



JKTIL:SECTL:SE:AGM 2020

Date: 28 AUG 2020

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001. Through: BSE Listing Centre Scrip Code :530007	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block-G Bandra -Kurla Complex, Bandra(E), Mumbai -400 051. Through: NEAPS Scrip Code : JKTYRE
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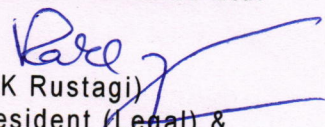
Re: Annual General Meeting and Annual Report 2019-20

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice of the 67th Annual General Meeting scheduled to be held on Tuesday, 22nd September 2020 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



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

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

Website : www.jktyre.com CIN : L67120RJ1951PLC045966



VIKRANT



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

NOTICE

NOTICE is hereby given that the sixty-seventh Annual General Meeting of the Members of JK Tyre & Industries Ltd. will be held on Tuesday, 22nd September 2020 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 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Auditors thereon.

2. To declare Dividend.

3. To appoint a Director in place of Shri Bharat Hari Singhania who retires by rotation and being eligible, offers himself for reappointment.

4. To re-appoint Auditors and to fix their remuneration and in this regard, 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 139 and other applicable provisions, if any, of the Companies Act 2013 and the Rules made thereunder as amended from time to time, M/s S S Kothari Mehta & Company, Chartered Accountants, New Delhi (Registration No. 000756N) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this 67th Annual General Meeting (AGM) till the conclusion of the 72nd AGM to be held in the year 2025, on a remuneration of ₹ 30.0 Lakh (Rupees Thirty Lakh only) per annum, up to the conclusion of the next AGM in addition to taxes, as may be applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorized to fix the remuneration for the remaining tenure of the Auditors.”

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

“RESOLVED that Smt. Meera Shankar whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Meera Shankar be and is hereby appointed as an Independent Woman Director of the Company to hold the office for a term of five consecutive years with effect from 30th January 2020.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV to the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Shri Shreekanth Somany, who was appointed as an Independent Director of the Company at the Annual General Meeting held on 2nd September 2016 for a term of five consecutive years and

who is eligible for reappointment as an Independent Director, and who meets the criteria for Independence as provided in the Act and the Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from 16th March 2021.”

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

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification(s) or re-enactment thereof, the Cost Accountants appointed by the Board as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2020, be paid the remuneration of ₹ 2.0 Lakh (Rupees Two Lakh Only), in addition to applicable taxes and reimbursement of actual expenses of travel outside Delhi for the said audit, as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 15th June 2020.

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.”

8. 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 2020-21, 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 upto ₹ 1250.00 Crores, which exceeds 10% of the annual consolidated turnover of the Company for the financial year 2019-20.

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: 02952-302400/330011
Fax: 02952-232018
Email id: investorjkyre@jkmil.com
CIN: L67120RJ1951PLC045966
Website: www.jkyre.com
Date: 15th June, 2020

By Order of the Board

Pawan Kumar Rustagi
Vice President (Legal)
& Company Secretary

NOTES:

1. In view of the outbreak of COVID 19 pandemic, social distancing norms and restrictions imposed on movement of persons, the Ministry of Corporate Affairs vide its circular dated 5th May 2020 read with circulars dated 8th April 2020 and 13th April 2020 (“MCA Circulars”) and SEBI vide its

circular dated 12th May 2020 ("SEBI Circular"), have permitted holding of Annual General Meeting 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 Circular, the 67th Annual General Meeting (AGM) of the Members 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 (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 8 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 1000 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 ascertaining 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 2019-20 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 2019-20 will also be available on the Company's website www.jktyre.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
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. Members seeking to inspect such documents can send an email to investorjktyre@jkm.com.
The relevant Registers maintained under the Act and required to be placed at AGM will be available electronically for inspection by the members during the AGM.
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 Monday, 14th September, 2020 through email to investorjktyre@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 investorjktyre@jkm.com or rt@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 16th September 2020 to 22nd September 2020 (both days inclusive).
12. The dividend of ₹ 0.70 per Equity Share of ₹ 2/- each (35%) as recommended by the Board of Directors, if declared at the AGM, will 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 22nd September 2020 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 amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes as may be required, at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.
15. APPOINTMENT OF DIRECTOR:

Brief resumes of the Directors proposed to be appointed/reappointed (Item Nos. 3, 5 and 6 of the Notice) are given hereunder:

- Shri Bharat Hari Singhania, aged 82 years, a Graduate in Commerce, is an industrialist with over 62 years of experience in managing various industries including Cement, Automotive Tyres, paper, Jute, Synthetics, high yielding Hybrid Seeds, Audio Magnetic Tapes, etc. Shri Bharat Hari Singhania was and has been Chairman/Director of several industrial and other companies. He is past President of the Indian Chamber of Commerce and Chairman of Indian Jute Mills Association. He also headed the Indian Jute Industries Research Association and has served on various government committees and participated on various overseas delegations. Shri Bharat Hari Singhania is heading various philanthropic organizations of JK Group such as Lakshmiapat Singhania Education Foundation, Lakshmiapat Singhania Medical Foundation and Pushpawati Singhania Hospital & Research Institute. He is also actively associated with many other Academic Institutions which are run by JK Group. He has passion for promoting educational institutions, health care, cultural & other philanthropic activities.

Shri Bharat Hari Singhania was appointed as a Director of the Company on 4th November 1987 and has been Managing Director since 30th March 1994. Shri Singhania is also one of the Promoters of the Company.

His other Directorships: (A) Listed Companies - He is the 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 - Rockwood Properties Private Ltd., Tanvi Commercial Private Ltd., Hari Shankar Singhania Holdings Private Ltd., HSS Stock Holdings Private Ltd., Pushpawati Singhania Hospital & Research Institute, Henry F. Cockill & Sons Ltd., Dhanlakshmi Building Development Pvt. Ltd. and BH Singhania Trading Pvt. Ltd. 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 - Member of Stakeholders' Relationship Committee of JK Lakshmi Cement Ltd.

Shri Bharat Hari Singhania attended five Board meetings of the Company during the financial year ended 31st March, 2020. Shri Singhania holds 9,23,325 Equity Shares of ₹ 2/- each of the Company. Shri Bharat Hari Singhania is related to Dr. Raghupati Singhania, Chairman & Managing Director of the Company. Shri Singhania is also a Managing Director of the Company and the terms and conditions of appointment including remuneration of Shri Singhania are as approved by the members at the Annual General Meeting held on 2nd September 2016. For details of remuneration

drawn during the financial year 2019-20, please refer to the Corporate Governance Report printed in the Annual Report of the Company. His Director Identification Number is 00041156.

- Smt. Meera Shankar, aged 69 years, had an illustrious career spanning over 40 years after joining Indian Foreign Services in 1973. Amongst many key positions which she held, she also served as Ambassador of India to Germany from 2005 to 2009 and then to the United States of America from 2009 to 2011. She served in the Prime Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked in Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary, she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association of Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and international security issues.

Her other Directorships: She is a director on the Boards of ITC Ltd., Pidilite Industries Ltd. and Adani Transmission Ltd. (Listed Companies). Chairmanship/ Membership of Smt. Meera Shankar in the Committees of Directors in other companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Member of Audit Committee of Adani Transmission Ltd.

During the financial year ended 31st March 2020, one Board meeting of the Company was held after Smt. Meera Shankar was appointed as a director on the Board. This meeting was attended by her. Smt. Shankar does not hold any Equity Share of the Company and she is not related to any director of the Company. For details of remuneration drawn during the financial year 2019-20, please refer to Form MGT 9 of the Company which forms a part of the Board's Report. As Independent Director of the Company, she is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. Her Director Identification Number is 06374957.

- Shri Shreekant Somany, aged 71 years, a Science graduate from University of Calcutta. He did his training in SIMILOR SA, Geneva (Switzerland) for faucet manufacturing. He pioneered a revolutionary "High abrasion technology called VC SHIELD" for tiles and holds the honor to make SOMANY the first Indian ceramic tile company to have received a PATENT under Indian Patent Act. Shri Somany is a recipient of the prestigious Corporate Technical Achievement award from the American Ceramic Society in the field of ceramics. Shri Somany is an Industrialist with over 51 years of experience in managing and running manufacturing enterprises. Shri Somany is associated with various industry bodies, Founder & Past Chairman of Confederation of Construction Products and Services (CCPS), Chairman of Indian Council for Ceramic Tiles and Sanitary ware (ICCTAS), Past Chairman of the Confederation of Indian Industry Northern Region; Immediate Past President of the Indian Ceramic Society, Active member of the CII National Council, Chairman of CII National SME Council, Chairman of CII Centre of Excellence for Competitiveness, and also Chairman of CII National Environmental Council, and member of various other councils of CII. He joined the Board of Directors of the Company on 16th March 2016.

His other Directorships: (A) Listed Companies - He is the Chairman & Managing Director of Somany Ceramics Ltd. and Director of Shree Cement Ltd. (B) Unlisted Companies-SR Continental Ltd. and Somany Bathware Ltd. Chairmanship/ Membership of Shri Somany in the Committees of Directors in

other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of Shree Cement Ltd., Member of Stakeholders Relationship Committee of Somany Ceramics Ltd.

Shri Shreekant Somany attended four Board meetings of the Company held during the financial year 31st March, 2020. Shri Somany holds 13,750 Equity Shares of ₹ 2/- each of the Company. Shri Somany is not related to any director of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 6 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during the financial year 2019-20, please refer to the Form MGT 9 of the Company which forms a part of the Board's Report. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification Number is 00021423.

16. REMOTE E-VOTING PROCEDURE:

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), the Company is pleased to provide to its members, facility to exercise their right to vote at the 67th AGM by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (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 are as under:

- (i) The voting period begins on 19th September, 2020 from 10.00 A.M. and ends on 21st September, 2020 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., 15th September 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders/Members" module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login-Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting option** and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) First time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
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"> 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.
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"> 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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant for JK Tyre & Industries Ltd.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective stores. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:

- (a) 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 or rta@alankit.com.
- (b) 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@jkm.com or rta@alankit.com.

