are recommended to the shareholders by the Board for passing as Special Resolutions.

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 is concerned or interested, financially or otherwise, in the aforesaid resolution.

### Item no. 7

Shri Bharat Hari Singhania was re-appointed as a Managing Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> October 2016 with requisite approvals of the Board and the shareholders. Accordingly, his present term of office as a Managing Director shall determine on 30<sup>th</sup> September 2021. Shri Bharat Hari Singhania has expressed his desire not to seek re-appointment as a Managing Director for a fresh term w.e.f. 1<sup>st</sup> October 2021. He shall therefore cease to be a Managing Director of the Company from the close of business hours on 30<sup>th</sup> September 2021 and will continue as a non-executive director of the Company with effect from 1<sup>st</sup> October, 2021. He has, however, agreed to be available to the Company and management and provide services for which he will receive remuneration, the relevant details

of which in terms of Schedule V to the Companies Act, 2013 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 institution appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators:

Particulars for the Financial Year ended 31 <sup>st</sup> March 2021	₹ in Crores
- Sales and Other Income	6,170.12
- Profit before Interest, Depreciation and Tax	886.61
- Profit Before Tax	395.56

- (5) Foreign investments or collaborations, if any: Not Applicable

**II. Information about the appointee:**

- (1) Background, Recognition or Awards details: Shri Bharat Hari Singhania joined the Board of the Company in the year 1987 as a promoter director and has been Managing Director of the Company since 1994. He is an industrialist with over 60 years of experience. Presently, he is also President of J.K. Organisation. Considering his vast experience and deep knowledge in the areas of sustainable & long-term financial structuring, policy planning, corporate governance practices, strategy and other long-term developmental activities; it is considered that his availability to the Company will be in the overall interest of the Company and its stakeholders, since the Company and management will derive the benefits seamlessly by leveraging on his vast experience and deep understanding and knowledge.

Shri Singhania attended all the four board meetings of the Company held during the financial year ended 31<sup>st</sup> March 2021. Shri Singhania holds 10,94,723 Equity Shares of ₹ 2/- each of the Company. Shri Singhania is Commerce graduate.

His other Directorships are - (A) Listed Companies - He is Chairman of JK Paper Ltd., JK Agri Genetics Ltd., Bengal & Assam Company Ltd. and Chairman & Managing Director of JK Lakshmi Cement Ltd. (B) Unlisted Companies – Dhanlakshmi Building Development Private Ltd., BH Singhania Trading Private Ltd., Rockwood Properties Private Ltd., Tanvi Commercial Private Ltd., Hari Shankar Singhania Holdings Private Ltd., HSS Stock Holding Private Ltd., Pushpawati Singhania Hospital & Research Institute and Henry F. Cockill & Sons Ltd. Shri Bharat Hari Singhania is a member of Stakeholders' Relationship Committee of JK Lakshmi Cement Ltd. (Chairmanship/ Membership of Shri Singhania in 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: As mentioned above, Shri Bharat Hari Singhania has been a Managing Director of the Company and his current five years tenure will determine on 30<sup>th</sup> September, 2021. His remuneration from the Company for the financial year ended 31<sup>st</sup> March 2021 - ₹ 11.24 Crore, under the heads of salary, perquisites, profit linked commission and retirement benefits like contribution to provident fund.

Shri Bharat Hari Singhania is also Chairman & Managing Director of JK Lakshmi Cement Limited (JKLC). His present term of five years as Managing Director will determine on 30<sup>th</sup> September, 2021. In terms of Section V of Part II of Schedule V to the Companies Act 2013, Shri Bharat Hari Singhania is entitled to draw remuneration from the Company or JKLC or both the companies, provided that the total remuneration drawn from the companies does not exceed higher maximum limit admissible from any one of the said companies.

- (3) Job Profile and his suitability: In order to stay competitive and also to further consolidate its leadership position in various

segments of automotive tyres in which the Company operates, it is considered necessary that the Company keep pursuing its quest for growth, both organically and inorganically. Continuous growth also adds long term shareholders value and also helps in retaining talent, sustainability of business, etc. This will require support of the promoter group, long-term financial resources as well as strategic inputs and advice. Furthermore, given the unique business dynamics and the need for smooth transition of responsibilities, it is felt that guidance and mentorship of Shri Bharat Hari Singhania, a promoter director, is required for some more time. It may be noted that the Company was having four Executive Directors for over two decades. With Shri Singhania not seeking re-appointment, as mentioned above, the Company for the time being will have only three Executive Directors w.e.f. 1<sup>st</sup> October 2021, although the size, complexities of business and responsibilities have increased manifold.

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 greenfield and existing multi-location plants in the States of Rajasthan, Madhya Pradesh, Karnataka and Chennai. 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, responsibilities of the managerial personnel have increased substantially with the growth of the Company. Shri Bharat Hari Singhania's continued guidance and strategic inputs will help in maintaining alignment with the Company's future and current progress.

- (4) Remuneration proposed: The remuneration is specified in the Special Resolution. In the event of inadequacy or absence of profits under Section 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years, Shri Bharat Hari Singhania shall be entitled to such remuneration for his services, as minimum remuneration for a period or periods aggregating to not more than three years. His remuneration shall not be included in the computation of the limits on remuneration specified in Section 197 of the said Act. The approval accorded herein shall also be deemed to be the approval by way of special resolution as contemplated under Section 197(10) read with Schedule V of the said Act and Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: 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 prevalent in the industry and other companies, industry benchmarks and practices in general, past remuneration and past performance, profile of Shri Bharat Hari Singhania, financial position of the Company, interest of the Company and other stakeholders, before approving the remuneration.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other Director, if any: Other than the remuneration as specified in the Special Resolution, Shri Bharat Hari Singhania does not have any pecuniary relationship with the Company. Shri Bharat Hari Singhania is related to Dr. Raghupati Singhania, Chairman & Managing Director. Except this, Shri Bharat Hari Singhania is not related to any other Director and Key Managerial Personnel of the Company.

**III. Other Information:**

- (1) Reasons of inadequate profits: At present, the Company is having adequate profits. However, the arrangement is for a term of three years commencing 1<sup>st</sup> October 2021 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013

and the Listing Regulations, if any, may be exceeded.

- (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 and to minimize impact of COVID-19 pandemic on the operations of the Company, several steps have been taken by the Company, like - direct supply to the customers in coordination with the dealers, leveraging on digitization of sale activities and use of ecommerce platform, introduction of smart tyres, etc. The Company also further intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, greater emphasis on augmenting export sales and increasing penetration in the domestic replacement market, artificial intelligence based on customer solutions, big-data analytics on customer response and behavior, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. This has enabled the Company to achieve impressive growth during the financial year 2020-21 as detailed hereinbefore. With the expected upswing in the economy and several steps taken by the Government for revival of demand, the Company is poised to sustain the growth momentum in the coming years as well, both on standalone and on consolidated basis.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The Resolution is recommended to the shareholders by the Board for passing as Special Resolution as required under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Bharat Hari Singhania is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013.

Except Shri Bharat Hari Singhania, Dr. Raghupati Singhania, Chairman & Managing 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 Resolutions.

#### Item no. 8

As per Section 181 of the Companies Act 2013, the Board may contribute to *bona fide* charitable and other funds, in any financial year, up to 5% of its average net profits for the three immediately preceding financial years. Contribution to such funds in any financial year can exceed 5% of the average net profits for the three immediately preceding financial years, with prior permission of the Company in general meeting.

Accordingly, the members of the Company at their Annual General Meeting held on 25<sup>th</sup> September 2014 authorized the Board to contribute to *bona fide* charitable and other funds, sum or sums up to ₹ 10 Crores or 5% of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year.

From time to time, the Company is required to contribute to various national, charitable, social, benevolent, research institutes, educational institutes and other funds/institutions/hospitals/ trusts/entities, foundations, etc. for the larger benefit of the society, sustainability, environment, technology, health sector, etc.

In view of the above, it is for consideration to seek authorisation of the members of the Company to the Board of Directors to contribute to *bona fide* charitable and other funds, sum or sums up to ₹ 25 Crore or 5% of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year.

The Board recommends the aforesaid resolution for 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.

#### Item no. 9

The Board at its meeting held on 19<sup>th</sup> May 2021, 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 1<sup>st</sup> April 2021 at a remuneration of ₹ 2,50,000/- (Rupees Two Lakh and Fifty Thousand Only), in addition to applicable taxes, etc.

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.

#### Item no. 10

The Company acquired Cavendish Industries Ltd. (CIL) in the financial year 2016-17 and as on date it holds 86.41% equity shares directly and through its wholly owned subsidiary.

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Since CIL, a subsidiary and a related party, manufactures automotive tyres under its own brand name as well as in the brand name of the Company, it is estimated that during the financial year 2021-22, the Company will enter into transactions with CIL aggregating to ₹ 1,250 Crore, exceeding the threshold limit of 10% of the Company's consolidated annual turnover for the financial year ended 31<sup>st</sup> March 2021. Accordingly, the transactions will be deemed to be material related party transactions, as aforesaid. The transactions with CIL will be at arm's length and in the ordinary course of business of the Company. Therefore, the transactions will be outside the ambit of Section 188 of the Companies Act, 2013.

The transactions with CIL as aforesaid - which will mainly be in the nature of purchase of tyres, sale/purchase of raw material as well as other miscellaneous items, availment/rendering of services, etc.- will enable the Company to leverage on economies of scale and will optimize on other operational costs. The transactions are therefore considered to be in the interest of the Company and aimed at enhancing the operational efficiencies and the shareholder's value. The proposed transactions will be with due approval of the Audit Committee of Directors of the Company.

It is therefore considered desirable to obtain approval of the shareholders for the related party transactions entered/to be entered with CIL, pursuant to Regulation 23 of the said Listing Regulations.

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: 02952-233400/233000  
Fax: 02952-232018  
Email id: [investorjkyre@jkmil.com](mailto:investorjkyre@jkmil.com)  
CIN: L67120RJ1951PLC045966  
Website: [www.jkyre.com](http://www.jkyre.com)  
Date: 19<sup>th</sup> May 2021

By Order of the Board

Pawan Kumar Rustagi  
Vice President (Legal)  
& Company Secretary

## FOR ATTENTION OF THE SHAREHOLDERS

1. As per SEBI directions, the securities of the listed entities can be transferred only in dematerialized form from 1<sup>st</sup> 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](http://www.jktyre.com).
2. **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.

### 3. 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 31.3.2014 • 50% Dividend	28 <sup>th</sup> September 2021
➤ Financial Year ended 31.3.2015 • 75% Dividend	24 <sup>th</sup> September 2022
➤ Financial Year ended 31.3.2016 • 125% Dividend	5 <sup>th</sup> September 2023

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](http://www.iepf.gov.in).

4. **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 respective Depository Participants (for shares held in demat mode).





# TRANSFORMING

Building a smart company



Annual Report 2020-21

### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

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## TRANSFORMING

At JK Tyre, we are transforming across every area of our personality.

We are emerging more as a technology company that manufactures tyres as opposed to a tyre company that uses technology as one of its inputs.

We are accelerating our digital transformation into an agile market-driven Company.

**The bottomline: We are building a leaner, smarter and more responsive JK Tyre.**

# Board of Directors



**Dr. Raghupati Singhania**  
Chairman &  
Managing Director



**Bharat Hari Singhania**  
Managing Director



**Vimal Bhandari**  
Director



**Bakul Jain**  
Director



**Anshuman Singhania**  
Managing Director



**Meera Shankar**  
Director

**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 & Company  
Chartered Accountants



**Kalpataru Tripathy**  
Director



**Arvind Singh Mewar**  
Director



**Sunanda Singhania**  
Director



**Shreekant Somany**  
Director



**Dr. Wolfgang Holzbach**  
Director



**Arun K. Bajoria**  
Director & President –  
International Operations

**VICE PRESIDENT (LEGAL)  
& COMPANY SECRETARY**  
Pawan Kumar Rustagi

CIN: L67120RJ1951PLC045966

Website: [www.jktyre.com](http://www.jktyre.com)

# Our management team



VK Misra  
Technical Director

Dr. R Mukhopadhyay  
Director- R&D

A.K Kinra  
Financial Advisor

Anil Makkar  
Manufacturing Director

Srinivasu Allaphan  
Director- Sales and  
Marketing



Sanjeev Aggarwal  
Chief Financial Officer

Bharat Aggarwal  
Head- International  
Trade

Sanjiv Saxena  
Senior VP – Corporate  
Accounts

Ashish Pandey  
Vice-President,  
Materials

Pravin Chaudhari  
Executive Director  
-JK Tornel Mexico





Part one

# JK Tyre. Personality and performance



#### Corporate snapshot

JK Tyre entered the tyre manufacturing sector more than 45 years ago.

**Initiatives:** Constantly worked on evolving market needs. Launched innovative products. Created new categories. Widened choice. Enhanced the customer's price-value proposition.

**Immediate results:** Deepened competitiveness. Strengthened returns. Enhanced market share.

**Long-term outcomes:** Transformed across economic cycles. Responded to trade patterns. Rode technology changes. Kept a pulse on changing consumer preferences.

The Company continues to transform with passion, conviction and speed – to build on its position as one of India's most trusted tyre brands.

# Vision: To be amongst the most trusted companies with a global tyre brand

## Mission



## 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.



## Group pedigree

Headquartered in India, the JK Organisation is an eminent manufacturing Group that enjoys a heritage of more than 125 years. Employing more than 40,000 employees, the Group has multi-business, multi-product and multi-

location operations with a footprint in more than 100 countries across six continents. The JK Group products enjoy significant market shares in their respective segments of presence on the back of trusted brands, cutting-edge technologies and futuristic Research & Development institutions

that promote knowledge-driven innovation.

## Leadership

JK Tyre is one of India's leading tyre manufacturers and is among 25 largest tyre manufacturers in the world. The Company is respected as one of the

world's 'greenest' tyre companies, reflected in its declining low carbon footprint, low raw water consumption, declining green-house gas emissions and moderated power consumption per unit of production.

## Products

The Company is engaged in the manufacture and marketing of automotive tyres, tubes and flaps. The Company's tyre products comprise Truck/Bus Radial & Bias, Passenger car radials, 2/3-wheeler tyres, LCV & SCV Bias & Radial, Off-Highway Tyres (OTR and Farm) as well as speciality tyres for Racing, Military/Defence, Industrial and Farm applications.

## Competitive advantage

JK Tyre's manufacturing operations comprise 12 state-of-the-art manufacturing facilities. The Company manufactures products out of nine modern plants in India (three plants in Mysuru, three plants in Laksar and one plant each in Banmore, Kankroli and Chennai) and three plants in Mexico – an aggregate production capacity of ~32 million tyres per annum .

## Pioneer

JK Tyre pioneered the launch of the radial technology in India in the

Seventies. Across the subsequent decades, the Company has helped grow India's radial market through cutting-edge technologies, innovation and consistent new product introduction.

## JK Tyre...

Offers tyres across the entire range of Two-wheeler, Passenger and Commercial vehicles as well as Off the highway and speciality tyres

Is a preferred brand in India's Truck Bus Radial (TBR) segment.

Was the first in India to market more than 20 million TBR tyres

Comprises a nationwide distribution network

Established a state-of-the-art centralised Global R&D and Technology Centre at Mysuru named as Raghupati Singhania Centre of Excellence.

## Was the first in India to launch Smart Tyres

First and only tyre manufacturer in India to be recognised as a Superbrand in 2021 for the eighth consecutive time.

## Distribution

The Company markets products pan-India through a network of 6000+ channel partners, including 500+ dedicated brand shops known as Steel Wheels, Xpress Wheels and Truck Wheels, providing complete solutions to customers. JK Tyre's fleet management team provides complete tyre solutions to 1000+ large fleet operators.

## Environment-friendly

All of JK Tyre's plants are ISO 140001-certified for environment responsibility. Over the years, the Company undertook several 'green' initiatives to moderate its carbon footprint. JK Tyre is now certified for Zero Waste to Landfill and Single Use Plastic Free.

## Enduring partnerships

The Company has established enduring relationships with major automotive Original Equipment Manufacturers.

## Credit rating

The Company's credit rating for long-term facilities was upgraded to A (Outlook – Stable), and for short-term facilities was upgraded to A1 in FY 2020-21.

## Awards, FY 2020-21

- Recognised as an Iconic Brand of India 2020 by *The Economic Times*.
- Recognised as a Superbrand 2021 for the eighth time in a row
- Awarded the Gold Award for Innovation in Digital Marketing for its Smart Tyre campaign at the 9th Global Customer Engagement Awards 2020
- Recognised as a Trusted Brand 2020 by *Reader's Digest*
- Recognised as one of the most preferred brands 2020 by *India Today*
- Won Silver Award for the

marketing campaign of the year (Shukriya India) at the 9th ACEF Asian Leaders Forum and Awards.

- Conferred Digital Campaign of the Year by World Digital Marketing Congress at the Global Digital Marketing Awards for the 'Zindagi Ke Pahiye' campaign.
- Conferred the Gold award at DIGIXX2021 Awards for Digital Marketing Excellence in the Automotive Category for the 'Zindagi ke Pahiye' campaign.
- Awarded the Excellent Energy Efficiency Unit for the JK Tyre plant, Chennai

▪ Received the National Water Award for the JK Tyre plant, Kankroli

- Prestigious Sword of Honour Award from British Safety Council, UK
- CTP received CII National Energy Award for Excellence in Energy Management 2020 for the fifth consecutive year and National Energy Leader Award for the second consecutive time.
- KTP Plant was awarded in 14th CII National Awards for Excellence in Water Management – 2020 as the winner in the 'Within the Fence' category.

# This is how we have been transforming across the decades

**1976**

First tyre plant commissioned in Kankroli, Rajasthan

**1991**

Second tyre plant commissioned in Banmore, Madhya Pradesh

**1997**

Acquired Vikrant Tyres Ltd., Mysuru

**1999**

Launched all-steel truck radial tyres in Mysuru

**2008**

Acquired Tornel plant in Mexico

**2010**

Commissioned a new OTR plant in Mysuru

**2012**

Commissioned a greenfield plant in Chennai

**2013-14**

Engaged in a major brownfield expansion in Chennai

**2016**

Acquired Cavendish Industries Limited

**2019-20**

Became the first Indian manufacturer to launch the 'Smart Tyre'  
Introduced and launched the Fuel Saver technology tyres for trucks  
Rolled out the 20 millionth TBR tyre

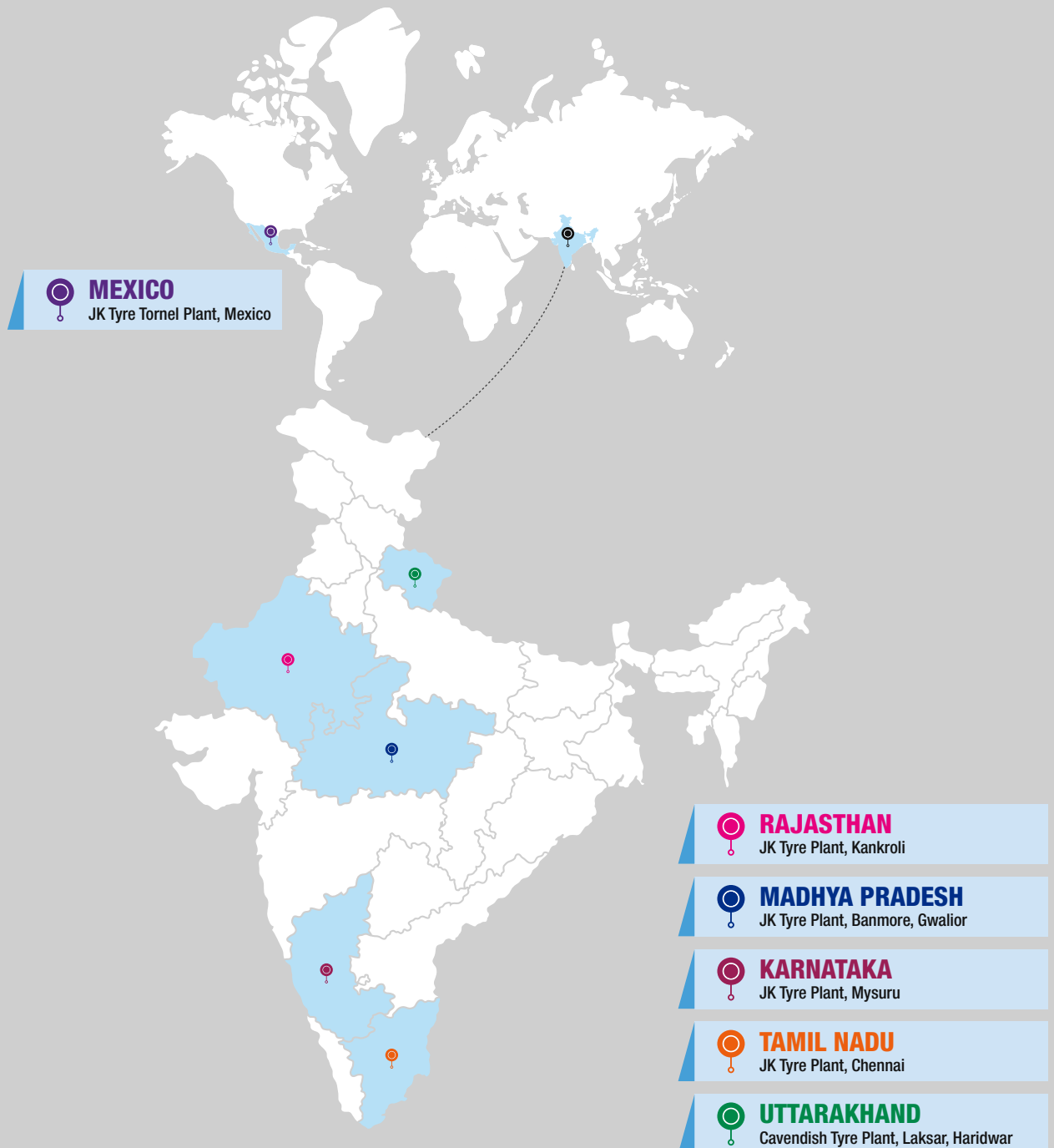
**2020-21**

Repaid substantial debt  
Emerging 'greener' company (zero waste to landfill and single use plastic-free)  
Activated digital transformation across functions  
Widened the 'smart tyre' range

Widened its distribution footprint  
Transformed the warranty claims process via digitalisation  
Emerging as the largest Indian commercial tyre exporter to the US

# JK Tyre's manufacturing presence

Spread across two continents. Making it possible to service the growing needs of more than 110 countries.



# JK Tyre. Driven by its core value of 'Caring for People'

## The battle against COVID-19

The FY 2020 -21 was a tumultuous roller-coaster year that commenced with the onset of the COVID-19 pandemic and ended with the resurgence of the pandemic, disrupting the world.

## The onset

In March 2020, it was evident that the COVID-19 pandemic would be unleashed on the world, with India being no exception. At JK Tyre, we began preparing for the pandemic in advance. This ensured operational readiness when the lockdown was implemented. Wide ranging measures were initiated that started with the safety of employees, manufacturing facilities, sales offices and securing business operations. Our digital capability was enhanced to ensure that communication did not suffer; soon we were operating 'virtual' offices that engaged external and internal stakeholders. As the economy gradually revived, JK Tyre was prepared to leverage business opportunities.

## Wave 1

At JK Tyre it is never just about business. Many steps were taken to respond to the pandemic-induced challenges, which included socio-economic disruption. Some major initiatives comprised:

- Assistance to migrant workers by way of cooked meals, food and hygiene products
- Support to local district health departments by providing

ambulances, safety materials, masks, soaps and gloves to sanitary workers in municipal corporations.

- Along with group companies pledged ₹100 million to the PM CARES Fund in the fight against COVID-19.
- Doing business with safety, sustaining deep sanitisation measures across all plants and offices.

- Developed a 'Total Control' hand sanitiser in record time in accordance with the best industry standards to overcome a national shortage of sanitisers, made available to the entire distribution network of 140 offices and 3000 channel partners
- Adherence to local administration guidelines on office timings.

## Wave 2

The onset of the second COVID-19 pandemic materialised in a more virulent form, creating unseen challenges. The spike in cases created an overwhelming pressure on the health infrastructure and came at a time when India's vaccination program was at a nascent stage. This called for an immediate response and JK Tyre rose to the occasion by not only reinforcing its ongoing measures

and supporting society but actively supplementing the Government's efforts.

### Community care

- All our plants are embedded in the eco-system of proximate villages and communities. Varied support was extended, ranging from ambulance services, awareness drives about COVID prevention and management

among local communities, covering 200 villages & 25,000 rural population. JK Tyre educated villagers about the pandemic through public address systems, door-to-door visits, banners, posters and fumigation drives in more villages around its manufacturing facilities

- More than 100 health camps were organised, benefitting over 10,000 individuals

- Created isolation and Covid-care facilities comprising oxygen beds on a war footing in Madhya Pradesh, Rajasthan, Tamil Nadu, Karnataka and Uttarakhand.
- An oxygen plant was donated to a local district hospital. Medical/ Covid care equipment like oxygen concentrators, oxygen cylinders, pulse oxymeters, medicines, thermal scanners and medical consumables were purchased and distributed to local hospitals across various locations,
- Sanitisation equipment (30,000 sanitiser bottles, 10 lakh masks, medicine packets, PPE kits) was arranged for local public health centres, municipal corporations, offices and railways at most plant locations, befitting more than 50,000 people.

#### JK Tyre employee care

The safety and welfare of our employees was of paramount importance. 'Mission Critical' was initiated to ensure 100% vaccination for employees and their families. Till date, around 100% of the workforce (>45 years) of JK Tyre has been vaccinated. The vaccination of employees of 18-44 years was arranged at dedicated camps in partnership with government and private hospitals including the PSRI Hospital. We shall be covering 100% employees in a short span of time.

Location-specific COVID 2.0 task teams were formed to manage the welfare of employees. A 24x7 helpdesk was created to help employees access information about all their needs like COVID tests, doctor consultation, availability of medicines and hospital beds etc. Adopting a preventive approach, over 5000 employees at plant locations underwent COVID-19

and health checks. Keeping safety needs in mind, the Work From Home protocol was implemented. These protocols were implemented in India and at JK Tornel in Mexico.

However, in the event of the unfortunate demise of an employee JK CARES (Covid Assistance Relief & Support) program was established to care for the families, providing financial support, continuance of health insurance and support for children's education.

**Stakeholder care:** More than 20 webinars on Covid care, mental wellness and yoga pranayam for business partners, suppliers and employees, etc. were conducted by national and international experts, including those from PSRI. The importance of the timely transportation of COVID-19 vaccines is well-known. JK Tyre supported the programme by collaborating with a leading transportation fleet, equipped with specialised temperature-controlled vehicles for seamless and safe vaccines transportation.

More than 100 health camps were organised, benefiting around 10,000 truckers, transporters and general public. To achieve 100% vaccination for our esteemed channel partners, the company bore the cost of their vaccination, including that of their spouse.

#### 200- bedded multi- speciality hospital including ICU facility committed to Covid care

The Pushpawati Singhania Hospital & Research Institute, a multi speciality hospital in New Delhi co-promoted by JK Tyre, was converted into a dedicated Covid care facility. This enabled the addition of over 160

beds, including ICU beds and oxygen beds for Covid care to the health infrastructure in the Delhi NCR region. As per government protocols, mild cases were treated under home isolation through a dedicated online medical consultation process. The setting up of an oxygen generation plant was also supported.

“With the philosophy of survive, revive and thrive, we travelled on the road to transformation.”

**Dr Raghupati Singhania,**  
Chairman and Managing Director



# Our focus on continuous transformation resulted in attractive outperformance in FY 2020-21



## Operational highlights, FY 2020-21

- Revenue segmentation: Truck / Bus 56%, Passenger Line Radial 23%, 2/3-wheeler 5% and Others 16%
- Rolled out its 20 millionth TBR tyre ever, the first tyre company in India to cross this milestone
- Developed new products across categories, which enhanced sales
- Reported a reduction in debt by ₹929 crores (consolidated)
- Accelerated the offtake of 'Smart' Tyres



## Financial highlights, FY 2020-21

- Reported a consolidated turnover of ₹9145 crores
- Delivered an EBIDTA margin of 14.8% (11.6% in the previous year) despite the global economic slowdown
- Achieved a revenue of ₹1135 crores in JK Tornel
- Invested 1.41% of net sales (standalone) in Research & Development
- Achieved revenues of ₹2571 crores in Cavendish Industries Ltd.

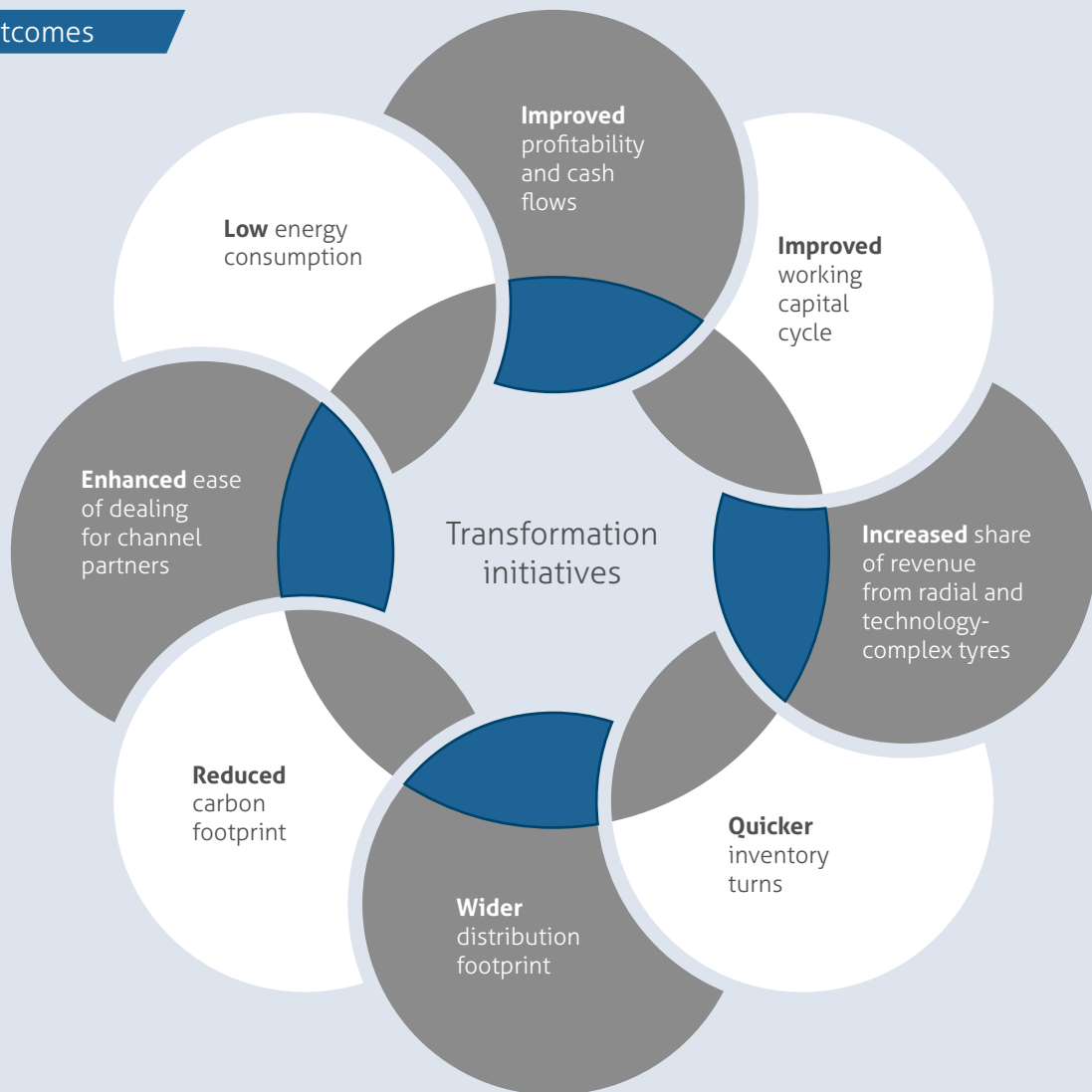


## Efficiency highlights, FY 2020-21

- 55% power requirements were met through captive renewable sources
- Extensive improvements were achieved in manufacturing efficiencies across plants in India

# This is the consolidated FY 2020-21 report card of our multi-year transformation agenda

## Outcomes



# The ability to proactively transform has resulted in some of the most respected global automotive brand names trusting the JK Tyre brand

## Passenger car customers

Maruti Suzuki

Hyundai

Tata Motors

Mahindra

Force Motors

Kia Motors India

## India / Mexico

Nissan

Honda

## Truck customers

Tata Motors

Ashok Leyland

Bharat Benz –  
Daimler India

Mahindra Trucks and  
Buses

Force

Volvo

Scania

Volvo Eicher

JBM

## Mexico

Nissan



### Tractor customers

Mahindra

Tractors and Farm Equipment Limited

Escorts Group

Swaraj

Sonalika International

Captain

Eicher

Indo Farm

### India / Mexico

Case New Holland

John Deere

### OTR customers

BEML

Bobcat

ACE

L&T Corporation

Schwing Stetter

Tata Hitachi

SANY

JCB

Escorts

Bull Machines Pvt Ltd.

EIMCO Elecon India Limited

Terex India

Fine Equipments

TIL

### 2-wheeler customers

Hero Moto Corp

Bajaj Auto

TVS Motor Co.

### 2-wheeler electric vehicle customers

VV AUTO

Bengling India

Sawhney Impex

Cossbike Private Ltd.

Electrotherm India Ltd.

Jitendra EV Autotech

From the desk of the  
Chairman & Managing Director



# It is with resilience we transform

*Dear Shareowners,*

The year under review has been unprecedented and perhaps the most challenging of our lives. The year 2020-21 evokes feelings of anguish and courage, the former at the immense socio-economic disruption and human tragedy and the latter at the fortitude of humanity at large, which collectively withstood a myriad of challenges. We salute the lakhs of people involved in the healthcare and public services, who served society and the country with unflinching dedication, often undergoing severe hardship.

Perhaps it was the first time in the history of JK Tyre that all operations had to be completely suspended, as also those of our stakeholders, including vendors or channel partners.

This adverse situation brought out the best in Team JK Tyre and the one factor that stood out was the team's resilience. With the philosophy of 'survive, revive and thrive' we travelled on the path of transformation. First & foremost, the safety of all employees was ensured. Well-strategised plans, including the creation of virtual offices which were put in place, enabled us to resume and ramp up operations smoothly as soon as the economy started reopening. We proudly stood shoulder-to-shoulder with our partners, further strengthening our relationships. Organisational agility and adaptability were key elements that helped us ride the storm.

Every facet of our operations was completely transformed and the result on record was among the best in the company's history in a year which effectively comprised just 10 working months. Higher efficiencies in production, cost control, superior working capital management, a lighter Balance Sheet, innovative marketing and emphasis on value-added products and services resulted in a quantum jump in profitability.

In synergy with our green ethos, the premium 'Smart Tyre' range with embedded technology which is safer and more environment-friendly, was enlarged during the year.

Our Global R&D and Technology Centre 'The Raghupati Singhania Centre of Excellence', which houses HASETRI & The Tech Centre, continued to work on sustainable green

technologies and the development of tyres for e-vehicles. The ability to proactively transform while leveraging predictive performance analysis and simulation has enabled us to partner leading global automotive brands established in India.

I am happy to share that JK Tyre continues to be a 'Green' company. It is the global benchmark for the lowest raw water use per kg of tyre produced. In fact, we are one of the lowest three in the world on energy consumption in the tyre industry. The use of renewables in our power mix increased to 55% during FY 2020-21, increasing annually. These efforts helped us in reducing carbon emissions intensity by 53% in the past few years. Moreover, JK Tyre is now certified to be as 'Zero Waste to Landfill' as well as 'Single Use Plastic Free'.

Brand building was taken to higher levels with an emphasis on the digital mode. In spite of the challenges, as pioneers of motorsport in India, we successfully concluded, while observing abundant safety measures, a shortened 2020 season of National Racing, Karting Rally Championships in the second half of the year under review.

The Company's export performance continued on its growth trajectory with an expanded international footprint. There was a continued thrust on technologically advanced products suited for the targeted markets, enabling profitable growth in exports during the FY 2020-21 despite intense competition from low cost brands. Demand and preference for JK Tyre brand truck and passenger radials grew across markets including demanding geographies like Europe and North America.

Brand building was taken to higher levels with more emphasis on digital mode. In spite of the challenges as pioneers of motorsport in India we successfully concluded and with abundant safety measures, a shortened 2020 season of National Racing, Karting & Rally Championships in the second half of the year under review.



JK Tyre Plant, Chennai

The transformation of operations at Cavendish Industries Limited contributed significantly to the overall operational results with consistent growth in revenue, high capacity utilisation and efficiency improvements.

There has been a continuous emphasis on Health, Safety & Environment and JK Tyre holds the distinction of being the first tyre company in India to be awarded the prestigious Sword Of Honour from British Safety Council for all its plants in India across locations.

It has always been our endeavour to be a socially responsible corporate and during this challenging year, we have not only been able to sustain

our ongoing CSR programs but during the COVID-19 pandemic, we were able to reach out to communities, migrants, mitigating the problems of the less privileged. JK Tyre is proud to have supported the efforts of the Government in every aspect and at all levels to combat the pandemic.

In the coming times, we expect economic revival and growth. Rising commodity prices and the potential turbulence of the pandemic though remain a cause of concern.

I am extremely proud of the JK Tyre family that has collectively stood together, sustained and turned around our business. I am sanguine that the company will continue to transform –

with greater passion, conviction, speed and build on its position as one of India's most trusted tyre brands.

We will not rest on our laurels but endeavour to deliver greater value to our stakeholders in the years ahead.

STAY SAFE.

**Dr Raghupati Singhania,**  
Chairman and Managing Director





From the Managing Director's desk

# @ Transformation

*Dear Shareowners,*

Greetings!

It is my privilege to communicate with you on this prestigious platform .

As we all know, it has been a demanding year under review that had to be adeptly managed. Unless we proactively transformed, it would have been difficult for us to overcome the challenges that came our way.

The whole country had come to a standstill in the April-June quarter of 2020, resulting in a drastic contraction of the economy, which was without precedence. Our first priority was to safeguard our employees and simultaneously our operations. Starting with the creation of virtual offices, we transformed the way we worked. This ensured a high level of connect, internally at all levels and externally with all stakeholders. The hitherto less used concept of Work from Home became the new normal. In anticipation of the lockdown, the well thought-out thrust and investment on IT infrastructure and digital technologies, coupled with micro-contingency planning, proved to be effective.

Well-calibrated plans, which were executed with a granular approach, enabled us to resume operations in a graded manner. Our diverse manufacturing locations and vast network of sales offices across geographies had to initially operate in difficult and varied circumstances, while adhering to safety and regulatory guidelines. A cross-functional collaborative approach was adopted, which facilitated the quick execution of decisions. Passionate team work and an overall positive approach characterised Team JK Tyre.

Following economic revival, we were poised to leverage the emerging opportunities and our business grew progressively.



We are happy to share that during FY 2020-21, we were able to record robust revenue growth. Improved operational efficiencies and strict cost control led to increasing operational profitability. Robust cash accruals, coupled with close working capital management, led to a significant reduction in debt. The capacity utilisation across all our plants exceeded 90% during the second half of the financial year.

Various measures were initiated to enhance capabilities in our manufacturing facilities, including IOT for complete traceability. It is a matter of pride that our plants have been well recognised and certified after stringent audits in the areas of energy conservation, water management and environmental protection and safety. As a 'green' company, we remain committed to comprehensive business sustainability.

In a highly competitive environment, cutting-edge technology and R&D has enabled us to consistently deliver best-in-class products across categories and market segments. It has always been our endeavour to exceed the rising expectations of our consumers, including the stringent standards set by our prestigious OEM partners. To reinforce our superior brand positioning, the focus is to increase the range of premium products in the market. The industry-first concept of 'green' and safe 'Smart Tyres' is the way of the future and gained consumer acceptance and traction in the past year.



A key element of our strategy was to do business with safety. We extensively leveraged digital technology to amplify our outreach to supply chain and channel partners, customers as well as our teams. This transformation of our business processes, in the evolving business scenario, substantially facilitated the ease of doing business across a vast network of channel partners, more so at remote locations.

Digitalised customer solutions played an important role in sustaining and improving customer service levels despite the restricted operations. The digital claims process, based on AI and Machine Learning, implemented in the year under review addressed 95% of the warranty claims, majorly in non-truck tyre categories. We were able to achieve a benchmark turnaround time for claims settlement to as low as 30 minutes.

Our marketing communication was also transformed by leveraging various social media platforms, leading to industry-best levels of viewership. JK Tyre continues to be a leading brand, enjoying a high consumer recall and was accorded numerous brand accolades during the year.



The work under various facets of our Corporate Social Responsibility continued unabated. Our Core Value, 'Caring for People', extended not only to our employees but to an extended community in the vicinity of our locations as well as associates and stakeholders. Enhanced employee engagement yielded fruitful results and JK Tyre was recognised as a

'Great Place to Work.'

The pandemic during 2020-21 brought in challenges which came unexpectedly in the form of waves impacting our supply chain, commodity prices and other economic factors. We are prepared to face these uncertainties in partnership with our stakeholders; we collectively emerged stronger over the past year.

We embarked on the journey of transformation and closed the year with a strong performance, leading us to a sense of optimism and confidence that we will attain greater heights in the year ahead.

With best wishes

**Anshuman Singhania**  
Managing Director



Part two

# JK Tyre. The agenda of transformation



At JK Tyre, we  
are transforming  
proactively  
to address a  
convergence of  
unprecedented  
trends and realities

## Consumer realities



1

**Need for personal mobility:** In a post-pandemic world, there is a growing need for personal mobility modes

**Need for enhanced safety:** There is a growing consumer need for enhanced vehicle safety, drawn from a better standard of components (including tyres)

**Stronger automobiles:** There is a greater focus on engine strength and transmission technologies that generate superior vehicle power

**Tyres for every need:** The days of 'one tyre type fits all' application in a vehicle are over; tyres need to be developed for specific terrains and applications

**How we responded at JK Tyre**  
We invested in a full-fledged tyre technology research institution dedicated to the manufacture of tyres that endure better, consume less fuel / raw materials, provide a better ride experience and are customised around diverse terrains within India and across the world

## Technology realities



2

**Electric vehicles:** Electric vehicles represent the future, warranting the development of customised tyres

**Product as a service:** The concept of selling kilometres, not tyres, is an increasing reality

**Digital technology disruption:** The convergence of cutting-edge technologies and their industrial applications represent a disruptively new frontier

**How we responded at JK Tyre**  
We worked towards developing technologically advanced tyres that represent the future; we provide the product as a complete solution; we leverage the latest manufacturing technologies to enhance our capacity utilisation

## General realities



3

**ESG priority:** There is a greater respect for a comprehensive ESG compliance, the cornerstone by which all tyre manufacturers are now being appraised

**Social media:** The marketing of tyres and brand building have moved from the print media to the social media

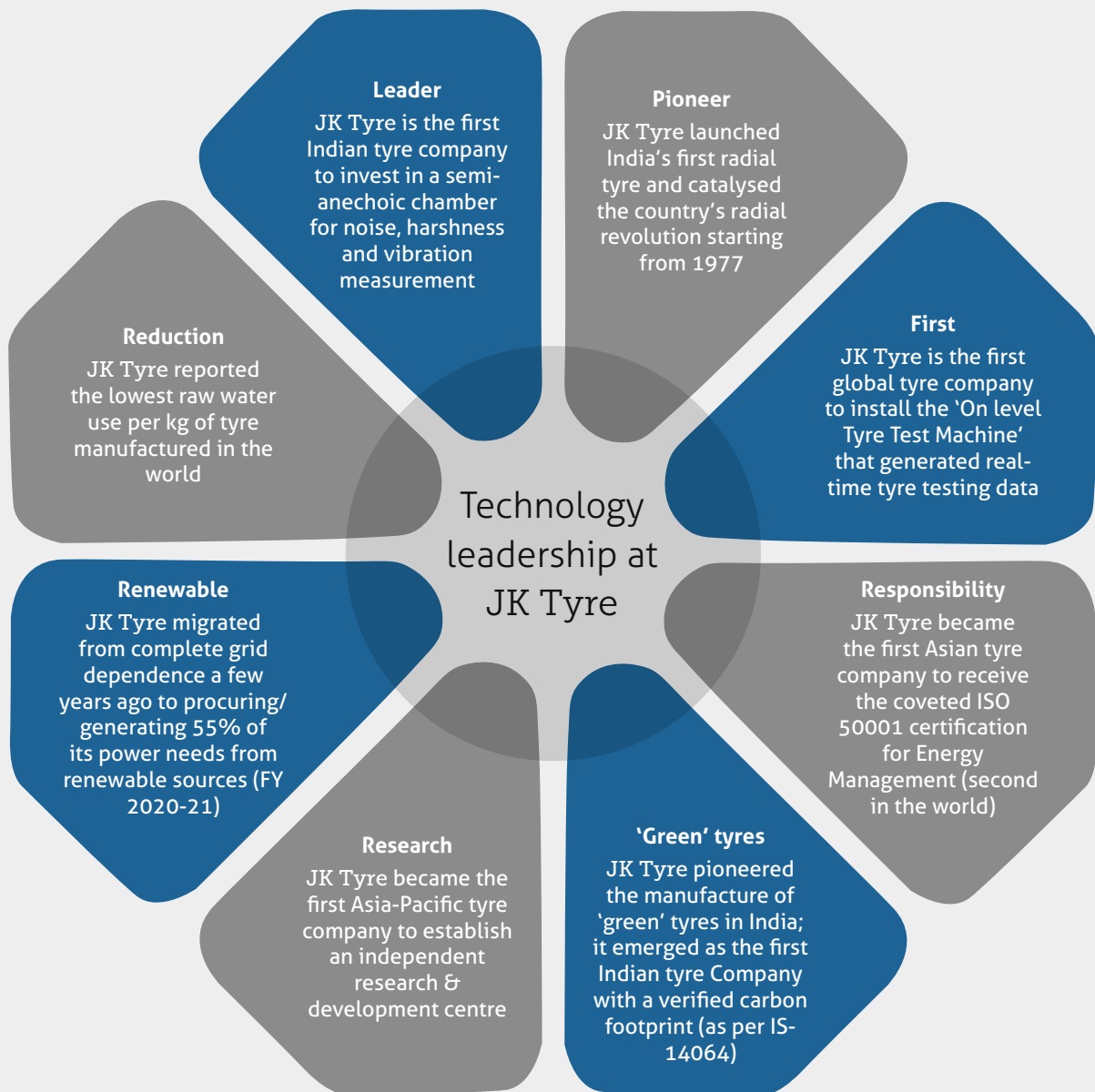
**Road infrastructure growth:** India is passing through a phase of unprecedented road/highway construction that should increase the use of vehicles and tyres.

**Solutions:** There is a growing preference for personal mobility solutions

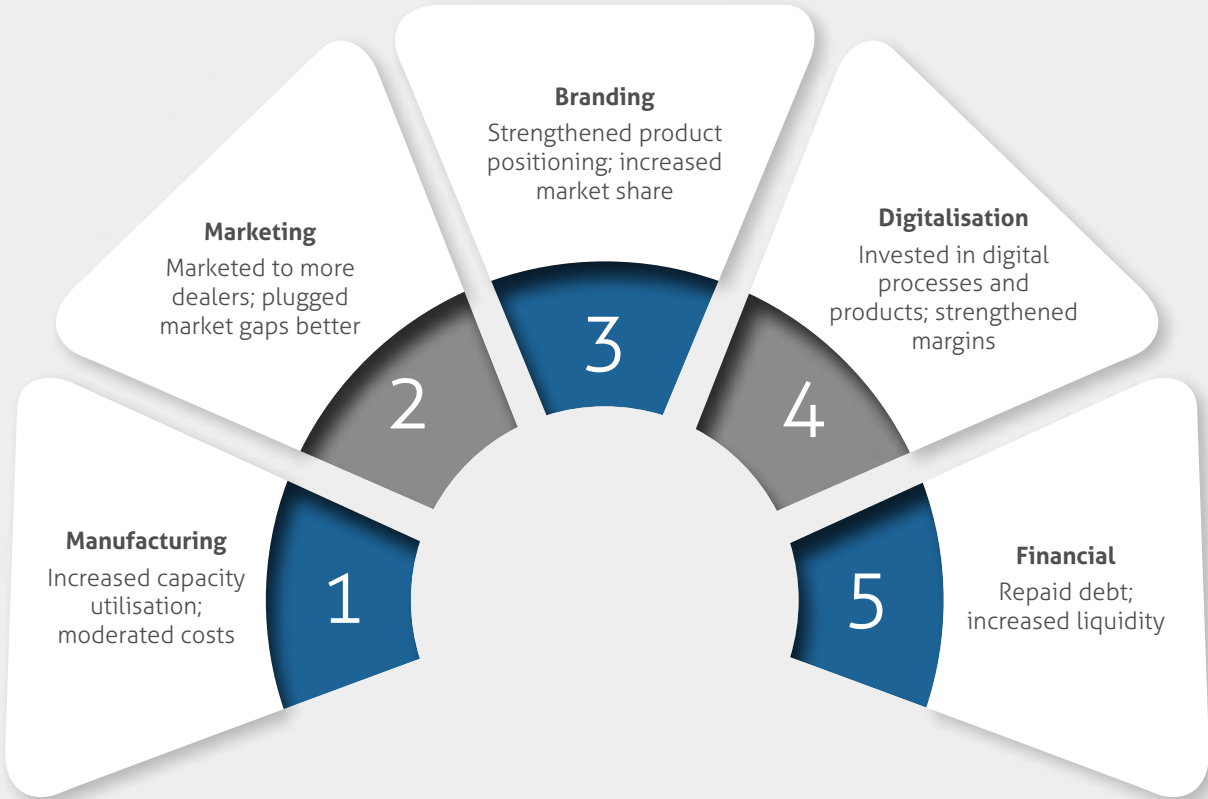
**How we responded at JK Tyre**  
We invested extensively in moderating our carbon footprint (emerging as a global benchmark in select areas), strengthening our visibility on the social media, energising our brand, investing proactively in capacity expansion and widening our range as per customer needs that makes us future-ready in one of the fastest growing economies of the world.



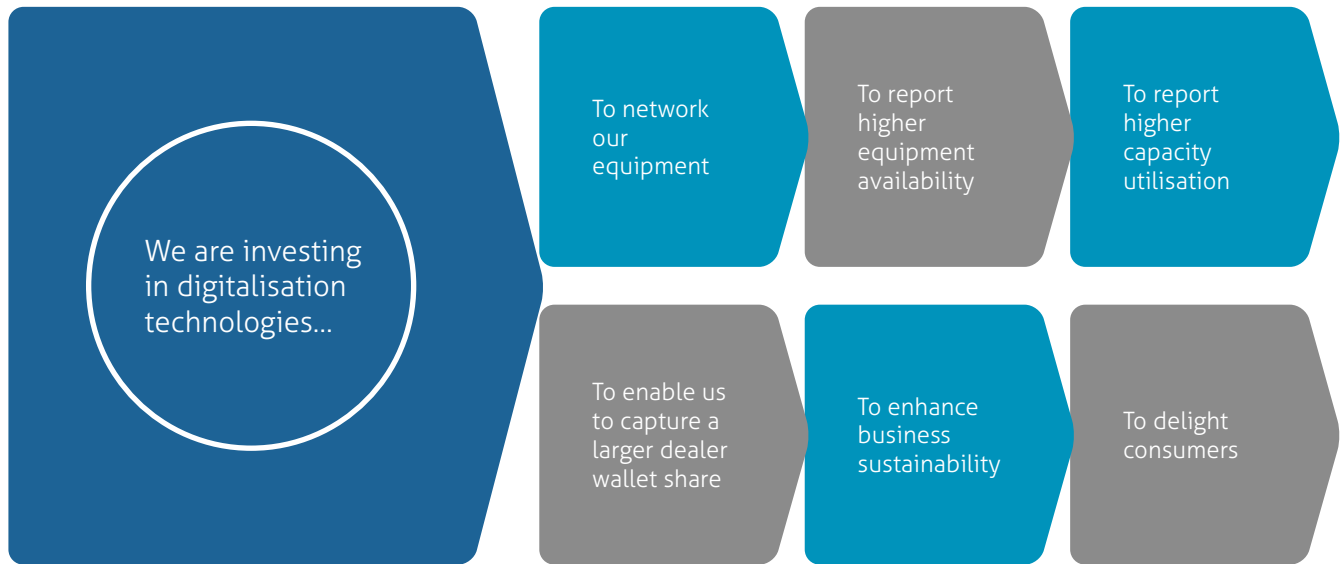
# We transformed around an enduring core to enhance our energy, excitement and leadership

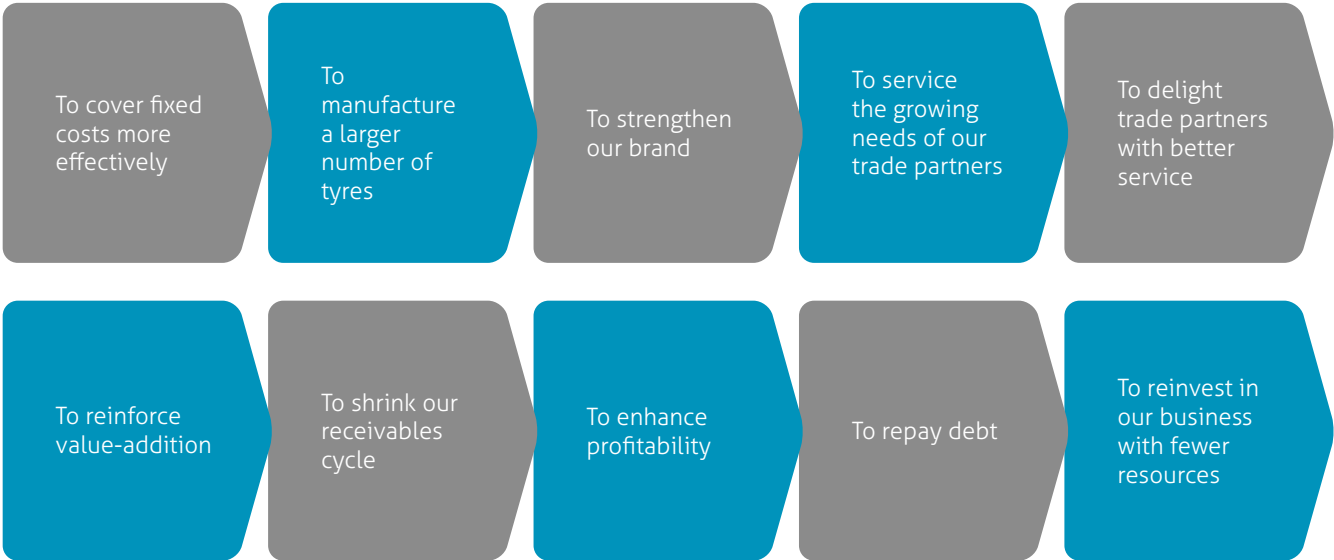


# We transformed with speed across various fronts



# How we are transforming...





# 10

## Ten ways JK Tyre is transforming its business to enhance shareholder value

<p>Repositioning the JK Tyre brand</p> <p>1</p>	<p>Increasing dealers pan-India</p> <p>2</p>	<p>Attacking costs everywhere</p> <p>3</p>	<p>Enhancing primary customer delight</p> <p>4</p>	<p>Premiumising our portfolio</p> <p>5</p>
<ul style="list-style-type: none"><li>▪ Repositioned around the 'next generation tyre'</li><li>▪ Validated by superior mileage, lower maintenance and IoT</li><li>▪ Low rolling resistance products leading to lower fuel consumption</li><li>▪ Sustained by future-looking investments</li></ul>	<ul style="list-style-type: none"><li>▪ Substantially widened the dealer footprint</li><li>▪ Expanded its Brand Shop network</li><li>▪ Plugged market gaps; addressed demand upturns</li><li>▪ Enhanced wallet share per dealer</li></ul>	<ul style="list-style-type: none"><li>▪ Moderated overheads</li><li>▪ Created a leaner structure</li><li>▪ Success sustained across market cycles</li></ul>	<ul style="list-style-type: none"><li>▪ Enhanced speed of trade partner accounts settlement</li><li>▪ Enhanced trade partner policy stability</li><li>▪ Enhanced trade partner working capital efficiency</li></ul>	<ul style="list-style-type: none"><li>▪ Increased the portfolio's proportion of 'next generation tyres'</li><li>▪ Best-in-class products</li><li>▪ Enhanced value for consumers</li><li>▪ Strengthened margins arising out of a more profitable portfolio</li></ul>



JK Tyre Tornel Plant, Mexico

<p>Improved capital efficiency</p> <p>6</p>	<p>Repaying sizable debt</p> <p>7</p>	<p>Sweating our facilities better</p> <p>8</p>	<p>Creating a digitalised company</p> <p>9</p>	<p>Deepened our ESG culture</p> <p>10</p>
<ul style="list-style-type: none"> <li>▪ Mutually beneficial terms with all partners</li> <li>▪ Released cash locked in the system</li> <li>▪ Shrunk the working capital cycle</li> </ul>	<ul style="list-style-type: none"> <li>▪ Repaid a large debt quantum</li> <li>▪ Progressively right-sized the Balance Sheet</li> <li>▪ Better working capital management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Higher capacity utilisation</li> <li>▪ Reduced manufacturing costs</li> <li>▪ Higher operating efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Extended the power of digitalisation across operations</li> <li>▪ Reported improvements in manufacturing, productisation, promotions and working capital management</li> <li>▪ Enhanced organisational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invested in 'green' technologies</li> <li>▪ Moderated costs (fuel, resources, people, water, renewable energy and power)</li> <li>▪ Moderated the carbon footprint (product and process)</li> </ul>



At JK Tyre,  
we are  
transforming with  
speed to create  
a sustainable  
culture

We focused on enhancing product value

We selected to make products 'smart' and connected to the internet

We embarked on strengthening our business in anticipation of the pandemic-induced lockdown

We made business-strengthening investments that enhanced profitability

We transformed the 2020 slowdown into a business-strengthening 'opportunity'

We transformed with vigour to tackle the unforeseen and uncertain





**TMSI**

**NVH  
MACHINE**

Part three

# JK Tyre. The catalysts of our transformation journey



Environment-social-governance (ESG)

# We have transformed to make ESG central to our existence

## Overview

There is a priority the world over for companies to conduct themselves like responsible corporate citizens. This increased priority is the result of unforeseen developments of global significance transforming global economic realities overnight. This is putting a premium on resilience and responsible governance. There is also a conviction that a deep governance culture enhances corporate stability, increases counter-cyclical and lays the foundation for the creation of long-term stakeholder value.

At JK Tyre, a culture of environment-social-governance (ESG) represents the heart of our business. We believe that this commitment is critical, considering that we manufacture a product that consumes water, natural resources, fossil fuels and electricity in large volumes, any moderation in which can create significant upsides.

## Social



Our social component addresses a proactive investment in talent, relationships (customer and vendors) and social responsibility.

**Employees:** At JK Tyre, we invested in a culture of excellence, marked by resource productivity, continuous cost competitiveness, timely talent investments (recruitment, retention and training) and safety.

**Customers and vendors:** The Company grew its stable eco-system of vendors (who provided

capital equipment and spares) and primary customers (trade partners). The Company derived a large proportion of revenues from primary customers of ten years or more.

**Community:** The Company engaged with the community around its manufacturing locations, widening its circle of prosperity in line with the United Nations' Sustainable Development Goals.

## Environment



Our environment component ensures that we consume environmentally responsible resources, utilise an optimal quantum of finite fossil fuels, recycle waste, moderate the carbon footprint and build resistance to climate change.

A growing number of global manufacturers are recognising financial and environmental benefits from sustainable business practices. Besides, stringent environmental norms and regulating agencies are helping reduce resource depletion, water scarcity, pollution and harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacture. This comprises the manufacture of products through economically sound processes that moderate the consumption of energy and natural resources while reducing negative

environmental impact, in addition to enhancing employee, community and product safety.

At JK Tyre, we focus on manufacturing more from less, the basis of all environmental responsibility. This approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience. There is a growing commitment to reduce energy intensity, moderate greenhouse gas emissions intensity and graduate to cleaner processes and fuels. The Company achieved zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity.

The Company emphasises the alignment of business with United Nations' 10 principles for manufacturing responsibility and environmental sustainability, covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

## Governance



At JK Tyre, our governance platform comprises a clarity on the way we will grow our business. This enhances organisational predictability and stability. Our governance architecture has been influenced by the following priorities.

**Board of Directors:** At JK Tyre, our strategic direction is influenced by our Board of Directors, which comprises professionals and industrialists of standing who have enriched our multi-sectoral business understanding and strategic direction.

**Positioning:** At JK Tyre, we have positioned ourselves not as much as a tyre company as much as a responsibility mobility solutions provider, resulting in the manufacture of a range of tyres addressing a widening customer spectrum. This positioning has enhanced our strategic clarity, opening us to opportunities, attracting knowledge professionals and strengthening our product / process research.

**Brand-driven growth:** At JK Tyre, we believe the biggest asset in our business (brand) is not reflected in our Balance Sheet. Over the years, we have built our brand through patient investments in technology, digitalisation, environmental responsibility, new product introductions and world-class quality. The one

word that encapsulates all that we are and all that we do is 'trust'.

**Digitalisation:** At JK Tyre, we are investing in a bigger way in automation and digitalisation with the objective to enhance primary customer delight, manufacturing effectiveness, communication clarity, systemic integrity and cost management.

**Long-term competitiveness:** At JK Tyre, we have invested in our business around a long-term commitment, comprising allocations towards the highest standards of assets, technologies, brands, people, locations, products and trade partners.

**Controlled growth:** At JK Tyre, we invested debt and accruals in our business to capitalise on fleeting market realities, but going ahead, much of our growth will be derived from the prudent use of accruals without stretching the Balance Sheet.

**Data-driven:** At JK Tyre, we are an increasingly analytics-driven organisation based around informed decision-making. The management shares data with executives and distribution partners, helping mature the organisation around modern standards of competitiveness.

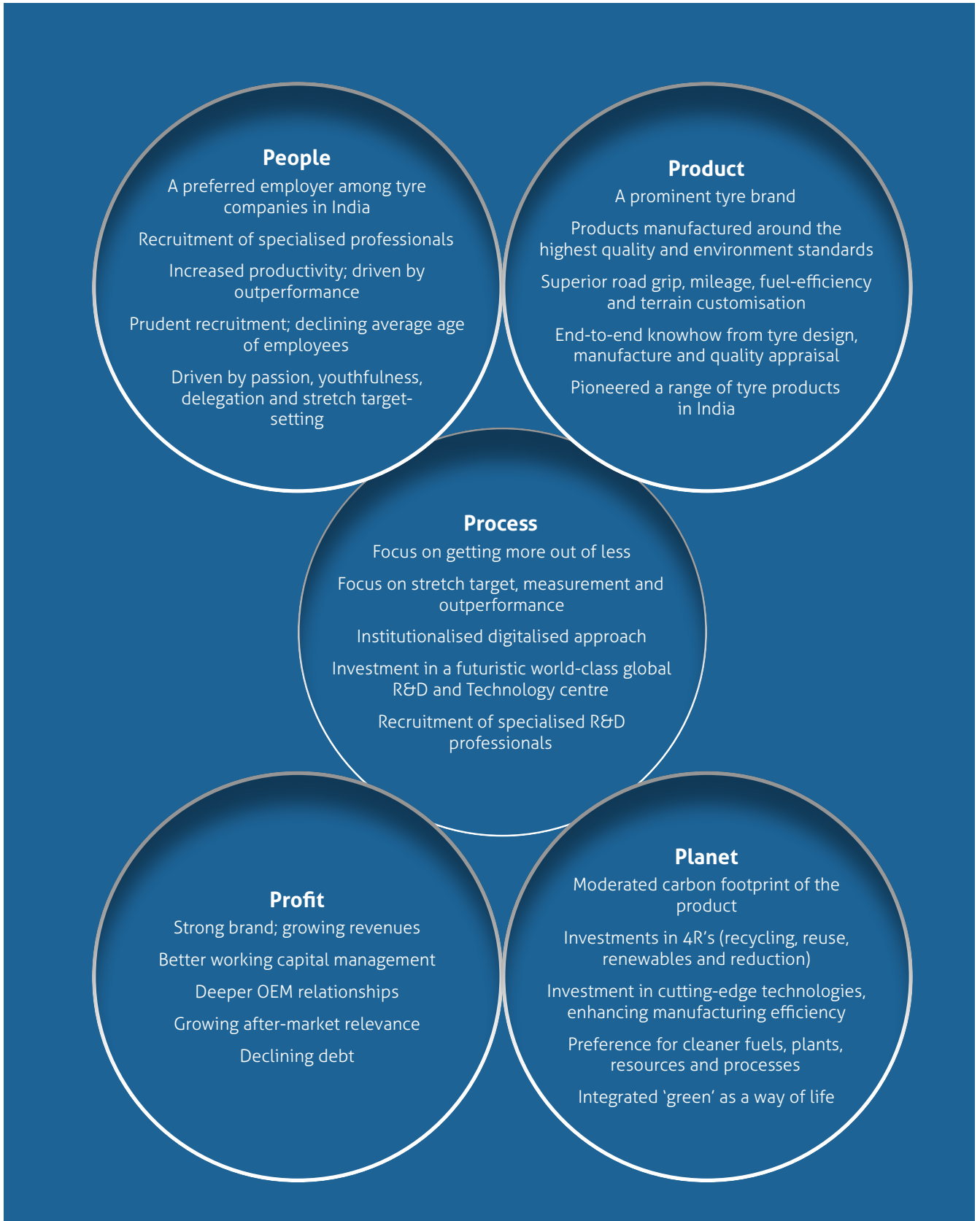


## Our 5P's Sustainability Platform

At JK Tyre, our commitment to environment responsibility has been centred round the 5 P's: People, Product, Process, Profit and Planet. The 5P's of represent our platform for business sustainability, our commitment to reconcile production growth and moderated carbon footprint.



An ESG & Sustainability Report is also being published separately



Financial structure

# Transforming

to emerge financially leaner



## These are the external challenges we faced

- The slowdown in the Indian economy affected tyre demand
- Global pandemic affected international business
- Low OEM offtake



## This why transforming with speed was important

- The lockdown threatened to erode profitability
- The Company had high debt that needed to be moderated
- The Company's EBIDTA margin needed to be improved



## This is how we accelerated our transformation journey

- Focused on strengthening various aspects of our business
- Translated improvements into superior financials
- Right-sized the Balance Sheet



## This is what our transformation journey generated

- Higher revenues, profits, cash flows and margins
- Lighter Balance Sheet
- Superior working capital management

## Our transformation journey

In 2016, JK Tyre acquired Cavendish Industries Limited comprising a large and modern tyre manufacturing facility in Laskar, Uttarakhand. The facility specialised in the manufacture of Truck & Bus tyres and 2/3-wheeler tyres with an aggregate capacity of 84.9 Lakh units per annum. The acquisition was made with the express objective of enhancing TBR capacity and entering the 2/3 tyre segment, a category where it was not hitherto present. The acquisition obviated the gestation that would have been involved in building a similar greenfield facility. It also fast-tracked the Company's objective to deepen its market presence.

At JK Tyre, we embarked on transforming our business over the last couple of years with the objective to make the business leaner and more competitive, make the Balance Sheet lighter and reduce capital borrowings related to the acquisition. Initially, the visible effect of this transformation was muted on account of the economic slowdown even as the unit's operations have now grown multifold and profitable.

## Outcomes, FY 2020-21

Improved sales

Working capital

Margins and debt reduction

## Outperformance drivers

At JK Tyre, we believe that business sustainability can be deepened through the efficient utilisation of resources to generate higher revenues. Following the acquisition of Cavendish, a larger capacity was available and the Company enhanced brand investments. During the last couple of years, the Company began to generate superior returns, which became increasingly visible from the second half of the financial year under review.

The Company embarked on a range of initiatives directed to enhance overall outcomes. Each activity was appraised with the objective to seek a way that could be quicker and cleaner, with a view to enhance productivity. The Company streamlined its raw material management around just-in-time delivery, warranting a lower working capital outlay and cycle. The Company rationalised its portfolio, focusing on popular fast-moving SKUs. These helped moderate the working capital cycle further.

The result: the Company reported higher revenues with lower cash employed, strengthening capital efficiency.

**Brand:** The Company's biggest strength is its 'JK Tyre' brand that stands for 'trust', 'technology', 'superior performance' and 'superior value'. These recalls have helped JK

Tyre account for attractive shares of the OEM and replacement tyre segments and market tyres globally under its own brand name.

**Technology:** The Company accelerated the launch of technology-driven tyres that are benchmarked with the highest global standards. The proportion of revenues derived from these cutting-edge tyres is expected to grow, strengthening margins. The Company invested in cutting-edge manufacturing technologies, moderating the consumption of resources (power, steam and water). The Company grew the proportion of energy from renewable sources (21% in 2016-17 to 55% during the year under review), moderating costs.

**Broad-based:** The Company generated over 80% of its revenues from India in FY 2020-21. However exports are rising across more than 100 countries, broad basing and de-risking the Company's business

**Portfolio:** The Company provides a wide-spread portfolio across varied downstream application segments, strengthening its capacity to provide customers with a single-point solution, facilitating cross-sale and enhancing the customer's wallet share. The Company continued to strengthen its product mix through a larger focus on the higher-margin aftermarket.





## Achievements, FY 2020-21 (Consolidated)

**Improved revenues:** The Company reported 5 per cent increase in revenues to ₹9145 crores in FY 2020-21, a year that effectively comprised only 10 months of operations.

**Improved profits:** The Company reported a 134 per cent increase in profit after tax in FY 2020-21 to ₹331 crores, after offsetting a loss of ₹202 crores due to the pandemic-induced lockdown.

**Improved margins:** The Company reported a 310 bps increase EBITDA margin to 14.8 per cent in FY 2020-21.

**Better working capital management:** The Company reported a reduction in its working capital cycle as on 31st March, 2021 compared to 31st March, 2020 with strict credit discipline and efficient cash management leading to a reduction in interest cost.

**Debt reduction:** The Company reduced ₹929 crores of debt on a net debt basis (short- and long-term) during the year under review; this right-sizing of the Balance Sheet strengthened gearing, moderated interest outflow, increased interest cover and strengthened the company's credit rating.

## Outlook

The Company is optimistic of prospects on account of increased consumer confidence, preference for personal mobility modes as well as a national and international economic recovery projected for FY 2021-22 after the pandemic has been subdued.

The Company intends to capitalise on the unfolding reality through the launch of new products, wider distribution footprint, superior dealer wallet share and increased throughput.

The Company seeks to utilise cash flows to draw debt down further during the current financial year, strengthening liquidity and profitability.

## 7 ways in which we strengthened our financials in FY 2020-21



Marketing

# Transforming

to sell more premium tyres



## These are the external challenges we faced

- Demand destruction during the lockdown



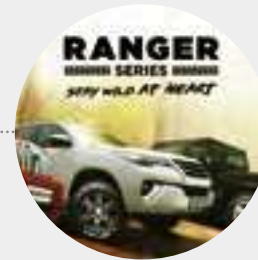
## This is why transforming with speed was important

- The market conditions were evolving with speed
- There was a need to cover overheads
- Status quo would mean a loss in market presence



## This is how we accelerated our transformation journey

- JK Tyre widened and deepened its distribution footprint
- The Company strengthened its supply chain management
- The Company invested in the brand, premium products and new tyres



## This is what our transformation journey generated

- JK Tyre increased its market share and revenues
- The Company sold a larger percentage of premium products

## Our transformation journey

The last few years have been the most challenging for India's automobile sector on account of regulatory changes leading to a large number of prospective vehicle buyers deferring purchases. This resulted in a corresponding decline in tyre offtake, coupled with the slowdown that commenced from the fourth quarter of FY 2019-20, induced by the onset of the pandemic. The complement of these challenges warranted a decisive change in the way tyres had been marketed.

**At JK Tyre, we responded to these realities with a watershed response:** the Company perceived an opportunity in the slowdown

and set about reorienting as per the needs of the hour. The Company built on various initiatives of the previous years: focused on the replacement market, positioned itself as a one-stop tyre supplier, increased the number of products on offer; strengthened aftermarket car radial sales from Brand Shops, increased the proportion of tyre renting revenues from fleet owners and leveraged its motorsport positioning (that the tyres manufactured by the Company were similar to the ones used by racers).

The Company built on a portal communicating with the dealers, by employing an app that enhanced smartphone-driven decision-making

that strengthened channel partner engagement by arranging working capital for them through banks and enhanced ease in online engagement to empower trade partners to order tyres online.

The Company strengthened its focus on enhancing agility and customer-centricity. It streamlined business processes, reaching out to thousands of customers across categories.

This transformation proved to be decisive at JK Tyre with extensively positive implications on the Company's recall, reach, relationships and revenues.

## Strengths

**Pioneer:** The Company, being a pioneer through the launch of radials since 1977, sustained its leadership by consistently introducing innovative radial products across four decades.

**Profitable growth:** The Company strengthened its product mix through customised tyres that addressed vehicle or terrain needs and tyres delivered where customers wanted

**Portfolio:** The Company offered a complete and diverse tyre portfolio solution from 3 kg 2-wheeler tyres to 3.7 tonnes OTR tyres (India's largest)

**Consumer interface:** The Company leveraged multi-decade relationships with dealers and large fleet owners. The Company's branded outlets (500+ in India) provided superior service. The Company widened the presence of exclusive JK Tyre Steel Wheels (addressing passenger car and LCV

tyres) and JK Tyre Truck Wheels (providing sales and service to heavy commercial vehicles tyres).

**Product as a Service (PaaS):** The Company provides large fleet owners the flexibility to buy a product (tyre) or buy a service (where the Company charges a rent for the use of tyre in exchange for on-going maintenance)

**Coverage and flexibility:** The Company's products are available in more than 660 districts i.e.90% of the total districts in the country. The Company serviced dealers through the supply of products from any of its nine Indian manufacturing facilities.

**Recall:** The Company is the largest Indian tyre brand addressing commercial vehicles, the backbone of India's cargo transportation system, making it a proxy of the country's economic growth.



The transformation proved to be decisive at JK Tyre with extensively positive implications on the Company's recall, reach, relationships and revenues.

## Achievements, FY 2020-21

The Company recognised that the most effective means to enhance its marketing effectiveness in a competitive space lay in strengthening engagements with its primary customers (dealers). The more effective this engagement, the larger the shelf space and the larger the dealer wallet share accounted for by JK Tyre products. With this perspective in mind, the Company transformed its conventional approach at engaging with trade partners across the country in the last few years.

**Expansion:** One of the most decisive initiatives in the areas of dealer engagement lay in the Company making the widest expansion in its distribution footprint starting May 2020, even before the lockdown had been lifted in most parts of the country. In a far-reaching initiative, the Company increased the number of dealers to 6000+ in the space of just ten months of FY 2020-21. This substantial expansion helped the Company plug market gaps, address demand upturns with increased effectiveness and increase market share.

**Liquidity:** In a transforming JK Tyre, the focus on revenue growth did not come at the cost of revenue quality. The Company proactively established a war room prior to the imposition of the lockdown, which made it possible to implement protective ground-level policies, including incentives to trade partners to liquidate their payables in the first half of March 2020. The result: the Company possessed precious liquidity to address overheads, manufacturing and made selective brand-building expenditure when its plants resumed production from the third week of April 2020 onwards.

**Credit discipline:** The Company extrapolated its brand strength towards credit discipline; this was validated through an improved receivables cycle, servicing the needs of trade partners with quicker

product replenishment (and quicker settlements), which accelerated the sales engine.

**Digital:** The Company supplemented its wide network with stronger digital branding, which increased its brand appeal, strengthening a consumer pull that accelerated offtake for dealers. The Company enhanced an engagement convenience for its trade partners. Its digital-driven dealer transaction approach (more than 90% of all dealer engagement) moderated claims settlement from three days to 30 minutes, increasing confidence in the Company's brand. Besides, the Company leveraged remote video-conferencing technologies to engage with more than 2500 dealers each month, facilitating a feedback cross-flow that influenced policy.

**Policy stability:** The Company formalised its various policies for trade partners to a stable quarterly basis, enhancing predictability and confidence.

**Select:** The Company focused on driving the sales of select premium products that received an initially favourable traction; it strengthened offtake of the XLM and JDE ++ varieties in the commercial tyre segment.

The result is that JK Tyre grew faster than the industry in FY 2020-21, strengthening its market share.

## Outlook

The Company intends to sustain its marketing momentum through the following initiatives: widen distribution footprint and plug white spaces, revamp retail outlets, invest more in brand promotion especially of passenger car radial and two-three wheeler tyres, strengthen talent management, streamline supply chain management and accelerate new tyre launches. This is expected to trigger offtake, increase the promotion of value-added tyres and enhance overall profitability.



JK Tyre Xpress Wheels



JK Tyre Steel Wheels



JK Tyre Truck Wheels

Personality

## We have

fused IoT, Artificial Intelligence,  
Machine Learning and Data Science  
to enhance organisational agility



This is how we  
accelerated our  
transformation journey

- The Company focused on using more digitalised tools to cover every domain to enhance convenience, efficiency and experience

This is what our  
transformation journey  
generated

- The Company's digitalisation enhanced dealer delight, agility of its sales team, manufacturing equipment uptime and capacity utilisation



## Overview

Digital technologies are transforming the face of most businesses and have evolved – from a time when digital was one of various options to now when it represents the core of business strategy, touching every organisational aspect.

JK Tyre is investing in a long-term digitalisation objective

to produce as much as it can, moderate costs, strengthen the trade partner's ease of doing business, deepen market presence, graduate from product sale to consumer solutions and higher exports. The Company's digitalisation priorities comprise the creation of a multi-year digitalisation road map, covering

every aspect of the Company's operations and exploration of the product development frontier through various initiatives. At JK Tyre, we have fused IoT, Artificial Intelligence, Machine Learning and Data Science to enhance organisational agility.



## Challenges

When JK Tyre embarked on its formalised digitalisation journey a couple of years ago, the principal

challenges comprised the need to define the desired impact of digital transformation, creation of a strategic

plan, create a talent pool with new age technology capabilities and deliver on schedule without quality compromise.

## Counter-challenges

Rather than see the pandemic outbreak and lockdown as impediments to the digitalisation journey, JK Tyre perceived these as opportunities. The Company

leveraged digital communication technologies to enhance work-from-anywhere and the touchless experience; there was a growing focus on digital-driven implementation

agility and change management; digital means were leveraged to drive real-time monitoring of the enterprise, operations, manufacturing and sales performance.

## Transformation interventions

This digital positioning has been emphasised in various ways:

The Company invested in digitalised interventions to communicate across the organisation – quicker, seamlessly and accurately. The

Company empowered customers to buy anywhere in any manner – across the counter, e-commerce and fleet management solutions. The Company leveraged its digital backbone to track operational health.

The Company invested in digital dealer transaction management. The Company engaged with more than 2500 dealers a month through remote video-conferencing technology.

## Achievements, FY 2020-21

The Company re-defined its digital strategy, appointed a dedicated team and aligned its digital transformation agenda in line with its organisational roadmap.

The digital embrace accelerated. JK Tyre products promotion became increasingly online; dealer and supply chain interactions were digitalised; AI-based touchless customer service

(warranty and claims settlement) enhanced consumer and trade confidence; digital solutions increased operating efficiency.



## Digitalisation outcomes

The Company's digital transformation initiatives transformed the way it looked at every function – from product development to product manufacture to customer experience.

### Product development & research

**Research:** At the Company's Global R&D and Technology Centre named as Raghupati Singhanian Centre of Excellence (RPSCOE) in Mysuru, digitalisation accelerated research and product development processes, minimised

work duplication and built on existing platforms. This shrunk the new product development cycle while accelerating the release of new products, sizes and variants in response to market needs.

### Manufacturing & Supply chain

**Predictive maintenance:** The Company launched multiple digitalised predictive maintenance apps to automate equipment health, enhancing throughput and minimising prospective equipment downtime. This programme has enhanced predictive maintenance, process consistency, product quality, capacity utilisation and lower cost repairs.

**Forecasting:** The Company invested in data analytics centred round consumer behaviour, making it possible to estimate offtake timing and inventory management

**Network optimisation:** The Company engaged with trade partners deeper through digital channels, strengthening dealer productivity

### Customer experience

**Omni-channel:** Following the pandemic outbreak, the engagement with customers' behaviour moved online, marketing products closer to customer locations

**Touch-less:** Digitised claims processing enabled the Company to substantially moderate the time taken to a fraction of the time taken in the past

**Process:** The Company processed more than 90% payments digitally for trade partners

### Consumer delight

**Smart Tyre:** The Company launched this sensor-based tyre that 'communicated' its health to the Smart Tyre App, alerting owners on tyre safety or repair, reducing operational costs.

## Outlook

The Company's mid-to-long term digitisation plan is to become digital-first, deepening digitalisation through robotic process automation, advanced analytics, machine learning and leveraging artificial intelligence.

The Company intends to implement or recalibrate processes that maximise human and digital capabilities leading to positive outcomes in terms of revenue growth, optimised costs and superior customer experience.

## How the 'Smart Tyre' reinvented the JK Tyre brand in a cluttered market place

Within just a year of launch, JK Tyre's 'Smart Tyre' is turning into a generic name.

Passenger car tyre users are approaching JK retail outlets with concise requests: 'Woh internet wala tyre.'

What has transformed this concept tyre called 'Smart Tyre' into a successful case study?

One buyer answered: 'This is not a tyre at all. This is my personal secretary as it keeps me informed of everything that I need to know of tyre health.'

Another buyer added: 'The smart tyre' is how every tyre will be made and marketed in the future.'

Yet another smart tyre buyer said: 'Tireel is more than a tyre; it is a complete dashboard that measures

temperature, pressure and, most importantly, keeps me safe '

The best line came from a smart tyre user who said, 'It is a combination of doctor, guard, guide and protector for my tyres and vehicle while driving.'

The consumer's traction was evident from a telling statistic: a 'smart tyre' tutorial video promoted on YouTube generated more than 2.9 million views!



Case study #2

### How our digitalised claims settlement process strengthened dealer traction

When JK Tyre embarked on reducing the claims settlement resolution tenure with trade partners from around three days on an average prior to FY 2019-20, the first reaction was, 'Is it even possible?'

The management at JK Tyre resolved to seek a futuristic way of moderating claims resolution to a few minutes, enhancing dealer and consumer confidence.

After the initial apprehensions and disbelief, JK Tyre dealers started experiencing the magic of

a machine learning-based claims settlement, which revolutionised the way the business was conducted in a simplified manner.

All that dealers were required to do was log claims issues using their JK Connect app. Simultaneously, a machine learning algorithm would identify the cause of the problem. The claim would be settled within minutes.

When this transpired the first time, the JK Tyre trade partner felt that someone on the other side was particularly clued into the

problem and had addressed it personally. When it transpired on more occasions, the apprehension turned into guarded wonder; when other trade partners expressed a similar experience, there was an excited response.

'By being able to settle more than 90% of all our product claims digitally and by addressing more than 80% of our claims in less than 30 minutes,' said a JK Tyre dealer in Surat, 'the Company has enhanced customer service and increase trade partner confidence.'

#### Best-in-class transformation recognition

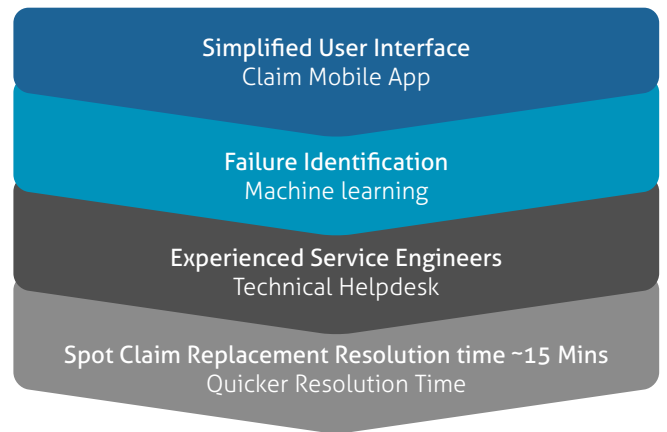
JK Tyre has been recognised for the Best Digitization Kaizen in the Manufacturing sector in the large category at the 4th CII National Kaizen Circle Competition 2021



### How our digital system helped shrink the claims settlement cycle



### We adopted the digitalisation and analytics to address the customer pain points



### Our complement of digital technologies

- IOT-based initiatives
- AI-based customer solutions
- Digital orders and payments
- Modern digital website interface
- Lighthouse digital-enabled projects
- Digital partnership with a specialised agency
- Big data analytics on consumer response and behaviour

### Mobile learning app

During the pandemic, JK Tyre – Oust mobile learning app, a digital learning platform which enables training and knowledge sharing from the convenience of a hand-held device at the user's convenience, was effectively used by field personnel and channel partners to amplify and reinforce the learning process.

Manufacturing

# Transforming

to sweat our manufacturing capacity  
more profitably



## These are the challenges we faced

- There was a need to graduate plants to modern standards through digitally-enabled solutions
- There was a need to evolve safety SOPs and protect workers across all manufacturing locations



## This is why transforming with speed was important

- A lockdown was announced in India with virtually no advance notice
- There was a need to be prepared to resume operations as soon as the government provided permission
- There was a need to leverage data-based analytics to enhance efficiency



## This is how we accelerated our transformation journey

- The Company resolved to report record productivity following resumption
- The Company focused on maximising productivity and output
- The Company enhanced cross-functional collaboration



## This is what our transformation journey generated

- Improved capacity utilisation
- Record production volumes in effectively 10 working months
- Lower consumption of water, energy and power per unit of production



### Our transformation journey

The last few years have been among the most challenging for the Indian automotive and tyre sectors because of economic sluggishness, growing competition and cheaper imports. These realities warranted a need to transform with the objective to moderate manufacturing costs, enhance production efficiency and

increase related economies.

These requirements put a premium on equipment health and predictability with the objective to sustain peak operating efficiency, moderate costs and strengthen profitability.

The Company also embarked on the exercise to analyse equipment

performance for productivity, predictive maintenance, process/product quality and energy consumption during the last couple of years.

## Strengths

**Global ranking:** JK Tyre is recognised among the world's leading energy-efficient tyre companies

**Exemplary safety standards:** All manufacturing plants received the British Sword of Honour recognition for exemplary safety standards, the first Indian tyre company to be so recognised

**Cost leadership:** The Company is among one of the lowest cost tyre manufacturing companies. Its energy consumption is attractively low and per-person hour productivity is creditable

**Benchmarks:** The Company moderated its carbon footprint; CFV measure declined; energy consumption per

tonne of tyre manufactured declined to a level that is among the lowest in the global tyre industry

## Achievements, FY 2020-21

The Company strengthened its commitment to produce more from less, which was reflected in the following outcomes.

**Throughput:** The Company responded with speed to enhance output that addressed the sharp increase in tyre demand

**Digitalisation:** The Company strengthened the process of manufacturing by equipment digitalisation across all its plants, which resulted in increased equipment availability

**Engagement:** The Company's plant manufacturing heads collaborated more intensively (daily) through remote video-conferencing than

ever, resulting in a cross-flow of perspectives and best practices that strengthened the overall average

**Productivity:** The Company enhanced people productivity.

**Carbon footprint:** The Company moderated its carbon footprint by 54% over the base year (FY 2013-14)

**Energy:** The Company achieved an energy level of 8.88 gigajoules per tonne (previous year 9.73 gigajoules per tonne), among the best three in

the world

**Renewable energy:** The Company increased renewable power in its power mix from 4 per cent in FY 2015-16 to 55 per cent of its total appetite in FY 2020-21

**Raw water:** The Company retained its position as the global benchmark for water consumption (under 1.87 litres per kg on average)

**Waste:** The Company reduced process waste by 10% per cent over the previous financial year

## Outlook

The Company intends to widen and deepen the impact of its digitalisation programme across more manufacturing facilities, widen coverage across a larger range of equipment, graduate batch-wise data collection to real-time dashboard access and create a larger pool of professionals who can 'read' the generated data leading to proactive engagement across every manufacturing initiative.

# JK Tyre's low-carbon environment commitment



'JK Tyre is considerably 'greener and cleaner' today than ever..'

With our mission 'To be a Green Company,' we continuously endeavour to ensure that all actions in our business, including our products, are environmentally friendly. Through our R&D activity, we keep incorporating substitutes of petro-based materials and are progressively increasing the use of recycled/reusable components. I am optimistic that with the kind of cutting-edge technology likely to go into the Circular Economy and our endeavour to encourage this effort, the carbon footprint of the sector will continue to decline.'

**Dr Raghupati Singhania**, Chairman and Managing Director

## Overview

At JK Tyre, a low carbon approach is integral to our business, a foundation for business scalability. This priority is now universal, marked by a willingness of customers to engage with companies that manufacture products in an environmentally responsible manner, a manifestation of a low-carbon approach being linked to market place dynamics and profitability.

## Sustainability in mobility

As urban clusters get larger and the public transportation network is unable to keep in step with the widening needs of a growing populace, there will be a deeper preference for personal mobility. Automobiles and other transformation modes warrant the use of a large number

of components and products that increase the carbon footprint.

At JK Tyre, we have been a committed proponent of sustainable practices since we went into business. In addition to drawing out targets directed at increasing our revenues and surplus, we emphasise moderation in the consumption of raw material and other inputs. The result is that we are focused on delivering more with progressively less, the hallmark of our business sustainability.

At JK Tyre, our objective is to deepen our commitment as an environment-respecting organisation. Over the years, we invested in plants, processes and priorities with the objective to generate more from less. As a forward-looking Company, we integrated climate considerations into our decision-making and risk

management. We track and report our related initiatives to moderate energy consumption and carbon emissions.

## Our environment priorities

JK Tyre announced its commitment to comprehensive business sustainability, implying that whatever we do or think or invest in must have a positive long-term impact on our business and environment.