C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:

- (a) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.
- (b) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (c) Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (d) 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.
- (e) Shareholders/viewers/Attendee to download the software/app of Cisco WebEx in advance & ready to connect fast for meeting.
- (f) 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 14th September 2020, mentioning their name, demat account number/folio number, email id, mobile number at investorjkyre@jkm.com. Only those members who are registered as speakers will be allowed to express their views or ask questions. 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. The shareholders who do not wish to speak during the AGM but have queries may send their queries on investorjkyre@jkm.com on or before 14th September 2020 mentioning their name, demat account number/folio number, mobile number. These queries will be replied by the Company suitably.

D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:

- (a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (b) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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.
- (c) 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.
- (d) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

E. INSTRUCTIONS FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:

- (a) Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to

www.evotingindia.com and register themselves in the “Corporates” module.

- (b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (c) 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.
- (d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (e) 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.
- (f) 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., investorjktyre@jktmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

F. OTHER INSTRUCTIONS:

- (a) In case you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- (b) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to 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., 15th September 2020 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., 15th September 2020 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.
20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
21. The results declared along with the consolidated Scrutinizer’s Report shall be placed on the Company’s website www.jktyre.com and on the website of CDSL (www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered Office and the Administrative Office of the Company.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

M/s S S Kothari Mehta & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company for a term of 3 (three) consecutive years to hold the office from conclusion of the 64th Annual General Meeting (AGM) held in the year 2017 till the conclusion of its 67th AGM to be held in the year 2020. Accordingly, the said term will be determined after the conclusion of the ensuing AGM.

Based on the recommendations of Audit Committee, the Board has recommended re-appointment of M/s SS Kothari Mehta & Company, Chartered Accountants, as Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of the forthcoming 67th AGM until the conclusion of the 72nd AGM. M/s SS Kothari Mehta & Company, Chartered Accountants, have given their consent and confirmed their eligibility for the above re-appointment.

Keeping in view the performance of the said firm of the Chartered Accountants, during their current tenure and also their profile and experience, the Board considers that Company’s continued association with them will be in the interest of the Company and recommends the Resolution set out at Item No. 4 of the Notice for approval of the Members.

The said firm of the Chartered Accountants has over 6 decades standing with multi industry experience. The firm has India wide presence with offices in three regions of India. The firm has large, medium & MNCs as clients across industry i.e., cement, power, engineering, textile, sugar, construction, banking and financial sector. The firm is acting as auditors to various companies listed on the Stock Exchanges and are also associated in their professional capacity with several regulatory agencies.

The firm has international presence and is a member of HBL International, UK with members in 130 countries.

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. 5

Pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company was required to appoint an Independent Woman Director. Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 30th January 2020 appointed Smt. Meera Shankar as an Independent Woman Director for a period of five consecutive years with effect from the said date. Since her appointment was as an additional director under Section 161 of the Companies Act 2013, she will hold office upto the ensuing AGM. The proposed resolution at item No. 5 of the Notice is for approval of the members for appointment of Smt. Meera Shankar as a Director of the Company and also as an Independent Woman Director for a period of five consecutive years.

The Company has received declaration from Smt. Meera Shankar that she meets the criteria of independence and is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence, as prescribed under the said Act and the Listing Regulations. Smt. Shankar is not disqualified from being appointed as a Director in terms of Section 164 of the said Act or debarred from holding the office of a Director pursuant to any SEBI Order.

In the opinion of the Board, Smt. Meera Shankar fulfills the conditions specified in the said Act and Rules made thereunder and Listing Regulations for her appointment as an Independent Director of the Company and is independent of the Management. Her appointment on the Board also satisfies the requirement of the Listing Regulations for appointment of an Independent Woman Director on the Board of the Company. As an Independent Director, she will not be liable to retire by rotation and accordingly while ascertaining total number of directors

for the purposes of determining directors liable to retire by rotation, Independent Director shall not be included.

Copy of the draft letter of appointment of Smt. Meera Shankar as Independent Director setting out the terms and conditions would be available for inspection. Brief resume of Smt. Meera Shankar is given in the notes appended to the Notice of this Meeting.

The Board recommends the aforesaid Resolution for approval by the members.

Except Smt. Shankar and her relatives to the extent of their shareholding, if any, in the Company, none of the Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

Item no. 6

The shareholders of the Company at their Annual General Meeting (AGM) held on 2nd September 2016 appointed Shri Shreekant Somany as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 16th March 2016. Accordingly, the first term of Shri Somany as an Independent Director will be determined on 15th March 2021.

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

The Board, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee of Directors, considers that given the knowledge, background, experience and contribution made by Shri Somany during his tenure, it would be in the interest of the Company to have continued association of Shri Shreekant Somany as an Independent Director of the Company.

Accordingly, the Board recommended reappointment of Shri Shreekant Somany as an Independent Director of the Company, for a second term of five consecutive years with effect from 16th March 2021.

The Company has received declaration from Shri Shreekant Somany that he meets the criteria of independence and is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence, as prescribed under the said Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Shri Somany is not disqualified from being appointed as a Director in terms of Section 164 of the said Act or debarred from holding the office of a Director pursuant to any SEBI Order.

In the opinion of the Board, Shri Somany fulfills the conditions specified in the said Act and Rules made thereunder and also the Listing Regulations for his reappointment as an Independent Director of the Company and is independent of the Management.

Copy of the draft letter of re-appointment of Shri Somany as an Independent Director setting out the terms and conditions would be available for inspection. Brief resume of Shri Somany is given in the notes appended to the Notice of this Meeting.

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

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

Item no. 7

The Board at its meeting held on 15th June 2020, on the recommendation of the Audit Committee, has appointed M/s R.J. Goel

& Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2020 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakh Only), in addition to applicable taxes and reimbursement of other expenses.

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

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

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

Item no. 8

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 2020-21, the Company will enter into transactions with CIL aggregating to ₹ 1250 Crores, exceeding the threshold limit of 10% of the Company's consolidated annual turnover for the financial year ended 31st March 2020. 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: 02952-302400/330011
Fax: 02952-232018
Email id: investorjktyre@jkmil.com
CIN: L67120RJ1951PLC045966
Website: www.jktyre.com
Date: 15th June 2020

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 1st April 2019. In view of the above and to avail other benefits of dematerialisation, members who are still holding shares in physical form are requested to dematerialize their shares. For guidance on how to dematerialize the shares, please visit our website at www.jktyre.com.
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 31.3.2013 • 35% Dividend	25 th August 2020
➤ Financial Year ended 31.3.2014 • 50% Dividend	28 th September 2021
➤ Financial Year ended 31.3.2015 • 75% Dividend	24 th September 2022

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.

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).

Form No. SH-13
Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and Debentures) Rules 2014]

For the attention of individual shareholders holding Equity Shares in physical form

To,
JK Tyre & Industries Ltd.
Secretarial Department, 3rd Floor, Gulab Bhawan
6A, Bahadur Shah Zafar Marg, New Delhi-110 002.

I/We _____ the holder(s) of the Equity Shares particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such Equity Shares in the event of my/our death:

(1) PARTICULARS OF THE EQUITY SHARES (in respect of which nomination is being made):

Folio No.	No. of Equity Shares	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S:

(a) Name	:
(b) Date of Birth	:
(c) Father's/Mother's/Spouse's name	:
(d) Occupation	:
(e) Nationality	:
(f) Address	:
(g) E-mail id	:
(h) Relationship with the Equity Shareholder	:

(3) IN CASE NOMINEE IS A MINOR:

(a) Date of birth	:
(b) Date of attaining majority	:
(c) Name of guardian	:
(d) Address of guardian	:

(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY:

(a) Name	:
(b) Date of Birth	:
(c) Father's/Mother's/Spouse's name	:
(d) Occupation	:
(e) Nationality	:
(f) Address	:
(g) E-mail id	:
(h) Relationship with the Equity Shareholder	:
(i) Relationship with the minor nominee	:

Date

Name :

Address :

.....

Name of the Equity shareholder(s) : Signature

.....

.....

.....

**Witness with
Name, signature and address**

.....

.....

.....

.....

Notes:-

1. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of HUF and power of attorney holder.
2. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholder[s].
3. The shareholders[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form). The said Form, if required, will be provided on receipt of request for the same.
4. The Shareholder[s] holding shares in dematerialized form, should approach their Depository Participant for nomination, if required.

SMART TYRE

BUILDING A FUTURE-READY TYRE COMPANY



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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SMART TYRE

At JK Tyre, we are engaged beyond the manufacture of conventional tyres.

We are engaged in building a future-ready tyre company driven by service and solutions.

We believe that this proactive approach will empower the Company to address the impact of any business challenge with speed and sustainability.

Board of Directors



DR. RAGHUPATI SINGHANIA
Chairman & Managing Director



BHARAT HARI SINGHANIA
Managing Director



VIMAL BHANDARI
Director



BAKUL JAIN
Director



ANSHUMAN SINGHANIA
Dy. Managing Director



DR. WOLFGANG HOLZBACH
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



MEERA SHANKAR
Director



ARUN K. BAJORIA
Director & President – International
Operations

VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY
Pawan Kumar Rustagi

CIN: L67120RJ1951PLC045966

Website: www.jktyre.com

CORPORATE SNAPSHOT

JK Tyre & Industries Limited. Built being around smart solutions.

Where tyres 'communicate' with humans.

Where machines 'talk' with machines.

Where the tyre has graduated from being an A-class product to an A-class service.

Where customers are provided comprehensive solutions for their needs.

Making the Company one of the most exciting amongst the 25 leading tyre manufacturers the world over.