The Company believes that sustainability can be driven only through the prudent selection of the right people. The right competencies bring perspectives, experience, knowledge and enthusiasm to our table, translating into outperformance.

The Company's outperformance must be routed through efficient capital investing that reflects in a lower capital cost per tonne.



The Company leverages cutting-edge infrastructure and equipment to generate high capacity utilisation.

The Company is not just committed to do well; it is committed to emerge as a global benchmark across every plant, activity and product segment - whether in terms of energy / water

consumption per unit of production.

The Company sets out forward-looking carbon footprint targets with the same seriousness as it targets financial numbers.

The Company made the most decisive investment in business sustainability

through a future-facing investment in a state-of-the-art Global R&D and Technology Centre at Mysuru - Raghupati Singhania Centre of Excellence – that works with futuristic technologies in the development of enduring 'greener' tyres.

## Our HSE policy (Health, Safety & Environment)

At JK Tyre & Industries Ltd., we are committed to design, manufacture and distribute our products in a manner that protects the environment; prevents work-related injury and ill health, prevents pollution in all activities being carried out under our control and identifies specific risks and opportunities as per the context of the organisation.

We will continually improve on Occupational Health, Safety and Environmental performance for sustainable growth. We are committed to following:

- Complying with legal and other HSE requirements applicable to products, processes and services.
- Set up appropriate objectives including well-being and OHS of all employees and stakeholders.
- Taking measures in HSE management system by being proactive and innovative.
- To 'provide instructions' and 'to identify and eliminate HSE hazards'.
- Adopt life cycle thinking and work towards conserving natural resources and energy by optimising efficiency, minimising waste and encouraging adoption of reuse/ recycle throughout the value chain, wherever practically feasible. .
- Enhancing effectiveness of Safety, Health & Environmental Management system through Risk assessment and identification of opportunities to reduce the OHS and Environmental Risk & Impacts.
- Providing our employees, contractors, sub-contractors and transporters the appropriate work environment, facilities, adequate resources, support, information and need based training to work safely and involving them in HSE matters concerning them and evaluating their performance based on EHS parameters..
- Integrating Safety, Health and Environmental policy into our business planning, decision making and performance review at appropriate levels. The policy will be reviewed periodically 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.

### How we strengthened our HSE culture

- Deployed safe workplace systems
- Near-misses are monitored and reported
- Worker surveys are conducted to obtain safety feedback
- Training has been intensified; workers are provided safety awareness
- Displays and signages have been showcased for public safety
- Person-to-person marking at workplace has deepened

### What we invested in our HSE culture in FY 2020-21

- Introduced personal protective equipment for workers
- Increased monitoring frequency
- Strengthened the Safety team through recruitments
- Increased our budgetary allocations

### Our environment conservation initiatives, FY 2020-21

- The company increased the use of bio-mass as fuel to 8% of its requirements
- The renewable power consumption increased to 55% of requirement
- Bamboo plantation was shortlisted for use as boiler fuel (green coal)
- Bio-mass is likely to progressively replace coal

**Our safety initiatives, in FY 2020-21**

- All manufacturing locations were sanitised before plant operations after the lockdown
- Thermal scanning was done for all employees before they entered the premises
- Social distancing and hand sanitisation practices were followed
- Awareness-enhancing sessions on COVID-19 were organised across all manufacturing locations
- COVID testing was implemented across plant locations

**Our HSE achievements in FY 2020-21**

- Achieved Sword Of Honour, British Safety Council, a rare distinction
- Organised Globe of Honour training
- Moderated reportable accidents by 33%
- Enhanced near-miss reporting coupled with timely corrective action
- International Organisation Standard ISO 45000 safety and occupation audit was concluded successfully
- Environmental Management System EMS 14001/2015 environment audit was successfully completed
- Social Accountability SA 8000 audit was successfully completed

**Case study #3**

**British Safety Council validation**

When JK Tyre embarked on the journey towards British Safety Council validation, the challenges were numerous. The Company's executives needed intensive training. An extensive manual was warranted. Resources were required to be allocated. Surveys needed to be conducted. There was a need for enhanced legal awareness and interpretation in each area. Emergency responsiveness was required to be enhanced. Safety roles and responsibilities needed to be identified for each position. Health surveillance was warranted for critical areas.

The Company invested in these resources. Among various initiatives, the Company developed a Safety Vision and Mission, created a comprehensive manual of procedures and deepened inter-plant audits and reviews across more than 20 parameters.

The commitment paid off. In 2019-20, four plants of the Company - Chennai, Banmore, Mysuru and Cavendish Industries – received the prestigious Sword of Honour Award from British Safety Council, UK. In 2020-21, all plants achieved this milestone.

This was the first time that multiple tyre units achieved the highest safety rating, validating the Company's commitment to comprehensive protection from physical, chemical, biological, thermal, ergonomic and occupational health risks.

**A distinctive commitment to reduce, recycle and renew**

**Energy**

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

**Water**

It was a challenge to meet the water requirements in an arid region like Kankroli. Inspired by Kankroli's record reduction in water consumption, we are now recognised as a global benchmark for the lowest water use per kg of tyre manufactured

**Productivity**

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

**Standards**

We emerged as a sectoral benchmark when we became the first tyre Company in Asia to receive ISO 50001 certification for Energy Management

**Pioneering**

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

**Renewable energy**

We migrated from complete grid dependence and now derive more than half our power needs from renewable power sources.

## How we strengthened our manufacturing efficiency



## Our manufacturing efficiency

Organisation	Energy consumption (GJ/ tonne)	GHG emissions (Eq CO2/ tonne)	Raw water consumption (Ltrs/Kg)
JK Tyre	8.88	0.856	1.87

\*JK Tyre data is on consolidated basis

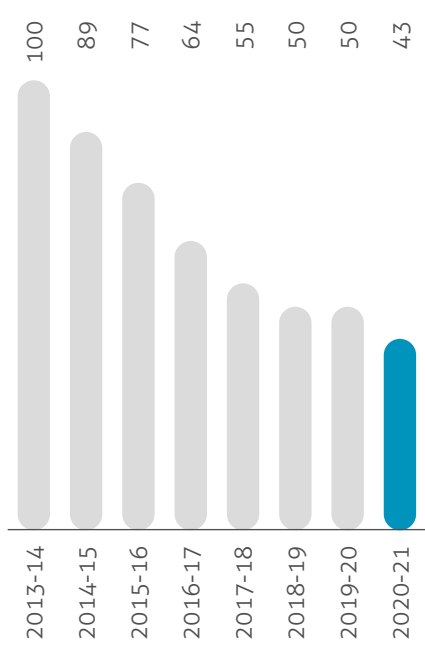
## Our environment management initiatives, FY 2020-21

Water	Energy	Talent
<ul style="list-style-type: none"> <li>Increased the share of harvested rainwater in the overall annual use of water</li> <li>Focused on achieving zero raw water consumption in our manufacturing process, reserving fresh water only for domestic purposes</li> </ul>	<ul style="list-style-type: none"> <li>JK Tyre implemented focused initiatives for green and clean energy. The increased use of biomass and nitrogen curing are two focused areas</li> </ul>	<ul style="list-style-type: none"> <li>Improved talent engagement</li> <li>Focused monitoring of talent deployment</li> </ul>

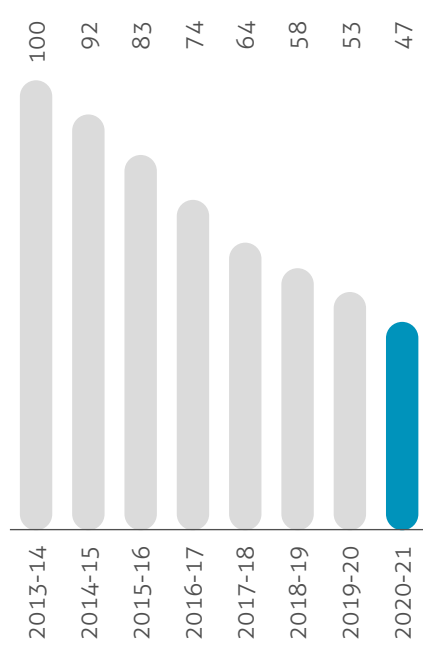
## Our sustainability commitment

Extending beyond statutory compliance	Focusing on emerging as a sectoral benchmark	Focusing on partnerships with government institutions, corporates and NGOs	Extending initiatives to every role and function	Focusing on extensive documentation
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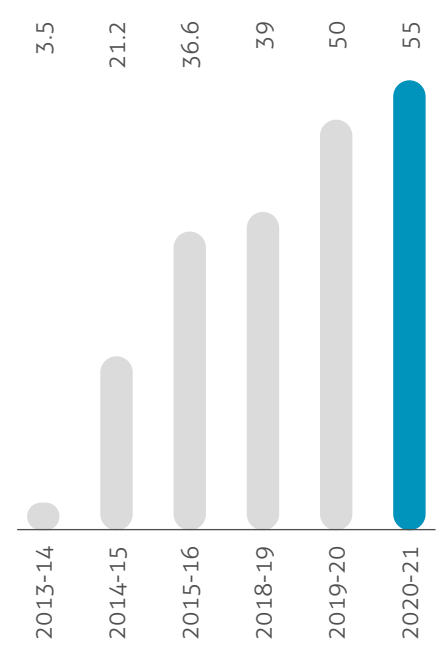
Raw water consumption trend (KL per tonne)



Declining emissions intensity (CO2 per tonne)



% of renewable power in our total power consumption



All figures are JK Tyre standalone

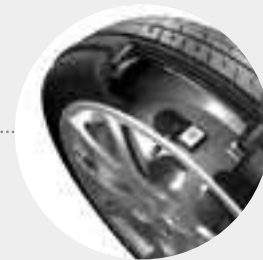


Cavendish Tyre Plant, Laksar, Haridwar

Technology-driven product development

# We re-positioned

JK Tyre around technology-driven premium tyres... transforming the way we develop tyres for the future



## These are the external challenges we faced

- There was an increased need to excite consumers with better tyres
- There was a need to increase the role of technology in tyres and develop future-ready products

## This is why transforming with speed was important

- There was a need to stay ahead of competition
- Achieving the right technology curve could strengthen the brand and profitability

## This is how we accelerated our transformation journey

- We deepened our investments in technology infrastructure including high-end validation capabilities
- We focused on priority areas, generating a critical mass of new product development

## This is what our transformation journey generated

- We launched a 'smart tyre' powered by TREEL TPMS, one of the first IoT tyres in India
- We developed Levitas Ultra: an ultra-high performance tyre for top-end cars
- We embarked on the development of future-ready electric vehicle tyres



### Our transformation journey

Being a customer-centric brand, JK Tyre tracked evolving customer needs in terms of product performance (mileage and fuel saving). In a proactive response, JK Tyre accelerated the

design, development and launch of next generation tyres.

The Company developed a premium category of tyres, delivering a lower cost of

ownership. The Company repositioned its brand through the 'Smart tyre' platform, showcasing its capability to manufacture a standalone product that could be connected to the internet.

## Challenges

When JK Tyre embarked on this personality transformation, the challenges were considerable. There was a need to sustain this transformation through the clutter of a competitive marketplace, sustain the rollout of new-generation tyres, enhance market share through the economic slowdown, negotiate regulatory challenges and new OEM vehicle introductions, widen the product range across categories, graduate to an enhanced all-round product performance and strengthen tyre presentability (especially in passenger car tyres). JK Tyre responded to these requirements through a transformation in the organisation and strategic agility.

## Achievements, FY 2020-21

**Holistic improvements:** The Company invested in a culture of continuous performance improvement, lower fuel consumption, enhanced resource traceability as well as the use of testing cum quality validation equipment

**Technology:** The Company deepened the role of technology in the product category, enhancing process efficiency, product robustness and consistency (enhanced quality, superior productivity and better waste management) through collaborations between diverse teams (research & technology, quality and manufacturing)

**Value engineering:** The Company's institutionalised Value Engineering Product Improvement Project (VEPIP) – measurable, visible and actionable - helped moderate costs and correct deviations from targets with speed.

**Material substitution:** The Company emphasised the progressive replacement of carbon black with silica, moderating a tyre's carbon footprint.

**Regulation-compatible:** The Company strengthened its portfolio around BS VI-relevant products that enhanced mileage, ride comfort, noise reduction and lower rolling resistance.

**Client approval:** The Company designed and manufactured tyres approved by OEMs like Hyundai, Kia, Maruti Suzuki and others, strengthening its brand presence.

## Strengths

**Knowledge:** The Company leveraged proprietary competencies in developing tyre technologies (institutionalised through the state-of-the-art Global R&D and Tech Centre at Mysuru - Raghupati Singhania Centre of Excellence).

**Partnerships:** The Company collaborated with IITs and universities of national and international standing. RPS Centre of Excellence (in collaboration with IIT- Madras) is engaged in research on tyre mechanics and vehicle dynamics through FEA, mathematical models and experiments.

**Simulation:** JK Tyre invested in simulation, modelling and computational research to 'manufacture' and test a tyre virtually. The Company leveraged toolbox development, estimating mileage, noise, vibration, fuel efficiency and safety (braking distance). This helped shrink tyre development tenure by 50%.

## Outlook

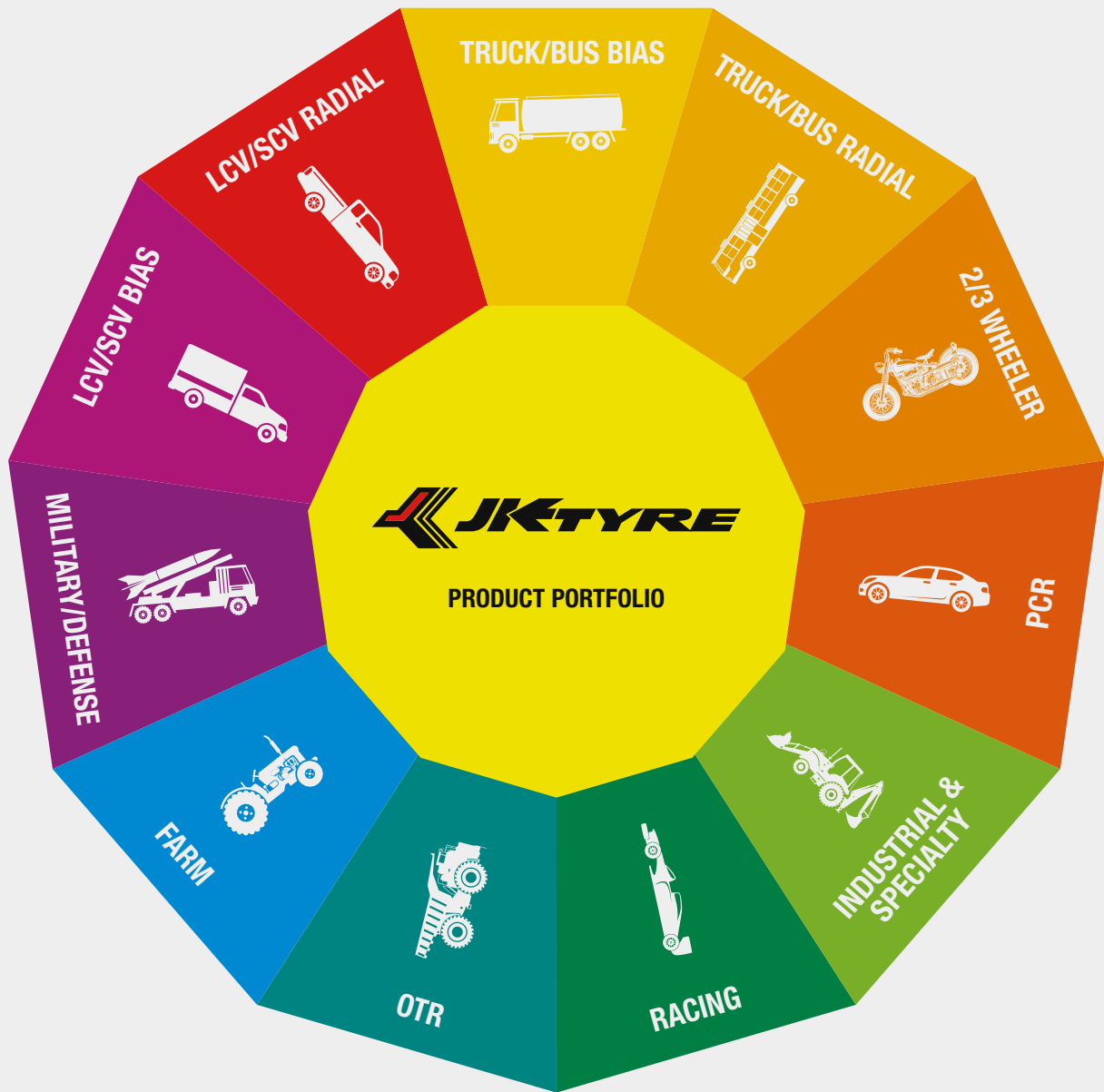
The Company intends to strengthen operating processes, increase its focus on electric vehicle tyres, fuel-efficient variants, higher quality variants addressing the TBR segment, widen the range and export various categories of tyres, including truck bus, LTRs, PCRs and these from the OHT segment.

### Technology Centre's activities

<p>Introduced tyres across a range of sizes: 200+ products launched</p>	<p>Extension of Rib Tyre (JETWAY JUH5), which emerged as best performing rib tyre in the domestic market in the LTR segment</p>	<p>Extended JET XTRA XLM pattern in new sizes in the Truck &amp; LCV range</p>	<p>Developed tyres belonging to the off-highway tyre segments (Farm, OTR, industrial and special category) to be launched in FY 2021-22 for exports</p>
<p>Enhanced the product range in TBR Tubeless segment for the export markets</p>	<p>Introduced sporty patterns for high-powered motorcycles of Indian OEMs</p>	<p>Introduced Levitas Ultra in the ultra-high performance category</p>	<p>Developed a new 'Rock Champion' pattern for limestone mine applications</p>







## The Raghupati Singhania Centre Of Excellence: Global R&D and Technology Centre

Located in Mysuru. Comprises two advanced research and development facilities



**HASETRI:** Established in 1991. Asia's first and India's largest research tyre research centre. Addresses the development of new tyre and polymer technologies for the rubber and allied industries (India and abroad), actively engaged in material and compound characterisation/development, advanced analytical testing, process development, predictive technology development and machine design. Features the first-of-its-kind semi-anechoic chamber for noise, harshness and vibration measurement

**JK Tyre Tech Centre:** Housed in the Global Tech Centre at RPSCOE. Global hub of new product development engaged in product design, development, validation and industrialisation. Addresses all tyre categories (passenger car radial, light truck radial, light truck bias, truck and bus bias/radial, farm & off-the-road tyres and 2/3-wheeler tyres).

# Our Research & Development journey at JK Tyre

## Overview

JK Tyre's journey in self-sufficiency commenced three decades ago when the company created an autonomous R&D institution.

HASETRI was established in 1991 as Asia's first and India's largest tyre research centre with the objective to achieve technology self-sufficiency in the rubber and allied industries. Over the years, the vision of the JK Tyre leadership in creating a premier industrial research centre of global repute in the elastomer and tyre technology fields transformed into reality. What started from Kankroli is now an integral part of The Raghupati Centre of Excellence in Mysuru, the JK Tyre Global Technology Centre. In line with its business direction, the R&D team collaborated with the technology and manufacturing teams to deliver best-in-class products for customers.

## Challenges

The various challenges addressed by HASETRI comprised emerging regulatory requirements and the need to respond to fast-evolving customer needs. Besides, the company was required to address environmental conservation, business sustainability and increasing fuel costs.

## Responses

The Company responded with the use of innovative design material and tyre construction techniques. The company addressed lower tyre weight benchmarks. Virtual simulation shrunk the time-to-market. The Raghupati Singhania Centre for Tyre & Vehicle Mechanics, which was established in collaboration with IIT Madras, continues to enhance simulation and predictive techniques and stringent product targets set by OEMs.

The company responded with a 4R's strategy (reduce, reuse, recycle and renew) to respond to the needs of a circular economy. The establishment of the JK Treads business represented a step in this direction. The company developed fuel-efficient tyres for the commercial vehicle segment by leveraging new generation materials.

At JK Tyre, the number of dedicated R&D professionals and the spend on R&D as a percentage of revenue are growing year on year

## Major achievements

Self-sufficiency with respect to tyre characterisation as per tyre labelling, a best-in-class benchmarking capability

Advanced material research and infrastructure creation

Value-engineering and technological advanced tyre development

Launched of the 'Smart tyres' concept

Established a Molecular Dynamics Simulation

## Outlook

The company intends to sustain its transformation journey through various forward-looking initiatives: Support e-mobility, moderate tyre weight, materials and energy, enhance the use of recycled material without compromising product performance and employ eco-friendly design using renewable sources.





# Visible. Digital. Connected brand.

Transforming to enhance visibility,  
recall and trust

## Overview

In a choice-cluttered market, there is a growing need to position the brand distinctively, promote aggressively and generate a positive unaided recall.

## Our transformation journey

Over the last few years, there has been a growing corporate priority to transition from manual and analogue infrastructure to the digital in exchange for superior speed, reliability, consistency, customisability, measurability and cost- efficiency.

While this direction would have taken some years to mature and become a deeper trend within companies, the one development that accelerated this reality during the last financial year was the outbreak of the pandemic. This single event has proved seminal in the history of digitalisation: as the world retreated into

homes, the only way businesses were sustained was through a digitalised engagement between computers and people.

As it became evident that digitalisation would no longer be just another business enabler but the fundamental life blood for every business, there was a greater recognition that the world would comprise only two kinds of companies in the future: those that would have successfully digitalised and those that would have not.

At JK Tyre, we deepened our digitalisation personality across various functions, including a digitalised leverage of

communication channels to position our brand directly to consumers, trade partners and opinion-influencers. We believe that the year under review has transitioned us decisively from conventional promotional channels towards the digital, enhancing the energy of our brand, accelerating our speed of market response, widening our consumer engagement and ensuring a higher customer impact.

In short, the Company responded with speed to an evolving digital landscape, transforming responsiveness, personality and recall.



JK Tyre presents the 'Premium Car Award 2021 by ICOTY' to the 'Land Rover Defender'



JK Tyre presents 'Green Car Award 2021 by ICOTY' to Mr. Anand Kulkarni, Vice President-Product Line-EV, Tata Motors Limited, for the 'TATA NEXON EV'



JK Tyre presents the 'Indian Car of the year Award 2021' to Mr. S S Kim, MD & CEO, Hyundai Motor India Limited, for the 'Hyundai i20'



JK Tyre presents the 'Indian Motorcycle of the Year 2021' award to Mr. Shubhranshu Singh, Global Head – Marketing at Royal Enfield, for the 'Royal Enfield Meteor 350'

## Achievements, FY 2020-21

In the past, there was a perception that since the automotive tyre was a low consumer-involved product category, all branding would be done along conventional lines. There has been a significant rethink in the last few years: one, the emergence of new digital channels, increased use of the smartphone, greater consumer impatience with the usual and the evolving nature of the tyre itself (towards IoT and complex variants) has warranted a digital-

driven repositioning of the brand and increased digital engagements with consumers.

Besides, even at JK Tyre (as with the rest of the sector) much of the branding used simple and traditional approaches; the brand salience with consumers would be momentary, cost-exhaustive, footprint limited and possibilities of personalising the pitch non-existent. JK Tyre approached the subject from the

outside-in, transformed with speed, aligned with transforming consumer needs and implemented a range of new age practices woven around Industry Rev 4.0.

The Company responded through a complement of the following initiatives: virtual events, social media promotions, online listing, e-commerce alliances, re-targeting campaigns and digital partnerships.

## Brand JK Tyre

In FY 2020-21, JK Tyre aggressively pursued its brand activities in the marketplace. Our endeavour has been to drive brand premiumisation by adopting a differentiated approach to our marketing communication and marketing initiatives. In addition to this, the thrust is on a clever presence in the media (TV, digital, outdoor, retail etc.) for a greater customer mind share as well as stronger customer connect through various events and activations.

JK Tyre launched a TV campaign celebrating its 20 million TBR tyre sale achievement while saluting the unknown warriors – truck drivers - in select markets. To promote the PCR category among the youth, a new

television commercial was launched, promoting the company's premium range of Ranger tyres.

JK Tyre utilised radio as a medium to reach diverse consumer segments. The Company executed a unique, industry-first radio campaign to connect with fitters and mechanics in key markets to sustain its TBR leadership.

With a focus on breaking the clutter and creating a larger impact with premium imagery, the company engaged in high-impact outdoor advertising with high visibility in focused cities that differentiates its brand imagery and enhances awareness of key truck and PCR products. The company executed a high visibility wall painting and

wall-wrap across towns and cities to promote commercial categories and attain TBR leadership.

JK Tyre associated with ITC Limited's e-choupal for a first-of-its-kind association to spread awareness for the company's farm category tyres.

JK Tyre continued to be the only tyre Superbrand in India. The company received the prestigious Economic Times Iconic Brand Award 2020 for the second time in a row with a Gold Award for innovation in Digital Marketing, Trusted Brand 2020 by *Reader's Digest*. (as per *Reader's Digest* Trusted Brand Survey 2020) and *India Today's* Most Prestigious Brand in the tyre category.

## Digital Marketing

During the year under review, digital marketing took centre stage following the COVID-19 pandemic. JK Tyre re-defined its digital marketing strategy to strengthen brand recall.

The gamut of marketing activities (product communication, consumer-driven initiatives as well as motorsport events) was amplified through digital media platforms.

JK Tyre promoted the sale of its 20th million TBR tyre through Facebook

and YouTube, reaching more than 14 million viewers. The Company created a television commercial for its Ranger series that was promoted through Facebook and YouTube, generating more than 24 million viewers.

The historic 'Zindagi Ke Pahiye' campaign created a milestone in the automobile industry by generating more than 50 million views on YouTube; the video showcased the life of truck drivers and how JK Tyre plays an important part in their lives.

The digital medium promoted branded outlets through an on-going exercise i.e. Google My Business, through which we helped Brand Shops (Steel Wheels/Xpress Wheels, Truck Wheels and Retread Centers) generate walk-ins and enquiries.

During the year, JK Tyre created a strong presence on e-commerce platforms like Amazon and Flipkart with an alternate sales channel for passenger segment tyres and on leading online tyre platform

tyreplex.com to help our SW/XW generate more enquiries.

JK Tyre executed an online-to-offline integration of the home fitment of tyres through the JK Tyreman Service in association with leading automotive portals.

JK Tyre carved out a consistent visibility on Google Search and Google Display Network when it came to tyre searches; it generated product and dealership enquiries on its website.

Through motorsport, JK Tyre engaged with enthusiasts, reaching out to more

than 20 million digital audience and more than 3 million video views in addition to a racing season webcast on social media.

JK Tyre is a leading tyre brand in terms of Instagram and Facebook followers.





Domestic operations

# How our 2- & 3-wheeler business is blazing a trail







## Strengths

**Brand:** The Company strengthened its recall around established attributes, Blaze's superior recall and the Company being a credible 'House of two- and three-wheeler tyres'.

**Brand building:** The Company demonstrated brand building competencies when it built Blaze from scratch in the last few years, following an understanding of what consumers needed, corresponding

product development and established distribution networks

**Coverage:** The Company's market reach was extended via the expanded distributor network addressing the needs of retailers and mechanics/fitters across 90 per cent of the country's addressable market. The Company's rural distribution network comprised rural distributors with a reach extending to Tier 4 and 5 cities.

## Achievements in FY 2020-21

### Outperformance

- The Company grew volumes in double-digit percentage terms
- The Company increased its market share, a creditable achievement considering that the Company entered this market segment only four years ago

### Market coverage

The Company widened its coverage; it increased the number of distributors, plugging terrain gaps effectively and increasing revenues from Category C and D towns across India

### OEM customer focus

- The Company accounted for a larger OEM wallet share, especially across new vehicles being launched by them

The Company strengthened its business following the addition of TVS as an OEM customer for its scooter requirements (in addition to existing marquee customers like Hero and Bajaj), marking the Company's entry into the scooters space

### Aftermarket customer solution

- The Company widened its product offering (tubeless and tube type); its 115 SKUs address nearly 95 per cent of all applications and size mix.
- The Company increased the number of SKUs from 40 three years ago to 115 SKUs, spreading the available choice across tyres for scooters, motor cycles and three-wheelers on the one hand and enhancing product fitment and customisation for local terrains.
- The Company evolved from a strong dependence on the economy brand Challenger to a scenario where 65 per cent of the offtake in the two-wheeler segment was accounted for by the premium Blaze brand
- The Company registered healthy growth from a new channel in the first year itself i.e. e-commerce enjoyed a 360 degree reach to the end consumer

- The Company strengthened its claims settlement through digital means, which strengthened its share of business being derived from dealers
- The Company strengthened channel partner engagement for new distributors, which enhanced awareness about its products, technologies, manufacturing facilities and capabilities, strengthening per dealer throughput.
- The Company sustained consumer engagement through the year with impactful online campaigns on the social media during the monsoon and festivals.
- Strong word-of-mouth goodwill among influencers xBHP helped create a buzz about Blaze RYDR, the flagship product and Smart 2W tyres.

### Outlook

There is a growing need for personal transportation modes on account of growing safety concerns following the outbreak of the pandemic. The Company intends to capitalise on this trend. The Company intends to consolidate revenues from this business segment through a stronger rollout of digital promotional campaigns, television commercials, larger presence on the Amazon marketplace, products delivered to the customer's doorstep and enhanced revenues from premium tyres.

### Our Indian distribution footprint

140 sales, service and stocking points	20 regional offices and 4 zonal offices	6000 +dealers	500 + brand shops (Steel Wheels and Xpress Wheels)	50 JK Tyre Truck Wheels (fully equipped tyre service centre offering complete tyre solutions)
40 JK Tread Centres (value-added services such as re-treading)	350 + distributors	1000+ fleet operators	Marketing tie-up with three oil marketing companies	OEM franchisees

## Exports

# Transforming

to build a consistent presence as a trusted global brand



### These are the external challenges we faced

- Contraction in the global tyre market by more than 10% due to the pandemic
- Intensified competition from manufacturers in Thailand and Vietnam
- Increased trend towards localisation and protectionism
- Supply chain issues (shortage of shipping containers, increased freight and longer transit times).



### Why transforming with speed was important

- JK Tyre's global brand was stronger than its physical presence
- The Company's research capabilities were future-ready to provide for diverse terrains
- There was a tendency for markets to move towards tyres providing lower costs during the entire tyre lifecycle



### This is how we accelerated our transformation journey

- The Company leveraged an environment-friendly and technology-driven portfolio
- It appointed executives across global markets
- It customised products around specific markets
- It widened its geographical coverage by adding new markets.



### This is what our transformation journey generated

- The Company deepened its positioning as a single-point solutions provider
- The Company enhanced its presence to more than 110 countries by entering Europe.
- The Company continued to work towards increased market share in North and South America
- JK Tyre became the largest exporter of On Highway Tyres from India in spite of availability constraints
- The JK Tyre brand enjoyed a strong recall across the global markets of its presence



### Our transformation journey

During the last few years, the Company strengthened the research-driven technology quotient of its products, validated the quality of its tyres against competing international brands in independent tests and built on its sizable advantage of being able to manufacture tyres out of two continents. These realities strengthened the Company's conviction that it could market a larger throughput of value-added

tyres across a wider footprint of countries in its own brand name.

The Company built on this considerable advantage by broadbasing its international presence, servicing global markets with tyre variants customised around local terrains, deeper engagements with distributors and developing a highly motivated team to service its global footprint.

The result is that JK Tyre products

are marketed across more than 100 countries; a number of these countries comprise developed markets; the Company's products compete against the best global brands and exports accounted for 14 per cent of revenues during the year under review.

Going ahead, the Company intends to consistently generate a growing percentage of its revenues from exports, reinforcing its brand as a global player.

## Strengths

**Brand:** The Company built its brand through the research-led development of next generation tyres (Smart Tyres and UHP products)

**ESG:** The Company's products have generated the respect for being progressively 'green' on account of a substitution of fossil fuel inputs with natural resources, a decisive advantage in a world where environment-friendliness is being increasingly respected.

**Footprint:** The Company enjoyed a distribution presence in more than 110 countries during the year under review, generating around a quarter of its export revenues from the US market, the largest and most demanding tyre consuming market in the world.

**Price-value proposition:** The Company's products carved out a distinctive price-value proposition

in a crowded multi-brand global market, reinforced by its commitment to provide the 'right product for the right market'. The Company's products were marketed as providing a lower cost per km to commercial fleets, high mileage and comfort to passenger vehicle owners

**Team:** The Company built its international business from the ground level up through a team with geographic responsibilities allocated across managers to facilitate a deeper penetration, better market understanding and superior customer service.

**Customised products:** The Company developed products curated for the needs of countries like USA, UK, Brazil, Italy, Peru and Egypt, among others, resulting in a stronger traction.

**Solution provider:** The Company deepened its positioning as a single-point solution provider, comprising any tyre for any terrain for any vehicle.

**Product mix:** Commercial tyres accounted for 85% of the Company's exports; passenger car tyres accounted for the rest.

**Realisations:** The Company, on account of a superior product as well as country mix, enhanced sales productivity and synergy between its India and Mexico operations. The Company emerged as the largest Indian commercial tyre exporter to the US.

**Synergies:** The Company strengthened synergies (research, product mix and global sales allocation) between its India and Mexico operations

## Achievements, FY 2020-21

The Company was required to address the challenges of a global lockdown, shortage in shipping containers and increased freight rates during the year under review, which affected its ability to export a sizable output.

The Company responded with a range of initiatives: appointed marketing executives in specific global terrains to develop market intelligence and provide best-in-class customer service, remained competitive across markets through optimal pricing, promoted the JK

Tyre brand through the social media to create a consumer pull and positioned itself as a prominent Tier-2 global brand with the ambition to enter the exclusive Tier-1 category. The Company has emerged as the largest Indian commercial tyre exporter to the US.

## Outlook

The Company created a strategic five-year plan to widen its global presence, with at least 10 per cent revenues being derived from exports. The Company strengthened its positioning as any-season and any-market products provider.

The Company will widen its global footprint by increasing its product range; it will seek to generate a proportionate share of revenues from each market, equivalent to that country's share of global tyre sales.

The Company will seek to address

the vast exports headroom available to India, a country with only a 2 per cent share of the truck and bus global market.

A convergence of these realities is expected to transform JK Tyre into a prominent global brand in the foreseeable future.

The Company will emphasise its positioning around 'tyres that pay for themselves', leveraging the positive experience of fleet owners who reported an increase in mileage and fuel efficiency.

The Company has emerged as the largest Indian commercial tyre exporter to the US.



# JK Tyre and road safety

JK Tyre possesses an unwavering commitment to road safety, a cause that generally receives less attention than it deserves. JK Tyre is a torch bearer in promoting road safety awareness for the past three decades. The importance of this activity is emphasised by the fact that from this year the erstwhile National Road Safety Week was converted into a National Road Safety Month 2021 held under the aegis of Ministry of Road Transport and Highways. MoRTH .

As always, JK Tyre partnered Delhi Traffic Police Road Safety Cell, the educational wing of Delhi Police, and Society of Indian Automobile Manufacturers (SIAM), in their efforts to promote road safety through the National Road Safety Month.

This year, the focus was on pedestrian safety. Delhi Traffic Police identified high accident spots in and around the city at high traffic density locations. JK Tyre deployed teams of volunteers at strategic locations to create

awareness about safer driving practices, including measures like affixing reflective safety stickers etc. on bicycles.

Additionally; driver education programmes were conducted periodically the year across the country. With a tyre being the only point of contact of the vehicle with the road, education about tyre wear and care played an important part in road safety especially with increasing vehicle speeds on expressways.



# Global footprint

The Company exported products to MENA, Africa and Latin America





SKUs launched for exports, FY 2020-21

PLT	45
TBR	36
TBB/LCV	33

The Company has emerged as the largest Indian commercial tyre exporter to the US

# JK Tyre tested by champions. Built for you.

The COVID-19 pandemic brought to the fore unforeseen disruptions, which affected various sectors. The auto industry faced headwinds across fronts – from production to supply chain. However, this proved to be an opportunity for the industry to value risk assessment and prepare contingency plans to future-proof businesses.







Rally of Arunachal 2020

The pandemic disrupted media, entertainment and motorsport the most. In motorsport, with big championships cancelled or delayed, the sport lost valuable time. However, as we turned the corner to 2021, the world accustomed to the new normal. In that spirit, taking the pandemic-induced challenges head-on with caution, JK Tyre remained committed to returning motorsport to its adrenaline-inducing glory.

Luckily, motorsport has advantages working in its favour - it does not

involve direct contact and racers are equipped with mandatory safety gear. Moreover, international and national circuits witnessed a revival; back home, we outlined detailed SOPs for resumption, factoring social distancing and safety protocols.

As soon as the sporting events started getting back to its feet in October 2020, JK Tyre concluded a shortened 2020 season of National Racing, Karting & Rally Championship.

Ensuring proper and government-defined safety protocols, the

Company hosted the 23rd continuous season of JK Tyre National Racing Championship at the revamped Kari Motor Speedway in Coimbatore. The event of two back-to-back rounds was telecast live on the OTT platform since no spectators were allowed on the track.

The FMSCI Indian National Rally Championship was one of the most exciting motorsport events of the year. The Company lined up the country's best and promising rally drivers, led by none other than JK Tyre's brand



Racing Team India - First team of Indian drivers to participate in Le Mans 24-hour Endurance Race



Overall champions of the 23rd JK Tyre-FMSCI National Racing Championship 2020

ambassador and India's first Arjuna Award winner Gaurav Gill. While ace rallyists displayed impressive driving skills across categories, Gaurav Gill stole the show by sealing his seventh Indian National Rally championship title.

JK Tyre associated with the first of its kind Racing Team India in the 2021 Asian Le Mans Series as well as at the 24 Hours of Le Mans race. It was monumental for India on the global motorsport stage, considering this was the first all-Indian team to compete

internationally in endurance racing. The team comprised three Indians, led by Padma Shree and India's first Formula-1 driver Narain Karthikeyan, young racing sensation and Formula 3 champion Arjun Maini and Naveen Rao, the reigning USA 2020 IMSA Prototype Challenge Champion. The team finished fifth at the Abu Dhabi four-hour races but displayed an impressive performance with a media outreach of 80 million-plus impressions; the team secured its entry in the 24 Hours of Le Mans to be held later this year.

By sponsoring an all-India-based racing team, JK Tyre aims to leverage interest in the Indian market and generate a new messaging that will be used in our digital marketing campaigns to drive traffic to the JK Tyre social media pages.

# How we invested in knowledge capital to accelerate our transformation journey



## Overview

The year under review placed a premium on competent people management.

During the first quarter, the Company was required to protect its talent (physically and emotionally) at a time when the markets were locked down and there was an infection dread of the COVID-19. Besides, during this phase, there was a premium on remote virtual engagement, sustaining sales and enhancing employee morale across geographies.

In view of these realities, it would be reasonable to state that seldom in the existence of the Company was the human resource function as extensively tested as it was during FY 2020-21.

The Company's human resource leaders transformed from conventional crisis management to a re-engineered HR approach directed to enhance agility. The Company focused on re-skilling that enhanced nimbleness, deepening resilience,

enhancing competencies and developing a succession pipeline.

The Company emphasised adaptiveness in the face of rapidly evolving environments, focus on performance, timely communication, virtual workplace, business continuity, engagement with external stakeholders (dealers, vendors, customers), digital transformation and employee wellbeing.

## Principal HR initiatives, FY 2020-21

The major HR initiatives during the financial year comprised the following:

- Regular communication from the senior management to all employees to keep their morale high
- Provided work-from-home facility to all employees
- Sustained communication between the leadership and stakeholder teams

- Protected employee wellness and wellbeing with timely information
- Transformed the virtual / online option into an active engagement and communication platform
- Increased engagement with employees and their families
- Closed the performance management system cycle that appreciated individual efforts through increments, incentives and recognition.

Intensified training through the digital platform (webinars) in line with Business, Learning & Development Strategy and the JKO Competency Framework (on-the-job, competence-based functional and behavioural training, coaching and mentoring). This was coupled with upgraded operative staff, safety and behaviour-based training, Kaizen, 5S, preventive maintenance motivational programs.

## Achievements, FY 2020-21

Despite the adverse situation due to the pandemic, the Company reported a record outperformance, marked by the following achievements:

- The Company was recognised as a Great Place to Work in FY 2020-

21, validating its positioning as a preferred employer.

- The Company invested deeper in digitalisation, enhancing per person productivity

- The Company reported its highest people retention in years; average age was around 37 at the close of the year

## Outlook

The Company seeks to retain its position as a Great Place To Work. The Company intends to figure among the 20 best employers in India, strengthening innovation and talent development.



# JK Tyre is deepening its community presence to enhance prosperity for all



## Our CSR policy

From the time it went into business, JK Tyre has been committed to the creation of sustainable societal value. The Company's founders believed it was imperative to extend the Company's progress to community well-being. The result is that the Company invested in community development interventions comprising livelihood enhancement, health care, educational support, rural and semi-urban infrastructure development, environment conservation, etc. to enhance lifestyle standards.

JK Tyre's CSR agenda meets requirements of Section 135 & Schedule VII of the Companies Act, 2013 and is in consonance with most of the UN Sustainable Development Goals. There is a comprehensive CSR Policy in the Company and CSR initiatives are planned & implemented under the guidance of a Board level CSR Committee and the senior management.

## Our CSR activities

Our CSR activities can be broadly categorised across two verticals:

**Need-based interventions:** Being a manufacturing-based Company, we are committed towards holistic development of areas proximate to our manufacturing locations. We follow a methodical approach commencing with need-assessment leading to necessary CSR interventions comprising skill development, adoption of schools and livelihood-based activities.

**Business sustainability-based interventions:** These CSR initiatives are linked to our business sustainability, comprising water



conservation, road safety, prevention of HIV-AIDS among truckers and eye camps for drivers.

Further, JK Tyre’s social development initiatives may largely be categorised in four thematic areas viz., Livelihoods, Health, Education & Water Conservation, wherein emphasis is laid in providing long- term sustainable solutions to marginal and disadvantaged communities, specifically in rural and semi-urban areas.

### Livelihood

- Skill building
- Livestock development
- Agriculture improvement
- Self Help Groups

### Environment

- Water conservation
- Plantation

### Health

- Eye and health camps
- Reproductive and child health care
- Sanitation
- HIV/ AIDS prevention

### Education

- Support to schools
- ITI adoption
- Scholarships

### Review of FY 2020-21

During the year under review, the world was deeply affected by the outbreak of the novel corona virus pandemic. The Company embarked on various initiatives to restrict the spread of the virus.

The Company’s CSR engagements touched more than 70,000 stakeholders during the year under review.

The water conservation project managed by the Company increased proximate well water level by 3-4 feet in the regions of the Company’s interventions.

The livestock development project generated the birth of more than 7,500 hybrid calves with a visible increase of > 4000 litres of milk per day in the covered villages.

Project Jyoti Kiran addressed truck drivers and provided eye care and

spectacles free, enhancing their safety and work efficiency.

### Our fight against COVID-19

As a socially responsible Company, the following steps were taken for protection against the pandemic:

- JK Tyre, along with group companies of JK Tyre, pledged ₹10 crores to the Prime Minister Cares Fund.
- The Company assisted migrant workers with cooked meals, food and hygiene products
- The Company supported local district health departments by providing ambulances, safety materials, masks, soaps and gloves to sanitary workers in municipal corporations.
- The Company educated villagers about the pandemic through public address systems, door-to-door visits,



banners, posters and fumigation drives in more than 200 villages around its manufacturing facilities

- The Company organised more than 20 webinars to educate a large number of stakeholders – business partners, dealers, supply chain associates, employees and local communities- with the help of JK Group-promoted PSRI Hospital and other partners.
- The Company distributed more than 10 Lakh masks and sanitisers; more than 100 health camps were organised; more than 50,000 individuals benefited
- The Company's efforts will help build better health infrastructure in the areas of our operations as the second wave of COVID-19 is a medical emergency. The Company is in the process of establishing an oxygen generation plant, donating oxygen concentrators, hospital beds and medicine kits.

## Sustainable livelihoods

### Sustainable development goals (SDG 1 & 2):

In rural India, agriculture and livestock represent major sources of livelihood. In view of this, the Company focused on enhancing the farm and off-farm incomes of marginal farmers through agriculture and cattle breed improvement programs.

### Livestock Development (SDG 1 & 2):

Agriculture is the backbone of India's rural economy; livestock rearing is a critical success driver. Almost all rural households own livestock; among the poorest, livestock is often their only sustained income source; in general, milk yields are low as a result of poor cattle nutrition and genetic quality.

JK Tyre's Livestock Development Programme provides artificial insemination services to produce calves with significantly higher milk yields, producing enough surplus that can be sold. Livestock Development Centres in villages provide services right at the owner's doorstep, which also include veterinary support to ensure proper health and nutrition.

Surplus milk for sale generates extra income for poor households, which is often utilised to invest in growing the herd and creating dairying as a viable livelihood option.

There are plans to encourage cattle-owners to form milk producers' associations to reduce logistic costs and connect them to larger markets and derive higher prices.

During the last five years of the livestock development programme, 28,156 artificial inseminations were performed, 7,638 hybrid calves were born and more than one lakh cattle were provided health care services (vaccination, deworming, de-ticking and fertility treatment).

### Agricultural Improvement

**(SDG 1 & 2):** The need of the hour is to make agriculture inclusive, technically advanced and sustainable. The Company focused on training farmers, especially women farmers about modern agricultural practices (latest technology, high-yielding variety/ seeds, optimum fertiliser regime, pesticides etc.).

**Floriculture:** A group of 200 women farmers was trained in floriculture in Kankroli (Rajasthan), considering its proximity to Nathdwara temple and a large Udaipur market. Marigold, jasmine and chrysanthemum seedlings were distributed; wire fencing was provided to protect the crop from stray animals. The activity proved beneficial; ₹10,000 of additional income was generated per beneficiary.

**Skill Development (SDG 1 & 2):** The Company provided location-specific market-oriented training in light motor vehicle driving, mobile repair, motor winding, beautician and tailoring to around 200 unemployed youth, a number of whom were subsequently employed or who initiated their own enterprises.

## Health Care and sanitation (SDG 3, 5, 6 & 10)



### Project 'Jyoti Kiran' (SDG 3)

Project Jyoti Kiran was initiated a year ago to provide free eye care services, especially to truckers and transporters. The free eye care camps were organised at Transport Nagars, mandis and other places. Nearly 40% drivers had issues related to vision and required vision correction spectacles (provided free). Around 50 eye camps were organised, covering more than 5,000 truckers; more than 1,500 truck drivers were provided free spectacles.

### Prevention of HIV/ AIDS (SDG 3 & 10)

The Company is engaged in the prevention of HIV / AIDS epidemic. The network of people living with HIV/ AIDS (PLHIV) in Rajsamand, Rajasthan, helps HIV patients get emotional support, guidance, medicines and nutritional supplements. The PLHIV network enrolled 1250 PLHIV in Rajsamand, a large number of PLHIV were linked with various government social schemes like Antyodaya, Palanhar, etc.



### PSRI Hospital & Research Institute (SDG 3)

Pushpawati Singhanian Hospital & Research Institute, New Delhi, is a multi-super specialty hospital co-promoted by JK Tyre on a no profit- no loss basis. During the last two decades, more than 1.5 million patients have availed affordable and best-in-class health care services at this hospital.



## Clean drinking water

A clean drinking water project was implemented in 15 *bastis*/hamlets in Kankroli that were located far from the main village and not covered under any village water supply scheme. The inhabitants, predominantly women, encountered drudgery in collecting drinking water from distant places. More than 4,000 people were provided drinking water through the year. GramVikas committees in each village helped sustain drinking water facilities.

## Education

The Adult Literacy Programme, running since 2004 at all JK Tyre manufacturing locations, helped transform the lives of more than 50,000 rural illiterate women. These women are now functionally literate, can read and write with ease, engage in basic calculations, help their children in studies and have started income generation activities. The unique adult literacy program at Central Prison, Mysuru, helped more than 6,000 prison inmates become functionally literate. The project enhanced women's position in society, education of their children, entrepreneurship development, increase in household income and improved life quality.

JK Tyre adopted three Government ITIs (public-private partnership model) to impart job-oriented quality vocational education for more than 500 local students each academic year. This engagement enhanced the reputation of the adopted ITIs, wherein campus interviews are now conducted by reputed corporates, providing almost hundred per cent employment to these students.



The Company supported a number of schools to improve pedagogy, learning outcomes, digital learning, remedial classes and infrastructure.

JK Tyre co-promoted the premier JK LakshmiPat University in Jaipur.

## Employee volunteering

JK Tyre employees played a voluntary role in the Company's various CSR initiatives. They took adult literacy classes, visited orphanages, shared technical expertise with ITI students, sponsored the studies of marginal students and devoted time during CSR events.



Water conservation



JK Tyre reported one of the lowest water consumption benchmarks in the global tyre sector. The Company initiated water conservation initiatives in proximate villages to enable local communities in becoming water-

sufficient. Some 30 community water tanks, 10 check dams and 38 farm ponds were developed to harvest water to irrigate farms, ground water recharge and drinking water for animals. Other water conservation

activities like farm bunding, borewell recharge and soak pits were implemented to conserve water and benefit more than 100,000 residents.

Case study #1

### Project Jyoti Kiran for eliminating poor vision among Driver fraternity

Project Jyoti Kiran was initiated to eliminate the problem of poor vision among the driver and transporter fraternity. Driver Mr. Nitesh Kumar, beneficiary of the Jyoti Kiran Camp in Rajkot, mentions that this eye camp saved his day wages, and saved an additional ₹1,000 as he got free consultation and free spectacles. During the year under review, 50 eye camps were organised, covering more than 5,000 truckers; more than 1,500 truck drivers were provided free spectacles.



Case study #2

### Ensuring clean drinking water for local communities

The need assessment survey in villages near the Chennai tyre plant revealed that the local communities were experiencing a shortage of safe drinking water and the handpump/well water was not suitable for drinking purposes. The villagers bought drinking water at a higher price. After deliberations and with the active participation of the local community, it was decided to install an RO plant for water purification and the availability of clean drinking water. The land for the RO plant was allocated by the panchayat; after the establishment of the RO plant, all the operational and maintenance expenses are being borne by the local community. All five RO plants are operational, managed by local residents and benefitting more than 7,200 people from seven villages.



# 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 financial year ended 31st March, 2021.

### OPERATIONS

The year began with outbreak of the Covid-19 pandemic, an unparalleled calamity in the recent history of mankind. The world as we know was thrown into turmoil, and all that was taken for granted was threatened impacting lives and livelihood. A number of global economies went into a state of enforced and extended lockdowns to contain its spread.

With shutdown of entire operations for the first time in the history of JK Tyre for almost two months beginning end of March 2020 we were faced with an unprecedented situation.

The paramount focus of your Company was on employee safety, health, morale and security of all operational assets. The Company maintained high levels of communication within the organization at all levels and with all stakeholders including vendors, OEM buyers, channel partners and end users. Focus was laid on sustaining cash flows and anticipating market requirements in preparation of resumption of operations. Major functions were conducted in virtual mode and adoption of digital practices were encouraged.

The operations at plants resumed gradually from 3rd week of May 2020 onwards. Q2 rapidly took a 'V' shaped recovery trajectory. The Company saw a sharp comeback in Q3 & Q4 and recorded highest ever sales in these Quarters in the history of the Company.

JK Tyre recorded a higher turnover at ₹9,145 crores on a consolidated basis and operating profit of ₹1,349 crores which is 33% higher compared to the preceding year. On a standalone basis, the turnover was ₹6,170 crores with operating profit of ₹887 crores which is 31% higher over the preceding year.

With lean operations, smart marketing, stronger IT infrastructure, cost compression, reduced working capital and receivables, JK Tyre is well placed to capture the growing demand and further improve its performance. The Government's emphasis on infrastructure and Atmanirbhar measures, preference for personal mobility is expected

to provide tailwinds in the year ahead. However, global headwinds like increase in commodity prices remain a cause of concern.

### KEY HIGHLIGHTS:

1. **Turnover of ₹9,145 Crores despite closure of all economic activities for 2 months**
  - Rolled out 20 millionth TBR Tyre - 1st in India
  - Enlarged distribution outreach by adding 1,400 channel partners across the country
  - Higher exports at ₹1,176 crores
  - Added prestigious OEM brands to our customer portfolio
2. **Achieved higher Operating Margin despite global slow down**
  - Increased capacity utilization; extensive cost cutting
  - Aggressive cut in fixed expenses
  - All round improvements in manufacturing efficiencies across plants and global benchmark in several parameters
  - 55% power requirement met through renewable resources
3. **Reduced Working Capital deployment in India Operations**
  - Reduction in Working Capital cycle
  - Strict credit discipline and cash management
  - Reduced interest cost
4. **Reduction in Debt**
  - Reduced borrowings by ₹892 crores (consolidated)
  - Increased liquidity
  - Improvement in credit rating
  - Improved leveraging and other financial ratios
5. **Accelerated Pace of Innovation**
  - Launched 231 SKUs during FY 2020-21
  - Premiumised product portfolio across categories
  - Accelerated sale of "Smart" tyres.



## 6. Brand Building

- Leveraged Digital media and increased customer connect across platforms
- Sustained motorsport
- Strengthened product positioning; increased market share

## 7. Digitalization

- Extended digitalization across functions
- AI Supported claim resolution time significantly reduced (from 3 days to 30 Minutes) leading to superior customer experience - effort recognized with Best Digitization award by CII
- Improved Working Capital management

## 8. HR

- Retrained and transformed mindsets in embracing "digital first"
- Recognized among top 30 India's best workplaces in manufacturing sector for 2020 by the "Great Place to Work"

## 9. Deepened our ESG culture & Invested in HSE

- Emerged "greener" company (Zero Waste to Landfill and Single Use Plastic Free)
- Reduced carbon footprint by 54%
- Global benchmark in water usage in Tyre industry
- Lowest energy consumption – first 3 in the world
- Adopted 4 Rs approach (Recycling, Re-use, Renewables and Reduction)

All these actions resulted in improvement in profitability - PAT increased multifold to ₹331 crores in FY 2020-21.

## INVESTMENTS IN ACQUISITIONS

It is indeed a matter of great satisfaction that the investments made in several acquisitions during past few years have paid rich dividends - Vikrant Tyres, Mysuru for launch of Truck radials; JK Tornel, Mexico for strengthening foothold in Americas and recent acquisition of Cavendish for Truck radial tyre capacity and our entry in 2/3-wheeler tyres - a growing segment which we had been wanting for a long time to complete the product basket.

These tyre companies have been turned around in shortest possible time and have added tremendous value for JK Tyre.

## RAW MATERIAL

The FY 2020-21 shall be remembered as year of extremes. As the year moved ahead, the country witnessed "V" shape recovery. During second half of the year, it reached its

peak. The raw material ecosystem was neither prepared for complete lockdown nor was prepared to meet the galloping needs of the revival of economy especially Tyre Industry. First half of the year, saw subdued prices because of lower demand and with the rise of manufacturing activity, it turned into shortage of various products leading to higher prices. Supply Chain disruption including shortage of containers, vessel space and number of sailings, resulted into vicious circle of lower raw material availability and higher finished goods demand.

Product by product, the availability of inputs got constrained and the price rise happened across the globe. Right from first week, the Company started critical monitoring of the entire supply chain scenario and with detailed planning, closely working with strategic partners, followed by diversification of supplier base to different geographies, etc. With the result, the Company was able to meet its production needs.

## R&D AND TECHNOLOGY

Since beginning, your Company has been having very strong focus on technology development & maintaining competitive scan and edge domestically as well as globally. A strong team of over 200 Scientists and Engineers located at "Raghupati Singhania Centre of Excellence" Mysuru, is involved in developing innovative and newer technologies to maintain competitive edge.

Accordingly, the Company's RESEARCH & DEVELOPMENT and TECHNOLOGY team are fully aligned with current & future needs of the customers and various markets the Company operates in.

To ensure consistent high-quality products, validation and testing capabilities are continuously enhanced. This also helps in meeting stringent OEM requirement. In addition, state-of-the-art predictive technology and solutions are developed at the Company's "RPS Centre of Excellence" at IIT, Madras.

The Company has embarked on the journey of TQM for business excellence. This has helped in strengthening the regime of continuous improvement on all aspects of productivity, quality, cost & delivery. The Company is extending the rigor of TQM to its stakeholders especially suppliers and dealers as a part of strengthening end-to-end quality.

## AWARDS

JK Tyre has been recognised as:

- Great Workplace for the period Mar 21- Feb 22 by 'Great Place to Work Institute', India.
- Superbrand (8th time in a row) by Superbrand India.

- Iconic Brand of India 2020 by **Economic Times**
- Trusted Brand 2020 by **Reader's Digest**
- Kankroli Tyre Plant received 14th National Water Awards for Excellence in Water Management 2020 by CII within the Fence Category
- Kankroli Tyre Plant awarded **Sword of Honour Award** for commitment to excellent health and safety management.
- Kankroli Tyre Plant received CSR Award - Large Enterprise 2020 by **Udaipur Chamber of Commerce and Industry (UCCI)**
- Chennai Tyre Plant received CII's **National Energy Management Award 2020** for the Fifth Consecutive Year.
- Banmore Tyre Plant has been rated "**GreenCo Gold**" category by CII during Greenco Summit 2020

## DIVIDEND

Your Directors are pleased to recommend a dividend of ₹2 per equity share of ₹2 each (i.e. 100%) on the equity share capital of ₹49.25 crores for the financial year ended 31st March 2021. The dividend outgo will be ₹49.25 crores. The Dividend is subject to deduction of tax at source, as may be applicable. The dividend pay-out 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 ₹985.30 crores and the same has been carried forward to Balance Sheet.

## ANNUAL RETURN

The Annual Return referred to in Section 134(3)(a) of the Companies Act, 2013 is available on the website of the Company: <https://www.jktyre.com/annual-returns.aspx>

## RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2021, 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 (SEBI Listing Regulations), 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 Board of Directors appointed Shri Anshuman Singhania, Dy. Managing Director, as a Managing Director of the Company for a term of five years commencing 21st October 2020 and he will continue to be a Key Managerial Personnel (KMP) of the Company.

The Board also re-appointed (i) Dr. Raghupati Singhania as a Managing Director of the Company for a term of five years commencing 1st October 2021, and (ii) Shri Arun K. Bajoria, as the Whole-time Director of the Company with the designation 'Director & President - International Operations' for a term of three years commencing 20th January 2022.

Shri Bharat Hari Singhania's present term as a Managing Director of the Company shall determine on 30th September 2021 and he has expressed his desire not to seek re-appointment. He shall therefore cease to be a Managing Director and a KMP of the Company w.e.f. 1st October, 2021 and will continue as a non-executive director of the Company. However, considering the need for smooth transition of responsibilities, Shri Bharat Hari Singhania, a promoter director and an industrialist with over 60 years of experience, has agreed to be available to the Company and management for a period of three years for his guidance and mentorship for which he will be paid remuneration as approved by the Board.

All the matters of re-appointments as well as continuation of Shri Bharat Hari Singhania as a non-executive director and payment of remuneration as aforesaid, are subject to the approvals of the members of the Company at the ensuing Annual General Meeting (AGM) and are recommended by the Board for approval.

Shri Arun K. Bajoria, Director & President - International Operations, retires by rotation in his capacity as a Director, and being eligible, offers himself for re-appointment at the ensuing AGM. The Board recommends re-appointment of Shri Arun K. Bajoria.

Further, there were no other changes in the Directors/KMP of the Company during the year.

Declarations have been received from all the Independent Directors of the Company that they meet the criteria of independence prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. All the Independent Directors are registered on the Independent Directors Data Bank.

## CONSERVATION OF ENERGY, ETC.

The details, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014, are annexed to this Report as Annexure 'A' and forms a part of it.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the financial year ended 31st March 2021 have been prepared in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and the 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 the 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:

Name of Company	(₹ Crores)	
	Turnover	PBT
- Cavendish Industries Ltd.	2,570.72	142.15
- JK Tornel (together with its subsidiaries)	1,135.33	1.30

Pursuant to the provisions of Section 136 of the Companies Act, 2013 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

been accepting public deposits, 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 2021 are:

- accepted during the year - ₹58.50 crores;
- remained unpaid or unclaimed as at the end of the year - ₹1.85 crores;
- default in repayment of deposits or payment of interest thereon at the beginning of the year, maximum during the year and at the end of the year - NIL; and
- 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 & Company, Chartered Accountants, were re-appointed Auditors of the Company to hold office from the conclusion of the 67th Annual General Meeting (AGM) held on 22nd September 2020 until the conclusion of the 72nd AGM to be held in the year 2025. The observations of the auditors in their report on accounts and the financial statements read with the relevant notes are self-explanatory. Further, no fraud has been reported by the Auditors to the Audit Committee or the Board.

### (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 Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the secretarial audit of the Company for the FY 2020-21. The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as Annexure 'B.1'. 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 Namo Narain Agarwal, the Secretarial Auditor, for the FY 2020-21 of CIL in the prescribed format is annexed -Annexure 'B.2'.

### (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 2020 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 2021 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](http://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 CSR Policy of the Company, the Projects approved by the Board, the composition of the CSR Committee and other relevant details 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 'C'.

## 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 2021 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. **An ESG & Sustainability Report is also being published separately.**

## 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 SEBI Listing Regulations, 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 - 'D' & 'E'.

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](http://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', particularly during the socio-economic challenges posed by Covid-19 pandemic, which has enabled the Company to continue to grow stronger despite these difficult times.

On behalf of the Board of Directors

19th May, 2021  
New Delhi

**Dr. Raghupati Singhanian**  
Chairman & Managing Director

## Annexure A to the Board's Report

# CONSERVATION OF ENERGY, ETC.

### A. ENERGY CONSERVATION

JK Tyre has been a frontrunner in the promotion of green manufacturing in the country. The Company is not only the pioneer in radial technology in the country but also amongst the global leaders in the area of green manufacturing. In its commitment to being a green and clean company, driven by the philosophy of – Reduce Recycle Reuse; the Company has showcased some of the best practices in the world for sustainable manufacturing.

JK Tyre places focus on the use of green and clean energy, resulting in the reduction of greenhouse gases and dependence on fossil fuels. This focus on energy and resource conservation has enabled the Company to further reduce its dependence on conventional thermal power sources and it has invested in solar and wind power with the objective to increase the renewable power share by 2-5% annually. Towards this end, the Company installed additional 7.7 MW solar plants at two of its locations. We are happy to mention that renewable power contribution at JK Tyre has reached the level of 55% during the year.

With rigorous efforts and initiatives towards conserving energy, JK Tyre is one of the best in the industry. We are very pleased to record that JK Tyre in FY 2020-21 achieved a total energy benchmark level of 8.88 GJ/Ton of production and ranks among the top 3 Companies in the sector worldwide.

During this financial year, JK Tyre increased the usage of biomass at its plants with a view to curb GHG emission at its production units and has made strenuous efforts to reduce the use of coal in its plants. As a result, JK Tyre's biomass consumption is almost 12% of its total fuel consumption in FY 2020-21.

Reducing carbon emissions to boost sustainable productivity too has been a goal at JK Tyre. The Company took 2013-14 as base year and had GHG's approved inventory. With an emphasis on renewable energy options, JK Tyre committed to halving the GHG rates in five years achieving a cumulative 54 per cent drop in FY 2020-21.

JK Tyre is recognized today as a global leader for the lowest raw water usage per kg of tyre manufactured. Over the years, the Company has contributed to the society with its technical capabilities to bring down raw water consumption at its plants to 1.87 liters per kg, which is the lowest in the tyre industry globally.

Energy conservation is an effective way to lower overall energy consumption, and the same can be said for improved energy efficiency. On a larger scale, energy conservation is an important element of energy policy. Enhancing biomass usage, rationalization on boiler capacity and redistribution of thermal energy are some of new innovative ideas adopted to increase the energy efficiency.

### B. TECHNOLOGY ABSORPTION

#### a) Research & Development

##### Areas of R&D activities:

Keeping the concept of Circular Economy in focus, Research and Development team has been working towards conservation of material and related areas such as:-

- New generation polymer and filler materials for tyre performance improvement
- Bio sourced (green) material development
- Exploiting Nano-material technology
- Increased usage of recycled material in tyres
- Cavity Breaker Technology
- Runflat Tyre technology
- Improvement in Manufacturing/Process Technology for overall productivity, quality and performance

Use of software-based predictive performance analysis and simulation, incorporated with use of experimental methods at laboratory level, to study and measure the influence of parameters, affecting the product performance, is a continuous activity carried out to efficiently achieve the stringent product targets set by OEM's.

#### b) Expenditure on R&D

The expenditure on R&D during the year was ₹87.25 crores, which was 1.41% of the turnover.

#### c) Technology, Absorption and Innovation

##### i) Efforts towards Technology Absorption, Adaptation and Innovation:

In house R&D is working on Technology Sustenance through the concept of Self Reliance, with close engagement with global experts in order to compete with the Global Giants of the industry. R&D

Team is jointly working with, national institutes and some foreign universities in the field of advanced material, nano technology, advanced tyre mechanics & vehicle dynamics etc. Team is also participating in Government sponsored R&D projects, working jointly with Rubber Technology Centre, IIT Kharagpur to develop fuel efficient passenger car tyre for Indian Market under Pradhan Mantri Uchchatar Avishkar Yojana Project.

JK Tyre has recently signed a Memorandum of Understanding (MoU) with National Automotive Test Track (NATRAX) for development of capability to perform wet grip test as per ECE R117 regulation.

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

- 231 new products launched for Domestic and International (OEM + Replacement)
- Next Generation Steel king+ launched, which upgrades market leader Position in LCV segment with even more Durability and Low RRC
- Premium Product range enhancement in PCR UX1, UX Royale, etc
- Levitas ULTRA Designed for premium, High End Luxury Cars, for Domestic/Export
- Jetsteel JDC XD launched for tipper application and also approved in Ashok Leyland
- Jetsteel JDO XD launched in 12.00R24 for deep mining application
- JETWAY JUH5 range extension in LTR category
- 40 new products released for Export market including 15 products under project Chandelier
- Truck Bus Bias tyres with Low rolling resistance launched for Export market to meet new Stage-2 GSO requirements
- Sand tyre launched in 9.00-16 & 9.00-17 for Gulf countries
- Launch of wide range of solid tyres in Premium and Economy category

- A New Non directional Tread Pattern "ROCK CHAMPION" with dual bend groove developed for limestone application in 21.00-33 size
- Launch of 4.50-10 Jumbo & 4.00-8 JM SL for 3Wheeler
- Launch of 130/90-15 for cruise motorcycles

**Quality Management Systems**

To comply with OEM requirements and sustaining stringent Quality Parameters, JKTYL continues with IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 27001, ISO 17025 NABL and SA 8000 certifications.

**Process Technology**

Quick Adaptation of best-in-class manufacturing processes, coupled with forward-thinking approach, enabled New Product industrialisation and Manufacturing excellence to be achieved at excellent pace. Product enhancement defines new process introduction, process upgradation and focus on control of "critical to quality" parameters. Additional process controls have been introduced with installation of advanced equipment such as Dynamic Mechanical Analyser, High Speed Uniformity, Profile Calenders to achieve quality. Process Tech team has been working towards enhancement of capacity with cure cycle optimisation.

**C. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO**

	₹ Crores	
	2020-21	2019-20
Export, Foreign Exchange Earnings	1,093.38	1,082.77
Foreign Exchange Outgo	1,304.73	1,176.44

On behalf of the Board of Directors

19th May, 2021  
New Delhi

**Dr. Raghupati Singhania**  
Chairman & Managing Director

## Annexure B.1 to the Board's Report

MR 3

**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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, 2021** (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, 2021 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 had the following specific major events:-

1. Manufacturing and other operations remained closed / suspended at all plants of the Company in the beginning of the year due to lockdown imposed in the Country on account of COVID-19 and the operations were resumed in graded manner adhering to the Guidelines issued by the Ministry of Home Affairs, Government of India and permission granted by the respective State Government and Local Authorities.

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.
- (7) The prevailing circumstances in the country on account of Lockdown and COVID 19 have impacted, to some extent, my verification of documents and records of the Company.

Place: New Delhi  
Date : 1st May, 2021  
UDIN: F000234C000224337

**Namo Narain Agarwal**  
Secretarial Auditor  
CP No. 3331, FCS 234

## Annexure B.2 to the Board's Report

MR 3

## SECRETARIAL AUDIT REPORT of Cavendish Industries Ltd.(a material unlisted subsidiary)

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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,  
**CAVENDISH INDUSTRIES LIMITED**  
7, Council House Street,  
Kolkata – 700001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CAVENDISH INDUSTRIES LIMITED** (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, minutes books, forms and return 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, 2021** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and

- (iv) The 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) Management has identified and confirmed the following laws as being specifically applicable to the company and 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
- (c) Rubber Act, 1947 and Rubber Rules, 1955

I have also examined compliance with the applicable clauses of the Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India.

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 is 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's 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 had the following specific major event:

Manufacturing and other operations remained closed / suspended at all the plants of the Company in the beginning of the year due to lockdown imposed in the Country on account of COVID-19 and the operations were resumed in graded manner adhering to the Guidelines issued by the Ministry of Home Affairs, Government of India and permission granted by the respective State Government and Local Authorities.

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.
- (7) The prevailing circumstances in the country on account of Lockdown and COVID 19 have impacted, to some extent, my verification of documents and records of the company.

**Namo Narain Agarwal**  
Secretarial Auditor

Date: 8th May, 2021  
Place: New Delhi

CP No.3331, FCS 234  
UDIN: F000234C000263013

## Annexure C to the Board's Report

## ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

### 1. Brief outline on CSR Policy of the Company:

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

The Company aspires to continue to be a leading company in the Indian Tyre industry while maintaining a clear focus for inclusive growth to realise a truly empowered society. The Corporate Social Responsibility Policy (The Policy or the CSR Policy) has been framed in accordance with Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) as amended from time to time. The Policy shall apply to all CSR projects and activities to be undertaken by the Company. The Policy contains the approach and direction given by the Board of Directors, taking into account the recommendations of the CSR Committee.

This CSR Policy also lays down the guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan to carry out CSR Projects by the Company.

### 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Raghupati Singhania	Chairman of the Committee/ Non-Independent Director	2	2
2.	Shri Arvind Singh Mewar	Member/ Independent Director	2	2
3.	Smt. Meera Shankar @	Member/ Independent Director	1	1
4.	Shri Arun K. Bajoria	Member/ Non-Independent Director	2	2

@ nominated on the Committee w.e.f 15th June, 2020.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : <http://www.jktyre.com/CSRPolicy.pdf>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

6. Average net profit of the Company as per section 135(5) : ₹14,430.40 Lakh
7. (a) Two percent of average net profit of the Company as per Section 135(5) : ₹288.61 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹288.61 Lakh
8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (₹ in Lakh)	Amount Unspent (₹ in Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
290.08	NOT APPLICABLE				

(b) Details of CSR amount spent against ongoing projects for the financial year :

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number *
1.	Prevention of HIV AIDS	CL(i) Promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Yes	Rajasthan	Rajsamand	5.57	No	Rajsamand Network of People Living with HIV Society	CSR00001684
2.	Health camps, reproductive & child health care program		Yes	Maharashtra, Madhya Pradesh, Chhattisgarh, Gujarat	Pune, Mumbai, Thane, Satara, Kolhapur, Morena, Jabalpur, Bhopal, Indore, Gwalior, Raipur, Rajkot, Ahmedabad, Vadodara, Surat	14.05	No	Mamta HMC & Seva mob	CSR00001153
3.	Providing better health services through support to Hospital		Yes	Delhi	New Delhi	125.00	No	PSRI Hospital	CSR00002601

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number *
4.	Support to Schools, ITIs, & educational institutes	Cl. (ii) Promoting education including special education and employment enhancing vocational skills	Yes	Rajasthan, Karnataka, Tamil Nadu	Rajsamand, Mysuru, Kancheepuram	4.32	No	Bhartiya Janseva Pratisthan & Buddy4Study	CSR00000121
5.	Livelihood enhancement and water conservation project	Cl. (ii) Promoting Livelihood enhancement projects Cl. (iii) Promoting gender equality, empowering women Cl. (iv) Ensuring environmental sustainability and ecological balance	Yes	Rajasthan, Madhya Pradesh, Karnataka, Tamil Nadu	Rajsamand, Morena, Mysuru, Kancheepuram	61.87	No	Seva Mandir, JK Trust, BIRD-Karnataka, Hand in Hand	CSR00000288, CSR00000006, CSR00000259, CSR00001853
6.	Green Cover & environment conservation	Cl. (iv) Ensuring environmental sustainability and ecological balance	Yes	Rajasthan, Karnataka	Rajsamand, Mysuru	10.69	Yes	-	-
7.	Prevention of COVID-19	Cl. (viii) Contribution to PM CARES Fund, Cl. (xii) Disaster management		Delhi, Rajasthan, Madhya Pradesh, Karnataka, Tamil Nadu	New Delhi, Rajsamand, Morena, Mysuru, Kancheepuram	44.29	PM CARES Fund & Direct	PM CARES Fund	
8.	Rural Development	Cl. (x) Rural development projects	Yes	Rajasthan	Rajsamand	10.79	Yes	-	-
<b>TOTAL</b>						<b>276.58</b>			

\* The requirement does not apply to CSR projects or programs approved prior to 1st April, 2021.

(d) Amount spent in Administrative Overheads	: ₹13.50 Lakh
(e) Amount spent on Impact Assessment, if applicable	: NOT APPLICABLE
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	: ₹290.08 Lakh

(g) Excess amount for set off, if any :

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	288.61 Lakh
(ii)	Total amount spent for the Financial Year	290.08 Lakh
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.47 Lakh
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.47 Lakh

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project -Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s) : Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset : Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

(Arun K. Bajoria)  
Director & President-International Operations

(Dr. Raghupati Singhania)  
Chairman, CSR Committee

Date: 19th May 2021

## Annexure D to the Board's Report

# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC & BUSINESS ENVIRONMENT

The global advent of COVID-19 pandemic in Q4 of 2019-20 posed the most formidable challenge of the century to the Global and Indian Economy. By end of March 2020 and the start of new fiscal, the government announced stringent lockdown to combat the pandemic in the absence of its cure. This caused major socio-economic disruption and economic activities came to grinding halt, leading to GDP contraction of 24.4% in Q1 of FY 2020-21. The economy underwent twin economic shocks. On the demand side, there was a sharp reduction in non-essential consumption and on the supply side, the supply chain was completely disrupted with logistical interlinkages being suspended.

However, phased unlock measures coupled with the implementation of select sectoral fiscal stimulus policies led to "V"-shaped recovery of Indian Economy. The resilience of the economy was seen with only a single digit decline of 7.3% in the Q2 GDP. With subsequent resurgence in economic activity, a nominal growth of 1.67% was seen in Q4 with manufacturing rebounding strongly, growing at 6.9% over the previous year.

While in the full fiscal year, the economy shrunk by 7.3%, the growth in agricultural sector had a positive impact on rural demand.

A sharp rise in e-way bills indicative of higher freight movement and record GST collections of over one Lakh crore for the last six months, augured well for the economic recovery. The structural shift led to rapid adoption of digital transactions.

The manufacturing sector has started to normalize though headwinds remain. On the supply side, higher global demand has led to a cost push in commodity and raw material prices. The sharp rise in petroleum prices for the end user affected consumer sentiment.

## TYRE INDUSTRY

Domestic Tyre Industry demand is driven by both OEM and replacement market and the latter is determined by several factors like truck utilization, infra and mining performance as also overall economic activity. Like all other sectors of the economy, the Tyre Industry was buffeted by the impact of the COVID-19 induced lockdown and the subsequent economic disruption especially in Q1. With economic revival, the tyre industry being the wheels of the economy gathered

momentum. Q3 onwards overall domestic demand bounced back with a strong double-digit growth in both OEM and replacement market demand.

## JK TYRE - AN OVERVIEW

A challenging business scenario always brings out the best in JK Tyre. It started with the safety & welfare of the employees and normalizing the Company operations. Strategy and practices were calibrated as per the evolving scenario and each step was well planned and executed with close coordination. This also included handholding of the vast network of channel partners and various stakeholders, many of them at remote locations. It was not easy since both the interstate and intrastate situation varied from district to district. Supply chain and distribution constraints were surmounted and gradually business operations were normalised.

Concurrently various intervention measures were initiated in the market. These ranged from aggressive brand building and market communication especially in the digital and social media space, market expansion & penetration, best in class digital practices, range premiumization, new OEM businesses, marketing tie ups and collaborations and higher consumer connect again in virtual mode.

In the journey of Radial leadership, JK Tyre achieved another milestone of 20 million Truck & Bus Radial Tyre production, another first in India. As the year progressed, the growth trajectory of JK Tyre rose rapidly. In terms of value growth, JK Tyre remained ahead of the industry curve quarter on quarter.

## BRAND JK TYRE

In FY 2020-21, JK Tyre has been aggressively pursuing its brand activities with a view to drive better awareness and brand premiumisation. Several new marketing campaigns were launched in the commercial and passenger segment in addition to strong presence in the social media and outdoor space.

The 20 million TBR tyre milestone achievement was celebrated by saluting the unknown warriors - the truckers who kept the nation going. The new Television Commercial to promote the premium range of Ranger SUV tyres was aired on prime TV News channels both National & Regional and was well received. Radio was effectively utilized as a medium to reach out to a diverse segment of consumer. High visibility



wall painting and hoardings across key towns and cities were the media of choice to promote premium products in commercial categories.

In the continuing legacy of achievements, JK Tyre continues to be the only Tyre Super brand in the country and we also won the prestigious Economic Times "Iconic Brand Award" for 2020. JK tyre also received the "Gold Award" for innovation in Digital Marketing.

## DIGITAL MARKETING

During the year, Digital Marketing initiatives came to the fore in view of the COVID-19 pandemic. JK Tyre re-defined its strategy for Digital Marketing and focused on targeted audience, so as to create immediate impact and have superior brand recall.

The entire gamut of marketing activity ranging from product communication, consumer driven initiatives as well as calendar of events under Motorsport was effectively amplified by leveraging digital media platforms.

The 20 million TBR Milestone was aggressively promoted on social media amongst truck drivers and the fleet community. The focused outreach attracted a very large viewership.

The Ranger series TVC was promoted on platforms like Facebook & YouTube, with the target audience being passenger segment-SUV owners & a premium lifestyle audience. Here again, the focused outreach attracted a very large viewership.

The consumer centric national campaign of the year "Zindagi Ke Pahiye", had an Industry highest viewership in social media & created a new milestone in the history of the tyre industry.

During the year, JK Tyre created a strong presence on leading E-commerce platforms like Amazon, Flipkart as an alternate sales channel for Passenger segment tyres and also created presence at leading online tyre platform-tyreplex.com, to help our exclusive Steel Wheels & Express Wheels outlets in getting more enquiries.

In Motorsport as well, targeted connect with enthusiasts has been the focus that resulted in a tremendous outreach to a very large audience on digital platforms. The webcast of the racing season attracted a very high viewership.

JK Tyre today is the number one brand in Tyre Industry in terms of followers at Instagram & Facebook.

## SMART TYRE

The innovative concept of Smart Tyres gained immense traction during the year under review. Smart Tyres an industry first, are now available in PCR, 2-Wheeler, LCV and

truck categories. In PCR which started from just a few sizes and range, sales grew multi-fold. Similarly, the Smart Tyre range in truck sizes was enhanced and had high acceptance as it provided great value to customer. Channel partners were educated on Smart Tyre usage in dedicated learning programs. For end user customers, a Smart Tyre Tutorial video was promoted on YouTube and garnered one of the highest viewerships for a training video.

## COMMERCIAL – TRUCK, LCV & SCV

### TRUCK

The truck tyre business picked up after the disruption in Q1. The thrust on range premiumization was sustained both in Truck/Bus Bias and Truck/Bus Radial categories. Premium products like JET XTRA XLM & Jet R Miles in Bias and JET STEEL JDE++ & JETWAY JUH5 in radial were the preferred choice of customers. To meet consumer demand, size extensions were introduced in our premium products, JDE++ in radial and XLM in bias patterns. A New product JDC XD was released in the TBR segment for on-off road applications.

Overall TBR leadership was sustained and acknowledged through the well-received "Shukriya India" campaign which was aired on TV & digital media.

The truck Range was promoted through wall paintings and innovative wall wraps. The high performing JDE++ was positioned as the 'LOAD AND MILEAGE KA ALL ROUNDNER'. The Jet XTRA XLM was positioned as the 'SADAK KA SULTAN'.

A radio campaign was aired to connect with the fitters and mechanics in select southern markets thus sustaining TBR leadership. In order to engage customers during the pandemic extensive and structured Digital Consumer Interaction programs were conducted for the Commercial Segment throughout the country with emphasis on application-based fitment.

JK Tyre continued to expand the nationwide chain of Truck Tyre Service Centres branded as "JK Tyre Truck Wheels". JK Tyre customers were assured of seamless tyre solutions and services while on the move through the strategically located centres.

The Fleet Management program was revamped which enabled fleets to maximise their productivity, improve efficiency through superior maintenance management and innovative fleet tracking measures.

The importance of transportation of COVID-19 vaccines is well known. JK Tyre supported the program by collaborating as a sole supplier to a leading truck fleet with **specialized temperature-controlled vehicles** for seamless and safe transportation of the vaccines.

## LIGHT & SMALL COMMERCIAL

In this category also the focus remained on premium SKUs and application-based usage. The LCV bias range has been completely shifted to the XLM pattern which has high acceptance on account of universal application for both load and mileage.

LCV/SCV digital connect programs were carried for end users in focus markets. Synergy Campaigns were conducted in partnership with M&M promoting India's No. 1 pick-up radial tyre 'Steel King'. In the pick-up bias category, a premium product Jumbo King + HD was introduced. Leadership in the pick-up segment was sustained with addition of new products and sizes both in the radial and bias segment.

Eye Check camps for LCV/SCV owners under 'JK Jyoti Kiran' program were conducted in central and western markets.

The tie up with ITC e-Choupal was leveraged for enhancing rural reach and building awareness for our brands in the LCV/SCV categories.

## PASSENGER

The passenger segment made a sharp comeback in the latter half of the year with JK Tyre growth being higher than that of industry. The demand for tyres rose in the personal mobility space and opening up of interstate travel. The product portfolio was enriched by introduction of the Ranger M/T - India's only Mud Terrain tyre for the Off Roding segment. The preferred UX Royale & Taximax range were further strengthened with new size extensions.

Recognising the need to provide services at consumer premises in the pandemic era, Doorstep delivery and fitment service was started in Bangalore with the Brand name - Tyre Man. In a unique first, JK Tyre conceptualized and executed an Online-to-Offline integration of home fitment of tyre through the JK Tyreman service in association with leading platforms Auto Brix & Car Dekho.

The brand building efforts were sustained with a TVC campaign on the premium Ranger SUV tyre series. The campaign was sustained in Print, Outdoor and Digital platforms. The High performance UX Royale range bagged OEM approvals in high selling compact SUV and passenger models. JK Tyre launched brand stores across E-commerce platform – Amazon.

## TWO /THREE WHEELER

The business in this segment continued to grow well during the year. There was a focused thrust on fitment on premium

segment Motorcycles and Scooters. With the core thought of advancing towards 100% range premiumization, all 2W products were upgraded to the "Blaze" brand with the "Challenger" Value series being phased out.

The Blaze series which has excellent road grip even during monsoons, was promoted on digital platforms leveraging and showcasing these attributes. With a view to connect with the youth, JK Tyre celebrated special occasions associated with them.

The annual tie-up between JK Tyre & xBHP gave rise to a new property - #JKSmartRides where influencers and opinion leaders reviewed the Blaze 2W Smart Tyres, and actual user feedback was shared within the Biking community. With the growing importance of E-commerce in the consumer's life, JK Tyre entered into a tie-up with Amazon.com for product listings and sales directly to the consumers.

JK Tyre is now the preferred OEM Supplier for leading commuter segment two-wheeler models and has also entered into new OEM tie-ups.

## FARM

The tractor segment showed tremendous growth in the year under review riding on robust agricultural demand despite the overall economic slowdown.

With the objective of enhancing sale of key SKUs in the product mix, 'Sona-1' and 'Shresth' range of tyres were promoted across geographies like Gujarat, Rajasthan, Haryana, Punjab and Uttar Pradesh through target group discussions and customer meets with the help of digital platforms. Right product positioning by understanding of the key applications has paved the way for the successful penetration in key markets through expansion and extraction strategy. JK Tyre collaborations with OEM players like Case New Holland, John Deere, Mahindra, IITL and TAFE supported growth in this category.

One of the key highlights this year for JK Tyre has been its collaboration with the Agri Business Division of ITC Limited, through which JK Tyre is leveraging ITC's network of Choupal Saagars and e-Choupals in various states. Grahak Diwas activations at e-Choupals along with other initiatives are helping to cater to the aspirations of the rural customers by better understanding of their needs.

This collaboration is aimed at expanding presence in the rural markets through 360 degrees engagements at ground level.

## OFF THE ROAD

The already struggling construction and mining Industry was no exception to COVID-19 induced economic situation. It is estimated that Construction and Equipment industry steeply declined in H1, however, recovered sharply in H2 FY 2020-21.

Despite adverse market conditions, the domestic Off-the-Road tyre business registered good growth with enhanced focus on retail business development, strengthened OEM relationships, and new products introductions. This year 160+ new retail partners were added across the length & breadth of country. JK Tyre entered a new segment in Industrial Tyres i.e., Solid Tyres.

There was an encouraging response to the latest large earth mover tyre which is a new introduction primarily targeted at the limestone mining application in Cement Industry.

The Off-High-Way range product offering was enhanced for global market and received a positive market response.

With Govt's strong focus on infrastructure development in current year's budget and push for "ATMA NIRBHAR", the Off-the-Road Tyre business is expected to grow between 15-17% in FY 2021-22.

## RETREAD BUSINESS

The Retreading business plays a key role in environmental sustainability as Recycle, Repair & Retread. Retreads are Green, Safe & Save money by saving lot of oil & fuel, avoiding scrap & give continuity to 2nd & 3rd life of tyres.

During the year, JK Retread business, which completed a decade of operations grew steadily. Several new SKUs were launched in XM range to meet the requirement of Truck Bus Radial users. In addition, the original tread JUM pattern was introduced for tubeless tyres customers.

The chain of 45 no's JK Retread Centres across India continue to provide Quality Retreading Solutions to the fleet owners & helping them to reduce their Cost Per km and optimized utilization of tyres.

JK Retread Centres are equipped with ultra-modern retreading machinery and follow JK Tyre- recommended repair and retread procedures. They provide comprehensive cradle to grave solutions for tyres to fleet owners and institutional customers.

During the pandemic period, Retread channel partners were educated to adopt digital practices, which facilitated their day-to-day business including the digital interface JK Connect Retreading portal. Channel partners were provided technical training on a periodic basis.

JK Tread is a premium brand in the Retreading industry today offering new compound technology high abrasion resistance products with superior mileage and performance.

## SERVICE - A BRAND DIFFERENTIATOR

Customer Service has an important role to play in customer satisfaction. During the pandemic handling warranty claims and sustaining service levels became a challenge on account of logistical and mobility issues. JK Tyre introduced an AI based digital claim process, which was implemented in a phased manner. This has enabled on the spot resolution with a turnaround time (T.A.T) of 30 minutes in Passenger, Two-wheeler, LCV & SCV categories. This process has garnered momentum in a short span of 9 months after the launch of this initiative. This involved extensive back-end preparation and education of team members as well as channel partners.

Customer connect was sustained in the Digital mode with OEM customers and their franchises as well as a wide gamut of end users.

## BUSINESS & SALES TRAINING

Business excellence needs to be continually sustained in all circumstances especially in times just as the year under review. During the year intense Business and Sales Training was conducted for all field personnel across verticals and functions. Programs on new product introductions, range updations, business processes, commercial areas like GST, Technical subjects like Wheel Servicing, Commercial Vehicle familiarization were conducted. The initial lockdown days were well leveraged for training not only for JK Personnel but also channel partners on wide variety of subjects including Covid Management at home and business.

In view of the rapid channel expansion, it became imperative to on board new channel partners on various aspects of the business. Since personal interactions were either not possible or restricted, most programs were conducted in the digital and virtual mode. The JK Tyre Total Control- Oust Mobile Learning App was leveraged for knowledge sharing, reinforcement and assessment primarily for the field teams and for new channel partners on a pilot basis.

## CHANNEL SUPPORT

JK Tyre has a robust sales network of retailers, brand shops, and distributors and their sub dealers. We added 1400 plus dealers during the fiscal year 2021 expanding the reach considerably. The focus has been on streamlining channel operations and growing the business via wider coverage and depth. For channel partners, the ease of doing business increased with the usage of the JK Connect portal. In order to

recognize business commitment, Dealer Clubs were created with wider coverage and more benefits. The Brand shop network grew rapidly and crossed the 600 no. milestone across all formats.

## INTERNATIONAL SALES

With ever expanding geographical reach, the Company's export performance continued on its growth trajectory in spite of the logistical and economic challenges on account of the pandemic and intensified geopolitical and economic uncertainty in Africa, Latin America and the Middle East. With continued thrust on technologically advanced products suited for the target markets and concerted sales effort across all regions the Company maintained profitable growth in exports during FY 2020-21 in face of intense competition from Chinese brands made in China and South East Asia. The demand for JK Tyre brand truck and passenger radials across markets increased substantially even in technologically demanding markets like Europe and North America. As a result, export sales increased to ₹1,176 crores.