Vision

To be amongst the most admired companies in India, committed to excellence



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 J.K. Organization is an eminent manufacturing Group that has a heritage of more than 125 years. With more than 40,000 employees the Group has multi-business, multi-product and multi-location operations with footprints in over 100 countries across the six continents. JK Group products enjoy significant market share in their respective segments on the back of visible brands, cutting-edge technologies and futuristic Research & Development institutes that promote innovation.

Leadership

JK Tyre is one of India's leading tyre manufacturers and also among the top 25 tyre manufacturers in the world. The Company is also respected as one of 'greenest' tyre companies in the world, especially in the area of raw water consumption per unit of production, green-house gas emissions and energy consumption.

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 has nine modern plants in India (three plants in Mysuru, three plants in Haridwar and one plant each in Banmore, Kankroli and Chennai) and three plants in Mexico – an aggregate production capacity of ~32 million tyres per annum.

Thought leader

The Company pioneered radial technology in India in the Seventies and has since helped grow the radial market through technological innovation and new product introduction. The Company is the market leader in the Truck Bus Radial (TBR) segment. It offers radial tyres for the entire range of 4-wheeler passenger and commercial vehicles. The Company is the first and only tyre manufacturer in India to be recognised as a Superbrand in 2019 for the seventh successive time. The Company established a state-of-the-art centralised global R&D Centre at Mysuru - Raghupati Singhania Centre of Excellence (RPSCoE).

Distribution

The Company markets products through a nationwide network of

>4500 dealers and >550 dedicated brand shops known as Steel Wheels, Xpress Wheels and Truck Wheels, providing complete solutions to customers.

Environment-friendly

All of JK Tyre's plants are ISO-14001 certified for environmental conservation. Over the years, it has undertaken several 'green' initiatives to reduce its carbon footprint. The Company's Mysuru plant is a recipient of the Golden Peacock Environment Award. As a validation of the Company's commitment to plant safety, it was recently awarded the most coveted safety award in the world – the 'Sword of Honour' - from the British Safety Council, UK, for enhanced safety across all plants. This is a signal honour of the Company's ESG commitment and responsible citizenship.

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 A (Outlook – negative), whereas it was A1 for short-term facilities in 2019-20.

Awards, 2019-20

Great Place to Work: Recognition of a high trust and high performance culture.

Frost & Sullivan and Teri Sustainability 4.0 Award: For Vikrant Tyre Plant (Mysuru) for commitment towards environment and sustainability.

3rd Innovative Practices Awards, Sustainable Development Goals: Awarded by United Nations Global Compact Network India.

Lifetime Achievement Award for Dr.

Raghupati Singhania: Given at the Manufacturing Today India Conference & Awards.

5-Star Rating by British Safety

Council: Part of British Safety Council's Occupational Health and Safety Audit (for manufacturing plants in Chennai, Mysuru, Banmore and Laksar).

SAP ACE Award 2019: Conferred SAP ACE Award 2019 in the most contested category 'Breakthrough Innovation - Business Re-model, Disruption & Step

Growth' for the project 'Fleet Connect & Total Mobility Solution' for fleets.

Exhibit Innovative Tech Award 2019: Awarded the Editor's Choice Innovative Tech Award 2019 for Treetl.

ICONIC IDC Insights Awards 2019: Received prestigious I.C.O.N.I.C. award in the Category Excellence in Operations (for the breakthrough project on SAP HANA Cloud in the Manufacturing & Logistics vertical), one of the eight organisations to do so.

JK Tyre – key partner to leading OEMs

Passenger Car

- Maruti Suzuki
- Hyundai
- Tata Motors
- Mahindra
- Force Motors
- Honda

India Mexico

- Renault
- Nissan

Tractor

- Mahindra
- Tractors and Farm Equipment Limited
- Escorts Group
- John Deere
- Swaraj
- Sonalika International
- Captain
- Eicher
- Indo Farm

India/ Mexico

- Case New Holland

Truck & Bus

- Tata Motors
- Swaraj Mazda
- Ashok Leyland
- Bharat Benz – Daimler India
- Mahindra Trucks and Buses
- Force
- Volvo
- Scania
- Volvo Eicher
- JBM

JK Tormel, Mexico

- Nissan

OTR

- BEML
- Bobcat
- ACE
- L&T Corporation
- Schwing Stetter
- Tata Hitachi
- SANY
- JCB
- Escorts

2 Wheeler

- Hero
- Bajaj

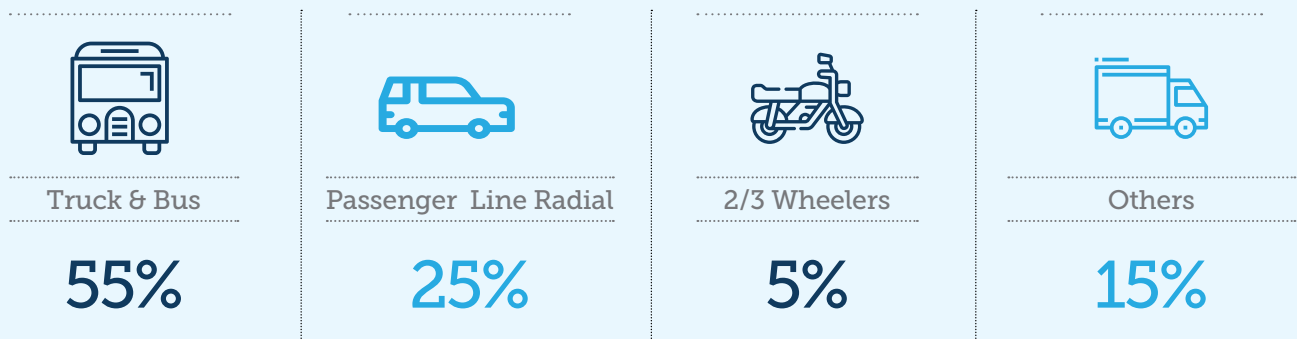
2 Wheeler Electric Vehicles

- LI ION
- GO GOA
- VVA AUTO
- RACCON MOTORS

- OKINAWA
- JITENDRA NEW EV TEC
- BENLING INDIA
- GO GREEN
- ROCKON
- HOUSTAN

- COSBIKE
- SAWHNEY
- VV AUTO

By Revenue Segment – FY20 (Consolidated)



Revenue segmentation – FY20 (Consolidated)

By market	
Replacement	68%
OEMs	17%
Exports	15%

By customer mix – FY20 (India Operations)

Truck & Bus (Bias and Radial)		Truck Radial		Passenger Car	
Replacement	66%	Replacement	60%	Replacement	60%
OEMs	17%	OEMs	20%	OEMs	25%
Exports	17%	Exports	20%	Exports	15%

Operational highlights, 2019-20

- Growth in sales: Replacement 6%, Export 36% and 2/3 wheeler 30%
- Rolled out its 20 millionth TBR tyre, the first in India
- Developed new products across categories, which enhanced sales
- Reported a decline in working capital outlay for its India operations by ₹180 crores
- Invested in the technology acquisition of 'smart' tyre (launched during the year under review)

Brand and recognition highlights, 2019-20

- Selected as Superbrand in 2019
- Recognised as a Great Place to Work by Great Place to Work Institute
- Awarded the 'Breakthrough Innovation in Business Re-Modelling' award at the 13th SAP ACE Awards 2019
- Awarded the world's most coveted safety award - 'Sword of Honour' for safety across plants by the British Safety Council, UK



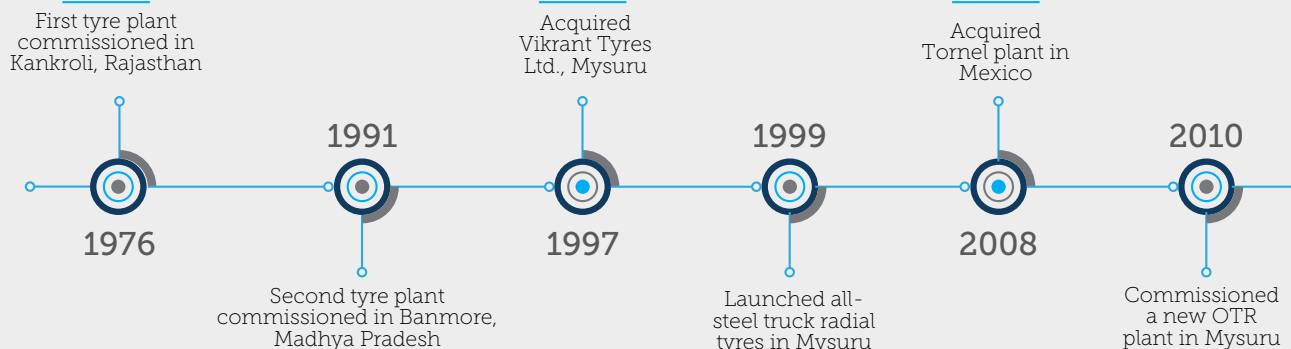
Financial highlights, 2019-20

- Reported consolidated turnover was ₹8753 crores
- Delivered EBIDTA margin of 11.6% compared to 11.4% in the previous year despite the global economic slowdown
- Achieved 6.5% growth at JK Tormel to ₹1191 crores in revenues.
- Invested ₹82 crores in Research & Development corresponding to 1.33% of net sales

Efficiency highlights, 2019-20

- 50% power requirement addressed from renewable sources
- Extensive improvement in manufacturing efficiencies across plants in India

Milestones



In a challenging 2019-20, 'Smart' translated into enhanced value (Indian operations)

Our performance relative to 2018-19

21

JK Tyre's 2/3 Wheeler OEM sales as a % of 2/3 Wheeler sales (number of units), 2018-19

25

JK Tyre's 2/3 Wheeler OEM sales as a % of 2/3 Wheeler sales (number of units), 2019-20

53

JK Tyre's non-OEM sales as a % of revenues, 2018-19

62

JK Tyre's non-OEM sales as a % of revenues, 2019-20

39

JK Tyre's power requirement addressed from renewable sources (%), 2018-19

50

JK Tyre's power requirement addressed from renewable sources (%), 2019-20

1.07

JK Tyre's emission intensity (CO₂ per tonne), 2018-19

0.97

JK Tyre's emission intensity (CO₂ per tonne), 2019-20

Commissioned a greenfield plant in Chennai

2012

2013-14

Engaged in a major brownfield expansion in Chennai

Acquired Cavendish Industries

2016

2019-20

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



FROM THE DESK OF CHAIRMAN & MANAGING DIRECTOR

'Smart' is control

Dear Shareholders

The acronym VUCA – Volatile, Uncertain, Complex and Ambiguous - could well describe the year gone by with geopolitical tensions creating headwinds for the economy. In the last few months of FY20, the world sailed into uncharted waters with the unfolding impact of the Covid-19 pandemic, causing socio-economic disruptions.