## MANUFACTURING EXCELLENCE AT JK TYRE-2020-21

At JK Tyre, excellence is in our DNA. In our pursuit of excellence in every area, we have built a culture of superior performance and strong foundational ethics. We have been vocal and committed, proponents of sustainable practices since the very beginning. We have passionately and relentlessly endeavoured to improve and innovate our manufacturing processes. As a result, we have consistently delivered high-quality products to our consumers, whose faith and trust we consider sacrosanct. We strive to excel in all aspects of the manufacturing process at every single one of our plants, through long-term goals and effective ground-level initiatives. Our efforts have been recognized at different forums by several institutions. Some of them are:

- "FAME International Environment Award" under Diamond category.
- "Grow Care Safety Award" for best practices in OHS.
- "National Energy Leader" for Excellence in Energy Management by CII.
- "CII – EHS Award" 5-star rating – 1st Tyre Company in India to receive this award.
- "National Energy Award" for Excellence in Energy Management 2020 by CII.
- "National Awards for Excellence in Water Management" – 2020 by CII.

With our mission "To be a green company", we hold ourselves to the highest standards, and are determined to continuously make our stakeholders' journey safer, greener, more secure and ensure that we give back to society by creating an environment of transparency and accountability.

To follow the concepts of "Circular Economy" i.e., Reduce, Recycle and Reuse, we are continuously working towards conservation of natural resources with the highest priority, reducing our dependence on water, fossil fuels and promoting environmental welfare thus, becoming the 1st Green & Clean tyre company in India. In pursuit of this objective, the major factors which get driven are, i) energy conservation leading to energy efficiency which was 8.88 GJ/Ton of production - ranks among the top 3 Globally, ii) focus on renewable power - currently 55%, and iii) raw water conservation - Currently 1.87 lit/kg – a Global bench mark. The journey will continue with clear objective of setting new benchmarks.

These efforts of sustainability and continuous improvement, to achieve manufacturing excellence, is a result of focused efforts by our committed teams.

## FINANCIAL PERFORMANCE

The following is the brief summary of the Company's performance during the financial year ended 31st March 2021:

₹ crore

Particulars	Year Ended			
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	Standalone		Consolidated	
Turnover	6,170.12	6,120.23	9,145.27	8,753.29
Operating Profit (PBIDT)	886.61	677.63	1,349.41	1,015.95
Finance Cost	266.27	342.92	465.85	548.99
Profit Before Exceptional Items & Tax	374.35	92.32	496.87	89.13
Exceptional Items	21.21	(7.15)	37.48	(105.90)
Profit / (Loss) Before Tax (PBT)	395.56	85.17	534.35	(16.77)
Tax Expenses / (Credit)	139.11	(143.49)	200.91	(165.78)
Profit After Tax (PAT)	256.45	228.66	333.44	149.01

After complete shutdown of all operations for almost 2 months, Company resumed operations with a low-capacity utilisation and picked up pace on the back of pent-up demand, preference for personal mobility, 'V' shaped recovery in the economic activities, festive season demand and good monsoon. JK Tyre has recorded a robust growth in revenues and highest ever profitability in FY 2020-21. The capacity utilisation reached more than 90% at all plants during second half of the current financial year. Subsidiaries of the Company, viz., Cavendish Industries Ltd. and JK Tornel, Mexico have also contributed significantly to the growth of the Company in terms of both top line and bottom line.

Raw material and crude oil prices remained subdued during the first two quarters of this financial year and moderated during the remaining part of year. Further, leaner cost structure, better working capital management, higher volumes resulted in improved revenue and profitability. Higher cash accruals enabled the Company to reduce debt substantially in the current financial year. The reflection of all-around performance of the Company resulted in upgradation in credit rating of the Company to A / Stable outlook.

Particulars	2020-21	2019-20
Interest Coverage Ratio (Times)	3.33	1.98
Operating / EBITDA Margin (%)	14.37	11.07
Net Profit Margin (%)	4.16	3.74
Return on Net worth (%)	11.25	11.00

## JK TORNEL

JK Tornel, Mexico which resumed operations in July 2020 recorded a 1% growth in turnover during the year. This growth was achieved despite severe impact on Q1 volumes when economic activities had come to a standstill due to Covid situation in Mexico. With excellent stronghold in domestic market and leveraging of its brand equity, the Company became no.1 supplier to Mass Merchandisers viz., Walmart. In addition, the Company significantly improved its position in LATAM markets. During the year, the Company also enhanced its presence in advance markets of USA.

## CAVENDISH INDUSTRIES LTD.

The Company did phenomenally well during the period under review. In spite of severe impact of lockdown during Q1, the Company achieved highest ever turnover of ₹2,571 crores representing an impressive growth of 16% over last year. The Company achieved a growth of 17% in production tonnage over last year, which led to significant cost improvement in all areas of operations. As a result, the Profitability was higher with operating margins of 15.5%.

## R&D AND TECHNOLOGY

With the automobile industry transforming towards lower emission norms and gradual development of Electric Vehicle mobility, the requirements from the OEM's are not only evolving, but are becoming very challenging. Automobile manufacturers are setting up road map of vehicle technology and driving the development of Technology in tyre industry for newer materials, aggressive tyre designs and automated processes to achieve continuous reduction in rolling resistance of tyres. The unique perspective in India, additionally is of maintaining excellent grip as well as mileage posing a bigger challenge for our compounding and design experts.

The challenges posed by the Electric Vehicles in both passenger as well as commercial segment are similar. Tyres for these vehicles are required to have lower rolling resistance, much lower tyre noise and high torque resistance to maintain reasonable tyre life. The requirement being contradictory poses greater and interesting challenges to our technologists, not only in India but globally. In the direction of noise reduction, JK Tyre is working on various technologies. Other technology advancements in industry are elimination of spare tyres, aligning with global practices thus providing opportunity to develop extended mobility. At TORNEL, we are actively engaged in supply of Temporary Tyres for some of the global OEM's.

The Atmanirbhar Bharat approach and the new legislative policy on restriction of the import of tyres, has opened up gates for higher demand and requirement in new segments. We are extensively working in developing newer products for the Global OEMs in India, including Run Flat Tyres to meet this emerging need. This activity is being done jointly by the industry with Government and Automobile manufacturers.

Considering extensive challenges and highly competitive market place, product quality consistency plays a key role. To achieve this, we have embarked upon massive drive of enhancing various capabilities in our plant including IIOT for complete traceability.

We have also moved aggressively on the concept of smart tyres using Tyre & Pressure Monitoring System (TPMS) sensor technology and have further developed tamper proof sensor for Tube Type Commercial Tyres.

## RAW MATERIAL

The FY 2020-21 started with complete lockdown and near standstill economic activity. Slowly as the time moved ahead, there was a revival of manufacturing & industrial output started looking-up.

The second half of the year saw a significant increase in Tyre manufacturing, but the supply chain became the new bottleneck.

The subdued Oil, Natural Rubber and other raw materials suddenly became short in supply and prices started moved-up sharply. Many products saw the extreme variation, from low to high during the two halves of 2020-2021.

JK Tyre explored new sources worked extensively with strategic partners and ensured regular material availability.

## MOTORSPORT

COVID-19 brought to fore several unforeseen disruptions, which affected businesses across sectors. The auto industry also faced the resulting headwinds across all fronts – from production to supply chain. However, it also proved to be an opportunity for the industry to value risk assessment and prepare contingency plans to future-proof businesses.

Mirroring its impact across the auto sector, the pandemic disrupted media, entertainment and motorsport the most.

In Motorsport with big Championships getting cancelled or delayed, the sport indeed lost valuable time. However, as we turned the corner to 2021, the world has become accustomed to the new normal. In that spirit, taking the pandemic induced challenges for a spin, we at JK Tyre were committed to returning motorsport to its adrenaline-inducing glory.

Luckily, Motorsport has few advantages working in its favour - it does not involve direct contact and racers are equipped with mandatory safety gear. Moreover, international and national circuits had started witnessing a revival, and therefore back home, we too laid a detailed set of SOPs for resumption of sport, factoring in social distancing and safety protocols outlined by the government.

As soon as the sporting events started getting back to its feet in October, JK Tyre the pioneers of motorsport in India, were committed to re-ignite the pre-pandemic passion for the sport and successfully managed to conclude a shortened 2020 season of National Racing, Karting & Rally Championship.

Ensuring proper and government defined safety protocols in place, we hosted the 23rd continuous season of JK Tyre National Racing Championship successfully at the revamped Kari motor Speedway, Coimbatore. Keeping safety at the paramount, the event of two back-to-back rounds, was telecast live on OTT platform since there were no spectators allowed at the track.

The season witnessed packed grids with serious racing action. After a closely fought battle over 12 races, Sandeep Kumar emerged National racing champion in the Formula LGB

4 category. While 16-year-old rookie Amir Sayed from Ooty, took home all the 12 race trophies and the overall champion trophy in the Novice Cup. In our endeavor to promote the cause of women in motorsport, we had an all-girls racing team with the women giving some tough competition to the boys on the grid.

The FMSCI Indian National Rally Championship has been one of the most exciting & watched out motorsport event of this year. We had a line-up of country's best and promising rally drivers which was led by none other than Arjuna Awardee & our brand ambassador Gaurav Gill. While other ace rallyists displayed their impressive driving skills in their respective categories, it was Gaurav Gill who stole the show by sealing his 7th Indian National Rally champion title. The first two rounds of the rally were held in December in Itanagar, Arunachal Pradesh with the Chief Minister, Mr. Pema Khandu playing host to the most fabulous outing.

JK tyre also associated itself with India based first of its kind Racing Team India in the 2021 Asian Le Mans Series as well as the 24 Hours of Le Mans race to be followed. It is monumental for India on the global motorsport stage, considering this is the first all-Indian team to compete internationally in endurance racing. The team comprises of three Indians led by Padma Shree and India's first Formula-1 driver Narain Karthikeyan, young racing sensation and Formula 3 champion, Arjun Maini and Naveen Rao - reigning USA's 2020 IMSA Prototype Challenge Champion. The team though finished fifth at the Abu Dhabi, 4-hour races but displayed an impressive performance and with the media outreach of crossing over 80 million impressions, the team has secured their entry in the 24 hours of Le Mans that will be held later this year. By sponsoring an all-India-based racing team, JK Tyre aims to leverage interest in the Indian market and generate new messaging that will be used in our digital marketing campaign to drive traffic to the JK Tyre pages.

## HUMAN RESOURCE - MANAGEMENT & DEVELOPMENT

The FY 2020-21, the pandemic year, has experienced number of unforeseen challenges Worldwide. It challenged not only businesses but also every dimension of human life. At JK Tyre, we believe that every crisis comes with opportunities. With proactive initiatives we handled the problems posed by the pandemic. In that, we did everything possible to ensure health, safety and wellbeing of our employees and their families effectively. With strong motivation flowing from higher management, our employees enthusiastically participated in CSR initiatives in fight against Covid around our plant and field locations. Our initiatives of employee connect through 'Virtual Town Hall', HR Open Communications, Guidance through senior specialists from Pushpawati

Singhania Hospital & Research Institute to our employees, and business partners paid rich dividends in diminishing the impact of the pandemic and keeping employee morale very high. When the business opened up, Team JK Tyre came out with high revitalised spirit. The opportunities that came up on market front have been excellently utilized scaling significant highs in business. No wonder, this high morale is also reflected through the certification of 'Best Place to Work' for JK Tyre yet again for this year also.

The FY 2020-21 has experienced unparalleled progress in the use of virtual conference mode. The number of business reviews, communications, and training interventions has effectively increased many folds in virtual mode. We have advanced in analytics and digital transformation including acquisition of talent. Digital interventions in sales, marketing, service, supply chain, manufacturing, finance and HR are enhancing people capabilities all over the organization and reflecting in higher performance. We understand and appreciate that human interventions are unavoidable, rather they are necessary. Thus, we are increasingly recruiting digitally skilled talent in order to ensure that human efforts are superbly complimented by higher automation for all round excellence and enhanced performance. The capability development has received a major thrust by moving to digital and virtual learning.

The operative employees in all manufacturing plants fully cooperated in utilizing plant capacities effectively and providing a steady supply of quality production as the markets opened up. Several initiatives in manufacturing excellence, cost reduction have been effectively employed in all plants with excellent participation of all employees.

JK Tyre has put highest emphasis on training and developing employees not only in functional excellence but also in terms of new sets of behaviors that ensure health and safety for self, families and all stakeholders. In true sense, we have put our best efforts to stand by our Core Value, 'Caring for People'.

## RISKS AND CONCERNS

In an ever-changing environment, business outlook is impacted due to various uncertain events around us. These events may involve – political changes, regulatory changes, economic scenario, technological advancements, raw material availability, etc. These factors are both influenced by internal and external factors within the country and beyond. This needs a strong and prudent risk management framework to identify, assess and quantify all the possible risks/concerns that may have a bearing on the Company performance, including a systematic approach to create a comprehensive mitigation plan for the identified risks in

order to safeguard the business performance or minimize its impact on the business.

At JK Tyre, the Company has invested suitable resources and established structure for risk management. This includes formation of a risk management committee involving all the senior team members to keep assessing the possible risks in a periodic interval basis. The outcome of this risk management committee with detailed mitigation plan is also being presented to the Board level Risk Management Committee.

### Key Business Risks:

#### Uncertain economic Scenario:

Last year global economy has witnessed sharp drop due to various interruptions including the Covid pandemic. Almost all the economies have witnessed a contraction in GDP growth. Apart from the pandemic interruption also, events such as trade deal discussions, rising tensions in geo political situation including tense border situation for India and interruptions like farmer agitation have also impacted the economic recovery. Such events increase the uncertainty in the business outlook.

The same also has been identified as risk by the Company which can impact Company's exports to other markets as well as impact on the competitive sourcing of the raw material for smooth operations. However, restrictions on import of tyres have helped domestic tyres industry through curtailment of the cheaper imports which not only reduces demand for domestic manufacturers but also puts pressure on the realizations from the market impacting profitability significantly.

#### Impact of Pandemic on Business:

It has been more than a year since the pandemic situation started impacting world economies. In absence of remedial options, lockdowns had to be resorted to, which severely impacted operations & demand in the market. It has also caused severe financial stress to many businesses. Company has formed various task force to minimize the impact and keep the business operation intact. People health and safety has been considered a prime focus area and all the government/ local administration guidelines were followed strictly. Company also utilized its digital backbone strongly to continue operations even during the lockdowns and gradual reopening of the economy.

Pandemic has also disrupted global supply chain and severely affected the raw material availability. Interruptions caused in the global movement of goods has also led to significant rise in raw material costs on back of shortage of shipping capacity leading to higher freights.

**Raw Material Availability:**

Last year raw material availability scenario moved from large excess to limited availability as demand picked up post reopening up of economies across the globe, especially after hope for vaccine availability has risen up. Sudden increase in demand led to shortage of key raw material across the globe. Some of the raw material production facilities closure also led to this situation. Limited raw material availability along with increasing freight cost has led to the increase in input costs.

Company has anticipated such situation well before and has been managing the availability of all the raw materials well with diversification of sources across the globe. Situation is expected to continue for some time before starting to ease off. Till then Company is prepared to ensure the uninterrupted operations with the action plans in place for the same. Increased cost impact is applicable to the Company as well which is being passed on to the consumer slowly.

**Technology Risk:**

Auto industry and the associated industries like tyre, has been witnessing continuous regulatory changes over the year in order to move towards more sustainable future. This includes BS-6 norms implementation last year and many others before that. Worldwide countries are moving towards increasing EV (Electric Vehicles) adoption. India also has been preparing to move in the same direction. Such technology changes require tyre industry as well to develop new products suited to specific requirements. JK Tyre already has a good R&D base with its dedicated Product development centre and R&D centre located at Mysore. Company feels we are suitably positioned, with right skills and talent, to cater to such changing product requirements, and has been working on various future technology products as well.

**Supply Risk / Capacity Risk:**

After reopening of economy post lockdown, Indian economy has witnessed sustained demand growth month over month. Similar signs are visible in other global markets as well. Healthy demand revival has enabled Company to increase its sales in domestic as well as export markets, resulting to fairly good capacity utilization of its installed capacities. Going forward, we expect demand cycle to further go higher on back of CV as well as PV category OEM segment demand, induced by encouraging GDP growth and recently announced vehicle scrappage policy. This might entail requirement of further increasing capacities by the Company in future.

Company is ready to take up future expansion plans, if so, required by market demand, which were earlier put on hold

due to slowdown of the Auto industry in past few years. Company is keeping strict watch on the future demand estimate to capitalise on any such opportunity.

**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 the business results are achieved and continuous improvement projects are undertaken.

**CAUTIONARY STATEMENT**

The Management Discussion & Analysis report contains forward-looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that addresses 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 publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



## Annexure E to the 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 Twelve Directors as on 31st March 2021, of which four are Executive Directors and eight are Non-Executive Directors(NED); out of eight NED, seven are Independent Directors(IND). Four Board Meetings were held during the twelve months period from 1st April 2020 to 31st March 2021 i.e., on 15th June 2020, 6th August 2020, 21st October 2020 and 21st January 2021. Attendance and other details as on 31st March 2021 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	7	4	2
2	Shri Arvind Singh Mewar Δ	IND	4	Yes	-	-	-
3	Shri Bakul Jain Δ	IND	4	Yes	4	4	2
4	Shri Shreekant Somany Δ@	IND	4	Yes	4	2	-
5	Smt. Sunanda Singhania	NED	4	Yes	-	-	-
6	Smt. Meera Shankar Δ	IND	3	Yes	3	1	-
7	Shri Vimal Bhandari Δ	IND	4	Yes	6	3	1
8	Shri Kalpataru Tripathy Δ	IND	4	Yes	5	4	2
9	Dr. Wolfgang HolzbachΔ	IND	4	Yes	-	-	-
10	Shri Bharat Hari Singhania, Managing Director	Executive	4	Yes	4	1	-
11	Shri Anshuman Singhania, Managing Director #	Executive	4	Yes	-	-	-
12	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).

@ Re-appointed as an Independent Director for a second term of five consecutive years w.e.f. 16th March 2021 at the AGM held on 22nd September 2020 in accordance with the provisions of Section 149 of the Companies Act, 2013 and the Listing Regulations.

# Shri Anshuman Singhania, Dy. Managing Director was appointed as a Managing Director for a tenure of five years w.e.f. 21st October 2020, subject to the approval of members.

\* DIN of the above named directors in seriatim: 1 - 00036129; 2 - 00008244; 3 - 00380256; 4 - 00021423; 5 - 02356376; 6 - 06374957; 7 - 00001318; 8 - 00865794; 9 - 06422833; 10 - 00041156; 11 - 02356566 and 12 - 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) 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.)

Smt. Meera Shankar: ITC Ltd. (Ind.), Pidilite Industries Ltd. (Ind.) and Adani Transmission Ltd. (Ind.)

Shri Vimal Bhandari: DCM Shriram Ltd. (Ind.), Bharat Forge Ltd.(Ind.), RBL Bank Ltd. (NED) and Kalpataru Power Transmission Ltd. (Ind.).

Shri Kalpataru Tripathy: Avadh Sugar & Energy Ltd. (Ind.) and 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 (core skills) required in the context of the Company's business and sector for it to function effectively:-

(i) Leadership/ Business Philosophy/ Entrepreneurship/ Global Business Strategy/Management; (ii) Financial and Accounting Knowledge; (iii) Strategic Planning; (iv) Legal & Corporate Governance Expertise; (v) Technology/ Knowledge pertaining to Tyre Industry; (vi) Commercial & Marketing Experience; (vii) Community Service, Sustainability and Corporate Social Responsibility; (viii) Quality and Safety; (ix) Risk Management and (x) Human Resource.

All the Board members possess the above mentioned skills collectively that enable them to make effective contribution to the Board and its Committees. The core skills of individual directors: (a) the Executive Directors of the Company, namely- Dr. Raghupati Singhania, Shri Bharat Hari Singhania and Shri Anshuman Singhania- are industrialists and entrepreneurs; Shri Arun K. Bajoria - professional having operational

and tyre industry experience; (b) the Non-executive Directors of the Company namely- Shri Arvind Singh Mewar - entrepreneur, business philosophy & community service; Shri Bakul Jain - industrialist, business philosophy & commercial; Shri Shreekant Somany- industrialist, business philosophy, commercial & marketing; Smt. Sunanda Singhania - community service, sustainability & corporate social responsibility; Smt. Meera Shankar - former ambassador, global business strategy & community service; Shri Vimal Bhandari - financial expertise; Shri Kalpataru Tripathy - legal & regulatory and Dr. Wolfgang Holzbach - technology, quality, manufacturing & safety.

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 2021 are: Shri Arvind Singh Mewar – Nil Shares, Shri Bakul Jain - 4,000 Shares, Shri Shreekant Somany - 13,750 Shares, Smt. Sunanda Singhania - 6,27,500 Shares, Smt. Meera Shankar – Nil 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, one separate meeting of the Independent Directors of the Company was held on 21st January 2021. Shri Arvind Singh Mewar was unanimously elected as Chairman of the said meeting and all the Independent Directors of the Company were present at the meeting.

### **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](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 2021.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
15th June 2020	4
6th August 2020	4
21st October 2020	4
21st January 2021	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	4
Shri A.S. Mewar	Member	4
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 the 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.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
15th June 2020	3
21st October 2020	3
21st January 2021	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 Bakul Jain	Chairman	3
Shri Shreekant Somany	Member	3
Shri Arun K. Bajoria	Member	3

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2021, the Company has received two complaints from the shareholders and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of the previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to a 'Share Transfer Committee'. W.e.f. 1st April, 2019, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. Accordingly, the Company/its RTA has stopped accepting any fresh lodgment of transfer of shares in physical form.

However, the share transfer formalities are attended in respect of re-lodgment of transfer request of shares, as required in compliance with SEBI mandate. 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 2021, 4 Meetings of the 'Share Transfer Committee' were held.

## 8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' comprising 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
15th June 2020	3
21st October 2020	3
21st January 2021	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	3
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. The Company is having a 'Risk Management Committee' comprising four Directors - namely, Shri Shreekanth Somany (Chairman of the Committee), Shri Kalpataru Tripathy, Shri Anshuman Singhania and Shri Arun K. Bajoria and one senior executive of the Company - namely, Shri Sanjeev Aggarwal, Chief Financial Officer (CFO). 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 including taking steps to identify and mitigate Information Technology and Cyber Security Risks that the Company is or may be exposed to, on a regular basis. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended 31st March 2021, one meeting of the Committee was held on 21st January 2021 which was attended by all the members 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 evaluation of the performance of the Board, its committees and the individual directors will be carried out by the Board, on an annual basis, in the manner specified by the Nomination and Remuneration Committee of Directors for such evaluation and in accordance with the other applicable provisions of the Companies Act, 2013 and the Listing Regulations, in this regard.
- (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 for the financial year ended 31st March 2021 to the following Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director: Salary - ₹6.29 crores, Perquisites - ₹0.35 crore and retirement benefits, such as contribution to Provident Fund, etc. - ₹0.07 crore aggregating to ₹6.71 crores plus ₹8.20 crores payable as Commission; Shri Bharat Hari Singhania, Managing Director: Salary - ₹3.13 crores, Perquisites - ₹0.04 crore and retirement benefits, such as contribution to Provident Fund, etc. - ₹0.07 crore, aggregating to ₹3.24 crores plus ₹8.00 crores payable as Commission; Shri Anshuman Singhania, Managing Director: Salary - ₹3.15 crores, Perquisites - ₹0.44 crore and retirement benefits, such as contribution to Provident Fund, etc. - ₹0.07 crore aggregating to ₹3.66 crores plus ₹8.00 crores payable as Commission and Shri Arun K. Bajoria, Director & President - International Operations: Salary - ₹3.41 crores, Perquisites - Nil and retirement benefits, such as contribution to Provident Fund, etc. - ₹0.08 crore aggregating to ₹3.49 crores plus ₹0.80 crore payable as Commission. The Company does not have any Stock Option Scheme.

The tenure of office of the Chairman & Managing Director, the Managing Directors is five years from the respective dates of their 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 Directors is equivalent to the remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

During the financial year ended 31st March 2021, Dr. Raghupati Singhania, Chairman & Managing Director and Shri Bharat Hari Singhania, Managing Director, received commission from Bengal & Assam Company Ltd., holding company, amounting to ₹3 Lakh and ₹5 Lakh, respectively.

- (ii) Non-executive Directors: The Company has paid sitting fees for attending the meetings of the Board and/or Committees thereof, to all Non-executive Directors, namely – Shri Arvind Singh Mewar - ₹6.25 Lakh, Shri Bakul Jain - ₹5.75 Lakh, Shri Shreekant Somany - ₹6 Lakh, Smt. Meera Shankar - ₹2.65 Lakh, Smt. Sunanda Singhania - ₹2.40 Lakh, Shri Vimal Bhandari- ₹3.75 Lakh, Shri Kalpataru Tripathy - ₹4.50 Lakh and Dr. Wolfgang Holzbach - ₹3.00 Lakh, aggregating to ₹34.30 Lakh. In addition to sitting fees, commission was also payable to each Non-executive Directors amounting to ₹16 Lakh, aggregating to ₹128 Lakh, 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 (IST)
2017-18	Jaykaygram, PO-Tyre Factory, Kankroli-313 342 (Rajasthan)	22.8.2018	11.30 A.M.
2018-19	Same as above	14.8.2019	11.30 A.M.
2019-20	held through Video Conferencing, deemed venue is the Registered Office of the Company, as mentioned above	22.9.2020	12:15 P.M.

Details of the Special Resolution(SR) passed: One SR was passed at the AGM held in the year 2018, seven SRs were passed at the AGM held in the year 2019 and one SR was passed at the AGM held in the year 2020.

No SR was required to be put through postal ballot during the financial year ended 31st March 2021. 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 formulated 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 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 the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the said Act at its work places to redress the complaints of women employees.

During the financial year ended 31st March 2021, 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 2021.

- (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):** During the financial year ended 31st March 2021, the Company has not raised any funds through preferential allotment and there is no pending utilization of any such funds, previously raised by 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 2nd May 2021 from Shri Namu 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 Meetings 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>.

- (ix) **Corporate Social Responsibility Committee:** The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of four Directors out of which two are 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 2021 i.e., on 15th June 2020 and on 21st January 2021. Dr. Raghupati Singhania (Chairman of the Committee), Shri Arvind Singh Mewar and Shri Arun K. Bajoria (Members) attended all the Meetings held during the said financial year and Smt. Meera Shankar who was nominated as a Member of the Committee w.e.f. 15th June 2020, attended the meeting held after her nomination i.e., Meeting held on 21st January 2021.

- (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 available on the website of the Company and the weblink for the same is <https://jktyre.com/DividendDistribution.pdf>.

- (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 2021.

- (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 2021, the Company has paid total fees for various services including statutory audit, amounting to ₹38 Lakh to the Statutory Auditor, namely - M/s S S Kothari Mehta & Company, 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: 02952-233400/233000
(ii) Annual General Meeting (AGM) for FY 2020-21:	
(a) Date, Time & Venue:	27th August, 2021 at 12.15 P.M. IST at the Registered Office of the Company or on such other date/place or through video/ other permissible audio/visual means as may be decided by the Board/Committee of Directors in view of the ongoing COVID-19 pandemic.
(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)	FY April 1-March 31
Financial Reporting:	
♦ 1st Quarter ending 30th June, 2021	} Within 45 days of the end of the quarter or within such time limits as may be permissible.
♦ 2ND QUARTER ENDING 30th September, 2021	
♦ 3rd Quarter ending 31st December, 2021	
♦ Annual and 4th Quarter ending 31st March, 2022	Within 60 days of the end of the 4th quarter or within such time limits as may be permissible.
♦ Annual General Meeting for the FY 2021-22	Between July and September 2022
(iv) Dividend Payment Date:	Dividend Payment is planned within two weeks of conclusion of AGM.
(v) Date of Book Closure/ Record Date:	21st August to 27th August, 2021 (both days inclusive).
(vi) Names and addresses of Stock Exchanges where equity shares of the Company are listed	The Equity Shares of the Company are listed on the following Stock Exchanges: (i) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (ii) National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  The annual listing fee for the financial year 2021-22 have been paid to both the aforesaid Stock Exchanges. The securities of the Company are not suspended from trading.
(vii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN	BSE – 530007 NSE – JKTYRE ISIN – INE573A01042

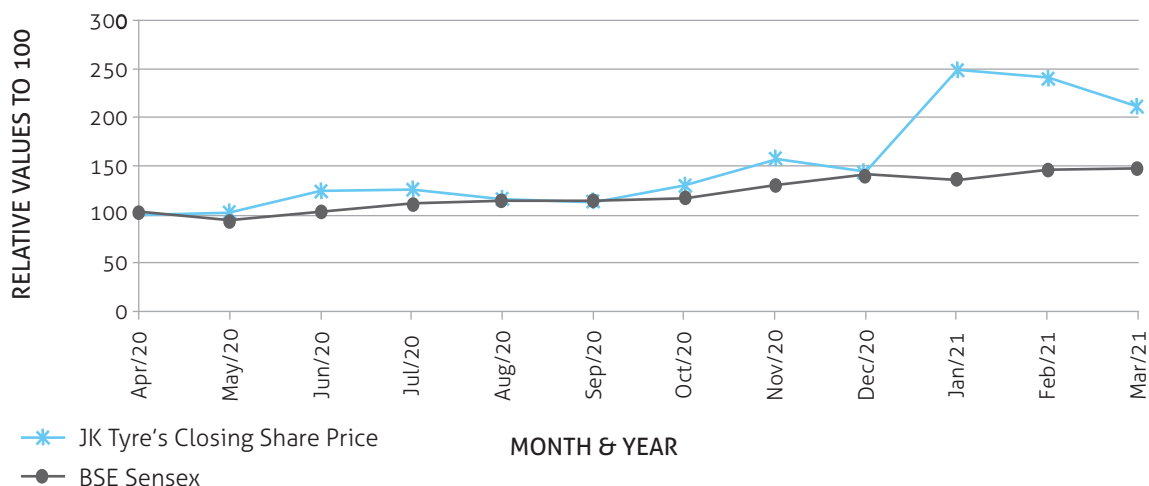
## (viii) Stock Market Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2020	56.00	39.00	54.90	38.70
May-2020	56.40	45.25	56.55	45.15
June-2020	67.40	52.90	67.40	52.70
July-2020	71.45	63.00	71.35	62.95
August-2020	69.45	59.25	69.45	59.10
September-2020	62.10	55.00	62.15	54.60
October-2020	76.70	55.25	76.90	55.70
November-2020	85.25	65.50	85.30	65.35
December-2020	85.95	66.25	86.00	66.30
January-2021	146.75	75.30	146.70	75.20
February-2021	144.25	113.00	144.35	120.00
March-2021	130.35	104.30	130.40	98.90

## JK Tyre &amp; Industries Ltd.'s (JK Tyre's) Share Performance v/s BSE Sensex (April 2020 – March 2021)

Month & Year	BSE - JK Tyre's Share Price (Closing)		BSE Sensex (Closing)	
	₹ Actual	Relative Values to 100	Actual	Relative Values to 100
April-20	51.50	100.00	33,717.62	100.00
May-20	52.25	101.46	32,424.10	96.16
June-20	64.10	124.47	34,915.80	103.55
July-20	64.95	126.12	37,606.89	111.53
August-20	59.85	116.21	38,628.29	114.56
September-20	59.15	114.85	38,067.93	112.90
October-20	66.80	129.71	39,614.07	117.49
November-20	80.50	156.31	44,149.72	130.94
December-20	75.10	145.83	47,751.33	141.62
January-21	127.25	247.09	46,285.77	137.27
February-21	124.10	240.97	49,099.99	145.62
March-21	108.85	211.36	49,509.15	146.83

## JK Tyre's Share Performance v/s BSE Sensex



(ix) Distribution of Shareholding (as on 31.3.2021):

No. of Equity Shares Held (of ₹2/- each)	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	10143482	4.12	151022	81.25
251-500	6993766	2.84	17943	9.65
501-1000	7421154	3.01	9335	5.02
1001-5000	13498524	5.48	6315	3.40
5001-10000	4896583	1.99	669	0.36
10001 & above	203277371	82.56	582	0.31
<b>Total</b>	<b>246230880</b>	<b>100.00</b>	<b>185866</b>	<b>100.00</b>

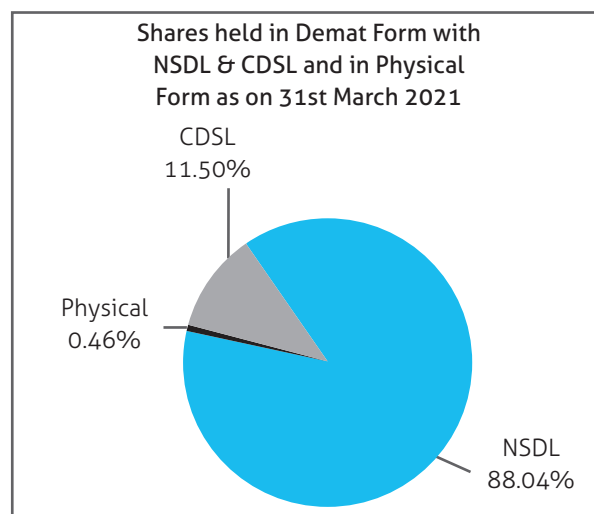
(x) Share Transfer System

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.

It may be noted that trading in Equity Shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Accordingly, the Company/its RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

(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.



As on 31st March 2021, 99.54% 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 2021, the Company has managed the foreign exchange risk and hedged to the extent considered prudent and necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and exports.

The Company has a Risk Management framework for identifying various risks and for formulating plans for mitigating the same. The risks as well as plans to mitigate these risks are reviewed regularly 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 2021, the Company consumed 72,200 MT rubber, valuing ₹975 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.: 91-11-68201262  
Fax No. : 91-11-23322059  
Email: investorjktyre@jkm.com  
Website : www.jktyre.com
2. Registrar & Share Transfer Agent  
Alankit Assignments Ltd.  
205-208 Anarkali Complex,  
Jhandewalan Extension,  
New Delhi-110 055 (India)  
Phone No. :91-11-42541234;  
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 2021, 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. Rating from India Ratings & Research Pvt. Ltd.**

Facilities		At the beginning of FY 2020-21	Revisions during the FY 2020-21	
			Revised on 27-6-2020	Revised on 19-3-2021
a)	Long-term loans	IND A/Negative	IND A-/Negative	IND A/Stable
b)	Fund-based and non-fund based limits	IND A/Negative/ IND A1	IND A-/Negative/ IND A2+	IND A/Stable/ IND A1
c)	Term Deposit	IND tA+/Negative	IND tA/Negative	IND tA+/Stable

**B. Rating From CARE Ratings Ltd.**

Facilities		At the beginning of FY 2020-21	Revisions during the FY 2020-21	
			Revised on 25-8-2020	Revised on 9-3-2021
a)	Long term Bank Facilities	CARE A; Negative	CARE A-; Negative	CARE A-;Stable
b)	Short term Bank Facilities	CARE A1	CARE A2+	Reaffirmed
c)	Long term / Short term Bank Facilities	CARE A; Negative / CARE A1	CARE A-;Negative / CARE A2+	CARE A-; Stable / CARE A2+
d)	Fixed Deposit - Long/ Short term instruments	CARE A (FD); Negative/ CARE A1 (FD)	CARE A- (FD);Negative/ CARE A2+ (FD)	CARE A- (FD);Stable/ CARE A2+ (FD)
e)	Commercial Paper issue	CARE A1	Withdrawn	-

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2021 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.jktyre.com](http://www.jktyre.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 Shri Anshuman Singhania, Managing Director. 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
Union Bank of India	The Federal Bank Ltd.
IDBI Bank Ltd.	HDFC Bank Ltd.
Indian Bank	Bank of Baroda
Punjab National Bank	

**(xxi) (a) Transfer of Shares to IEPF Authority**

As on 1st April 2020, the Company had 8,24,713 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 23,132 Equity Shares to the

demat account of IEPF Authority, during the year. During the year, 2 shareholders have claimed back 415 Equity Shares from the IEPF Authority. As on 31st March 2021, there are 8,47,430 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 2020, the Company had 69,185 Equity Shares, which were unclaimed by 249 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company has transferred 19,835 Equity Shares, which remained unclaimed by 63 Equity Shareholders, to the demat account of IEPF Authority, during the year, as aforesaid. During the financial year ended 31st March 2021, the Company has not received any request for dispatch of Equity Shares, from the suspense account. Accordingly, as on 31st March 2021, the Company has 49,350 Equity Shares which remain unclaimed by 186 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 BY THE CHAIRMAN & MANAGING DIRECTOR:

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 2021.

## 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 31st March, 2021, 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 31st March, 2021.

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.

The prevailing circumstances in the country on account of lockdown and COVID-19 have impacted, to some extent, verification of documents and records of the Company.

Place: New Delhi  
Date: 19th May 2021

**Namo Narain Agarwal**  
Company Secretary  
FCS 234,CP No. 3331  
UDIN: F000234C000338242

# SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

## INTRODUCTION:

JK Tyre presents its Business Responsibility Report (BRR) for the FY 2020-21. 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@jkmail.com				
6.	Financial Year reported	:	2020-21				
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 &amp; Flaps.</td> </tr> </tbody> </table>	NIC Code	Description	22111	Manufacture of Tyres, Tubes & Flaps.
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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 12 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	:	9 - 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 105 countries across six continents.				

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹)	:	49.25 crores
2. Total Turnover (₹)	:	6170.12 crores
3. Total profit after taxes (₹)	:	256.45 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of net profit	:	2.01% of the average Net Profits for three Financial Years immediately preceding the FY 2020-21.
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: <ul style="list-style-type: none"> <li>• Health Care</li> <li>• Education</li> <li>• Livelihood enhancement</li> <li>• Environmental conservation</li> </ul>

## 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 has two subsidiaries in India, out of which one is operational and is participating 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

<b>1. Details of Director/Directors responsible for BR</b>			
(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:		
	<b>Name</b>	<b>DIN</b>	<b>Designation</b>
	Dr. Raghupati Singhanian, Chairman of the Committee	00036129	Chairman & Managing Director
	Shri Arvind Singh Mewar, Member	00008244	Independent Director
	Smt Meera Shankar, Member	06374957	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 68201106
5	e-mail id	akbajoria@jksmail.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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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

<b>(a)</b>	<b>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.</b>
	Business Review Meetings are held on monthly basis. Such Meetings are chaired by MD. 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>(b)</b>	<b>Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</b>
	The Company has published Sustainability Report for the Financial Years 2018-19, 2017-18 and 2016-17.
	The Company's Sustainability Report for the financial years 2018-19, 2017-18 and 2016-17 can be viewed at <a href="http://www.jktyre.com/Sustainability-Report.aspx">http://www.jktyre.com/Sustainability-Report.aspx</a> . and also, Business Responsibility Report commencing from financial year 2016-17 as per the format prescribed by SEBI can be viewed at <a href="http://www.jktyre.com/annualreport.aspx">www.jktyre.com/annualreport.aspx</a> .

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

<b>1.</b>	<b>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?</b>
	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.
<b>2.</b>	<b>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.</b>
	The Company has received two complaints from the shareholders during the FY 2020-21. No complaint was pending as on 31st March 2021.
	The Company has not received any complaint under the said Codes/Policies during the financial year ended 31st March 2021.

## 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.

JK Tyre has made huge strides towards rolling out green tyres that use environment-friendly materials and lead to less emissions, while enhancing life cycle of tyres. In case of tyres, environmental concerns are addressed by:

1. Using eco-friendly material replacing petroleum based such as higher silica (Natural filler) usage replacing Carbon Black (Petroleum based)
2. By reducing rolling resistance thus improving Fuel Efficiency - Leading to less consumption of petroleum fuel

The products which we have launched with this approach are:

- PCR Category: No of SKU's have high content of silica, amongst these largest selling is 215/60R17 UX Royale used in various OEM's as well.
- TBR Category:
  1. In the case of TBR following products have been launched with the best in class Fuel Efficiency, reducing fuel consumption up to 8% namely 10.00R20 / 295/90R20 JDH XF and JUH XF
  2. Lowest RRC Tyre with very high mileage namely 295/80R22.5 JUL XM – Tubeless.

At JK Tyre, we are extremely cautious of sustainability and in all products as well as manufacturing process, we adopt practices which are environmental friendly. This is one reason why one of our mission statement is "To be a Green Company".

### 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 is committed towards goal of being Green and Clean Company with sustainable use of energy. Our initiatives towards conserving raw water and energy are one of the best in the industry. We are very pleased to record that JK Tyre in FY 2020-21 achieved a total energy benchmark level of 9.0 GJ/Ton of production and ranks among the best 3 companies in the sector worldwide.

Unequivocally, raw water is one of the most important natural resource needed equally by industry and communities. We, at JK Tyre, have taken conscious decision to reduce our raw water consumption and in FY 2020-21, we reported raw water consumption of 1.92 liters per kg of production. This is an industry benchmark globally and an outcome of our systematic initiatives undertaken over the last five years.

As part of our commitment to maximise use of Natural resources, we have invested in Solar & Wind Energy. We have set up Solar Rooftop Panels in several of our plants apart from purchasing Wind Power. In FY 2020-21, we met 57% of our power requirement through Renewable energy.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As our products provides mobility services, one of the biggest green attributes for our products is to improve fuel efficiency. We have been consistently working with our R&D teams and have been able to achieve market leadership in respect of designing and manufacturing products with lowest Rolling Resistance, which results in best fuel efficiency, which inturn helps customers to contribute in energy savings at their 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.

As part of our ongoing philosophy of Reduce-Recycle-Reuse (RRR), and in our attempts to attain the lowest-ever plant waste, we used approximately 5% of recycled material in making a virgin product. In this process, we achieved global industry benchmark of process scrap/waste of less than 1%.

### Principle 3: Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees: 5938
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: 5234
- Please indicate the Number of permanent women employees: 44
- Please indicate the Number of permanent employees with disabilities: 14
- Do you have an employee association that is recognized by management: Yes
- What percentage of your permanent employees is members of this recognized employee association : 41%

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?

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth and therefore, it is mandatory to clearly identify and map all concerned internal and external stakeholders. The Company has put in place systems and processes to identify, prioritize and address the needs and concerns of its stakeholders across all plant locations and other areas of its presence.

The Company has various mechanisms in place for engagement with these stakeholders such as employee engagement study, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. There is also a dedicated email id for all stakeholders to engage with the Company.

This helped the Company developing strong relationships with such large number of stakeholders. The lasting partnerships built with local communities and various other stakeholders have created a win-win situation for the company and its stakeholders mutually contributing and supporting the growth and development of each other.

2.	<b>Out of the above, has the Company identified the disadvantaged, vulnerable &amp; marginalized stakeholders?</b>
	<p>The Company strategically engages with the various stakeholders, particularly the disadvantaged, vulnerable, marginalized and at bottom of the pyramid people. As few of the manufacturing plants of the company are located in semi-urban &amp; under-developed areas, the company has categorically identified &amp; prioritized the needy and poor sections of society and various development projects have been planned for them.</p>
	<p>There are set Standard Operating Procedures (SOPs) for need assessment survey, baseline study, identification and prioritization of beneficiaries, etc to precisely assess the need of the area and people and accordingly targeted community development projects are planned to engage disadvantaged, vulnerable &amp; marginalized stakeholders. The Company's CSR initiatives like project 'Jyoti Kiran' for providing better eye care services to Driver fraternity, water conservation &amp; livestock development for farmers, scholarship project for meritorious &amp; economically weaker students, etc are the perfect example of engaging with poor and disadvantaged sections of society.</p>
3.	<b>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.</b>
	<p>The Company has well laid out Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which all community development projects are taken up. The Company undertook several community development programs specifically for the disadvantaged people during the reported year, some of them are:</p>
	1. Project 'Jyoti Kiran' for enabling better eye care services to Driver fraternity.
	2. Livelihood enhancement initiatives such as skill development for unemployed youths, livestock development, agricultural improvement, etc.
	3. Prevention of HIV/ AIDS among truckers, support to People Living with HIV/ AIDS, health camps, construction of toilets, etc.
	4. Education based initiatives like support to schools, scholarships for brilliant and disadvantaged children, adoption of ITI's, adult literacy project for rural women and prison inmates, infrastructural development, etc.
	5. Water conservation & plantation, etc

## 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 recognizes that respect for human rights is a material issue and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences. 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 is committed to set out basic standards and procedures 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 FY 2020-21 for violation of human rights.

## Principle 6: Business should respect, protect, and make efforts to restore the environment

1.	<p><b>Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others?</b></p>
	<p>JKTIL has established Environmental Policy which is also extended to the Contractors working at each site . JKTIL has also initiated and implemented a number of Go green policies such as Energy policy, GHG Policy, Sustainability Policy , Water and renewable Policy and Bio diversity Policy.</p> <p>These Policies are communicated to Suppliers and Vendors also and they also have similar commitment for implementation of the world class practices in line with our policies.</p> <p>Sustainability is built into JK Tyre’s business processes through well-defined HEALTH, SAFETY &amp; 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:</p> <ul style="list-style-type: none"> <li>• Complying with legal and other HSE requirements applicable to products, processes and services.</li> <li>• Taking measures in HSE management system by being proactive, innovative and cost effective.</li> <li>• Conserving natural resources and energy by optimizing efficiency, minimizing waste and supporting environment friendly processes.</li> <li>• Enhancing effectiveness of Safety, Health &amp; Environmental Management system through Risk assessment and regularly reviewing its objectives and targets.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>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.</p>
2.	<p><b>Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?</b></p>
	<p>Yes, the Company has strategies to address global environmental issues such as climate change, global warming, etc.</p> <p>JKTIL since 2018 onwards is participating in Carbon Disclosure Projects and having a system of 3rd party verification of GHG emissions since 2013-14 onwards .</p> <p>Also, 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:</p> <ul style="list-style-type: none"> <li>• Ensure conformance with ISO 14064-1:2006 international standard.</li> <li>• Ensuring that this information would facilitate the preparation of GHG reports which will remain Relevant, Complete, Consistent, Transparent and Accurate.</li> <li>• Ensuring availability of resources to enhance GHG performance and build a suitable corporate culture.</li> <li>• Aligning employee competencies to needs of this system.</li> <li>• Creating a continual improvement mind set in respect of GHG performance within the organization.</li> </ul> <p><b>Mission Statement on Sustainable Growth</b></p> <p>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.</p> <ol style="list-style-type: none"> <li>1. Reduce specific consumption of energy and water by 2-5% every year over next ten years.</li> <li>2. Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next ten years.</li> </ol>

	<p>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 40% of its total requirement of power, through renewable resources.</p> <p>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) &amp; other Carbon Exchange Programs.</p> <p>5. Increase use of recyclables and enhance recyclables of resources embedded in the product by 2-5% every year over next ten years.</p> <p>6. Increase the share of harvested rainwater in the overall annual use of water by 2-5% every year over next ten years.</p> <p>7. Incorporate life cycle assessment criteria for evaluating new and alternative technologies &amp; products.</p> <p>8. Strive to adopt green purchase policy and incorporate latest clean technologies.</p> <p>9. Take lead in promoting and managing product stewardship program, by forging partnerships with businesses and communities.</p> <p>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.</p>
3.	<p><b>Does the Company identify and assess potential environmental risks? Y/N</b></p> <p>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.</p>
4.	<p><b>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?</b></p> <p>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.</p>
5.	<p><b>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.</b></p> <p>We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations. Also, the Company targeted to use 50% Renewable Energy in its Plants and has achieved 57% usage of Renewable energy in year 2020-21.</p>
6.	<p><b>Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?</b></p> <p>Each of the manufacturing plant has consents from State Pollution Control Boards (PCB) for air, water and solid waste. During the FY 2020-21, the plants were compliant of relevant statutory laws in this regard and the requisite reports are filed periodically to State PCBs.</p>
7.	<p><b>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.</b></p> <p>This is to confirm that there were no show cause/legal notices received from the State Pollution Control Boards (PCB) and nothing is pending.</p>

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

<b>1.</b>	<b>Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:</b>
	The Company is a member of the following:- <ul style="list-style-type: none"> <li>• Automotive Tyre Manufacturers Association (ATMA)</li> <li>• Confederation of Indian Industry (CII)</li> <li>• PHD Chamber of Commerce and Industry</li> </ul> <p>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.</p>
<b>2.</b>	<b>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)</b>
	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**

<b>1.</b>	<b>Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.</b>
	The Company's CSR agenda meets requirements of Section 135 & Schedule VII of the Companies Act, 2013 and is in consonance with most of the UN Sustainable Development Goals. There is a well laid out CSR Policy in the Company and CSR initiatives are planned & implemented under the guidance of board level CSR Committee and top management with due emphasis over inclusive growth & development.
	The key stakeholders of CSR programs are communities in the periphery of tyre manufacturing units, suppliers, employees, contractors, truckers and transporters. A large chunk of our development interventions are with the community around factory/ plant, as we are committed to bring prosperity in areas of our operation. While planning a CSR project or selecting beneficiaries, the emphasis is given to poor and marginal people, vulnerable sections of society, women, old age people and children. For example, driver fraternity is a vulnerable population and therefore, the Company empowers them through awareness generation & trainings on safe driving & road safety, prevention of HIV/ AIDS, providing better eye care services, etc.
<b>2.</b>	<b>Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?</b>
	The CSR programmes/ projects of the Company are implemented directly by in-house teams and also with the help of competent partner NGOs.
	The Company believes strongly in partnering with development oriented corporates, NGOs, Government agencies and other stakeholders to improve project implementation, enhance outreach and create greater impact on stakeholders. The company collaborated with reputed NGOs to take benefit of their grassroots presence, technical competence and rich experience of social project implementation. The Company collaborated with National Bank for Agriculture & Rural Development (NABARD) to scale up the outreach & implement watershed development project in drought prone area.



3.	<b>Have you done any impact assessment of your initiative?</b>
	For effective implementation and timely improvement in CSR initiatives, it's mandatory to have a robust MIS and feedback mechanism. Impact assessment studies are conducted regularly to measure the transformative changes brought out in the lives of poor and marginal people by these social projects. Individual case studies are also recorded by the team to explore that how a CSR project has been instrumental in increasing their overall income, inculcated health seeking behavior, conserved water for better agriculture and so many other significant measurable positive changes in the lives of people.
4.	<b>What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?</b>
	During the FY 2020-21, the Company has spent ₹2.90 crores on CSR initiatives, while the details of the Company's CSR Projects and activities have been given in Annexure C to the Director's Report in the annual report.
5.	<b>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</b>
	The CSR Programs need to be relevant to people's lives and the area, hence need to be conceived at the grassroots. Based on the need of the area and the people, the CSR interventions are planned with active participation of the local communities & other stakeholders. Community engagement is of utmost importance as the sustainability of any CSR initiative can only be ensured through ensuring community partnership and subsequently community ownership.
	The community engagement starts right from the project inception and is ensured at different stages of the project life cycle like, planning, implementation, monitoring & evaluation and finally handing over the project to local communities.
	For example, in Drinking water project, initially the company helped the communities in developing basic infrastructure like borewell digging, water tank construction, etc. But now, the local women are the owners of that project and they take care of day to day operations including all O&M expenses through community contributions <i>per se</i> with no dependence on Company.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1.	<b>What Percentage of customer complaints/ customer cases are pending as on the end of financial year?</b>
	The percentage total consumer cases under process as on 31st March 2021 were insignificant vis a vis the total complaints/claims processed during the year. This has been possible as One of the missions of The Company is to "Be a Customer Obsessed Company - Customer First 24x7". With this philosophy The Company undertakes proactive comprehensive customer care measures which include customer education on preventive tyre care pre and post service.
	Customer Service has an important role to play in customer satisfaction. During the pandemic, handling warranty claims sustaining service levels became a challenge on account of logistical and mobility issues. The digital claim process based on Machine learning which was under development was implemented in a phased manner. This has enabled an on the spot resolution with a turn around time (T.A.T) of 15 minutes in Passenger , Two wheeler, LCV & SCV categories . 95 % of the warranty claims are now settled digitally for these four categories. This process has garnered momentum and in a short span of 9 months after the launch of this initiative, JK Tyre has Crossed the milestone of 1 Lac digital claims . This involved extensive back end preparation and education of team members as well as channel partners .
	Customer connect was sustained in the Digital mode with OEM customers and their franchises as well as a wide gamut of end users.

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 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. During the year, company has expanded its retail presence including that of Xpress Wheels for non metro towns thus increasing its touch points with customers. 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. OEM franchisee staff are periodically educated enables quicker service levels.

**2. Does the Company display Product information on the Product Label, over & above what is mandated as per Local Law? 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 world class 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.

In view of the pandemic, the Company has enhanced and sustained customer interaction and education in the digital / virtual mode . Education has been imparted on tyre selection, care & maintenance as per customer application & usage needs. Various customer care initiatives have been taken 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.**

The Competition Commission of India initiated an investigation against JK Tyre & Industries Ltd. under Reference Case No. 1 of 2019 for alleged cartelization in respect of a tender issued by the Director, State Transport, Haryana, for purchase of new steel radial tyres of different sizes and specifications. The matter is sub-judice.

**4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

The company has been constantly engaged in understanding the shift in consumer behavior or need especially during the pandemic period . During the year, the Company has undertaken customer surveys, both in-house and through 3rd party. Interactions with customers at various forums also acts as a source of feedback. As a result of customer feedback JK Tyre has introduced online lead generation and doorstep delivery on a pilot basis in select markets .

For outbound third party calling a help line has been introduced for channel partners and fleets in a bid to capture real time feedback and enhance satisfaction .

The company periodically carries our field surveys and captures Voice of consumer & Consumer insights. Information thus obtained is used for development of New Products and business policies / processes thus enhancing customer value propositions.

Feedback is also captured through our vast network of offices and is reviewed at the highest level in the organization and actionable feedback is subsequently incorporated into business plans and policies as a part of operations .

Note: An ESG & Sustainability Report is also being published separately.

# 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, 2021, 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, 2021, 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 Matters

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	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>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.</p> <p>For the year ended 31st March, 2021, the Company's Statement of Profit &amp; Loss included Sales of ₹ 6088.16 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 recognised in the correct period or that revenue and associated profit is misstated.</p> <p>Refer to Accounting policies Note 1.3 (xiii) and Note No. 24 of the standalone Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li><li>• We performed a detailed testing on transactions, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised in revenue focusing on unusual or irregular transactions.</li><li>• We validated the appropriateness and completeness of the related disclosures in Note No. 24 of the Standalone financial statements.</li></ul>

### **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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 statement 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 statement.
  - 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 31 & 35 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

Membership Number: 098336

New Delhi, the 19th May, 2021

## 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 ₹ 33.90 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, 2021.
  - (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	Forum where dispute is pending	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	2.44
		Revision Board	2005-2006	14.57
		Joint Commissioner	2011-2017	7.75
		Tribunal	2005-2009	46.89
Central Excise Act, 1944	Excise Duty	Commissioner-GST and Custom	1995-2000	963.00
		CESTAT	1981-2017	560.69
Custom Act, 1962	Custom Duty	High Court	2013-2014	1,558.33
		Jt. Commissioner Custom ,Delhi	2019-2020	690.17
		Directorate of Revenue Intelligence	2019-2020	6,069.55
Finance Act, 1994	Service Tax	Assistant Commissioner	2006-2017	104.32
		CESTAT	2005-2017	4.12
		Additional/Joint Commissioner (Audit)	2018-2020	13.42
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	Commissioner	2008-2011	108.76
TNGST Act, 2017	Goods and Service Tax	Jt. Commissioner, GST	2020-2021	32.22

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 not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year in term of provisions of Section 42 of the Act.

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

Membership Number: 098336

New Delhi, the 19th May, 2021



## **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 over Financial Reporting 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, 2021 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 authorizations 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,

2021, 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

Membership Number: 098336

New Delhi, the 19th May, 2021

# JK Tyre & Industries Limited

## Balance Sheet as at 31st March, 2021

₹ in Crores (10 Million)

	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	2	3329.74	3489.99
(b) Capital Work-in-progress		64.12	60.88
(c) Investment Property	3	5.73	5.83
(d) Other Intangible Assets	4	1.93	3.14
(e) Intangible Assets under Development		4.65	-
(f) Financial Assets			
– Investments	5	733.10	723.80
– Loans	6	42.64	44.39
– Other Financial Assets	7	90.77	106.92
(g) Other Non-current Assets	8	15.10	28.28
		<b>4287.78</b>	<b>4463.23</b>
<b>(2) Current Assets</b>			
(a) Inventories	9	1194.58	1095.53
(b) Financial Assets			
– Trade Receivables	10	1367.28	1436.03
– Cash and Cash Equivalents	11	41.11	20.90
– Other Bank Balances	12	21.86	25.38
– Other Financial Assets	13	127.18	116.19
(c) Current Tax Assets (Net)	14	15.69	18.45
(d) Other Current Assets	15	200.73	312.78
		<b>2968.43</b>	<b>3025.26</b>
<b>TOTAL ASSETS</b>		<b>7256.21</b>	<b>7488.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	SOCE - I	49.25	49.25
(b) Other Equity	SOCE - II	2349.14	2113.25
		<b>2398.39</b>	<b>2162.50</b>
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
– Borrowings	16	1188.48	1465.00
– Other Financial Liabilities	17	568.45	501.70
(b) Provisions	18	28.88	31.33
(c) Deferred Tax Liabilities (Net)	19	311.43	243.67
		<b>2097.24</b>	<b>2241.70</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
– Borrowings	20	748.25	1528.13
– Trade Payables			
Micro & Small Enterprises		28.38	16.82
Others		1167.77	926.89
– Other Financial Liabilities	21	690.50	511.64
(b) Other current liabilities	22	118.78	79.02
(c) Provisions	23	6.90	21.79
		<b>2760.58</b>	<b>3084.29</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>7256.21</b>	<b>7488.49</b>
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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

**JK Tyre & Industries Limited****Statement of Profit & Loss** for the year ended 31st March, 2021

₹ in Crores (10 Million)

	Note No.	2020-2021	2019-2020
<b>I. Revenue from Operations</b>	24	<b>6134.52</b>	6092.65
<b>II. Other Income</b>	25	<b>35.60</b>	27.58
<b>III. Total Income (I+II)</b>		<b>6170.12</b>	<b>6120.23</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed		<b>3255.87</b>	3157.83
Purchases of Stock-in-trade		<b>451.65</b>	769.42
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	26	<b>84.52</b>	(40.98)
Employee Benefits Expense	27	<b>547.99</b>	553.76
Finance Costs	28	<b>266.27</b>	342.92
Depreciation and Amortization Expense		<b>245.99</b>	242.39
Other Expenses	29	<b>943.48</b>	1002.57
<b>Total Expenses (IV)</b>		<b>5795.77</b>	<b>6027.91</b>
<b>V. Profit before Interest, Depreciation &amp; Tax (PBITD)</b>		<b>886.61</b>	677.63
<b>VI. Profit / (Loss) before Exceptional Items and Tax (III-IV)</b>		<b>374.35</b>	92.32
<b>VII. Exceptional Items</b>	41	<b>21.21</b>	(7.15)
<b>VIII. Profit / (Loss) before Tax (VI+VII)</b>		<b>395.56</b>	85.17
<b>IX. Tax Expense</b>			
(1) Current Tax		<b>128.00</b>	15.57
(2) Deferred Tax		<b>11.11</b>	(159.06)
<b>X. Profit / (Loss) for the Year (VIII-IX)</b>		<b>256.45</b>	<b>228.66</b>
<b>XI. Other Comprehensive Income</b>			
Items that will not be reclassified to Profit or Loss :			
– Re-measurement Losses on Defined Benefit Plans		<b>(5.10)</b>	(22.39)
– Income Tax relating to Items that will not be reclassified to Profit or Loss		<b>1.78</b>	5.63
<b>Total Other Comprehensive Income</b>		<b>(3.32)</b>	<b>(16.76)</b>
<b>XII. Total Comprehensive Income for the Year (X+XI)</b>		<b>253.13</b>	<b>211.90</b>
<b>XIII. Earnings per Equity Share of ₹2 each</b>			
Basic / Diluted (₹)	43	<b>10.42</b>	9.29

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  
Firm Registration No. - 000756N

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Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
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Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

## Statement of Changes in Equity (SOCE) for the year ended 31st March, 2021

### I. EQUITY SHARE CAPITAL

As at 01.04.2019	Change during the Year	As at 31.03.2020
49.25	-	49.25
As at 01.04.2020	Change during the Year	As at 31.03.2021
49.25	-	49.25

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
<b>a. Authorised:</b>		
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
	<b>180.00</b>	180.00
<b>b. Issued, Subscribed and fully paid up:</b>		
Equity Shares - 24,62,30,880 of ₹2 each		
Balance at the beginning of the year	49.25	49.25
Change during the year	-	-
Balance at the end of the year	<b>49.25</b>	49.25
<b>c. Reconciliation of the number of shares outstanding:</b>		
Shares outstanding as at the beginning of the year	24,62,30,880	24,62,30,880
Change during the year	-	-
Shares outstanding as at the end of the year	<b>24,62,30,880</b>	<b>24,62,30,880</b>
<b>d. Details of each shareholder holding more than 5% shares:</b>		
<b>Name of Shareholder</b>	<b>No. of shares held</b>	No. of shares held
Bengal & Assam Company Limited	13,00,03,250	13,11,58,250
Edgefield Securities Limited	-	1,74,37,500
<b>e. Details of shares held by the Holding Company (including NIL shares held by its Subsidiaries and Associates):</b>		
Bengal & Assam Company Limited	<b>13,00,03,250</b>	<b>13,11,58,250</b>

### f. 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, 2021

## II. OTHER EQUITY

₹ in Crores (10 Million)

	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, 2019	456.70	7.00	903.46	609.94	(31.23)	1,945.87
Profit for the year				228.66		228.66
Other Comprehensive Income (Net of Taxes)					(16.76)	(16.76)
Cash Dividend				(36.93)		(36.93)
Dividend Distribution Tax on Cash Dividend				(7.59)		(7.59)
As at 31st March, 2020	456.70	7.00	903.46	794.08	(47.99)	2,113.25
Profit for the year				256.45		256.45
Other Comprehensive Income (Net of Taxes)					(3.32)	(3.32)
Cash Dividend				(17.24)		(17.24)
As at 31st March, 2021	456.70	7.00	903.46	1,033.29	(51.31)	2,349.14

\* 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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
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Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

## 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 sells its Tyres to vehicle manufacturers for fitment in original equipments and in replacement markets worldwide. The company has six manufacturing plants located in Rajasthan, Madhya Pradesh, Tamil Nadu and three plants in Karnataka.

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 19th May 2021.

### 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 judgements, 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.

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.

**(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 using straight line method. Such intangible assets are measured at cost less any accumulated amortization 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:**

a) The Company, as a lessee, at the inception of contract, assesses whether the contract is a lease or not. If yes, the contract conveys in favour of the Company, the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially recognised at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of the Lessee. In addition, the carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. In the Balance Sheet, Lease liabilities are presented under the head 'Other Financial Liabilities' in 'Current' and 'Non-Current' portion(s) respectively and Right-of-use assets are presented under respective items of Property, Plant and Equipment or Investment Property, as the case may be.

b) Depreciation on Right-of-use Asset has been provided using Straight line method over their useful lives or lease period, whichever is lower. Interest Expense on Lease Liabilities are provided using discount rate used to determine Lease Liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.

c) For short-term leases and leases for which, the underlying asset value is low, right-of-use assets and lease liabilities are not recognised. The lease payments associated with these leases are recognised as expense over the lease term.

d) The Company, as a lessor, recognises lease payments from operating leases as income on straight-line basis over the lease term. The Company has recognised costs, including depreciation, incurred in earning the lease income as an expense.

**(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 for 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 were 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, Traded Goods and Process Stock include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Slow-moving and obsolete items based upon technical evaluation are provided for.

**(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.

**(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 after 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 the 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.

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. Interest and Dividend Income as well as fair value changes are disclosed separately in the Statement of Profit & Loss.

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 Statement of Profit or Loss.
- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held 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.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

**Sale of Goods:**

Revenue from the sale of goods is recognised at the point in time, when control is transferred to the customer.

**Interest Income:**

Interest income is recognised on time proportion basis using the effective interest method.

**Dividend income:**

Dividend income is recognised when the right to receive payment is established, which becomes certain after shareholders' approval.

**(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 amounts of Property, plant and equipment, Intangible assets, Investment property and Investments 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 shareholders 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.

## NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation				Net Value	
	As at 31.03.2020	Additions / Adjustments <sup>^</sup>	Sales / Adjustments	As at 31.03.2021	Upto 31.03.2020	For the year	Sales / Adjustments	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Land:</b>										
- Freehold	59.85	6.83	-	66.68	-	-	-	-	66.68	59.85
	(59.85)	-	-	(59.85)	-	-	-	-	(59.85)	(59.85)
- Leasehold-Right of Use <sup>§</sup>	10.96	-	-	10.96	2.39	0.13	-	2.52	8.44	8.57
	(10.96)	-	-	(10.96)	(2.26)	(0.13)	-	(2.39)	(8.57)	(8.70)
<b>Buildings</b>										
- Owned*	803.95	0.68	0.40	804.23	183.97	13.44	-	197.41	606.82	619.98
	(794.57)	(9.38)	-	(803.95)	(168.84)	(15.13)	-	(183.97)	(619.98)	(625.73)
- On Lease - Right of Use <sup>§</sup>	58.98	9.67	6.02	62.63	12.93	11.59	1.83	22.69	39.94	46.05
	-	(58.98)	-	(58.98)	-	(12.93)	-	(12.93)	(46.05)	-
<b>Plant &amp; Equipment:</b>										
- Owned	4635.76	71.39	8.70	4698.45	2045.91	171.06	7.85	2209.12	2489.33	2589.85
	(4485.33)	(160.93)	(10.50)	(4635.76)	(1890.58)	(164.40)	(9.07)	(2045.91)	(2589.85)	(2594.75)
- On Lease - Right of Use <sup>§</sup>	178.21	-	-	178.21	42.08	42.65	-	84.73	93.48	136.13
	-	(178.21)	-	(178.21)	-	(42.08)	-	(42.08)	(136.13)	-
<b>Furniture and Fixtures</b>	18.64	0.18	-	18.82	12.98	0.98	-	13.96	4.86	5.66
	(18.38)	(0.27)	(0.01)	(18.64)	(11.71)	(1.28)	(0.01)	(12.98)	(5.66)	(6.67)
<b>Office Equipments</b>	22.00	0.47	0.24	22.23	17.09	1.48	0.22	18.35	3.88	4.91
	(20.68)	(1.74)	(0.42)	(22.00)	(15.96)	(1.53)	(0.40)	(17.09)	(4.91)	(4.72)
<b>Vehicles</b>	32.12	2.01	3.01	31.12	13.13	3.35	1.67	14.81	16.31	18.99
	(32.07)	(5.27)	(5.22)	(32.12)	(12.03)	(3.63)	(2.53)	(13.13)	(18.99)	(20.04)
<b>Total</b>	5820.47	91.23	18.37	5893.33	2330.48	244.68	11.57	2563.59	3329.74	3489.99
Previous year	(5421.84)	(414.78)	(16.15)	(5820.47)	(2101.38)	(241.11)	(12.01)	(2330.48)	(3489.99)	(3320.46)

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.

<sup>^</sup> Includes forex reinstatement of ₹ Nil (Previous year: ₹24.78 crores). Unamortised forex reinstatement as on 31.03.2021 ₹109.04 crores (Previous year: ₹115.06 crores).

\* Buildings include 32 shares held in co-operative housing societies.

§ Refer Note No. 33.

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 ₹ 410.56 crores (Previous year: ₹414.58 crores).

For security against borrowings - Refer Note No. 16.

## NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation				Net Value	
	As at 31.03.2020	Additions / Adjustments	Sales / Adjustments	As at 31.03.2021	Upto 31.03.2020	For the year	Sales / Adjustments	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Building</b>	6.53	-	-	6.53	0.70	0.10	-	0.80	5.73	5.83
	(6.53)	-	-	(6.53)	(0.60)	(0.10)	-	(0.70)	(5.83)	(5.93)
<b>Total</b>	6.53	-	-	6.53	0.70	0.10	-	0.80	5.73	5.83
Previous year	(6.53)	-	-	(6.53)	(0.60)	(0.10)	-	(0.70)	(5.83)	(5.93)

Figures in brackets represent amounts pertaining to previous year.

Rental Income: ₹ 0.09 crore (Previous Year: ₹ 0.28 crore). No material expenses were incurred for maintenance.

## NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value				Amortisation				Net Value	
	As at 31.03.2020	Additions / Adjustments	Sales / Adjustments	As at 31.03.2021	Upto 31.03.2020	For the year	Sales / Adjustments	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Computer Software<sup>#</sup></b>	17.84	-	-	17.84	14.70	1.21	-	15.91	1.93	3.14
	(17.45)	(0.39)	-	(17.84)	(13.52)	(1.18)	-	(14.70)	(3.14)	(3.93)
<b>Total</b>	17.84	-	-	17.84	14.70	1.21	-	15.91	1.93	3.14
Previous year	(17.45)	(0.39)	-	(17.84)	(13.52)	(1.18)	-	(14.70)	(3.14)	(3.93)

Figures in brackets represent amounts pertaining to previous year.

<sup>#</sup> Being amortised over a period of 5 years.

**NOTE - 5 INVESTMENTS [NON-CURRENT (Other than Trade)]**

	As at 31.03.2021		As at 31.03.2020	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
<b>Investment in Equity Shares:</b>				
<b>Subsidiary Companies (at Cost):</b>				
Lankros Holdings Limited (Euro 1 each)*	42,95,604	73.71	42,95,604	73.71
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	-	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)^	3,96,73,286	563.01	3,96,73,286	563.01
<b>Associate Companies (at Cost):</b>				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; Previous year: ₹2400)	24	-	24	-
Treel Mobility Solutions Pvt. Ltd.(₹10 each)	3,737	6.30	3,737	6.30
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35
<b>Others (at fair value through P&amp;L):</b>				
HDFC Bank Ltd. (₹1 each)	10,000	1.49	10,000	0.86
Bengal & Assam Company Ltd. (BACL) (₹10 each) <sup>5</sup>	11,641	1.59	11,641	1.40
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	-
Vaayu Renewable Energy (Godavari) Pvt. Ltd. (₹10 each)	49,400	4.79	49,400	2.20
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	15,700	0.21	14,000	0.18
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	42,000	0.22	36,000	0.04
<b>Investment in Preference Shares (at fair value through P&amp;L):</b>				
<b>Associate Company:</b>				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Shares) (₹100 each)	11,00,000	12.09	11,00,000	10.89
<b>Others:</b>				
V. S. Lignite Power Pvt. Ltd. (0.01% Cumulative Redeemable Preference Shares) (₹10 each) #	11,14,222	-	1,1,14,222	-
<b>Investment in Preference Shares (at amortised cost):</b>				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	70,00,000	65.87	70,00,000	61.07
<b>Investment in Mutual Fund (at fair value through P&amp;L):</b>				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.85	2,50,000	0.56
		<b>733.10</b>		<b>723.80</b>
Aggregate amount of quoted Investments/ market value thereof		<b>3.93</b>		2.82
Aggregate amount of unquoted Investments		<b>729.17</b>		720.98
**Aggregate provision for impairment in value of Investments		<b>0.61</b>		-

\* Pledged with bank for loans availed by certain foreign subsidiaries.

^ Pledge with banks -51% shareholding out of 71.91% held.

# Under lien with Issuer.

<sup>5</sup> Acquired before becoming subsidiary of BACL.

**NOTE - 6 LOANS [NON-CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
<i>Unsecured, Considered Good:</i>		
Security Deposits	42.64	44.39
	<b>42.64</b>	<b>44.39</b>

**NOTE - 7 OTHER FINANCIAL ASSETS [Non-Current]**

Deferred Receivable	90.77	106.92
	<b>90.77</b>	<b>106.92</b>

**NOTE - 8 OTHER NON-CURRENT ASSETS**

Advances - Project Related	2.83	13.43
Deferred Expenditure for financial instruments	12.27	14.85
	<b>15.10</b>	<b>28.28</b>

**NOTE - 9 INVENTORIES (Valued at lower of cost or net realisable value)**

Raw Materials *	529.18	342.16
Work-in-progress	41.35	34.06
Finished Goods **	543.55	606.81
Stock-in-trade	31.46	60.01
Stores and Spares	49.04	52.49
	<b>1194.58</b>	<b>1095.53</b>

\* Includes raw materials in transit ₹ 175.53 crores (Previous year: ₹81.45 crores).

\*\* Includes finished goods in transit ₹ 5.70 crores (Previous year: ₹1.27 crores).

Provision for write down of inventories during the year ₹ 5.41 crores (Previous year ₹ 2.08 crores).

**NOTE - 10 TRADE RECEIVABLES [CURRENT] (Unsecured)**

Considered Good <sup>5</sup>	1367.28	1436.03
Credit Impaired	13.13	10.63
Less : Allowance for Bad and Doubtful debts	(13.13)	(10.63)
	<b>1367.28</b>	<b>1436.03</b>

<sup>5</sup> Refer Note No. 46 for Trade Receivables from related parties.**NOTE - 11 CASH AND CASH EQUIVALENTS**

Balances with Banks in Current Accounts	33.17	19.35
Remittances in transit and Cheques on hand	7.87	1.33
Cash on hand	0.07	0.22
	<b>41.11</b>	<b>20.90</b>

**NOTE - 12 OTHER BANK BALANCES**

Unclaimed Dividend Accounts	1.73	1.76
Deposit Accounts*	20.13	23.62
	<b>21.86</b>	<b>25.38</b>

\* Represent Deposit Repayment Reserve Account ₹11.07 crores (Previous year: ₹16.60 crores) and margin money under lien with banks against bank guarantees ₹ 9.06 crores (Previous year: ₹7.02 crores).

**NOTE - 13 OTHER FINANCIAL ASSETS [CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
<i>Unsecured, Considered Good:</i>		
Interest Recoverable	5.40	7.55
Due from Related Parties (Refer Note No. 46)	0.02	0.20
Balances with Government Authorities	90.06	71.98
Deferred Receivable	20.05	27.48
Advances to Employees	6.32	6.98
Derivative Instruments measured at fair value	5.33	-
Others	-	2.00
	<b>127.18</b>	<b>116.19</b>

**NOTE - 14 CURRENT TAX ASSETS / (LIABILITIES) (NET)**

Current Tax Assets / (Liabilities) (Net)	15.69	18.45
	<b>15.69</b>	<b>18.45</b>

**NOTE - 15 OTHER CURRENT ASSETS**

Balances with Government Authorities	149.53	128.82
Prepaid Expenses	21.12	16.71
Advances to Related Parties (Refer Note No. 46)	7.85	126.94
Advances to Suppliers	18.25	28.33
Deferred Expenditure for financial instruments	2.52	2.52
Others	1.46	9.46
	<b>200.73</b>	<b>312.78</b>

**NOTE - 16 BORROWINGS [NON-CURRENT]**

₹ in Crores (10 Million)

	Non-Current		Current*	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Secured Loans</b>				
Term Loans: **				
– Financial Institutions	186.38	247.16	54.77	34.05
– Bank	924.75	1,148.68	309.68	154.20
	<b>1111.13</b>	<b>1395.84</b>	<b>364.45</b>	<b>188.25</b>
<b>Unsecured Loans</b>				
Fixed Deposits	77.35	69.16	32.89	27.52
	<b>77.35</b>	<b>69.16</b>	<b>32.89</b>	<b>27.52</b>
<b>Total</b>	<b>1188.48</b>	<b>1465.00</b>	<b>397.34</b>	<b>215.77</b>

\* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 21).

\*\* Net of ₹3.31 crores (Previous year: ₹3.31 crores) for unamortised processing charges.

- (i) Rupee Term Loan of ₹10.43 crores and ₹12.53 crores aggregating to ₹22.96 crores from Banks, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Karnataka, both present and future are repayable in 8 and 9 equal quarterly instalments respectively.
- (ii) Rupee Term Loan of ₹47.78 crores, ₹24.66 crores and ₹59.72 crores from Banks and Foreign Currency Loan of ₹78.77 crores (including ₹23.82 crores due to forex reinstatement) from a Financial Institution aggregating to ₹210.93 crores, secured by a first pari passu charge



on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 8, 9, 10 and 10 equal quarterly instalments respectively.

- (iii) Rupee Term Loan of ₹44.36 crores, ₹50.97 crores from Banks and Foreign Currency Loan of ₹162.83 crores (including ₹22.61 crores due to forex reinstatement) from a Financial Institution aggregating to ₹258.16 crores, 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 on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 18, 26 and 28 equal quarterly instalments respectively.
- (iv) Rupee Term Loan of ₹305.71 crores and ₹233 crores aggregating to ₹538.71 crores from Banks, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 50 quarterly instalments each.
- (v) Foreign Currency Loan of ₹62.22 crores (including ₹9.92 crores due to forex reinstatement) from a Bank, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 13 equal quarterly instalments.
- (vi) Foreign Currency Loan of ₹171.27 crores (including ₹18.88 crores due to forex reinstatement) from a Bank, 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 and future. Loan of Tranche – I, ₹67.10 crores and Tranche – II, ₹104.17 crores are repayable in 13 and 16 quarterly instalments respectively.
- (vii) Term Loans carrying first pari passu charge on the movable and immovable assets, are subject to prior charge of banks on stocks and book debts for working capital borrowings.
- (viii) Rupee Term Loan of ₹100 crores from a Bank, secured by a first pari passu charge on movable fixed assets at a Company's Plant in Madhya Pradesh, both present and future is repayable in 5 equal quarterly instalments.
- (ix) Rupee Term Loan of ₹12.62 crores, ₹9.34 crores, ₹32.94 crores and ₹59.74 crores aggregating to ₹114.64 crores from Banks, secured by a first pari passu charge on stocks and book debts, of the Company, both present and future with second pari passu charge on movable and immovable assets of the Company's Plants in Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu (excluding those specifically charged to other banks) are repayable in 15 equated monthly instalments, 16 monthly instalments, 17 monthly instalments and 29 equal monthly instalments respectively.
- (x) Fixed Deposits of ₹32.89 crores, ₹40.97 crores and ₹36.38 crores (aggregating ₹110.24 crores) are due for repayment in 2021-22, 2022-23 and 2023-24 respectively.

The Company had availed moratorium with respect to repayment of term loan instalments, payment of interest on term loans and payment of interest on working capital, which were falling due between 1st March, 2020 and 31st August, 2020, in accordance with the RBI Circular number RBI/2019-20/186 DOR.NO.BP.BC.47/21.04.048/2019-20 dated 27th March 2020 and RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated 23rd May 2020 - Regulatory Package, to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic.

It is clarified that such interest on term loans and working capital have been debited to the statement of Profit and Loss Account as usual. In case of term loan instalments, overall tenor has been extended by two quarters except in case of a bank, the over-all tenor was extended by one quarter and another bank subsequently recovered the two instalments during the year. Further, the company has not availed funded interest term loan (FITL) and repaid interest on term loan and working capital during the year for moratorium period.

#### NOTE - 17 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Trade Deposits and Others	479.93	356.88
Lease Liabilities (Refer Note No. 33)	88.52	144.82
	<b>568.45</b>	<b>501.70</b>

#### NOTE - 18 PROVISIONS [NON-CURRENT]

	28.88	31.33
Provision for Employee Benefits (Refer Note No. 44)	28.88	31.33
	<b>28.88</b>	<b>31.33</b>

**NOTE - 19 DEFERRED TAX LIABILITIES (NET)**

₹ in Crores (10 Million)

	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Deferred Tax Liability related to Property, Plant and Equipment	<b>613.84</b>	636.16
Deferred Tax Assets on		
– Expenses / Provisions Allowable	<b>(103.87)</b>	(135.52)
Deferred Tax Liabilities / (Assets) - Net	<b>509.97</b>	500.64
MAT Credit Entitlement	<b>(198.54)</b>	(256.97)
	<b>311.43</b>	<b>243.67</b>

**NOTE - 20 BORROWINGS [CURRENT]**

<b>Secured Loans*</b>		
Repayable on Demand from Banks	<b>421.27</b>	1181.38
Buyers Credit	<b>121.05</b>	72.42
	<b>542.32</b>	<b>1253.80</b>
<b>Unsecured Loans*</b>		
Fixed Deposits	<b>14.79</b>	10.51
Loans from:		
– Banks	<b>191.14</b>	263.82
	<b>205.93</b>	<b>274.33</b>
	<b>748.25</b>	<b>1528.13</b>

\* 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	<b>397.34</b>	215.77
Interest Accrued but not due on Borrowings	<b>17.39</b>	31.61
Unclaimed Dividends #	<b>1.73</b>	1.76
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	<b>2.48</b>	3.05
Lease Liabilities (Refer Note No. 33)	<b>48.83</b>	40.66
Liabilities for Expenses	<b>201.47</b>	197.19
Contract Liabilities	<b>21.26</b>	18.80
Derivative Instrument measured at fair value	<b>-</b>	2.80
	<b>690.50</b>	<b>511.64</b>

# Investor Education & Protection Fund will be credited, as and when due.

**NOTE - 22 OTHER CURRENT LIABILITIES**

Government and Other Statutory Dues	<b>88.11</b>	50.81
Recoveries under Company Schemes	<b>29.97</b>	27.65
Other	<b>0.70</b>	0.56
	<b>118.78</b>	<b>79.02</b>

**NOTE - 23 PROVISIONS [CURRENT]**

Provision for Employee Benefits (Refer Note No. 44)	<b>6.90</b>	21.79
	<b>6.90</b>	<b>21.79</b>

**NOTE - 24 REVENUE FROM OPERATIONS**

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>Sale of:</b>		
– Products	5994.31	5936.83
– Services	93.85	102.90
<b>Other operating revenues:</b>		
Miscellaneous Income #	46.36	52.92
	<b>6134.52</b>	<b>6092.65</b>

# Includes Government incentive of ₹28.74 crores (Previous Year: ₹36.32 crores)  
Refer Note No. 45 for disclosure regarding Revenue recognised under contracts.

**NOTE - 25 OTHER INCOME**

Income from Financial Assets valued at:		
– Amortised Cost	18.00	18.97
– Fair Value through Profit & Loss (FVTPL)	1.20	1.10
Other Interest Income	6.08	1.37
Dividend Income	0.70	0.74
Fair Value changes in investments valued at FVTPL	3.70	0.42
Profit on sale of Fixed Assets (Net)	0.67	-
Rent Income	2.53	2.79
Other Non-operating Income	2.72	2.19
	<b>35.60</b>	<b>27.58</b>

**NOTE - 26 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>Opening Stock</b>		
Finished Goods	606.81	513.45
Work-in-progress	34.06	66.49
Stock -in-trade	60.01	79.96
	<b>700.88</b>	<b>659.90</b>
<b>Closing Stock</b>		
Finished Goods	543.55	606.81
Work-in-progress	41.35	34.06
Stock -in-trade	31.46	60.01
	<b>616.36</b>	<b>700.88</b>
<b>Net (Increase) / Decrease in Stocks</b>	<b>84.52</b>	<b>(40.98)</b>

**NOTE - 27 EMPLOYEE BENEFITS EXPENSES**

Salaries and Wages	387.35	384.87
Contribution to Provident and other Funds	38.51	37.53
Employees' Welfare and other Benefits	122.13	131.36
	<b>547.99</b>	<b>553.76</b>

**NOTE - 28 FINANCE COSTS**

Interest on Borrowings & Others	246.07	321.39
Interest on Lease Liabilities	16.03	19.56
Other Borrowing Costs	4.17	1.97
	<b>266.27</b>	<b>342.92</b>

**NOTE - 29 OTHER EXPENSES**

₹ in Crores (10 Million)

	<b>2020-2021</b>	<b>2019-2020</b>
Consumption of Stores and Spares	<b>64.18</b>	66.64
Power and Fuel	<b>212.35</b>	220.92
Freight and Transportation	<b>225.47</b>	238.52
Advertisement and Sales Promotion	<b>76.79</b>	134.49
Provision for diminution in investments	<b>0.61</b>	-
Conversion Charges	<b>51.31</b>	47.11
Tyre Servicing & Retreading Expenses	<b>29.90</b>	35.26
Legal & Professional Services	<b>58.00</b>	7.61
Repair & Maintenance Expenses	<b>22.82</b>	28.31
Insurance	<b>7.70</b>	8.52
Lease Rent	<b>11.69</b>	11.46
Loss on sale of Fixed Assets (Net)	-	0.25
Allowance for Doubtful Debts / Advances	<b>2.50</b>	2.00
Corporate Social Responsibility Expenses	<b>2.90</b>	4.97
Miscellaneous Expenses	<b>177.26</b>	196.51
	<b>943.48</b>	<b>1002.57</b>

**NOTE - 30**

Estimated amounts of contracts remaining to be executed on capital account ₹157.58 crores (Previous year: ₹34.89 crores).

**NOTE - 31**

Contingent liabilities in respect of claims not accepted and not provided for ₹152.84 crores (Previous year: ₹119.31 crores) pertain to Excise & Customs duty matters in appeal ₹99.28 crores, Service tax matters ₹0.76 crore, Sales Tax matters in appeal ₹2.56 crores, Income tax matters in appeal ₹4.97 crores & other matters ₹45.27 crores (Previous year: ₹69.03 crores, ₹0.18 crore, ₹2.94 crores, ₹4.97 crores & ₹42.19 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)

<b>Particulars</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Miscellaneous Expenditure	<b>1.25</b>	0.36
Add: Expenditure upto previous year	-	1.31
	<b>1.25</b>	1.67
Less: Transferred to Property, Plant and Equipment	-	1.67
	<b>1.25</b>	-

**NOTE - 33**

The Company has lease contracts for land, buildings and plant & equipment. These are recognised as Right of use assets with related lease liabilities in accordance with accounting policy of the Company as given in Note No. 1.1(iv).

- The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.
- The movement in lease liabilities included in Other Financial Liabilities during the year is as follows:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
As at beginning of the year	185.48	151.65
Additions	9.67	80.74
Accretion of Interest	16.03	19.56
Less: Payments	(69.08)	(66.47)
Less: Discount Received	(0.32)	-
Less: Leases Terminated	(4.43)	-
<b>Balance at the end of the year</b>	<b>137.35</b>	<b>185.48</b>
Current	48.83	40.66
Non-Current	88.52	144.82

c) The amounts recognised in profit and loss during the year:

Particulars	2020-2021	2019-2020
Depreciation expenses of right of use assets	54.37	55.14
Interest expense on Lease liabilities	16.03	19.56
Lease Rent recognised as expense for short term leases	7.48	7.59
Lease Rent recognised as expense for low value asset leases	4.21	3.87
	<b>82.09</b>	<b>86.16</b>

d) Cash outflows in regard to Lease contracts, as Lessee:

Particulars	2020-2021	2019-2020
<b>Operating activities</b>		
Short term / low value assets Lease payments	11.69	11.46
<b>Financing activities</b>		
Repayment of Principal portion of Lease Liabilities	53.37	46.91
Repayment of Interest portion of Lease Liabilities	16.03	19.56

e) The contractual maturities of lease liabilities as at year 31st March, 2021 and 31st March, 2020 on undiscounted basis are given below:

Particulars	As at 31.03.2021	As at 31.03.2020
Not later than one year	58.47	64.12
Later than one year and not later than five years	100.58	152.70
Later than five years	4.82	15.46

f) The company has given certain equipment on sub-lease, from which rental income recognised during the year is ₹0.77 crore (Previous year: ₹0.77 crore).

#### NOTE - 34

Debts / Advances include ₹59.60 crores (Previous year ₹58.65 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

- Forward Contracts for hedging Receivables: US \$ 25 Million (Previous year: US \$10 Million) are outstanding as at 31.03.2021.
- Foreign currency exposure unhedged net payable is ₹543.77 crores – US \$ 73.98 Million (Previous year: ₹574.09 crores – US \$ 76.16 Million) as at 31.03.2021.

**NOTE - 37**

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:

(i) Principal & Interest amount due and remaining unpaid as at 31.03.2021: 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 31.03.2021: Nil (Previous year: Nil).

**NOTE - 38**

Miscellaneous expenses include Nil (Previous year: ₹2.00 crores) for political contribution.

**NOTE - 39 EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES DURING THE YEAR** ₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>i) Revenue Expenditure*:</b>		
1. Employee Cost	21.85	23.37
2. Cost of Materials and Testing Charges	45.63	49.40
3. Other R&D Expenses	18.41	5.31
<b>Subtotal (i)</b>	<b>85.89</b>	<b>78.08</b>
<b>ii) Capital Expenditure</b>	<b>1.36</b>	<b>3.45</b>
<b>Total (i+ii)</b>	<b>87.25</b>	<b>81.53</b>

\* Included in respective revenue accounts.

**NOTE - 40 AMOUNT PAID TO AUDITORS** ₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>i) Statutory Auditors</b>		
a) Audit Fee	0.30	0.30
b) Taxation	0.03	0.03
c) Certificates / other services	0.03	0.04
d) Reimbursement of expenses	0.02	0.03
<b>ii) Cost Auditors</b>		
a) Audit Fee	0.02	0.02
b) Certificates / other services : ₹36500 (Previous year: ₹10000)		

**NOTE - 41**

Exceptional items include net impact of favorable foreign exchange rate fluctuation ₹ 24.08 crores (Previous Year: 1.25 crores), and expenditure on VRS for the employees ₹2.87 crores (Previous year: ₹8.40 crores).

**NOTE - 42**

COVID-19 pandemic has caused serious disruptions on the global economic and business environment. Government of India declared lockdown on 24th March, 2020 which has impacted the business activities of the Company. Consequent to this, upon restrictions being eased, the production resumed at all plants in stages considering necessary statutory approvals and precautions. Resumption of operations and improved business environment from 2<sup>nd</sup> quarter onwards resulted in company attaining healthy sales and profitability.

Based on the indicators of future economic conditions, the company expects to recover the carrying amount of these assets and ensure that sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date 31st March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognised prospectively.