The deceleration of Indian economy continued well into the year under review as India's GDP growth declined to an 11-year low. The automobile sector, which contributes in good measure to the country's economy, was impacted by regulatory changes and prolonged restraint in demand.

For us, as an essential ancillary in the automotive sector, decline in the medium and heavy commercial vehicle segment caused a cascading impact. The situation deteriorated on account of the economic uncertainty in the OEM business. JK Tyre, being a preferred partner of leading automotive manufacturers, with a strong presence in TBR segment, was impacted as well.

Today, as companies focus on survival, we chose to work 'smartly'. It is in these unprecedented times that our ability and resilience to surmount challenges came to the fore.

Addressing challenges, in a 'smart' to action, we consciously shifted our

strategy to leverage opportunities outside the OEM segment. We focused on enhancing exports and our presence in the domestic replacement segment. This was followed by the adoption of a multi-pronged approach in the aftermarket ranging from continuing product innovation, sharper focus on premium products, providing mobility solutions, augmenting consumer connect, increasing customer touch points (particularly through Brand Shops) and sustained brand building. We initiated several knowledge and skills enhancement programs for our channel partners who represent our primary point of contact with customers. This helped us deliver a superior brand experience to end users.

This strategic thrust led to healthy business growth in the aftermarket. We managed to outperform the industry and partially offset the impact of a decline in the OEM business.

I am happy to share that in an unparalleled feat, JK Tyre became the first and only Indian tyre Company to have rolled out 20 millionth Truck Bus Radial tyres. It took us 17 years to cross the 10 million milestone in 2016 and just 4 years since then to double the number!

During the year gone by, we sustained our spirit of innovation to build a 'smart' future-ready business

of providing complete tyre solutions around a superior value proposition to customers. We lived up to the sobriquet of the 'pioneer of radials in India' by introducing a 'Smart Tyre' to provide mobility solutions to Commercial and Passenger Vehicle owners.

Notably, JK Tyre is the only Indian tyre Company to indigenously manufacture Tyre Pressure Monitoring Systems (TPMS) by offering TREEL Sensors. This product line is in synergy with JK Tyre's ethos of 'green' technology as it reduces carbon footprint through lower emissions, higher fuel efficiency and superior tyre

life. The use of 'Smart Tyres' also goes a long way in enhancing road safety, ensuring that the user is always in 'total control.'

Continuing to direct efforts towards our mission to be the 'No. 1 Tyre Brand in India and amongst leading tyre brands globally', we aggressively undertook marketing efforts by way of an increased digital presence aimed at the younger generation. Inculcating the spirit of digitalisation across the board and not just focused on marketing, JK Tyre continues to transform operations. Digital tools are being used increasingly, resulting in

a 'smarter' organisation delivering a 'smarter' experience to customers.

We have always been governed by the philosophy of 'Atmanirbhar' - Indian tyres for Indian roads, and best-in-class Indian products for the world. Prioritising the needs of customers, we aim to continuously evolve and adapt to market needs ahead of time. This translated into the development of India's best-in-class fuel-efficient tyres for trucks.

Our manufacturing facilities possess an enviable safety record with four of our manufacturing plants having received the 'British Sword of Honor' recognition for exemplary



safety standards, the first Indian tyre Company to be so recognised.

The Company’s export performance improved significantly despite intensified global competition in the international markets including North America, Brazil, Europe and countries from the MENA region. Brand Tornel enjoyed a significant market share across various categories in the Mexican market; however, the global slowdown at JK Tornel Mexico impacted our profitability.

Our Cavendish operations contributed strongly to the Company rolling out 20 million TBR tyres. In the 2/3

wheeler segment, healthy growth was registered.

As a Company we remain committed to ‘green’ technology. Reduce, Reuse, and Recycle continue to be our sustainability mantra and the use of renewable energy and reduced energy consumption remain our focus areas. The achievement of being a global benchmark in raw water consumption is an example of our efforts in this direction. We are dedicated to give back to society in the areas of health care, education, family welfare, livelihood enhancement and road safety.



Our employees are our precious resource. Following the best industry practices, our Company was recognised as India’s Top 30 Best Workplaces in Manufacturing for 2020.

As we scan the horizon, we see that the world is heading towards a new normal. Personal mobility is likely to increase. India will continue in its journey to becoming a USD \$ 5 trillion economy in the face of challenges. Grassroots reforms will be an enabler. It will be our endeavor to work towards technology-based mobility solutions. We will continue to be the ‘wheels of the nation’ by providing best-in-class products and services. We are optimistic that this will make it possible for us to perform well across markets in the foreseeable future, enhancing value for our stakeholders.

Jai Hind!

Dr. Raghupati Singhania,
Chairman and Managing Director



How JK Tyre addressed challenging market realities, 2019-20

1

Market realities

Weakening OEM sector (sector sales declined 44%) affected the profitability of all tyre companies. Every category de-grew; the CV segment de-grew sharpest at 44%

JK Tyre's response

Focused more on marketing products in India's non-OEM market by plugging market gaps with relevant products and leveraging distribution channels

Impact

The growth of the Company's non-OEM off take was higher than the growth of India's non-OEM segment; the Company's replacement market growth was an attractive 6%.

2

Market realities

Slowdown of the Indian economy (the slowest in 11 years) as well as automobile and tyre sales (de-growth of 15% and 10% respectively)

JK Tyre's response

Expanded its international footprint, extending its brand from an India-focus to a global perspective

Impact

Exports jumped 36% in 2019-20 and the proportion of exports increased from 10% of the Company's revenues to 13%

3

Market realities

Consumers are becoming environmentally conscious and will opt for 'greener' companies

JK Tyre's response

For many years, it has taken various initiatives to reduce its carbon footprint and increase the use of renewable energy

Impact

The Company emerged amongst the top four energy-efficient tyre companies in the world.

4

Market realities

The imposed lockdown affected the revenues of all tyre companies in March 2020.

JK Tyre's response

Took anticipatory and precautionary measures to protect the business

Impact

The first half of March 2020 accounted for 60% of its projected revenues, higher compared to a normal month.



'Smart Tyre' – The tyre with a 'mind' that cares for you

Unique fusion of IoT, Artificial Intelligence,
Machine Learning and Data Science.

Overview

JK Tyre's 'Smart Tyre' is likely to be a benchmark for the next number of decades for some good reasons.

A tyre – the only part of a vehicle that touches the road – is more than just a rotary implement that facilitates mobility.

Thanks to the pioneering commitment of JK Tyre, the tyre is now more than an automobile component. Following the launch of Treel, the smart tyre has evolved into a

'personal valet' that plays the role of a doctor, watchdog, guide and protector.

Treel keeps the driver continuously informed of the five most important variables: tyre temperature, tyre pressure, road condition, road hazards and tyre wear. Suddenly, the tyre is not something that one fits and forgets; thanks to Treel, the tyre has moved into a driver's central consciousness.

The upsides generated from this smart tyre comprise the following:

Awareness: Treel is tomorrow's product for today. Its capacity to aggregate the benefits of digitalisation makes it a unique product offering. The product represents the specialised coming together of materials, sensors, software, IoT, Artificial Intelligence, Machine Learning and Data Science. This unique combination has made it possible for JK Tyre to infuse a number of technologies into the tyre. The result is the creation of a unique product that does not just possess a rugged body; it finally possess an 'intelligent mind' of its own as well. The tyre transmits signals to the Treel Care App; these alerts are instantly displayed on a screen; the app provides a complete control of tyre maintenance features.

Costs: Treel helps moderate costs and generates a payback that gradually pays back for a large part of

the product. This liberates the managerial bandwidth of large fleets to extend from the functional to the strategic.

Environment: Treel delivers superior life, lower rolling resistance and higher fuel efficiency. What is good for the user is good for the world as well since the product moderates carbon footprint.

Safety: This tyre also addresses the need for safety in a country where almost 75% tyres ply with improper inflation (over-inflation or under-inflation) resulting in accidents and tyre bursts. The result is a greater peace of mind for the families of vehicle users.

The result is that when a vehicle is moving at 100 kmph on the expressway, the passengers are reassured that at that blistering speed, what is protecting them is not just their judgment and seat-belt...but Treel as well.

At JK Tyre, 'Smart' was not an attribute built overnight

A pioneering culture seeded from the outset has now acquired visible critical mass

Our business strengths

Trend creator: JK Tyre was the first Indian company to manufacture and market radial tyres in India (passenger radials in 1977; truck/ bus radials in 1999)

Ahead of the curve: First Indian company to launch an eco-friendly 'green' tyre

Apex products: First in India to launch high performance H, V and Z-rated passenger radial tyres and the OE fitment of tubeless radials

Knowledge building: First company in India to establish an independent research and development centre – HASETRI (Hari Shankar Singhanian Elastomer & Tyre Research Institute), a one-of-its-kind state-of-the-art R&D centre in the Asia-Pacific region.