**NOTE - 43 EARNINGS PER SHARE (EPS)**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
a) Profit for the year attributable to Equity Shareholders	256.45	228.66
b) Weighted average number of Equity Shares for Basic/Diluted EPS	24,62,30,880	24,62,30,880
c) Earnings per share of ₹2 each		
– Basic / Diluted (₹)	10.42	9.29

**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)	
	2020-2021	2019-2020	2020-2021	2019-2020
<b>I. Change in the Present Value of Obligation</b>				
1) Present Value of Defined Benefit Obligation at the beginning of the year	36.50	33.09	140.06	134.17
2) Current Service Cost	3.71	3.19	8.13	7.07
3) Past Service Cost	(0.64)	-	-	-
4) Interest Expense or Cost	2.27	2.25	8.82	9.36
5) Remeasurement (or actuarial) (gain) / loss arising from:				
– change in financial assumptions	0.59	2.51	1.91	7.30
– experience variance (i.e. actual experience vs assumptions)	7.84	7.23	0.41	2.45
6) Benefit Paid	(16.33)	(11.77)	(16.84)	(20.29)
7) Present Value of Obligation as at the end	33.94	36.50	142.49	140.06
<b>II. Change in the Fair Value of Plan Assets</b>				
1) Fair value of Plan Assets at the beginning of the year	-	-	130.18	136.61
2) Investment Income	-	-	8.80	9.81
3) Employer's Contribution	-	-	19.33	6.95
4) Benefits Paid	-	-	(16.84)	(20.29)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	5.65	(2.90)
6) Fair value of Plan Assets as at the end	-	-	147.12	130.18
<b>III. Expenses recognised in the Statement of Profit &amp; Loss Account*</b>				
1) Current Service Cost	3.71	3.19	8.13	7.07
2) Past Service Cost	(0.64)	-	-	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.27	2.25	0.02	(0.45)
4) Expenses recognised in the Income Statement	5.34	5.44	8.15	6.62
<b>IV. Other Comprehensive Income</b>				
1) Actuarial (Gains) / Losses				
– change in financial assumptions	0.59	2.51	1.91	7.30
– experience variance (i.e. actual experience vs assumptions)	7.84	7.23	0.41	2.45
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(5.65)	2.90
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	8.43	9.74	(3.33)	12.65
<b>V. Actuarial Assumptions:</b>				
1) Discount Rate	6.50%	6.70%	6.50%	6.70%
2) Expected rate of return on Plan Assets	-	-	6.50%	6.70%
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				
	2020-21	2019-20	2018-19	2017-18	2016-17	2020-21	2019-20	2018-19	2017-18	2016-17
Present Value of Defined Benefit Obligation	<b>33.94</b>	36.50	33.09	29.28	24.54	<b>142.49</b>	140.06	134.17	118.37	107.80
Fair Value of Plan Assets	-	-	-	-	-	<b>147.12</b>	130.18	136.61	132.53	112.19
Surplus / (Deficit)	<b>(33.94)</b>	<b>(36.50)</b>	<b>(33.09)</b>	<b>(29.28)</b>	<b>(24.54)</b>	<b>4.63</b>	<b>(9.88)</b>	<b>2.44</b>	<b>14.16</b>	<b>4.39</b>
Experience adjustment on Plan Liabilities (Gain) / Loss	<b>7.84</b>	7.23	6.30	7.65	6.27	<b>0.41</b>	2.45	8.19	1.20	4.49
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	<b>(5.65)</b>	2.90	(0.18)	0.95	(1.99)

## (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 2021		31st March 2020		31st March 2021		31st March 2020	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	<b>37.20</b>	<b>31.20</b>	39.96	33.58	<b>152.91</b>	<b>133.45</b>	149.80	131.56
Salary Growth Rate (-/+ 1%)	<b>31.15</b>	<b>37.20</b>	33.52	39.97	<b>133.63</b>	<b>152.45</b>	131.72	149.38
Attrition Rate (-/+ 1%)	<b>33.63</b>	<b>34.21</b>	36.11	36.84	<b>141.65</b>	<b>143.23</b>	139.15	140.86
Mortality Rate (-/+ 10% of mortality rates)	<b>33.93</b>	<b>33.95</b>	36.49	36.51	<b>142.46</b>	<b>142.52</b>	140.02	140.09

(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, 2021 of ₹7.88 crores (Previous year: ₹8.92 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	
	2020-2021	2019-2020	2020-2021	2019-2020
Within next 1 Year	<b>5.22</b>	5.34	<b>14.20</b>	13.67
Between 2 - 5 Years	<b>12.00</b>	13.40	<b>67.96</b>	69.10
Between 6 - 10 Years	<b>16.26</b>	18.47	<b>80.47</b>	81.74
More than 10 Years	<b>22.42</b>	26.56	<b>105.93</b>	108.03

## (b) Defined Contribution Plans:

Employer's Contribution to Provident and other Funds charged off during the 12 months ended 31st March, 2021 of ₹22.48 crores (Previous year: ₹21.99 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 27).



## NOTE - 45 REVENUE RECOGNISED UNDER CONTRACTS

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>Category-wise</b>		
<i>Revenue recognised at the point of time:</i>		
Tyres, Tubes & Flaps	5804.97	5848.79
Other goods	189.34	88.04
<i>Revenue recognised over the period of time:</i>		
Services	93.85	102.90
	<b>6088.16</b>	<b>6039.73</b>
<b>Geography-wise</b>		
Within India	4935.56	4937.04
Outside India	1152.60	1102.69
	<b>6088.16</b>	<b>6039.73</b>

b) Revenue-related receivables and contract liabilities at the year end:

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Trade receivables (Refer Note No.10)	1367.28	1436.03
Contract liabilities (Refer Note No. 21)	21.26	18.80

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Revenue as per contracted price	6359.63	6282.60
Reductions towards variable consideration components*	(271.47)	(242.87)
<b>Revenue from contracts with customers</b>	<b>6088.16</b>	<b>6039.73</b>

\* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.

d) Impairment in Trade Receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹13.13 crores (Previous year: ₹10.63 crores).

## NOTE - 46 Related Parties:

a) **Holding Company:**

Bengal & Assam Company Ltd. (BACL-H)\*\*

b) **Subsidiaries:**

J. K. International Ltd.

J. K. Asia Pacific Ltd. (JKAPL)

J. K. Asia Pacific (S) Pte. Ltd. (JKAPPL - Subs. of JKAPL)

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.\*

3DInnovations Pvt. Ltd. (3DIPL)

Cavendish Industries Ltd. (CIL)

\* Subsidiary of JKTSA

**c) Fellow Subsidiaries (with which, the Company has transactions):**

JK Agri Genetics Ltd. (JKAGL) \*\*

J.K. Fenner (India) Ltd. (JKFIL)\*\*

**d) Associates (with which, the Company has transactions):**

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL - Associate of JKAPPL)

JK Lakshmi Cement Ltd (JKLCL - Associate of BACL-H) \*\*

JK Paper Ltd. (JKPL - Associate of BACL-H) \*\*

Treel Mobility Solutions Private Limited (TREEL) (w.e.f. 31st December, 2019)

**e) Key Management Personnel (KMP) (with which, the Company has transactions):**

(i) Dr. Raghupati Singhania	Chairman & Managing Director
(ii) Shri Bharat Hari Singhania	Managing Director
(iii) Shri Anshuman Singhania	Managing 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) Smt. Meera Shankar	Independent Director (w.e.f. 30th January, 2020)
(xiii) Shri Sanjeev Aggarwal	Chief Financial Officer
(xiv) Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xv) Shri Ashok Kumar Kinra	Non-Executive Director of BACL-H**

**f) Post-Employment Benefit Plan Entities:**

JK Tyre &amp; Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata (JKEPFK)

JK Tyre &amp; Industries Ltd. Officers Superannuation Fund, Kolkata (JKOSFK)

JK Tyre &amp; Industries Ltd. Employees Gratuity Fund, Kolkata (JKEGFK)

JK Tyre &amp; Industries Ltd. Employees Provident Fund Trust, Mysuru (JKEPFV)

JK Tyre &amp; Industries Ltd. Officer's Superannuation Fund Trust, Mysuru (JKOSFV)

JK Tyre &amp; Industries Ltd. Employees Gratuity Fund Trust, Mysuru (JKEGFV)

**g) Other Related Parties (with which, the Company has transactions):**

Bengal &amp; Assam Company Ltd. (BACL) - Holds more than 20% shares in the Company (till 23rd May, 2019)

Niyojit Properties Pvt. Ltd. (NPPL - controlled by KMP of BACL-H) \*\*

\*\* w.e.f. 24th May, 2019

**(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	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to CHT-233.90, VPL-239.38, WTI-39.89, JKLC		233.90		279.28		513.18
Sale of Tyres to CHT, VPL-274.98, JKLC		(98.48)		(275.03)		(373.51)
Sale of Goods to CIL-126.24, JKFIL, TREEL		126.24	0.09	1.69		128.02
Sale of Goods to CIL, TREEL		(14.35)		(0.59)		(14.94)
Sale of Capital Items to CIL		0.24				0.24
Sale of Capital Items to CIL		(1.01)				(1.01)
Purchase of Goods from CIL, JKFIL -0.05, TREEL		317.79	0.05	9.31		327.15
Purchase of Goods from CIL, TREEL-2.64, JKFIL - (₹36000), JKLC		(605.03)		(2.68)		(607.71)
Purchase of Capital Items from CIL		6.75				6.75
Purchase of Capital Items from CIL		(0.41)				(0.41)

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sharing of Expenses received from BACL-H, CIL, JKFIL - 0.76, JKAGL, HASETRI - 3.50, JKPL - 0.74, JKLCL	0.02	0.03	0.83	4.87		5.75
Sharing of Expenses received from BACL-H, CHT-0.10, CIL, JKFIL - 0.66, JKAGL, HASETRI - 3.83, JKLCL - 0.64, JKPL, BACL - (₹18653)	(0.02)	(0.11)	(0.74)	(5.15)		(6.01)
Investment in Equity Shares of CIL		(74.97)				(74.97)
Purchase of CIL's Equity Shares	(40.00)					(40.00)
Sharing of Expenses paid to BACL-H, JKPL-0.15, JKLCL-0.44, TREEL, NPPL	0.75			0.64	0.54	1.93
Sharing of Expenses paid to BACL-H, JKLCL-0.31, TREEL - (₹11541), JKPL, NPPL-0.54, BACL	(0.64)			(0.41)	(0.64)	(1.69)
Services Availed -JKAPPL-0.48, JKFIL, HASETRI - 41.58, VPL		0.48	17.12	43.73		61.33
Services Availed - BACL-H, JKAPPL - 1.87, CIL, JKFIL, HASETRI - 25.50, JKLCL-0.37, VPL	(13.00)	(1.93)	(16.95)	(26.06)		(57.94)
Services to CIL - 101.89, JKTSA		119.25				119.25
Services to CIL - 107.85, JKTSA		(124.65)				(124.65)
Interest Income from JKFIL			3.89			3.89
Interest Income from JKFIL			(4.17)			(4.17)
Royalty from VPL				0.01		0.01
Royalty from VPL				(0.24)		(0.24)
Dividend from JKFIL			0.70			0.70
Dividend from JKFIL			(0.70)			(0.70)
Contribution to Trusts- JKEPFK- 7.45, JKOSFK- 0.49, JKEGFK- 2.23, JKEPFV - 18.90, JKOSFV- 0.25, JKEGFV					31.91	31.91
Contribution to Trusts- JKEPFK- 6.91, JKOSFK- 0.36, JKEGFK- 16.27, JKEPFV - 21.14, JKOSFV- 0.30, JKEGFV					(47.97)	(47.97)
<b>Outstanding as at year end:</b>						
Due from JKAPPL-0.02		0.02				0.02
Due from CHT-0.20		(0.20)				(0.20)
Advances to HASETRI - 7.85				7.85		7.85
Advances to CIL - 87.61, HASETRI - 29.40, VPL- 9.93		(87.61)		(39.33)		(126.94)
<b>Trade Receivables:</b>						
CHT-220.43, CIL-70.09, JKTSA-15.55, VPL- 169.60, WTI- 14.56		306.07		184.16		490.23
CHT-154.44, CIL-36.45, JKTSA-27.90, VPL- 114.59		(218.79)		(114.59)		(333.38)
<b>Other Receivables:</b>						
-BACL-H-0.66,JKFIL-33.90, JKEGFV-4.83, NPPL-0.54	0.66		33.90		5.37	39.93
-BACL-H-0.66	(0.66)					(0.66)
-JKFIL-48.55, JKEGFV-5.38, NPPL-0.54			(48.55)		(5.92)	(54.47)
<b>Payables:</b>						
-CIL-30.85, VPL-2.45, TREEL-0.74, JKEGFK-0.20, JKOSFV-0.01		30.85		3.19	0.21	34.25
-JKTSA-0.56, JKFIL-15.91, TREEL-0.27, JKEGFK- 15.25		(0.56)	(15.91)	(0.27)	(15.25)	(31.99)

Figures in brackets represent amounts pertaining to previous year.

(II)

₹ in Crores (10 Million)		
<b>Remuneration paid to Key Managerial Personnel</b>	<b>2020-2021</b>	<b>2019-2020</b>
Short-term Employee Benefits	<b>47.16</b>	22.30
Post-employment Benefits*	<b>0.44</b>	1.70
Other Payments	<b>1.63</b>	1.27

\* Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

**NOTE - 47**

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) (till 23rd May, 2019)

Florence Investech Ltd. (FINVL) (till 23rd May, 2019)

Sharing of expenses received during the year from BMF – Nil [Previous year – (₹3000)] and FINVL – Nil [Previous year – (₹15000)]. There had been no outstanding balances as at year end (Previous Year: Nil). These transactions were carried out with aforesaid parties in the ordinary course of business and on arm's length basis.

**NOTE - 48 DIVIDENDS**

The following dividends were declared and paid by the company during the year:

₹ in Crores (10 Million)		
<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
For the year ended 31st March, 2020 - 35% i.e. ₹0.70 per equity share, (31st March, 2019 - 75% i.e. ₹1.50)	<b>17.24</b>	36.93
Dividend Distribution Tax thereon	-	7.59
<b>Total</b>	<b>17.24</b>	<b>44.52</b>

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:

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
For the year ended 31st March, 2021 – 100% i.e. ₹2.00 per equity share (31st March, 2020 – 35% i.e. ₹0.70)	<b>49.25</b>	17.24
<b>Total</b>	<b>49.25</b>	<b>17.24</b>

**NOTE - 49 INCOME TAX****(A) Amounts recognised in Statement of Profit and Loss**

₹ in Crores (10 Million)

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
Current Tax	<b>128.00</b>	15.57
Deferred Tax		
– Relating to origination and Reversal of Temporary Difference	<b>11.11</b>	(160.06)
– Mat Credit Entitlement	-	1.00
<b>Total</b>	<b>11.11</b>	(159.06)
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>139.11</b>	<b>(143.49)</b>

**(B) Income Tax recognised in Other Comprehensive Income**

₹ in Crores (10 Million)

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>
Deferred Tax on Re-measurement Losses on Defined Benefit Plans	<b>(1.78)</b>	(5.63)
<b>Total</b>	<b>(1.78)</b>	<b>(5.63)</b>

**(C) Reconciliation of Effective Tax Rate**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Accounting Profit before Income Tax	395.56	85.17
At applicable Statutory Income Tax Rate @ 34.944%	138.22	29.76
In House R&D expenses u/s 35(2AB)	-	(12.04)
Contribution u/s 35(1)(ii)	-	(0.52)
Exempt Income	-	(0.25)
Others	0.89	(2.40)
<b>Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years) (A)</b>	<b>139.11</b>	14.55
<b>Effective Tax Rate</b>	<b>35.03%</b>	17.07%
<b>Reversal of Deferred Tax Liabilities pertaining to earlier years* (B)</b>	-	(158.04)
<b>Income Tax Expense reported for the year (A+B)</b>	<b>139.11</b>	<b>(143.49)</b>

\* In view of reduction in Corporate Tax Rate to 22% (effective 25.17% including Surcharge & Education Cess) as per Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019 and based upon expert opinion, the Company re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier) in previous year. Accordingly, provision of Deferred Tax Liability of ₹158.04 crores no longer required was reversed during the year ended 31st March, 2020.

**(D) Reconciliation of Deferred Tax Liabilities (Net)**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Opening Balance	243.67	404.91
Deferred Tax Expense recognised in:		
Statement of Profit and Loss	11.11	(159.06)
Other Comprehensive Income	(1.78)	(5.63)
<b>Deferred Tax Liabilities/ (Assets) – Net</b>	<b>253.00</b>	240.22
MAT Credit Utilization	58.43	3.45
<b>Deferred Tax Liabilities (Net)</b>	<b>311.43</b>	<b>243.67</b>

**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 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>(i) Financial Assets</b>				
(a) At Fair Value through Profit and Loss				
– Investments	21.24	21.24	16.13	16.13
– Others	5.33	5.33	-	-
(b) At Amortised Cost				
– Investments	65.87	65.87	61.07	61.07
– Trade Receivables	1367.28	1367.28	1436.03	1436.03
– Others	318.23	318.23	313.78	313.78
<b>Total</b>	<b>1777.95</b>	<b>1777.95</b>	<b>1827.01</b>	<b>1827.01</b>
<b>(ii) Financial Liabilities</b>				
(a) At Fair Value through Profit and Loss	-	-	2.80	2.80
(b) At Amortised Cost				
– Borrowings	2334.07	2334.07	3208.90	3208.90
– Trade Payables	1196.15	1196.15	943.71	943.71
– Others	861.61	861.61	794.77	794.77
<b>Total</b>	<b>4391.83</b>	<b>4391.83</b>	<b>4950.18</b>	<b>4950.18</b>

The following methods and assumptions were used to estimate the fair values:

1. 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.

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 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.
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.

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, 2021 and 31st March, 2020:

	₹ in Crores (10 Million)		
<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>31st March, 2021</b>			
<b>Financial Assets</b>			
– Quoted Equity Shares	<b>3.08</b>	-	-
– Unquoted Equity Shares	-	-	<b>5.22</b>
– Unquoted Preference Shares	-	-	<b>12.09</b>
– Mutual Funds	<b>0.85</b>	-	-
– Forward Contracts	-	<b>5.33</b>	-
<b>31st March, 2020</b>			
<b>Financial Assets</b>			
– Quoted Equity Shares	2.26	-	-
– Unquoted Equity Shares	-	-	2.42
– Unquoted Preference Shares	-	-	10.89
– Mutual Funds	0.56	-	-
<b>Financial Liabilities</b>			
– Forward Contracts	-	2.80	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2021.

**NOTE - 51**

The fair value of Investment property as at 31st March, 2021 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 31.03.2021	As at 31.03.2020
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(1.85)	(1.90)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	1.85	1.90

- ▶ **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 31.03.2021	As at 31.03.2020
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(5.84)	(8.02)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	5.84	8.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- ▶ **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, bead wire 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).
- ▶ **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 minimise 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.

Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2021 and March 31st March, 2020:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning	10.63	8.63
Add: Provision created during the Year	2.50	2.00
<b>Balance at the end</b>	<b>13.13</b>	<b>10.63</b>

- ▶ **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 payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
<b>As at 31st March 2021</b>		
Borrowings*	2076.26	257.81
Trade and Other Payables	1196.15	-
Lease Liabilities	128.91	8.44
Other Financial Liabilities	244.33	479.93
<b>Total</b>	<b>3645.65</b>	<b>746.18</b>
<b>As at 31st March 2020</b>		
Borrowings*	2666.38	542.52
Trade and Other Payables	943.71	-
Lease Liabilities	173.78	11.70
Other Financial Liabilities	255.21	356.88
<b>Total</b>	<b>4039.08</b>	<b>911.10</b>

\* Including working capital facility from consortium banks renewed every year.

### 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 31.03.2021	As at 31.03.2020
Borrowings	2334.07	3208.90
Less: Cash and Cash Equivalents	41.11	20.90
<b>Net Debt</b>	<b>2292.96</b>	<b>3188.00</b>
Equity Share Capital	49.25	49.25
Other Equity	2349.14	2113.25
<b>Total Capital</b>	<b>2398.39</b>	<b>2162.50</b>
<b>Capital and Net Debt</b>	<b>4691.35</b>	<b>5350.50</b>
<b>Gearing Ratio</b>	<b>48.88%</b>	<b>59.58%</b>

### NOTE - 54

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March 2021 is ₹ 2.89 crores (Previous Year: ₹4.95 crores) 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 ₹2.90 crores on Corporate Social Responsibility Projects / initiatives during the year (Previous year: ₹4.97 crores).

### NOTE - 55

Figures less than ₹50000 have been shown at actual in brackets.

### NOTE - 56

Previous year figures have been reclassified/ regrouped wherever necessary.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors



# Cash Flow Statement

for the year ended 31st March, 2021

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	395.56	85.17
Adjustment for:		
Depreciation and Amortisation expense	245.99	242.39
Finance Costs	266.27	342.92
(Profit) / Loss on sale of Property, Plant and Equipment	(0.67)	0.25
Provision for Diminution of Investment	0.61	-
Fair Value Changes in Non-Current Investments	(3.70)	(0.42)
Unrealised Foreign Exchange Fluctuation	(32.40)	8.37
Interest / Dividend Received	(25.98)	(22.18)
Allowance for Doubtful Debts / Advances and Bad Debts written off	2.50	2.00
Operating Profit before Working Capital changes	848.18	658.50
(Increase) / Decrease in Trade and Other Receivables	182.43	138.73
(Increase) / Decrease in Inventories	(99.05)	40.59
Increase / (Decrease) in Trade and Other Payables	387.77	(36.03)
Cash generated from Operations	1319.33	801.79
Direct Taxes (Net)	(66.81)	(19.14)
Net Cash from Operating Activities	1252.52	782.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipment	(70.63)	(147.56)
Sale of Property, Plant and Equipment	26.62	5.57
Investment in Subsidiary & Associate	-	(121.27)
Purchase of Investments	(0.21)	-
Deposit Accounts with Banks	3.49	(0.85)
Interest Received	20.31	12.75
Dividend Received	0.70	0.74
Net Cash from Investing Activities	(19.72)	(250.62)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds/ (Utilisation) from Short-term Borrowings (Net)	(780.38)	69.93
Proceeds from Long-term Borrowings	398.07	40.56
Repayment of Long-term Borrowings	(480.08)	(276.02)
Payment of Lease Liabilities	(53.37)	(46.91)
Finance Costs paid	(279.59)	(330.01)
Dividend paid (including dividend tax)	(17.24)	(44.52)
Net Cash from / (used in) Financing Activities	(1212.59)	(586.97)
Net increase / (decrease) in Cash and Cash Equivalents	20.21	(54.94)
Cash and Cash Equivalents as at the beginning of the year	20.90	75.84
Cash and Cash Equivalents as at the end of the year	41.11	20.90

# Cash Flow Statement

for the year ended 31st March, 2021

**Notes:**

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>1. Cash and Cash Equivalents Include:</b>		
– Cash, Cheques on hand and Remittances in transit	7.94	1.55
– Balances with Banks	33.17	19.35
<b>Total</b>	<b>41.11</b>	<b>20.90</b>

**2. Non Cash Changes in liabilities arising from financing activities:**

Particulars	As At 31.03.2020	Cash Flows	Non- Cash Changes		As At 31.03.2021
			Foreign Exchange Movement	Others	
Short-term Borrowings	1528.13	(780.38)	0.50	-	748.25
	(1451.85)	(69.93)	(6.35)	-	(1528.13)
Long-term Borrowings	1680.77	(82.01)	(13.84)	0.90	1585.82
	(1867.76)	(-235.46)	(47.51)	(0.96)	(1680.77)
Lease Liabilities	185.48	(53.37)	-	5.24	137.35
	(151.65)	(-46.91)	-	(80.74)	(185.48)
<b>Total Liabilities from Financing Activities</b>	<b>3394.38</b>	<b>(915.76)</b>	<b>(13.34)</b>	<b>6.14</b>	<b>2471.42</b>
Previous Year	(3471.26)	(-212.44)	(53.86)	(81.70)	(3394.38)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner

Membership No. - 098336

New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

# 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, 2021, 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 31st March, 2021, 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 Matters

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	Auditor's Response
<p><b>Revenue Recognition</b></p> <p>The Group 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 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.</p> <p>For the year ended 31st March, 2021, the Group's Statement of Profit &amp; Loss included Sales of ₹ 9043.05 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 recognised in the correct period or that revenue and associated profit is misstated.</p>	<p><b>Principal Audit Procedures</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.</li> <li>• We performed a detailed testing on transactions, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised in revenue focusing on unusual or irregular transactions.</li> </ul>

Key Audit Matter	Auditor's Response
Refer Note No. 27 of the Consolidated Financial Statements.	<ul style="list-style-type: none"> <li>We validated the appropriateness and completeness of the related disclosures in Note No. 27 of the Consolidated financial statements.</li> </ul>

### 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 its associates 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 its associates 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 ₹ 5377.14 crores as at 31st March, 2021, total revenue of ₹ 4448.36 crores, total net profit after tax of ₹ 79.72 crores, total comprehensive income of ₹ 79.04 crores and net cash inflow of ₹ 6.28 crores for the year

ended on that date, as considered in the Consolidated financial statements. The Consolidated financial statements also include the Group's share of net (loss) after tax of ₹ (1.99) crores and total comprehensive income/(loss) of ₹ (2.01) crores for the year ended 31st March, 2021, as considered in the Consolidated financial statements, in respect of three 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 Board of Directors 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, 2021, total revenue - Nil, total net loss after tax - Nil, total comprehensive income - Nil as considered in the Consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Board of Directors 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 Board of Directors, these financial statements are not material to the Group.
- (c) The Consolidated financial statements include the Group share of net profit after tax of ₹ 0.20 crore and total comprehensive income of ₹ 0.27 crore for the year ended 31st March, 2021, as considered in the Consolidated financial statements, in respect of two associates 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 Board of Directors 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 Board of Directors.
- (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 Board of Directors.

### 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, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associates incorporated in India, none of the directors of the Group companies and its associates companies incorporated in India is disqualified as on 31st March, 2021 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 statement 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 its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statement 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 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 its associates incorporated in India.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm's Registration Number: 000756N

**HARISH GUPTA**

Partner

Membership Number: 098336

New Delhi, the 19th May, 2021



## **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, 2021, 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 its associates 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 its associates 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 its associate Companies, 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, 2021, 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 two associate Companies, 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

Membership Number: 098336

New Delhi, the 19th May, 2021

## Consolidated Balance Sheet as at 31st March, 2021

₹ in Crores (10 Million)

	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	2	6018.94	6171.10
(b) Capital Work-in-progress		286.42	277.21
(c) Investment Property	3	5.73	5.83
(d) Other Intangible Assets	4	217.71	204.74
(e) Intangible Assets under Development		12.70	7.09
(f) Financial Assets			
– Investments accounted using Equity Method	5	59.91	63.03
– Other Investments	6	87.11	77.20
– Loans	7	50.51	52.31
– Other Financial Assets	8	90.82	113.46
(g) Deferred Tax Assets (Net)	9	46.25	76.93
(h) Other Non-current Assets	10	18.59	36.02
		<b>6894.69</b>	<b>7084.92</b>
<b>(2) Current Assets</b>			
(a) Inventories	11	1789.29	1617.84
(b) Financial Assets			
– Trade Receivables	12	1575.42	1848.42
– Cash and Cash Equivalents	13	88.66	65.39
– Other Bank Balances	14	85.13	71.13
– Other Financial Assets	15	136.01	120.87
(c) Current Tax Assets (Net)	16	83.26	81.82
(d) Other Current Assets	17	334.23	399.78
		<b>4092.00</b>	<b>4205.25</b>
		<b>10986.69</b>	<b>11290.17</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	SOCE - I	49.25	49.25
(b) Other Equity	SOCE - II	2623.49	2282.10
Equity Attributable to Owners of the Parent		2672.74	2331.35
(c) Non-controlling Interest	SOCE - II	106.29	94.71
		<b>2779.03</b>	<b>2426.06</b>
<b>LIABILITIES</b>			
<b>(1) Non-current Liabilities</b>			
(a) Financial Liabilities			
– Borrowings	18	2860.74	3150.42
– Other Financial Liabilities	19	706.04	605.46
(b) Provisions	20	103.88	94.43
(c) Deferred Tax Liabilities (Net)	21	368.31	279.88
		<b>4038.97</b>	<b>4130.19</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
– Borrowings	22	1155.57	1973.64
– Trade Payables			
Micro & Small Enterprises		36.18	22.69
Others		1537.89	1665.72
– Other Financial Liabilities	23	1225.96	909.92
(b) Other Current Liabilities	24	203.69	122.53
(c) Provisions	25	7.83	25.13
(d) Current Tax Liabilities (Net)	26	1.57	14.29
		<b>4168.69</b>	<b>4733.92</b>
		<b>10986.69</b>	<b>11290.17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2021

₹ in Crores (10 Million)

	Note No.	2020-2021	2019-2020
<b>I. Revenue from Operations</b>	27	<b>9102.20</b>	8722.70
<b>II. Other Income</b>	28	<b>43.07</b>	30.59
<b>III. Total Income (I+II)</b>		<b>9145.27</b>	<b>8753.29</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed		<b>5246.89</b>	5095.33
Purchases of Stock-in-Trade		<b>117.96</b>	256.14
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		<b>103.85</b>	(14.46)
Employee Benefits Expense	29	<b>922.74</b>	923.18
Finance Costs	30	<b>465.85</b>	548.99
Depreciation and Amortisation Expense		<b>386.69</b>	377.83
Other Expenses	31	<b>1404.42</b>	1477.15
<b>Total Expenses (IV)</b>		<b>8648.40</b>	<b>8664.16</b>
<b>V. Profit before Interest, Depreciation &amp; Tax (PBITD)</b>		<b>1349.41</b>	<b>1015.95</b>
<b>VI. Profit/(Loss) before Exceptional Items and Tax (III-IV)</b>		<b>496.87</b>	89.13
VII. Exceptional Items	37	<b>37.48</b>	(105.90)
<b>VIII. Profit/(Loss) before Tax (VI+VII)</b>		<b>534.35</b>	(16.77)
IX. Tax Expense			
(1) Current Tax		<b>140.06</b>	34.38
(2) Deferred Tax		<b>60.85</b>	(200.16)
<b>X. Profit / (Loss) after tax (VIII-IX)</b>		<b>333.44</b>	149.01
<b>XI. Share in Profit/(Loss) of Associates</b>		<b>(2.51)</b>	(7.70)
<b>XII. Profit / (Loss) for the year (X+XI)</b>		<b>330.93</b>	<b>141.31</b>
<b>XIII. Profit/(loss) for the year attributable to:</b>			
Owners of the Parent		<b>319.34</b>	150.76
Non-controlling Interest		<b>11.59</b>	(9.45)
<b>XIV. Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss:			
Re-measurement losses on Defined Benefit Plans		<b>(6.07)</b>	(31.16)
Share of Other Comprehensive Income in Associates		<b>(0.02)</b>	-
Income Tax Relating to Items that will not be reclassified to Profit or Loss		<b>2.07</b>	8.42
(B) Items that will be reclassified to Profit or Loss:			
Exchange Differences on Translating the Financial Statements of Foreign Operations		<b>39.66</b>	(47.51)
<b>Total Other Comprehensive Income</b>		<b>35.64</b>	<b>(70.25)</b>
<b>XV. Total Comprehensive Income for the year (XII+XIV)</b>		<b>366.57</b>	<b>71.06</b>
<b>XVI. Other Comprehensive Income for the year attributable to:</b>			
Owners of the Parent		<b>35.65</b>	(69.90)
Non-controlling Interest		<b>(0.01)</b>	(0.35)
<b>XVII. Total Comprehensive Income for the year attributable to:</b>			
Owners of the Parent		<b>354.99</b>	80.86
Non-controlling Interest		<b>11.58</b>	(9.80)
<b>XVIII. Earnings per equity share of ₹ 2 each</b>			
Basic / Diluted (₹)	39	<b>12.97</b>	6.12

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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

## Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2021

### I. EQUITY SHARE CAPITAL

Equity Shares - 24,62,30,880 of ₹ 2 each

As at 01.04.2019	Change during the year	As at 31.03.2020
49.25	-	49.25
As at 01.04.2020	Change during the year	As at 31.03.2021
49.25	-	49.25

### 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 (NCI)	Total	
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings					
						Surplus in P/L Statement					Re-measurement losses on defined benefit plans
As at 1st April, 2019	455.92	7.66	7.00	9.82	903.46	921.23	(62.56)	(7.38)	2235.15	136.23	2371.38
Profit for the year						150.76			150.76	(9.45)	141.31
Other Comprehensive Income (Net of Taxes)							(22.39)	(47.51)	(69.90)	(0.35)	(70.25)
Cash Dividends						(36.93)			(36.93)		(36.93)
Dividend Distribution Tax on Cash Dividend						(7.59)			(7.59)		(7.59)
Reinstatement Gain / (Loss) of Reserve on Consolidation		18.89							18.89		18.89
Changes in NCI consequent upon increase in Parent's Holding					(8.28)				(8.28)	(31.72)	(40.00)
As at 31st March, 2020	455.92	26.55	7.00	9.82	895.18	1027.47	(84.95)	(54.89)	2282.10	94.71	2376.81
Profit for the year						319.34			319.34	11.59	330.93
Other Comprehensive Income (Net of Taxes)							(4.01)	39.66	35.65	(0.01)	35.64
Cash Dividends						(17.24)			(17.24)		(17.24)
Reinstatement Gain / (Loss) of Reserve on Consolidation		3.64							3.64		3.64
As at 31st March, 2021	455.92	30.19	7.00	9.82	895.18	1329.57	(88.96)	(15.23)	2623.49	106.29	2729.78

#### Component of equity

Securities Premium

#### Nature and Purpose

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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner

Membership No. - 098336

New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

**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 19th May, 2021.

**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 31.03.2021:
- 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
	As on 31.03.2021 & 31.02.2020
J. K. International Ltd., U.K.	100.00%
J. K. Asia Pacific Ltd., Hong Kong	100.00%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100.00%
Lankros Holdings Ltd., Cyprus	100.00%
Sarvi Holdings Switzerland AG., Switzerland	100.00%
JK Tornel S.A. de C.V., Mexico	99.98%
Comercializadora América Universal, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.98%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.98%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.98%
Gintor Administración, S.A. de C.V., Mexico	99.98%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.98%
3DInnovations Pvt. Ltd.	100.00%
Cavendish Industries Ltd., India	86.41%

- ii) **Associates:** An associate is entity over which the Company or its subsidiaries 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.

The Associates, where the Company holds directly or indirectly through subsidiaries 20% or more equity or/ and exercises significant influence, are as follows:

<b>Name</b>	<b>Status</b>	<b>Ownership Interest</b>
Valiant Pacific LLC., UAE	Audited	49.00%
Dwarkesh Energy Limited, India	Audited	35.00%
Western Tire Holdings, Inc., USA	Unaudited	40.00%
Treel Mobility Solutions Pvt. Ltd., India (w.e.f. 31st December, 2019)	Audited	26.00%
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.

- 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) The changes in the Company’s interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity attributed to owners of the Parent.
- e) In case of associates, where the 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”.
- f) 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.
- g) 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.
- h) The accounts of J. K. International Ltd. and Western Tire Holdings, Inc. are exempt from Audit.
- i) 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.
- j) 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.
- k) 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 recognise 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.

**NOTE - 2 PROPERTY, PLANT AND EQUIPMENT**

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation					Net Value		
	As at 31.03.2020	Additions/ Adjustment <sup>^</sup>	Sales / Adjustments	Translation Adjustment <sup>@</sup>	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment <sup>@</sup>	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Land:</b>												
- Freehold #	556.03 (570.75)	6.83 -	- -	(14.63) (14.72)	577.49 (556.03)	- (2.39)	- -	- -	- -	- (556.03)	577.49 (570.75)	556.03 (570.75)
- Leasehold -Right of use <sup>5</sup>	10.96 (10.96)	- -	- -	- -	10.96 (10.96)	2.39 (2.26)	0.13 (0.13)	- -	- -	2.52 (2.39)	8.44 (8.57)	8.57 (8.70)
<b>Buildings:</b>												
- Owned*	1186.44 (1192.18)	0.68 (9.38)	0.40 -	(15.06) (15.12)	1201.78 (1186.44)	287.59 (271.63)	23.50 (25.80)	- (9.84)	(9.92) (9.84)	321.01 (287.59)	880.77 (898.85)	898.85 (920.55)
- On Lease-Right of Use <sup>5</sup>	59.62 -	16.54 (59.62)	6.02 -	(0.03) -	70.17 (59.62)	13.11 -	12.79 (13.11)	1.83 -	- -	24.07 (13.11)	46.10 (46.51)	46.51 -
<b>Plant &amp; Equipments:</b>												
- Owned	7325.03 (7061.29)	171.99 (341.76)	16.35 (10.96)	(67.00) (67.06)	7547.67 (7325.03)	2836.90 (2626.60)	285.18 (272.53)	8.90 (9.12)	(53.31) (53.11)	3166.49 (2836.90)	4381.18 (4488.13)	4488.13 (4434.69)
- On Lease-Right of Use <sup>5</sup>	178.21 -	- (178.21)	- -	- -	178.21 (178.21)	42.08 -	42.65 (42.08)	- -	- -	84.73 (42.08)	93.48 (136.13)	136.13 -
<b>Furniture and Fixtures</b>	29.62 (29.87)	0.48 (0.52)	- (0.01)	(0.75) (0.76)	30.85 (29.62)	20.98 (19.75)	1.56 (1.91)	- (0.01)	(0.69) (0.67)	23.23 (20.98)	7.62 (8.64)	8.64 (10.12)
<b>Office Equipments</b>	33.27 (33.08)	0.83 (2.12)	0.24 (0.42)	(1.51) (1.51)	35.37 (33.27)	27.04 (26.20)	2.51 (2.59)	0.22 (0.39)	(1.37) (1.36)	30.70 (27.04)	4.67 (6.23)	6.23 (6.88)
<b>Vehicles:</b>												
- Owned	39.43 (39.49)	2.55 (5.27)	3.24 (5.24)	(0.34) (0.09)	39.08 (39.43)	17.71 (16.35)	4.04 (4.24)	1.90 (2.56)	(0.36) (0.32)	20.21 (17.71)	18.87 (21.72)	21.72 (23.14)
- On Lease-Right of Use <sup>5</sup>	0.38 -	0.06 (0.45)	- -	(0.06) (0.07)	0.50 (0.38)	0.09 -	0.08 (0.10)	- -	(0.01) (0.01)	0.18 (0.09)	0.32 (0.29)	0.29 -
<b>Total</b>	<b>9418.99</b>	<b>199.96</b>	<b>26.25</b>	<b>(99.38)</b>	<b>9692.08</b>	<b>3247.89</b>	<b>372.44</b>	<b>12.85</b>	<b>(65.66)</b>	<b>3673.14</b>	<b>6018.94</b>	<b>6171.10</b>
Previous Year	(8937.62)	(597.33)	(16.63)	(99.33)	(9418.99)	(2962.79)	(362.49)	(12.08)	(65.31)	(3247.89)	(6171.10)	(5974.83)

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.

<sup>^</sup> Includes forex reinstatement - Nil (Previous Year: ₹24.78 crores). Unamortised forex reinstatement as on 31.03.2021: ₹109.04 crores (Previous Year: ₹115.06 crores).

<sup>@</sup> Represents translation adjustments arising on consolidation of foreign subsidiaries.

<sup>#</sup> As at 31st March 2021, title deed of 4.75 acres of land amounting to ₹2.32 crores (Previous year: ₹2.32 crores) is yet to be executed in favour of the subsidiary.

<sup>\*</sup> Buildings include 32 shares held in co-operative housing societies.

<sup>5</sup> Refer Note No. 34.

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 ₹747.60 crores (Previous year: ₹711.27 crores).



**NOTE - 3 INVESTMENT PROPERTY**

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation					Net Value		
	As at 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Buildings</b>	<b>6.53</b>	-	-	-	<b>6.53</b>	<b>0.70</b>	<b>0.10</b>	-	-	<b>0.80</b>	<b>5.73</b>	<b>5.83</b>
	(6.53)	-	-	-	(6.53)	(0.60)	(0.10)	-	-	(0.70)	(5.83)	(5.93)
<b>Total</b>	<b>6.53</b>	-	-	-	<b>6.53</b>	<b>0.70</b>	<b>0.10</b>	-	-	<b>0.80</b>	<b>5.73</b>	<b>5.83</b>
Previous Year	(6.53)	-	-	-	(6.53)	(0.60)	(0.10)	-	-	(0.70)	(5.83)	(5.93)

Figures in Brackets represent amounts pertaining to previous year.

Rental Income: ₹ 0.09 crore (Previous Year: ₹ 0.28 crore). No material expenses were incurred for maintenance.

**NOTE - 4 OTHER INTANGIBLE ASSETS**

₹ in Crores (10 Million)

Particulars	Gross Value				Amortisation					Net Value		
	As at 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment <sup>@</sup>	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment <sup>@</sup>	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b>Computer Software #</b>	<b>22.03</b>	<b>0.27</b>	-	-	<b>22.30</b>	<b>18.47</b>	<b>1.60</b>	-	-	<b>20.07</b>	<b>2.23</b>	<b>3.56</b>
	(21.64)	(0.39)	-	-	(22.03)	(16.55)	(1.92)	-	-	(18.47)	(3.56)	(5.09)
<b>Industrial Commercial Benefit *</b>	<b>229.92</b>	-	-	<b>(31.27)</b>	<b>261.19</b>	<b>28.74</b>	<b>12.55</b>	-	<b>(4.42)</b>	<b>45.71</b>	<b>215.48</b>	<b>201.18</b>
	(261.36)	-	-	(31.44)	(229.92)	(19.60)	(13.32)	-	(4.18)	(28.74)	(201.18)	(241.76)
<b>Total</b>	<b>251.95</b>	<b>0.27</b>	-	<b>(31.27)</b>	<b>283.49</b>	<b>47.21</b>	<b>14.15</b>	-	<b>(4.42)</b>	<b>65.78</b>	<b>217.71</b>	<b>204.74</b>
Previous Year	(283.00)	(0.39)	-	(31.44)	(251.95)	(36.15)	(15.24)	-	(4.18)	(47.21)	(204.74)	(246.85)

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.

**NOTE - 5 INVESTMENTS ACCOUNTED USING EQUITY METHOD [NON-CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Investments in Equity Shares of Associates*:		
– Equity Investments - At Cost	<b>6.86</b>	6.86
– Share in Net Assets	<b>53.05</b>	56.17
	<b>59.91</b>	<b>63.03</b>

\* Carrying amount of investment in associates includes ₹5.08 crores (Previous year: ₹5.08 crores) towards Goodwill.

**NOTE - 6 OTHER INVESTMENTS [NON-CURRENT] (Other than Trade)**

<b>At fair value through P &amp; L:</b>		
– Equity Shares	<b>8.30</b>	4.68
– Preference Shares:		
in Associate	<b>12.09</b>	10.89
– Mutual Funds	<b>0.85</b>	0.56
<b>At amortised cost:</b>		
– Preference Shares:	<b>65.87</b>	61.07
	<b>87.11</b>	<b>77.20</b>

**NOTE - 7 LOANS [NON-CURRENT]**

<i>Unsecured, Considered Good:</i>		
Security Deposits	<b>50.51</b>	52.31
	<b>50.51</b>	<b>52.31</b>

**NOTE - 8 OTHER FINANCIAL ASSETS [NON-CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Deferred Receivable	90.77	106.92
Deposit Accounts*	0.05	6.54
	<b>90.82</b>	<b>113.46</b>

\* Represent fixed deposits having maturity more than 12 months as security deposit with Sales Tax department -Nil (Previous year: ₹0.01 crore) and with banks as DSRA ₹0.05 crore (Previous year: ₹6.53 crores).

**NOTE - 9 DEFERRED TAX ASSET (NET)**

Deferred tax Asset are as under:		
Deferred Tax Assets		
– Expenses / Provision Allowable	45.30	32.25
– Unabsorbed depreciation / Loss	0.95	329.33
Deferred Tax Liability related to Property, Plant & Equipment	-	(292.22)
Deferred Tax Asset - Net	46.25	69.36
MAT Credit Entitlement	-	7.57
	<b>46.25</b>	<b>76.93</b>

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

**NOTE - 10 OTHER NON-CURRENT ASSETS**

Advances - Project related	4.87	17.01
Deferred Expenditure for financial instruments	12.27	14.85
Others	1.45	4.16
	<b>18.59</b>	<b>36.02</b>

**NOTE - 11 INVENTORIES (Valued at lower of cost or net realisable value)**

Raw Materials*	782.61	512.74
Work-in-Progress	90.41	53.59
Finished Goods**	748.12	864.72
Stock-in-trade	81.91	93.39
Stores and Spares	86.24	93.40
	<b>1789.29</b>	<b>1617.84</b>

\* Includes raw materials in transit ₹235.23 crores (Previous year: ₹114.08 crores).

\*\* Includes finished goods in transit ₹14.84 crores (Previous year: ₹ 1.29 crores).

Provision for write down of inventories during the year ₹ 5.41 crores (Previous year ₹ 2.08 crores).

**NOTE - 12 TRADE RECEIVABLES [CURRENT] (Unsecured)**

Considered Good <sup>5</sup>	1575.42	1848.42
Credit Impaired	22.08	18.54
Less: Allowance for Bad and Doubtful debts	(22.08)	(18.54)
	<b>1575.42</b>	<b>1848.42</b>

<sup>5</sup> Refer Note No. 41 for Trade Receivable from related parties.