Distinctive promoter: First company in India to transform an unorganised and casual interest in racing and karting into an organised motorsport

Preferred OEM partner: First tyre vendor selected by Maruti Suzuki Motor Corporation to work on its highest selling Swift model from the drawing board onwards

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

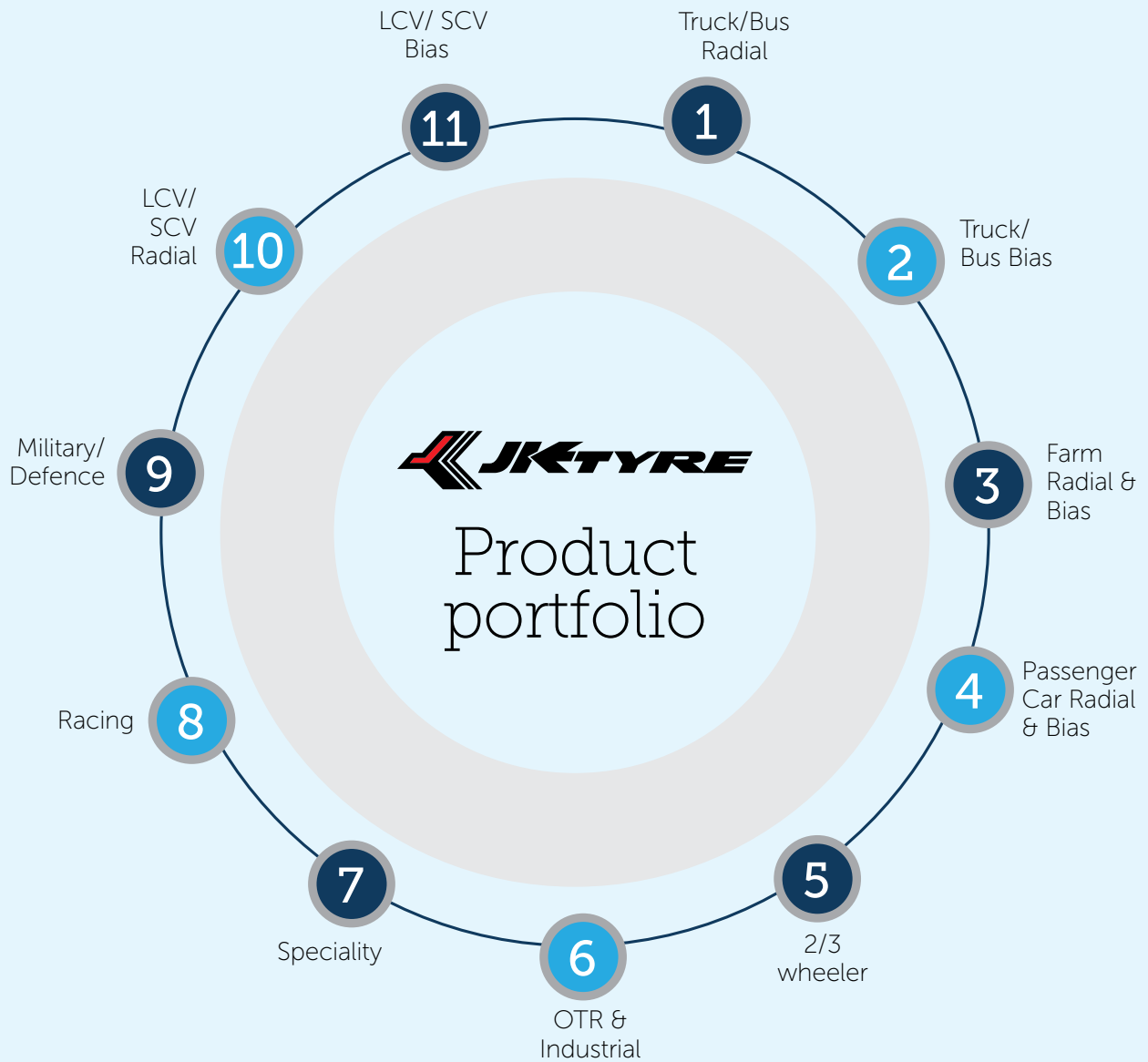
Respect: First and only tyre company in India to be awarded the CII-EXIM Business Excellence Award commendation certificate

First-mover: First company in India to have acquired an FIA-accredited racing series, the Formula BMW Asia

Innovation: First tyre manufacturer to foray into the connected mobility space following the launch of India's first-ever 'Smart Tyre'.

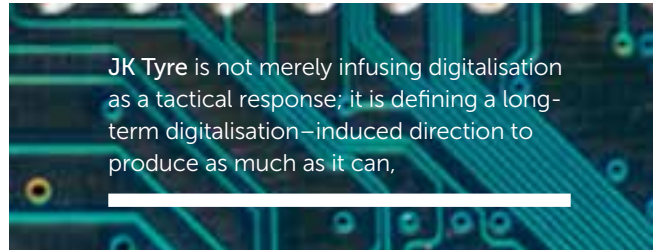
Futuristic: First tyre manufacturer to launch the next generation of the fuel-efficient Fuel Saver Technology TBR tyres built around the advanced JETOCT technology (improving vehicle efficiency while saving up to 8% fuel over normal radial tyres).

JK Tyre – Wide Product Range





At JK Tyre, 'Smart' means rewiring our DNA to build an exciting new company



At JK Tyre, we believe that there will be two kinds of companies in the future – those that have digitalised and those that have not.

This distinctiveness will be relevant for a world marked by consumer needs for increased responsiveness, safety and operational seamlessness.

JK Tyre is not merely infusing digitalisation as a tactical response; it

is defining a long-term digitalisation-induced direction 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 / wider exports. The result is not just a shifting of the needle: digitalisation is expected to create a completely new JK Tyre way of life.



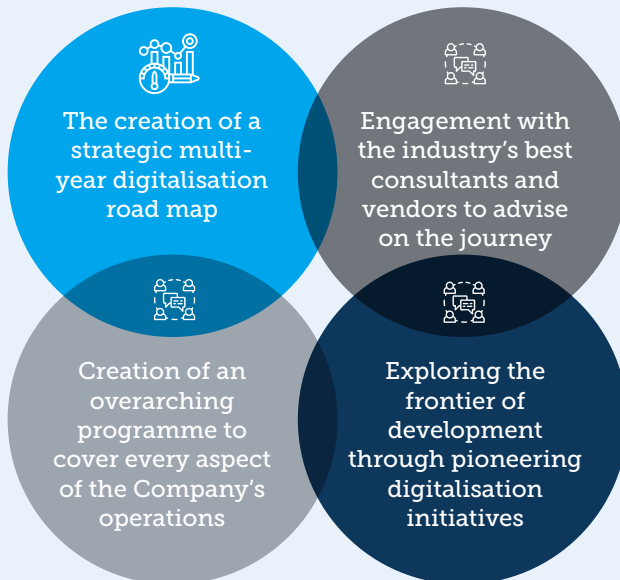
'Smart' manufacturing

Need: In a business marked by a large number of equipment, there is a priority to ascertain equipment health to protect manufacturing uptime and utilisation. At JK Tyre, we believe that this high uptime can be achieved if we graduate from a reactive response to equipment downtime to a point where equipment health can be predicted for corrective proactive initiatives.

Initiative: The Company invested in digitalisation to connect every manufacturing equipment to the Internet of Operations backbone. This made it possible for each equipment to 'talk' to a central IT backbone. More importantly, it empowered the Company to decode equipment health in real-time and reasonably predict when the equipment might be headed for downtime.

Outcome: This programme – among few such pioneering programmes the world over – is expected to enhance a culture of predictive maintenance based on informed decision-making. This is expected to result in a higher process consistency, superior product quality, increased capacity utilisation and replacement of high-cost repairs with relatively lower cost proactive correction.

The digitalisation priorities of the Company comprised the following:





'Smart' research

Need: An increased competitive terrain put a premium on the need to introduce a larger number of distinctive tyre variants.

Initiative: The Company invested in Raghupati Singhania Centre of Excellence (RPSCoE), a global R&D facility in Mysuru, where digitalisation

accelerated research processes, minimised work duplication, built on the existing platform and graduated manual processes to the automated.

Outcomes

The new product development cycle has been significantly shortened and the release of new products, sizes and variants accelerated. The Company's

portfolio is wider, deeper and adapted around emerging customer and geographic needs.

'Smart' product mix

Need: There is a need to develop higher performance tyres to address widening customer segments and categories.

Initiative: The Company leveraged cutting-edge

research at its state-of-the-art R&D Centre - Raghupati Singhania Centre of Excellence in Mysuru - to introduce a range of tyres delivering superior performance.

Outcome: The superior range ensured customer satisfaction and generated premium realisations, strengthening profitability.



'Smart' finance

Need: There is a greater need to moderate the Company's cost of staying in business through lower raw material and inventory costs.

Initiatives: The Company invested in data analytics centred on consumer purchase behavior, making it possible to estimate offtake at specific points of the year and moderate or stock raw material resources.

Outcome: A stronger digitalisation-driven supply chain is expected to moderate working capital outlay and enhance liquidity.

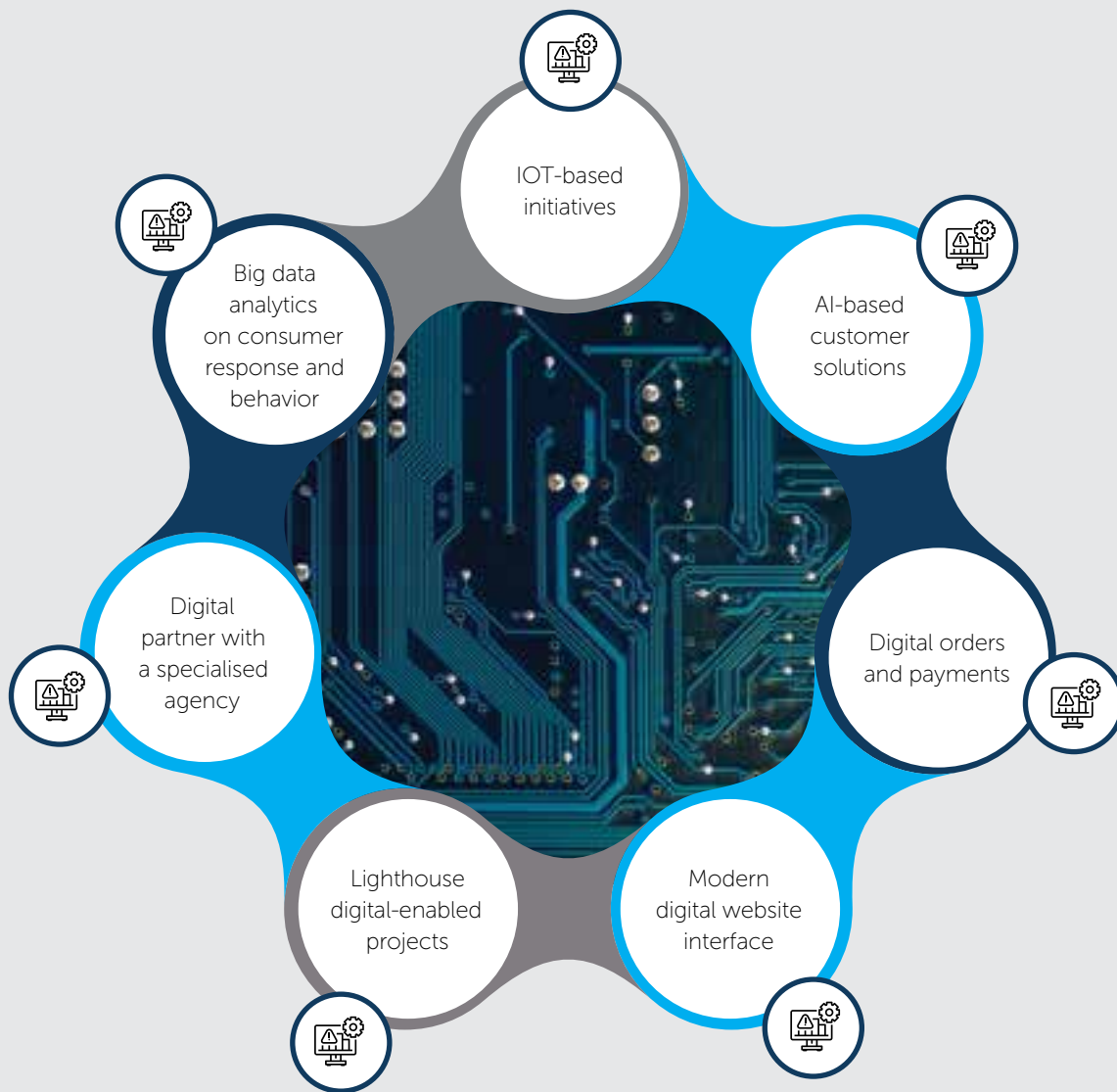
'Smart' consumer experience

Need: There is a greater need for fleet owners to ascertain the health of their tyres from remote locations, making it possible to minimise fleet downtime and enhance their ability to service customers with increased speed, predictability and cost-efficiency.

Initiatives: The Company launched Treel, a tyre pressure monitoring system. The sensor-based tyre communicates its health to the IT system, making it possible to alert owners on replacement or repair, enhancing safety.

Outcome: The product received a positive response, making it possible for fleet owners and other customers to use their tyres in an optimal manner, reducing operational costs.

At JK Tyre, 'Smart' is an organisational framework supported by cutting-edge technologies



HOW OUR 'SMART' STRATEGY ADDRESSES SPECIFIC NEEDS

Needs	Digitalisation: Need for enhanced responsiveness to customer needs	Manufacturing: Need for high manufacturing uptime and capacity utilisation.	Marketing: Urgency to innovate legacy marketing practices.
Research: Increased competition; need for distinctive tyre variants.	Finance: Moderate costs (raw material, overheads and inventory).	Fleet customers: There is a greater need among fleet owners to remotely monitor the health of tyres on the move.	
Distribution: There is a greater competition in the market place requiring stronger dealer engagement.			

Actions	Digitalisation: The creation of a strategic multi-year digitalisation road map	Manufacturing: The Company invested in digitalisation to connect equipment to the Company's Internet of Operations backbone	Marketing: AI-based customer solutions, digital orders, payments and Big Data projects
Research: Invested in a world-class research centre (Raghupati Singhania Centre of Excellence) comprising two advanced research and development facilities; digitalisation	accelerated research processes, build platforms and automate processes Distribution: Introduced digitalisation; plugged market gaps; responsiveness enhanced delight for trade partners	Finance: Invested in data analytics around consumer behavior and offtake	Consumer experience: JK Tyre launched Treel, a sensor-based tyre to communicate tyre health in real time

Outcomes	Digitalisation: Informed decision-making; quicker organisational responsiveness; stronger brand	Manufacturing: Higher process consistency, superior product quality, increased capacity utilisation and proactive correction.	Marketing: Early signs of a cost decline, increased growth, consumer delight and swifter market responsiveness.
Research: Decline in new product development tenure; accelerated product launches; wider and customised portfolio	Distribution: To shrink transaction cycles, increase the distribution partner's ease of doing business with a larger sales throughput.	Finance: Digitalised supply chain management to moderate working capital outlay	Consumer experience: Optimal tyre use among fleet owners



THE 'SMART' FOCUS IS HELPING JK TYRE MAKE THE WORLD A BETTER PLACE



Pioneered a new generation of tyres

We evangelised the radial movement and emerged as catalysts of India's radial revolution.



Making tyres 'smarter'

We emerged as the first global tyre company to install the 'On level Tyre Test Machine, generating real-time data in tyre testing and the first tyre company in India to invest in a first-of-its-kind semi-anechoic chamber for noise, harshness and vibration measurement.



Raising the responsibility bar

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



Building a 'green' company

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



Building the future for the sector

We became the first Indian tyre company to establish an independent research and development centre, one of its kinds in the Asia-Pacific.



Moderating the carbon footprint

We migrated from complete grid dependence a few years ago to procuring/generating half our power needs from renewable sources in 2019-20



Protecting water security

We emerged as a global benchmark for the lowest raw water use per kg of tyre manufactured

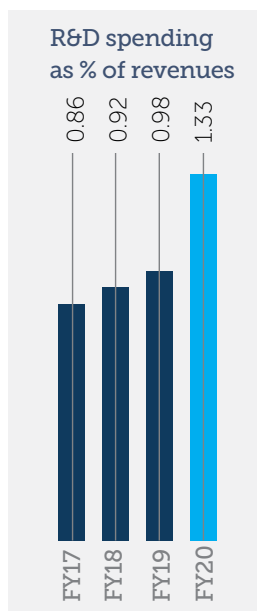
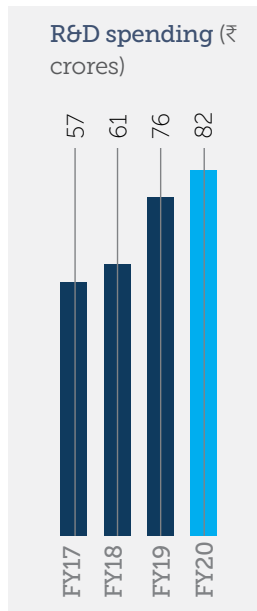
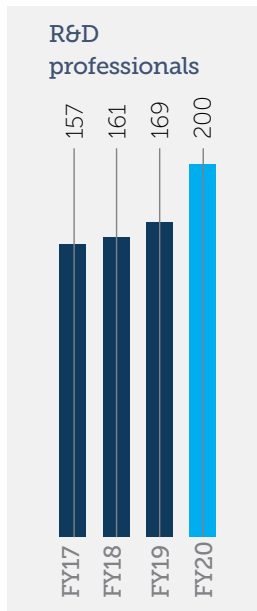
Raghupati Singhania Centre of Excellence (RPSCoE)



RESEARCH & DEVELOPMENT

At JK Tyre, 'Smart' is reflected in the way we engage in future-ready research

The big numbers (Standalone)



Case study

Some months ago, one of India's largest logistical and transformation fleets called for JK Tyre's Treel tyres.

It expressed an interest based on the market feedback that these tyres represented the next generation of product efficacy.

The fleet was understandably tentative at first; it had heard such claims from a number of other brands as well.

The fleet initially experimented with the use of Treel on some of its vehicles; it discovered that the sensor fitted on the tyre rim indicated the location, temperature, pressure and even locations shifts – in real-time. This was communicated to the fleet owner so that he/she could plant preventive maintenance or even rerouting whenever necessary. Based on a complement of these positive realities, the fleet extended the use of this product across its entire fleet.

This is what the fleet eventually discovered: tyres lasted longer distances and needed to be changed less frequently; fuel-efficiency increased 3%, which may appear as a small number but when applied across a large quantum of fuel purchased, the savings alone paid back for the tyres many times over.

There has been another benefit. Since the tyre 'tells' the executive at the fleet the equivalent of 'I am not feeling too well and it is time you looked for a replacement', the managerial stress on operations has reduced significantly.

The CFO at this large fleet is now breathing easier. A long-standing business challenge has been converted into a convenient solution that is adding to the bottom line.

'Smart' and JK Tyre

When it comes to the development of new products and JK Tyre, the strategic direction is clear: the manufacture of conventional tyres is passé; the design and development of cutting-edge tyres is the future.



At JK Tyre, the cutting-edge in tyres is expressed in a single word: 'smart'. 'Smart' at the Company indicates the ability to manufacture tyres that do not just ensure mobility and ride smoothness; they also indicate the capacity to manufacture tyres that extend the running distance coupled with moderated fuel consumption, translating into a lower cost of ownership. At a time when the cost of automotive fuel in India is prohibitively expensive, we believe that the introduction of futuristic tyres manufactured by the Company have begun to translate into a lower cost of ownership, stronger communication connectedness with the owner and superior aesthetics. The Company's tyres are no longer perceived through the narrow prism of costs:

they represent an attractive payback proposition by delivering superior value.