**NOTE - 13 CASH AND CASH EQUIVALENTS**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Balances with Banks:		
– Current Accounts	74.63	54.18
– Deposit Accounts	0.14	2.15
Remittances in transit and Cheques on hand	13.79	8.76
Cash on hand	0.10	0.30
	<b>88.66</b>	<b>65.39</b>

**NOTE - 14 OTHER BANK BALANCES**

Unclaimed Dividend Accounts	1.73	1.76
Deposit Accounts*	83.40	69.37
	<b>85.13</b>	<b>71.13</b>

\* Represent DSRA ₹ 54.96 crores, Deposit Repayment Reserve Account ₹11.07 crores, security deposit with Sales Tax department ₹0.01 crore, deposits with banks under lien towards margin money against bank guarantee ₹9.95 crores and against Letter of Credit ₹7.10 crores (Previous year: ₹42.61 crores, ₹16.60 crores, Nil, ₹7.87 crores and ₹2.25 crores, respectively).

**NOTE - 15 OTHER FINANCIAL ASSET [CURRENT]**

<i>Unsecured, Considered Good:</i>		
Interest Recoverable	7.02	9.66
Due from Related Parties (Refer Note No. 41)	-	0.39
Balance with Government Authorities	90.06	71.98
Deferred Receivable	20.05	27.48
Advances to Employees	8.32	8.92
Derivative Instruments measured at fair value	5.33	-
Others	5.23	2.44
	<b>136.01</b>	<b>120.87</b>

**NOTE - 16 CURRENT TAX ASSETS (NET)**

Current Tax Assets (Net)	83.26	81.82
	<b>83.26</b>	<b>81.82</b>

**NOTE - 17 OTHER CURRENT ASSETS**

Balances with Government Authorities	258.09	246.11
Prepaid Expenses	37.86	29.32
Advances to Related Parties (Refer Note No. 41)	7.85	39.33
Advances to Suppliers	26.45	73.04
Deferred Expenditure for financial instruments	2.52	2.52
Others	1.46	9.46
	<b>334.23</b>	<b>399.78</b>

**NOTE - 18 BORROWINGS [NON-CURRENT]**

₹ in Crores (10 Million)

	Non-Current		Current*	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Secured Loans</b>				
Term Loans: **				
– Financial Institutions	681.31	832.89	131.09	92.76
– Bank	2102.08	2248.37	475.43	302.46
	<b>2783.39</b>	<b>3081.26</b>	<b>606.52</b>	<b>395.22</b>
<b>Unsecured Loans</b>				
Fixed Deposits	77.35	69.16	32.89	27.52
Loan from Body Corporate (Refer Note No. 41)	-	-	0.77	1.91
	<b>77.35</b>	<b>69.16</b>	<b>33.66</b>	<b>29.43</b>
<b>Total</b>	<b>2860.74</b>	<b>3150.42</b>	<b>640.18</b>	<b>424.65</b>

\* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 23).

\*\* Net of ₹17.63 crores (As at 31.03.2020: ₹17.30 crores) for unamortised processing charges.

**NOTE - 19 OTHER FINANCIAL LIABILITIES [NON-CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Trade Deposits & Others	612.06	460.19
Lease Liabilities (Refer Note No. 34)	93.98	145.27
	<b>706.04</b>	<b>605.46</b>

**NOTE - 20 PROVISIONS [NON-CURRENT]**

Provision for Employee Benefits	103.88	94.43
	<b>103.88</b>	<b>94.43</b>

**NOTE - 21 DEFERRED TAX LIABILITIES (NET)**

<b>Deferred Tax Liability are as under:</b>		
Deferred Tax Liability related to Property, Plant and Equipment	927.41	725.76
Deferred Tax Assets:		
– Expenses / Provision Allowable	(129.01)	(179.90)
– Unabsorbed Depreciation / Loss	(231.55)	(9.01)
Deferred Tax Liability - Net	566.85	536.85
MAT Credit Entitlement	(198.54)	(256.97)
	<b>368.31</b>	<b>279.88</b>

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

**NOTE - 22 BORROWINGS [CURRENT]**

<b>Secured Loans</b>		
Repayable on Demand from Banks	801.07	1596.99
Buyers Credit	121.05	72.42
	<b>922.12</b>	<b>1669.41</b>
<b>Unsecured Loans</b>		
Fixed Deposits	14.79	10.51
Loan from Banks	218.66	293.72
	<b>233.45</b>	<b>304.23</b>
	<b>1155.57</b>	<b>1973.64</b>

**NOTE - 23 OTHER FINANCIAL LIABILITIES [CURRENT]**

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Current Maturities of Long Term Borrowings	640.18	424.65
Interest Accrued but not due on Borrowings	18.88	54.57
Unclaimed Dividends #	1.73	1.76
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	2.48	3.05
Lease Liabilities (Refer Note No. 34)	50.23	41.11
Liabilities for Expenses	481.27	348.05
Contract Liabilities	27.64	25.34
Derivative Instruments measured at fair value	3.55	11.39
	<b>1225.96</b>	<b>909.92</b>

# Investor Education & Protection Fund will be credited as and when due.

**NOTE - 24 OTHER CURRENT LIABILITIES**

Government and Other Statutory Dues	172.52	93.82
Recoveries under Company Schemes	29.97	27.65
Others	1.20	1.06
	<b>203.69</b>	<b>122.53</b>

**NOTE - 25 PROVISIONS [CURRENT]**

Provision for Employee Benefits	7.83	25.13
	<b>7.83</b>	<b>25.13</b>

**NOTE - 26 CURRENT TAX LIABILITIES (NET)**

Current Tax Liabilities (Net)	1.57	14.29
	<b>1.57</b>	<b>14.29</b>

**NOTE - 27 REVENUE FROM OPERATIONS**

	2020-2021	2019-2020
<b>Sale of:</b>		
– Products	9001.41	8558.74
– Services	41.64	42.54
<b>Other operating revenues:</b>		
– Miscellaneous Income #	59.15	121.42
	<b>9102.20</b>	<b>8722.70</b>

# Includes Government Incentive of ₹28.74 crores (Previous Year: ₹87.12 crores)  
Refer Note No. 40 for disclosure regarding Revenue recognised under contracts.

**NOTE - 28 OTHER INCOME**

₹ in Crores (10 Million)

	<b>2020-2021</b>	<b>2019-2020</b>
Interest Income from Financial Assets valued at:		
– Amortised Cost	<b>23.35</b>	22.47
– Fair Value through Profit & Loss (FVTPL)	<b>1.20</b>	1.10
Other Interest Income	<b>8.76</b>	1.64
Dividend Income	<b>0.70</b>	0.74
Fair Value changes in Investments valued at FVTPL	<b>3.70</b>	0.42
Profit on Sale of Fixed Assets (Net)	<b>0.82</b>	-
Rent Income	<b>1.76</b>	2.03
Other Non-operating Income*	<b>2.78</b>	2.19
	<b>43.07</b>	<b>30.59</b>

\* includes ₹0.06 crore grant received by JKAP(S) from Singapore Government under Job Support Scheme.

**NOTE - 29 EMPLOYEE BENEFITS EXPENSES**

Salaries and Wages	<b>685.75</b>	676.41
Contribution to Provident and other Funds	<b>63.78</b>	59.14
Employees' Welfare and other Benefits	<b>173.21</b>	187.63
	<b>922.74</b>	<b>923.18</b>

**NOTE - 30 FINANCE COSTS**

Interest on Borrowings & Others	<b>441.81</b>	525.71
Interest on Lease Liabilities	<b>16.75</b>	19.57
Other Borrowing Costs	<b>7.29</b>	3.71
	<b>465.85</b>	<b>548.99</b>

**NOTE - 31 OTHER EXPENSES**

Consumption of Stores and spares	<b>107.86</b>	120.78
Power and Fuel	<b>355.48</b>	379.32
Freight and Transportation	<b>369.78</b>	374.17
Advertisement and Sales Promotion	<b>79.66</b>	142.37
Conversion Charges	<b>51.68</b>	47.11
Tyre Servicing & Retreating Charges	<b>29.90</b>	35.26
Legal & Professional Charges	<b>82.26</b>	28.73
Repair & Maintenance Expenses	<b>44.64</b>	49.45
Insurance	<b>19.58</b>	16.51
Lease Rent	<b>15.88</b>	18.85
Loss on Sale of Fixed Assets (Net)	-	0.24
Allowance for Doubtful Debts / Advances	<b>2.50</b>	2.00
Corporate Social Responsibility Expenses	<b>2.90</b>	4.97
Miscellaneous Expenses	<b>242.30</b>	257.39
	<b>1404.42</b>	<b>1477.15</b>

**NOTE - 32**

Estimated amount of contracts remaining to be executed on capital account ₹196.81 crores (Previous year: ₹121.46 crores).

### NOTE - 33

Contingent liabilities in respect of claims not accepted and not provided for ₹177.76 crores (Previous year: ₹137.57 crores), pertaining to Excise & Customs duty matters in appeal ₹99.28 crores, Service Tax matters ₹0.76 crore, Sales Tax matters in appeal ₹2.65 crores, Income Tax matters in appeal ₹4.97 crores & other matters ₹70.10 crores (Previous year: ₹69.03 crores, ₹0.18 crore, ₹2.94 crores, ₹4.97 crores & ₹60.45 crores respectively).

### NOTE - 34

The Company has lease contracts for various assets, land, buildings and plant & equipment. These are recognised as Right of use assets and lease liabilities, in accordance with accounting policy of the Company.

- a) The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.
- b) The movement in lease liabilities (including in Other Financial Liabilities) during the year is as follows:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
As at beginning of the year	186.38	152.08
Additions	16.60	81.29
Accretion of Interest	16.75	19.57
Less: Payments	(70.85)	(66.87)
Less: Discount Received	(0.32)	-
Less: Leases Terminated	(4.43)	-
Add: Foreign Currency Translation Difference	0.08	0.31
<b>Balance at the end of the year</b>	<b>144.21</b>	<b>186.38</b>
Current	50.23	41.11
Non-current	93.98	145.27

- c) The amounts recognised in profit and loss during the year:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Depreciation expenses of right of use assets	55.65	55.42
Interest expense on Lease liabilities	16.75	19.57
Lease Rent recognised as expense for short term leases	10.40	13.30
Lease Rent recognised as expense for low value asset leases	5.48	5.55
	<b>88.28</b>	<b>93.84</b>

- d) Cash outflows in regard to Lease contracts, as Lessee:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>Operating activities</b>		
Short term / low value assets Lease payments	15.88	18.85
<b>Financing activities</b>		
Repayment of Principal portion of Lease Liabilities	54.42	47.30
Repayment of Interest portion of Lease Liabilities	16.75	19.57

- e) The contractual maturities of lease liabilities as at year 31st March, 2021 and 31st March, 2020 on undiscounted basis are given below:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Not later than one year	59.73	64.59
Later than one year and not later than five years	104.97	153.19
Later than five years	5.88	15.46

- f) As at 31st March, 2021, the future minimum lease payments under non-cancellable operating leases contracted but not recognised as liabilities are Nil, payable not later than one year (Previous Year: ₹0.08 crores).

**NOTE - 35**

Debts /Advances include ₹77.39 crores (Previous year: ₹76.58 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 - 36**

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 - 37**

Exceptional items include net impact of favorable foreign exchange fluctuation ₹40.35 crores (Previous year: Unfavorable - ₹97.50 crores) and expenditure on VRS for the employees ₹2.87 crores (Previous Year: ₹8.40 crores).

**NOTE - 38**

COVID-19 pandemic has caused serious disruptions on the global economic and business environment. Government of India declared lockdown on 24th March, 2020 which has impacted the business activities of the Company. Consequent to this, upon restrictions being eased, the production resumed at all plants in stages considering necessary statutory approvals and precautions. Resumption of operations and improved business environment from 2<sup>nd</sup> quarter onwards resulted in Company attaining healthy sales and profitability.

Based on the indicators of future economic conditions, the company expects to recover the carrying amount of these assets and ensure that sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date 31st March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognised prospectively.

**NOTE - 39 EARNINGS PER SHARE (EPS)**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
a. Profit for the year attributable to equity shareholders	319.34	150.76
b. Weighted average number of Equity Shares for Basic/ Diluted EPS	24,62,30,880	24,62,30,880
c. Earnings per share of ₹2 each		
– Basic/Diluted (₹)	12.97	6.12

**NOTE - 40 REVENUE RECOGNISED UNDER CONTRACTS**

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>Category-wise</b>		
<i>Revenue recognised at the point of time:</i>		
Tyres, Tubes & Flaps	8918.60	8473.97
Other goods	82.81	84.77
<i>Revenue recognised over the period of time:</i>		
Services	41.64	42.54
	<b>9043.05</b>	<b>8601.28</b>
<b>Geography-wise</b>		
Within India	6968.55	6397.95
Outside India	2074.50	2203.33
	<b>9043.05</b>	<b>8601.28</b>

b) Revenue-related receivables and contract liabilities at the year end:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables (Refer Note No. 12)	1575.42	1848.42
Contract liabilities (Refer Note No. 23)	27.64	25.34

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:



₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Revenue as per contracted price	9516.22	9020.99
Reductions towards variable consideration components*	(473.17)	(419.71)
<b>Revenue from contracts with customers</b>	<b>9043.05</b>	<b>8601.28</b>

\* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.

- d) Impairment in Trade Receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹22.08 crores (Previous year: ₹18.54 crores).

## NOTE - 41 RELATED PARTIES

### a) Holding Company:

Bengal & Assam Company Ltd. (BACL-H)\*

### b) Fellow Subsidiaries (with which, the Company has transactions):

JK Agri Genetics Ltd. (JKAGL)\*

J.K. Fenner (India) Ltd. (JKFIL)\*

Umang Dairies Ltd. (UDL)\*

### c) Associates (with which, the Company has transactions):

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL – Associate of JKAPPL)

Western Tire Holdings, Inc. (WTHI –Associate of CHT)

Western Tires, Inc. (WTI –Subs. of WTHI - Associate of CHT)

Treel Mobility Solutions Pvt. Ltd., India (TREEL) (w.e.f. 31st December, 2019)

JK Lakshmi Cement Ltd (JKLCL - Associate of BACL-H)\*

JK Paper Ltd. (JKPL - Associate of BACL-H)\*

### d) Key Management Personnel (KMP) (with which, the Company has transactions):

- |                                 |                                                  |
|---------------------------------|--------------------------------------------------|
| (i) Dr. Raghupati Singhania     | Chairman & Managing Director                     |
| (ii) Shri Bharat Hari Singhania | Managing Director                                |
| (iii) Shri Anshuman Singhania   | Managing 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) Smt. Meera Shankar        | Independent Director (w.e.f. 30th January, 2020) |
| (xiii) Shri Sanjeev Aggarwal    | Chief Financial Officer                          |
| (xiv) Shri Pawan Kumar Rustagi  | Vice President (Legal) & Co. Secretary           |
| (xv) Shri Ashok Kumar Kinra     | Non-Executive Director of BACL-H*                |

\* w.e.f. 24th May, 2019

**e) 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)  
 CIL Employees Gratuity Fund, Kolkata (CILEGF)

**f) Other Related Party (with which, the Company has transactions):**

Bengal & Assam Company Ltd. (BACL) – Holds more than 20% shares in the company (till 23rd May, 2019)

Niyojit Properties Pvt. Ltd. (NPPL – controlled by KMP of BACL-H)\*

\* w.e.f. 24th May, 2019

**(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	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 239.38, WTI- 39.89, JKLCCL			279.28		279.28
Sale of Tyres to VPL- 274.98, JKLCCL			(275.03)		(275.03)
Sale of Goods to JKFIL, TREEL		0.09	1.69		1.78
Sale of Goods to TREEL			(0.59)		(0.59)
Purchase of Goods from JKFIL, VPL-13.19, TREEL		0.05	22.50		22.55
Purchase of Goods from JKFIL, VPL-4.54, TREEL-2.64, JKLCCL			(0.01)		(7.35)
Sharing of Expenses received from BACL-H, JKFIL-0.76, JKAGL, HASETRI-3.50, JKPL-0.74, JKLCCL	0.02	0.83	4.87		5.72
Sharing of Expenses received from BACL-H, JKFIL-0.68, JKAGL-0.08, UDL, HASETRI-3.83, JKPL-0.71, JKLCCL, BACL (₹18653)	(0.02)	(0.77)	(5.24)		(6.03)
Purchase of CIL's Equity Shares	(40.00)				(40.00)
Sharing of Expenses paid to BACL-H, JKLCCL-0.44, JKPL-0.15, TREEL, NPPL-0.54	0.75		0.64	0.54	1.93
Sharing of Expenses paid to BACL-H, JKLCCL-0.31, JKPL-0.10, TREEL (₹11541), NPPL-0.54, BACL	(0.64)		(0.41)	(0.64)	(1.69)
Services Availed - JKFIL, HASETRI-41.92, VPL- 2.15, TREEL		17.42	44.07		61.49
Services Availed - BACL-H, JKFIL, HASETRI-27.08, JKLCCL-0.37, VPL	(13.00)	(16.95)	(27.64)		(57.59)
Interest from JKFIL		3.89			3.89
Interest Income from JKFIL		(4.17)			(4.17)
Interest Paid to VPL			0.04		0.04
Interest Paid to VPL			(0.04)		(0.04)
Royalty from VPL			0.01		0.01
Royalty income from VPL			(0.24)		(0.24)
Dividend from JKFIL		0.70			0.70
Dividend from JKFIL		(0.70)			(0.70)
Contribution to Trusts- JKEPFK- 7.45, JKOSFK- 0.49, JKEGFK- 2.23, JKEPFV - 18.90, JKOSFV- 0.25, JKEGFV-2.59, CILEGF				35.09	35.09
Contribution to Trusts- JKEPFK- 6.91, JKOSFK- 0.36, JKEGFK- 16.27, JKEPFV - 21.14, JKOSFV- 0.30, JKEGFV- 2.99, CILEGF				(53.13)	(53.13)

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
<b>Outstanding as at year end:</b>					
Due from WTHI – 0.39			(0.39)		(0.39)
Advances to HASETRI - 7.85			7.85		7.85
Advances to HASETRI-29.40,VPL – 9.93			(39.33)		(39.33)
<b>Trade Receivables:</b>					
- VPL – 170.42, WTI – 14.59			185.01		185.01
- VPL– 95.88, WTI – 0.03			(95.91)		(95.91)
<b>Other Receivables:</b>					
- BACL-H – 0.66, JKFIL-33.90, VPL-14.72, JKEGFV-4.83, NPPL-0.54	0.66	33.90	14.72	5.37	54.65
- BACL-H – 0.66, JKFIL – 48.55, UDL – 0.01, JKEGFV – 5.38, NPPL-0.54	(0.66)	(48.56)		(5.92)	(55.14)
Loan from VPL – 0.77			0.77		0.77
Loan from VPL – 1.91			(1.91)		(1.91)
<b>Other Payables:</b>					
- VPL – 2.45, TREEL – 0.74, HASETRI – 0.21, CILEGF – 11.42, JKEGFK – 0.20, JKOSFV – 0.01			3.40	11.63	15.03
- JKFIL – 15.91, HASETRI – 1.26, TREEL – 0.27, JKEGFK – 15.25, CILEGF – 12.80		(15.91)	(1.53)	(28.05)	(45.49)

Figures in brackets represent amounts pertaining to previous year.

(II)

₹ in Crores (10 Million)

Remuneration paid to Key Managerial Personnel	2020-2021	2019-2020
Short-term Employee Benefits	47.29	22.43
Post-employment Benefits*	0.44	1.70
Other Payments	1.66	1.29

\*Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

## NOTE - 42

Sharing of expenses received during the year from BMF – Nil [Previous year – ₹3000] and FINVL – Nil [Previous year – (₹15000)]. There had been no outstanding balances as at year end (Previous Year: Nil). These transactions were carried out with aforesaid parties in the ordinary course of business and on arm's length basis.

## NOTE - 43 OPERATING SEGMENT

### 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.

### 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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1. Revenue</b>								
Total Sales	<b>8218.87</b>	7646.91	<b>1133.48</b>	1191.07	<b>1.88</b>	1.92	<b>9354.23</b>	8839.90
Inter Segment Sales	<b>(251.26)</b>	(115.28)	-	-	<b>(0.77)</b>	(1.92)	<b>(252.03)</b>	(117.20)
External Revenue from Operation	<b>7967.61</b>	7531.63	<b>1133.48</b>	1191.07	<b>1.11</b>	-	<b>9102.20</b>	8722.70
Other Income	<b>41.16</b>	30.57	<b>1.85</b>	0.01	<b>0.06</b>	0.01	<b>43.07</b>	30.59
<b>Total Revenue</b>	<b>8008.77</b>	<b>7562.20</b>	<b>1135.33</b>	<b>1191.08</b>	<b>1.17</b>	<b>0.01</b>	<b>9145.27</b>	<b>8753.29</b>
<b>2. Result</b>								
Segment Result (PBIT) before Exceptional Items	<b>937.20</b>	603.70	<b>25.70</b>	35.29	<b>(0.18)</b>	(0.87)	<b>962.72</b>	638.12
Less: Finance Costs	<b>438.67</b>	512.03	<b>27.12</b>	36.91	<b>0.06</b>	0.05	<b>465.85</b>	548.99
<b>Profit/ (Loss) before Exceptional Items</b>	<b>498.53</b>	91.67	<b>(1.42)</b>	(1.62)	<b>(0.24)</b>	(0.92)	<b>496.87</b>	89.13
Exceptional Items	<b>34.89</b>	(96.36)	<b>2.67</b>	(9.52)	<b>(0.08)</b>	(0.02)	<b>37.48</b>	(105.90)
<b>Profit/ (Loss) before Tax</b>	<b>533.42</b>	(4.69)	<b>1.25</b>	(11.14)	<b>(0.32)</b>	(0.94)	<b>534.35</b>	(16.77)
Less: Income Taxes	<b>194.48</b>	(174.85)	<b>6.43</b>	9.07	-	-	<b>200.91</b>	(165.78)
<b>Profit/ (Loss) after Tax</b>	<b>338.94</b>	170.16	<b>(5.18)</b>	(20.21)	<b>(0.32)</b>	(0.94)	<b>333.44</b>	149.01
Share of Profit in Associates	<b>0.09</b>	0.09	<b>(0.52)</b>	(0.37)	<b>(2.08)</b>	(7.42)	<b>(2.51)</b>	(7.70)
Less: Non-controlling Interest	<b>11.59</b>	(9.45)	-	-	-	-	<b>11.59</b>	(9.45)
<b>Net Profit</b>	<b>327.44</b>	<b>179.70</b>	<b>(5.70)</b>	<b>(20.58)</b>	<b>(2.40)</b>	<b>(8.36)</b>	<b>319.34</b>	<b>150.76</b>
<b>3. Other Information</b>								
Segment Assets	<b>9809.91</b>	9954.34	<b>1118.97</b>	1273.57	<b>57.81</b>	62.26	<b>10986.69</b>	<b>11290.17</b>
Segment Assets include:								
- Investments accounted for using Equity Method	<b>6.81</b>	6.74	-	-	<b>53.10</b>	56.29	<b>59.91</b>	63.03
Capital Expenditure	<b>182.52</b>	359.28	<b>15.92</b>	14.70	<b>0.01</b>	-	<b>198.45</b>	373.98
Depreciation & Amortisation	<b>342.14</b>	329.95	<b>43.92</b>	47.27	<b>0.63</b>	0.61	<b>386.69</b>	377.83
Segment Liabilities	<b>7504.23</b>	7918.11	<b>702.05</b>	943.12	<b>1.38</b>	2.88	<b>8207.66</b>	8864.11

**c. Major Customer:**

There is no single customer with whom the Company has more than 10 percent of the Group's total revenue.

**NOTE - 44 INCOME TAX****(A) Amounts recognised in Statement of Profit and Loss**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Current Tax	<b>140.06</b>	34.38
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	<b>53.28</b>	(201.16)
- MAT Credit Entitlement	<b>7.57</b>	1.00
<b>Total</b>	<b>60.85</b>	(200.16)
<b>Income Tax Expense Reported in the Statement of Profit or Loss</b>	<b>200.91</b>	<b>(165.78)</b>

**(B) Income Tax recognised in Other Comprehensive Income**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Deferred tax on Re-measurement Losses on Defined Benefit Plans	(2.07)	(8.42)

**(C) Reconciliation of Effective Tax Rate**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>Accounting Profit Before Income Tax</b>	<b>534.35</b>	(16.77)
At applicable Statutory Income Tax Rate @ 34.944%	<b>186.72</b>	(5.86)
House R&D Expenses u/s 35(2AB)	-	(12.04)
Contribution u/s 35(1)(ii)	-	(0.52)
Exempt Income	-	(0.48)
Differential Tax Rates of Subsidiaries	<b>(13.96)</b>	0.71
Others	<b>7.16</b>	10.45
<b>Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years) (A)</b>	<b>179.92</b>	(7.74)
<b>Effective Tax Rate</b>	<b>33.67%</b>	46.15%
Reversal of Deferred Tax Liabilities and MAT Credit Entitlement pertaining to earlier years*	<b>(B) 20.99</b>	(158.04)
<b>Income Tax Expense reported for the year (A+B)</b>	<b>200.91</b>	<b>(165.78)</b>

\* In view of reduction in Corporate Tax Rate to 22% (effective 25.17% including Surcharge & Education Cess) as per Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019 read with Notification dated 1st October 2020 and based upon expert opinion, the Company and its subsidiary re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier). Accordingly, during the year, reversal had been made for MAT credit of ₹7.57 crores and Deferred Tax Liability of ₹13.42 crores no longer required (Previous year: ₹158.04 crores).

**(D) Reconciliation of Deferred Tax Liabilities (Net)**

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
<b>Opening Balance</b>	<b>202.95</b>	410.01
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	<b>60.85</b>	(200.16)
Other Comprehensive Income	<b>(2.07)</b>	(8.42)
Foreign Currency Translation Difference	<b>1.90</b>	(1.93)
<b>Deferred Tax Liabilities/(Assets)</b>	<b>263.63</b>	199.50
MAT Credit Utilisation	<b>58.43</b>	3.45
<b>Deferred Tax Liabilities (Net)</b>	<b>322.06</b>	<b>202.95</b>

**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 Company:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>(i) Financial Assets</b>				
(a) At Fair Value through Profit and Loss				
– Investments	21.24	21.24	16.13	16.13
– Others	5.33	5.33	-	-
(b) At Amortised Cost				
– Investments	65.87	65.87	61.07	61.07
– Trade Receivables	1575.42	1575.42	1848.42	1848.42
– Others	445.80	445.80	423.16	423.16
<b>Total</b>	<b>2113.66</b>	<b>2113.66</b>	<b>2348.78</b>	<b>2348.78</b>
<b>(ii) Financial Liabilities</b>				
(a) At Fair Value through Profit and Loss	3.55	3.55	11.39	11.39
(b) At Amortised Cost				
– Borrowings	4656.49	4656.49	5548.71	5548.71
– Trade Payables	1574.07	1574.07	1688.41	1688.41
– Others	1288.27	1288.27	1079.34	1079.34
<b>Total</b>	<b>7522.38</b>	<b>7522.38</b>	<b>8327.85</b>	<b>8327.85</b>

The following methods and assumptions were used to estimate the fair values:

- 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.
- 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.
- 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.

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, 2021 and 31st March 2020:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
<b>31st March, 2021</b>			
<b>Financial Assets</b>			
– Quoted Equity Shares	3.08	-	-
– Unquoted Equity Shares	-	-	5.22
– Unquoted Preference Shares	-	-	12.09
– Mutual Funds	0.85	-	-
– Forward Contracts	-	5.33	-
<b>Financial Liabilities</b>			
– Option Contracts	-	3.55	-
<b>31st March, 2020</b>			
<b>Financial Assets</b>			
– Quoted Equity Shares	2.26	-	-
– Unquoted Equity Shares	-	-	2.42
– Unquoted Preference Shares	-	-	10.89
– Mutual Funds	0.56	-	-
<b>Financial Liabilities</b>			
– Option Contracts	-	8.59	-
– Forward Contracts	-	2.80	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2021.

#### NOTE - 46

The fair value of Investment property as at 31st March, 2021 is ₹12.41 crores (as at 31st March, 2020: ₹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 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).

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 the Company's profit before tax due to changes in the foreign exchange rate is as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Change in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on Profit before Tax	(3.06)	(2.62)
Change in USD	- ₹ 0.25	- ₹ 0.25
Effect on Profit before Tax	3.06	2.62

▶ **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 31.03.2021	As at 31.03.2020
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(11.64)	(13.87)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	11.64	13.87

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- ▶ **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, bead wire 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).
- ▶ **Trade Receivables:** Customer credit risk is managed based on the 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 minimise 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.

Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2021 and 31st March, 2020:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning	18.54	17.58
Add: Provision created during the Year	2.50	2.00
Foreign Currency Translation Difference	1.04	(1.04)
<b>Balance at the end</b>	<b>22.08</b>	<b>18.54</b>

- ▶ **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 maturity profile of the Company's financial liabilities based on contractual payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
<b>As at 31st March 2021</b>		
Borrowings*	3525.69	1130.80
Trade and Other Payables	1574.07	-
Lease Liabilities	134.71	9.50
Other Financial Liabilities	535.55	612.06
<b>Total</b>	<b>5770.02</b>	<b>1752.36</b>
<b>As at 31st March 2020</b>		
Borrowings *	4093.86	1454.85
Trade and Other Payables	1688.41	-
Lease Liabilities	174.68	11.70
Other Financial Liabilities	444.16	460.19
<b>Total</b>	<b>6401.11</b>	<b>1926.74</b>

\* 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 31.03.2021	As at 31.03.2020
Borrowings	4656.49	5548.71
Less: Cash and Cash equivalents	88.66	65.39
<b>Net debt</b>	<b>4567.83</b>	<b>5483.32</b>
Equity Share Capital	49.25	49.25
Other Equity	2623.49	2282.10
<b>Total Capital</b>	<b>2672.74</b>	<b>2331.35</b>
<b>Capital and Net Debt</b>	<b>7240.57</b>	<b>7814.67</b>
<b>Gearing Ratio</b>	<b>63.09%</b>	<b>70.17%</b>

#### 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 31.03.2021	As at 31.03.2020
<b>Assets</b>		
Non-current Assets	2642.47	2709.52
Current Assets	890.88	706.23
<b>Liabilities</b>		
Non-current Liabilities	1789.04	1714.51
Current Liabilities	962.35	1004.48
<b>Equity</b>	<b>781.96</b>	<b>696.76</b>
Percentage of Ownership held by Non-controlling Interest	13.59%	13.59%
Accumulated Non-controlling interest	106.29	94.71

₹ in Crores (10 Million)		
Particulars	2020-2021	2019-2020
Revenue	2570.72	2221.14
Net Profit/(Loss)	85.26	(57.32)
Other Comprehensive Income	(0.06)	(2.05)
Total Comprehensive Income	85.20	(59.37)
<b>Total Comprehensive Income allocated to Non-controlling Interests</b>	<b>11.58</b>	<b>(9.80)</b>

₹ in Crores (10 Million)		
Particulars	2020-2021	2019-2020
Net Cash Inflow/(Outflow) from Operating Activities	174.81	307.92
Net Cash Inflow/(Outflow) from Investing Activities	(106.08)	(124.79)
Net Cash Inflow/(Outflow) from Financing Activities	(57.39)	(193.53)
Net Cash Inflow/(Outflow)	11.34	(10.40)

**NOTE - 50 INTEREST IN ASSOCIATES**

The summarised aggregate financial information of individually immaterial associates as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Carrying Amount of Interests in Associates	72.00	73.92
Share in Profit / (Loss)	(2.51)	(7.70)
Share in Total Comprehensive Income	(3.57)	(3.64)

**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
<b>A</b>	<b>Parent</b>								
	JK Tyre & Industries Limited	55.49%	1482.91	79.22%	252.99	-9.31%	(3.32)	70.33%	249.67
<b>B</b>	<b>Subsidiaries</b>								
<b>(a)</b>	<b>Indian</b>								
1	3DInnovations Pvt. Ltd.	0.03%	0.67	0.00%	0.01	-	-	0.00%	0.01
2	Cavendish Industries Limited	30.75%	821.94	26.91%	85.94	-0.17%	(0.06)	24.19%	85.88
<b>(b)</b>	<b>Foreign</b>								
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.11%	3.06	0.13%	0.42	-0.08%	(0.03)	0.11%	0.39
3	J. K. Asia Pacific (S) Pte. Ltd.	0.02%	0.65	-0.09%	(0.28)	0.11%	0.04	-0.07%	(0.24)
4	Lankros Holdings Ltd.	0.00%	(0.06)	-0.07%	(0.23)	0.17%	0.06	-0.05%	(0.17)
5	Sarvi Holdings Switzerland AG.	0.00%	(0.12)	-0.07%	(0.23)	0.03%	0.01	-0.06%	(0.22)
6	<b>JK Tornel SA de CV &amp; its Subsidiaries</b>	<b>15.64%</b>	<b>417.94</b>	<b>-1.62%</b>	<b>(5.18)</b>	<b>112.19%</b>	<b>40.00</b>	<b>9.81%</b>	<b>34.82</b>
6.1	JK Tornel S.A. de C.V. (JKTSA)	-9.78%	(261.27)	-31.26%	(99.80)	-	-	-28.11%	(99.80)
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	(0.03)	0.02%	0.05	-	-	0.01%	0.05
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.61%	42.90	0.97%	3.10	-	-	0.87%	3.10
6.4	Compañía Hulera Tornel, S.A. de C.V.*	21.18%	565.71	25.99%	82.99	112.16%	39.99	34.65%	122.98
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	2.61%	69.89	0.19%	0.60	-	-	0.17%	0.60
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.23%	6.22	0.49%	1.56	-	-	0.44%	1.56
6.7	Gintor Administración, S.A. de C.V.*	-0.33%	(8.71)	1.69%	5.40	0.03%	0.01	1.52%	5.41
6.8	Hules y Procesos Tornel, S.A. de C.V.*	0.12%	3.23	0.29%	0.92	-	-	0.26%	0.92
	Less: Non-controlling Interest @	-3.98%	(106.29)	-3.63%	(11.59)	0.03%	0.01	-3.26%	(11.58)
<b>C</b>	<b>Associates (Investment as per the equity method)</b>								
	<b>Indian</b>								
1	Hari Shankar Singhania Elastomer & Tyre Research Institute <sup>5</sup>	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited	0.00%	0.03	0.01%	0.02	-	-	0.01%	0.02
3	Treel Mobility Solutions Pvt. Ltd.	0.00%	0.13	0.02%	0.07	-0.06%	(0.02)	0.01%	0.05
	<b>Foreign</b>								
1	Valiant Pacific LLC	1.98%	52.89	-0.65%	(2.08)	-3.11%	(1.11)	-0.89%	(3.19)
2	Western Tire Holdings, Inc.	-0.04%	(1.02)	-0.16%	(0.52)	0.20%	0.07	-0.13%	(0.45)
	<b>TOTAL</b>	<b>100.00%</b>	<b>2672.74</b>	<b>100.00%</b>	<b>319.34</b>	<b>100.00%</b>	<b>35.65</b>	<b>100.00%</b>	<b>354.99</b>

\* Subsidiaries of JKTSA

@ Insignificant and immaterial Non-controlling Interest is not considered.

<sup>5</sup> Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

**NOTE - 52**

Figures less than ₹50000 have been shown at actual in bracket.

**NOTE - 53**

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

**NOTE - 54**

Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY  
*Chartered Accountants*  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
*Chief Financial Officer*

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

*Chairman & Managing Director*  
*Managing Director*  
*Managing Director*

HARISH GUPTA  
*Partner*

Membership No. - 098336

New Delhi, the 19th May, 2021

P. K. RUSTAGI  
*Company Secretary*

Kalpataru Tripathy  
Arun K. Bajoria

}  
*Directors*

# Consolidated Cash Flow Statement

for the year ended 31st March, 2021

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	534.35	(16.77)
Adjustment for:		
Depreciation and Amortisation Expense	386.69	377.83
Finance Costs	465.85	548.99
(Profit) / Loss on sale of Property, Plant and Equipment	(0.82)	0.24
Fair Value Changes in Non-current Investments	(3.70)	(0.42)
Unrealised Foreign Exchange Fluctuation	(117.79)	77.38
Foreign Currency Translation gain / (loss) on Consolidation	2.52	(3.15)
Interest / Dividend Received	(34.01)	(25.95)
Allowance for Doubtful Debts / Advances and Bad debts written off	2.50	2.00
Operating Profit before Working Capital changes	1235.59	960.15
(Increase) / Decrease in Trade and Other Receivables	398.10	124.75
(Increase) / Decrease in Inventories	(150.66)	48.46
Increase / (Decrease) in Trade and Other Payables	204.34	137.64
Cash generated from Operations	1687.37	1,271.00
Direct Taxes (net)	(88.93)	(33.65)
Net Cash from Operating Activities	1598.44	1237.35
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipment	(193.09)	(279.78)
Sale of Property, Plant and Equipment	33.37	5.99
Investment in Subsidiary & Associate	-	(46.30)
Investment in Other Securities	(0.21)	-
Deposit Accounts with Banks	(7.54)	(14.16)
Interest Received	28.85	15.91
Dividend Received	0.70	0.74
Net Cash used in Investing activities	(137.92)	(317.60)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Utilisation) from Short-term Borrowings (Net)	(817.57)	42.51
Proceeds from Long-term Borrowings	620.17	76.78
Repayment of Long-term Borrowings	(700.74)	(465.23)
Payment of Lease Liabilities	(54.42)	(47.30)
Finance Costs paid	(470.96)	(524.81)
Dividend paid (including Dividend Tax)	(17.24)	(44.52)
Net Cash used in Financing Activities	(1440.76)	(962.57)
Net increase / (decrease) in Cash and Cash Equivalents	19.76	(42.82)
Cash and Cash Equivalents as at the beginning of the year	65.39	109.33
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	3.51	(1.12)
Cash and Cash Equivalents as at the end of the year	88.66	65.39

# Consolidated Cash Flow Statement for the year ended 31st March, 2021

Notes:

₹ in Crores (10 Million)

	2020-2021	2019-2020
<b>1. Cash and Cash Equivalents Include:</b>		
– Cash, Cheques on hand and Remittances in transit	13.89	9.06
– Balances with Banks	71.26	57.45
– Unrealised Translation gain / (loss) on Foreign Currency balances	3.51	(1.12)
<b>Total</b>	<b>88.66</b>	<b>65.39</b>

## 2. Non Cash Changes in liabilities arising from financing activities:

Particulars	As At 31.03.2020	Cash Flows	Non- Cash Changes		As At 31.03.2021
			Foreign Exchange Movement	Others	
Short-term Borrowings	1973.64	(817.57)	(37.44)	36.94	1155.57
	(1904.29)	(42.51)	(68.93)	(-42.09)	(1973.64)
Long-term Borrowings	3575.06	(80.57)	(50.99)	57.42	3500.92
	(3853.22)	(-388.45)	(131.40)	(-21.10)	(3575.07)
Lease Liabilities	186.38	(54.42)	-	12.25	144.21
	(152.08)	(-47.30)	-	(81.60)	(186.38)
<b>Total Liabilities from Financing Activities</b>	<b>5735.08</b>	<b>(952.56)</b>	<b>(88.43)</b>	<b>106.61</b>	<b>4800.70</b>
Previous Year	(5909.59)	(-393.24)	(200.33)	(18.41)	(5735.09)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY  
Chartered Accountants  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
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

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
1	J. K. International Ltd.	N/A	Pound	100.9050	1.87	(1.86)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N/A	HKD \$	9.4280	1.89	0.04	4.39	4.39	0.56	1.10	(0.17)	-	(0.17)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N/A	SGD \$	54.4779	0.71	0.40	1.48	1.48	0.40	0.77	0.01	-	0.01	-	100.00
4	3Dinnovations Pvt. Ltd.	N/A	INR	N/A	1.50	(0.83)	0.67	0.67	-	0.01	-	-	-	-	100.00
5	Cavendish Industries Ltd.	N/A	INR	N/A	55.17	726.79	3533.35	3533.35	-	2570.72	142.15	56.89	85.26	-	86.41
6	Lankros Holdings Ltd.	N/A	Euro	85.9611	36.93	47.04	84.28	84.28	82.72	0.03	(0.24)	-	(0.24)	-	100.00
7	Sarvi Holdings Switzerland AG.	N/A	CHF	77.7055	53.14	45.11	98.65	98.65	98.49	-	(0.24)	-	(0.24)	-	100.00
8	JK Tornel, S.A. de C.V.	N/A	MXN PESO	3.5734	66.58	(298.17)	444.69	444.69	227.53	698.11	(123.83)	(19.96)	(103.87)	-	99.98
9	Comercializadora América Universal, S.A. de C.V.	N/A	MXN PESO	3.5734	0.01	3.53	3.77	3.77	-	0.08	0.08	0.03	0.05	-	99.98
10	Compañía Hulera Tacuba, S.A. de C.V.	N/A	MXN PESO	3.5734	0.36	42.36	69.53	69.53	-	6.05	3.61	0.38	3.22	-	99.98
11	Compañía Hulera Tornel, S.A. de C.V.	N/A	MXN PESO	3.5734	120.62	278.27	903.56	903.56	0.00	1191.17	111.44	22.84	88.60	-	99.98
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N/A	MXN PESO	3.5734	1.29	116.43	146.67	146.67	-	6.73	1.26	0.64	0.63	-	99.98
13	General de Inmuebles Industriales, S.A. de C.V.	N/A	MXN PESO	3.5734	0.04	36.18	45.73	45.73	-	3.59	1.89	0.27	1.62	-	99.98
14	Gintor Administración, S.A. de C.V.	N/A	MXN PESO	3.5734	0.01	37.38	63.67	63.67	-	44.15	7.87	2.25	5.62	-	99.98
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹ 1787)	N/A	MXN PESO	3.5734	*	11.80	15.23	15.23	-	1.81	1.23	0.28	0.96	-	99.98

#### 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	Hari Shankar Singhania Elastomer & Tyre Research Institute (HASETRI)	Dwarkesh Energy Ltd.	Treel Mobility Solutions Pvt. Ltd.	Western Tire Holdings, Inc.
1	Latest audited Balance Sheet Date	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021*
2	Share of Associates held by the Company on the year end					
	No. of Shares	147	24	350000	3737	400
	Amount of Investment in Associates	0.21	(₹ 2400)	0.35	6.30	(₹ 26204)
	Extent of Holding %	49.00%	24.00%	35.00%	26.00%	40.00%
3	Description of how there is significant influence	Holding > 20 %	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	N.A
5	Networth attributable to shareholding as per latest audited Balance Sheet	53.10	13.42 @	0.38	1.63	-
6	Profit / (Loss) for the year					
	Considered in Consolidation	(2.08)	-	0.02	0.07	0.20
	Not Considered in Consolidation	(2.16)	(0.08)	0.03	0.21	0.30

\* Exempt from audit.

@ Not Considered in Consolidation

- Name of Associates which are yet to commence operations - Dwarkesh Energy Limited is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.
- 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  
Firm Registration No. - 000756N

SANJEEV AGGARWAL  
Chief Financial Officer

Dr. Raghupati Singhania  
Bharat Hari Singhania  
Anshuman Singhania

Chairman & Managing Director  
Managing Director  
Managing Director

HARISH GUPTA  
Partner  
Membership No. - 098336  
New Delhi, the 19th May, 2021

P. K. RUSTAGI  
Company Secretary

Kalpataru Tripathy  
Arun K. Bajoria

Directors

## THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021, 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 – 3.2, Shri Bakul Jain – 3.2, Smt. Sunanda Singhanian – 3.2, Shri Kalpataru Tripathy – 3.2, Shri Vimal Bhandari – 3.2, Dr. Wolfgang Holzbach – 3.2, Shri Shreekant Somany – 3.2 and Smt. Meera Shankar – 3.2.

Executive Directors: Dr. Raghupati Singhanian, Chairman & Managing Director – 296.4; Shri Bharat Hari Singhanian; Managing Director – 223.5; Shri Anshuman Singhanian, Managing Director – 231.7 and Shri Arun K. Bajoria, Director & President - International Operations – 85.2.

**(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 Singhanian, Chairman & Managing Director; Shri Bharat Hari Singhanian, Managing Director; and Shri Anshuman Singhanian, Managing Director increased by 95.9%, 198.1% and 286.1% respectively and remuneration of Shri Arun K. Bajoria, Director & President - International Operations decreased by 3.6%. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhanian, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy and Shri Shreekant Somany increased by 60.0%. Smt. Meera Shankar was appointed as non-executive director w.e.f. 30.01.2020, being her remuneration were for part of the year, the same was not comparable. The remuneration of Shri Sanjeev Agarwal, Chief Financial Officer increased by 7.4% and Shri P. K. Rustagi, Company Secretary decreased by 3.3%.

**(c) The percentage increase in the median remuneration of employees in the financial year:** 5.3%

**(d) The number of permanent employees on the rolls of the Company:** 5,938

**(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 2020-21, average increase in the salaries of employees other than the Managerial Personnel was 5.6% and increase for Managerial Personnel was 107.6%. Such increase was mainly attributable to increase in profits for the year, 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 2020-21

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