Challenges

At JK Tyre, our principal objective in a challenging 2019-20 was to emerge beyond the clutter of a crowded marketplace through a consistent introduction of new-generation tyres that enhanced our respect among peers, enthused trade partners and delighted consumers.

Besides, the economic slowdown deepened during the year under review, more perceptibly felt in the country's automobile sector across the truck, bus, commercial, passenger and two/three-wheeler segments. At a time when it became evident that market growth would stagger, a new

priority emerged: capturing additional market share. This, in turn, placed another priority on forward-looking tyre manufacturers like JK Tyre: the need to accelerate the introduction of tyre varieties customised around newly-introduced vehicles, regulatory challenges, challenging terrains, demanding customer preferences and global sectorial trends; there was a need to introduce environment-friendly tyres, moderate their carbon footprint and reduce their linkage with crude oil; besides, there was a need to introduce lighter tyres without compromising product strength; there was a need to widen the product range (standard and premium), graduate to higher re-treadability and mileage in the truck-bus and LCV segment, strengthen tyre safety and comfort in the passenger car segment, introduce a wider range of tubeless TBR tyres and moderate rolling resistance. There was a growing need to accelerate OEM approvals, enhance product choice, slash costs and enhance passenger car tyre presentability (aesthetics, durability, mileage and rolling resistance).

JK Tyre responded with agility in addressing these diverse market needs. The Company not only strengthened the quality of existing tyres but also accelerated the rollout of new sophisticated variants. This strengthened the perception that the Company does not just address the needs of the day but is future-ready.



Dr. Raghupati Singhania unveiling Fuel Saver Tyre at Auto Expo, 2020



Dr. Raghupati Singhania @RPSCoE – Semi Anechoic Chamber

Achievements in 2019-20



Product improvements

The Company placed a greater emphasis on a technology that progressively replaced the use of carbon black with silica, helping moderate a tyre's carbon footprint. Besides, the Company introduced liner compounds that strengthened tyre durability by 30%. The use of superior mixing technologies and self-sealing properties enhanced tyre quality.



Virtual proven ground

The Company developed VPG in conjunction with IIT Madras; this was implemented in the Chennai manufacturing facility to simulate a working environment with the objective to moderate costs. A presence on global technology sharing platforms helped the Company develop futuristic tyres.



Quality movement

The Company strengthened the TQM journey with the objective to progress towards the Deming Award, extend this movement across all the Company's sites, offices and branches and focus on achieving global benchmarks.



'Smart'

The highlight of JK Tyre's performance during the year under review was the introduction of its cutting-edge smart tyre, powered by Treel. This was the first such indigenous product and is tomorrow's tyre and the way tyres will be marketed in the future. The product was formally launched at the prestigious Auto Expo 2020 along with other futuristic products - reinforced JK Tyre's position among niche global companies possessing the knowledge bandwidth to launch future-ready solutions.



Low rolling resistance tyres

The challenge in the development of such tyres is a need to balance enhanced road grip, lower resistance and increased fuel efficiency. JK Tyre responded to this priority through the research-led introduction of a

'fuel saver technology product' (a proposition engraved on the tyre) that resulted in a fuel saving of nearly 8%. The product, launched in the last quarter of the financial year, received excellent consumer acceptance on the grounds that savings would pay for the tyre. In a challenging market environment when transportation and logistics companies sought to generate savings from within, the product – JDH XF and JUH XF - proved contextually relevant for the commercial segment, helping moderate carbon footprint.



Tubeless tyres

These tyres have been nascent in India's commercial segment. The products addressed the long standing customer need for high mileage coupled with high fuel efficiency, often seen as contradicting requirements (high mileage usually translates into lower fuel efficiency). The development of this product around the lowest rolling resistance – front grip tyre with 5 kg newton/kilo newton and drive axle tyre with 5.35 kg newton/kilo newton – is compatible with the needs of a BS VI environment, moderating fuel consumption and emission. The variant is expected to generate superior OEM traction and a larger addressable market.



Puncture-proof tyres

These tyres were launched with the objective to enhance functional convenience, service the needs of those on long-distance travel without support for changing tyres, the need to get from point to point in the shortest time and the specific need of safe driving during evening or night hours. The result is that this tyre has been positioned around a peace of mind. The research conducted by the Company warranted the use of a special solution inside a punctured tyre that acted as an immediate sealant. This 'smart' solution is being recognised among the first of its kind in the country.



Client approval

The Company worked closely with OEM customers for the development of products customised around their proposed vehicle launches. The Company's product variants in excess of 12 inch rim size cater to the stringent OEM requirements. This included Hyundai's Creta in the fast-growing SUV segment. The Company created, designed and manufactured a tyre for the Kia Seltos smart utility vehicle, strengthening its brand. The Company developed a 17-inch variant (UX Royale) for the Maruti S-Cross.



Winter tyres

This tyre was designed specifically for snow-rich terrains where the normal tyres encounter operational limitations. These tyres were tested across 300 kmph in Germany and 200 kmph in India; they were subjected to a blind-test against best-in-class tyres in Finland and New Zealand where the Company's tyres reported superior performance.



US-specific tyres

The Company developed tyres for SUVs; the number of released SKUs was around 90 across two years, providing a critical mass for the Company build on. The Company intends to benchmark its product against the best in USA, covering 80% of that market across the foreseeable future.



Electric vehicle tyres

The Company showcased these next-gen tyres at the Auto Expo 2020 comprising an optimised tread pattern, low rolling resistance, low noise emission and superior wet traction.



Coloured tyres

The Company presented this tyre at the Auto Expo 2020, made from specially formulated colored rubber compounds.



Fuel Saver tyres

The next generation of fuel-efficient tyres - XF series - was designed around the cutting-edge JETOCT technology, enhancing fuel efficiency over normal radial tyres.

Besides these launches, the Company strengthened its product portfolio around BS VI-compatible products that enhanced efficiency (balancing mileage, ride comfort, noise reduction and lower rolling resistance).

Retread business

JK Tread is a premium brand in India's retreading industry. For over a decade, the Company provided cradle-to-grave solutions. The Company's wide product portfolio of pre-cured high abrasion resistant treads designed to generate superior mileage is based on the Company's JK original patterns for the entire commercial and farm categories. During the year, a high mileage compound XM (Xtra Mileage) for TBR and Heavyweight for mining and Nepal-specific SKUs was launched. The Company's chain of JK Retread Centres in India was complemented

by a presence in Nepal. These centres were equipped with ultra-modern retreading equipment that followed the Company's standardised repair and retread procedures. All categories of the Company's tyres, including tubeless radials, were retreaded, providing comprehensive solutions to customers, fleets, mobility partners and OEMs. Nearly 50 channel partners were added during the year under review; this business is expected to grow.

Strengths

JK Tyre built deep competencies in new and differentiated product development.

Futuristic: The Company introduced radial tyres into India in 1977, kickstarting radialisation. This path breaking initiative, coupled with indigenisation, widened the

market for radial tyres. The Company played an important role in this movement through investments in proprietary technologies to moderate imports.

Knowledge: The Company showcased multi-decade proprietary capabilities in tyre and vulcanising technologies. It possessed a rich understanding of materials, product design and structures derived from proactive investments in a research centre in 1991 in Kankroli, Rajasthan. In 2018, all R&D and product development facilities were relocated to the newly established

state-of-the-art global R&D Centre at Mysuru - Raghupati Singhania Centre of Excellence (RPSCoE). The Company future-proofed its tyres through a proactive investment in complex material research, computation, modeling and safety testing to develop next generation of tyres for India and Mexico.

Partnerships: The Company collaborated with focused agencies resulting in a quicker technology access, absorption and implementation. The Company engaged with IITs and universities of international and national importance to create the country's next generation of rubber science and technology scientists. The RPS Centre of

Excellence is an effective showpiece of how industry and academia can engage in a joint venture (in collaboration with IIT- Madras) to research tyre mechanics and vehicle dynamics through FEA, mathematical models and experiments.



JK Tyre Plant, Chennai

Validation: The Company established a consistent record in the lowest number of product claims in the

bias truck segment (segment exposed to extensive product fatigue).

Responsible: The Company used natural fillers moderating petroleum components in a business where 50-60% of the material cost of a tyre is petroleum-based. This has helped strengthen cost stability, ecological responsibility and product

lightness. The Company is producing the same tyre with fewer resources and increasing production while moderating environment impact. The Company replaced finite fossil fuels with biomass, emphasising reuse, recycling, renewable energy and recyclability.

Simulation: The Company invested in cutting-edge simulation competencies, modelling and computational research. These helped 'manufacture' a tyre virtually and moderate tyre development from 24 months to six months. The Company also created an

environment to 'test' a tyre comprehensively through simulation technologies. Besides, the Company leveraged toolbox development, accurately estimating mileage, noise, vibration, fuel efficiency and safety (braking distance).

Smarter and lighter: The Company is constantly researching and innovating high-strength new-generation and environment-friendly raw materials to

produce lighter and stronger tyres (resulting in higher fuel-efficiency and declining cost per km).

Outlook

The Company will strengthen the rollout of new differentiated products during the current financial year. The Company intends to moderate the rolling resistance co-efficient across radial products, create products around electric vehicle requirements, increase product approvals by OEMs across

categories, retain the position of the lowest claims in the sector, enhance quality consistency, offer world-beating products for exports, increase eco-friendly resources, enhanced virtualisation and accelerate the development of the next generation of tyres.

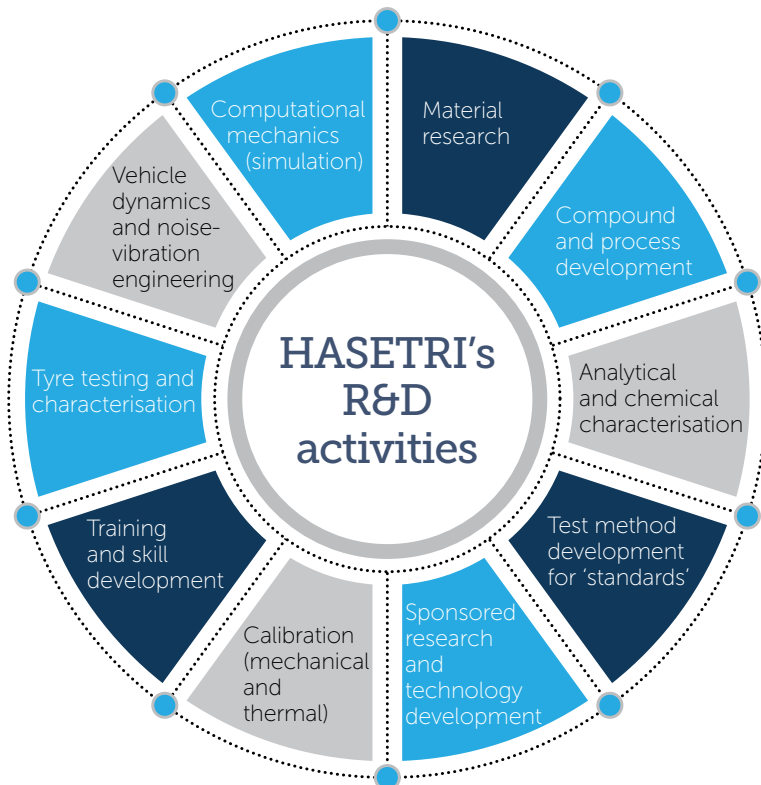


JK Tyre Radial Plant, Mysuru

Raghupati Singhanian Centre Of Excellence (RPSCoE)

Established in 2018. Launched 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). Shifted from Kankroli (Rajasthan) and Faridabad (Haryana) to Mysuru. 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: Hub of new product development engaged in product design, development, validation and industrialisation. Addresses all tyre categories for Indian and global market.



Dr. Raghupati Singhania at JK Tyre Smart Zone, Auto Expo 2020

'Smart' Zone @ Auto Expo 2020



JK Tyre Concept Tyres, @ Auto Expo 2020

JK Tyre launched its Smart Tyre at the Auto Expo 2020. The app-based Bluetooth technology product is compatible with smart phones, modern-day cars, bikes and trucks/buses. It is available in variants for cars and bikes and enterprise solutions for truck fleets. The Company's Concept Tyre Zone showcased exciting tyres comprising puncture-proof tyres, electric vehicle tyre, coloured tyre, fuel saver tyre and tubeless radials. The hi-tech tyre testing car was a visual delight.

New Product offerings

To address the growing needs of consumers, numerous products were introduced; the existing premium and popular range was enhanced.



JUH XF and JDH XF – India's most fuel-efficient tyres



JUH 5, JDE++ (TBR), JET MILES and XLM (TBB) in new sizes to cater to new axle norms



JET EXTRA XLM extended to LCV bias range



RANGER M/T for premium SUVs



TaxiMax, UX Royale and Elanzo Touring enhanced range



Blaze-Wider Premium Range for scooters and motorcycles (TT & TL)

Case study

Moderating the gestation time to launch new products

In a world where the operative word is 'now', JK Tyre has selected to make a significant difference in the way new products are researched, designed, developed and launched.

The Company did not just invest in a larger research infrastructure and more scientists; it invested in digitalisation, smarter workflows, larger information inflows of market requirements, industry-academic alliances and an overarching mindset that the good could be made better.

The Company questioned established sectorial norms; conventional sectorial workflows were replaced with smarter alternatives.

The result is that workflows began to shrink; time-frames began to collapse; work quality remained unaffected. At JK Tyre, new product development tenure has virtually halved even as the number of launches has increased.

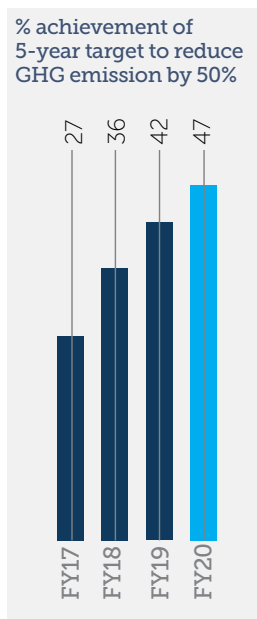
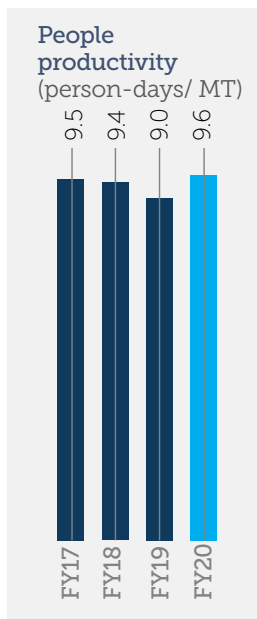
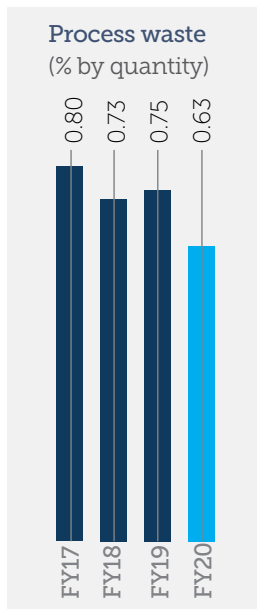
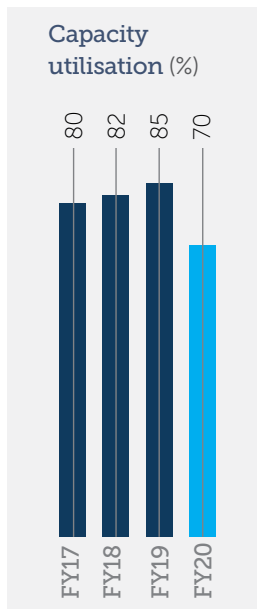
As a resource-focused organisation, the Company is backing a smaller basket of product winners, enhancing its effectiveness.

The message at the reinvented JK Tyre is that there is always a smarter way.

MANUFACTURING EXCELLENCE

At JK Tyre, 'Smart' is the capacity to get equipment to 'talk' to each other

The big numbers



Case study

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 needed. Resources needed to be allocated. Surveys needed to be conducted. There was a need for enhanced legal awareness and interpretation in each area. Emergency responsiveness needed to be enhanced. Safety roles and responsibilities needed to be identified for each position. Health surveillance was warranted for critical areas.

The Company invested the necessary resources. Among various initiatives, the Company developed a Vision and Mission for safety, created a comprehensive manual (56 procedures and 121 SOPs) 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 in Uttarakhand - received the prestigious Sword of Honour Award from British Safety Council, UK (Kankroli plant achieved the 4-Star rating).

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

The next mountain: bring all 5 Indian locations to the prestigious 5-Star standard before extending this to our Mexico plant and refresh this assessment every three years.

Our five-year objective

- To emerge with the strongest brand and the lowest cost structure
- To connect and network every equipment across every manufacturing plant
- To connect the entire organisation at the enterprise levels on one platform
- To build a Centre of Excellence for mixers and extruders, a repository of line benchmarking practices
- To extend a culture of enhanced transparency to superior efficiency and profitability

'Smart' Objective

In a business where passing cost increases to customers is not possible due to the competitive dynamics of the business, the only way to grow is to moderate manufacturing costs, enhance competitiveness, strengthen the price-value proposition, increase sales, manufacture a larger output and generate superior economies of scale. The one challenge in this sequence is the availability of the manufacturing facility. Should the manufacturing assets under-perform just when they are expected to deliver, the pull-down in capacity utilisation could affect competitiveness. In a tyre manufacturing business comprising

hundreds of equipment, the health of each influences the capacity utilisation of the unit and the Company. This reality puts a premium on the health of each equipment item and an even bigger priority in understanding the performance behavior of each with the objective to sustain peak performance, enhance operating efficiency, moderate costs and strengthen overall profitability. The year under review represented an inflection point in the existence of the Company. The conventional perspective was to respond to equipment downtime with retrospective speed. During the last

year, a new movement has begun: by networking manufacturing equipment into a larger IoT network, it is possible for an executive in the Company's headquarters to ascertain equipment health and arrive at proactive maintenance action protecting the overall uptime. The Company launched initiatives that analysed equipment performance across productivity, predictive maintenance, process / product quality and energy consumption. A culture of factfulness has emerged; mixing productivity strengthened 3% in the first quarter, indicating a larger improvement once the system acquires data critical mass.

Challenges

There were a number of challenges in graduating a conventional analog manufacturing workflow to digitalisation: the system had never been attempted before within

the Company; there was a need to graduate an understanding of predictive maintenance from gut feel to data-based analytics; there was a need to train executives in deciphering data and developing a

predictive mindset; the Company was still in the early stages of creating a critical mass of data that could inspire informed decision-making.

Achievements

The Company strengthened its commitment across initiatives.

<p>Carbon footprint: The Company moderated its carbon footprint from 1.07 CO2 equivalent per tonnes of output in the previous year to 0.97 CO2 equivalent</p>	<p>Energy: The Company achieved an energy level of 9.73 GJ per tonne despite a lower utilisation.</p>	<p>Renewable energy: The Company increased renewable power in its power mix from 4% in 2015-16 to 50%</p>	<p>Greenhouse gases: The Company moderated greenhouse gases by 47% by the close of the year (base year 2013-14)</p>	<p>Raw water: The Company retained its position as the global benchmark for water consumption – under 2.5 litres per kg on average; the consumption of raw water at 2.20 litres per kg of finished goods.</p>	<p>Waste: The Company reduced process waste from 0.75% to 0.63%</p>
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Digitalisation: The Company strengthened the process of digitalisation across Mysuru and KTP plants; it created section champions to drive the process.

Strengths

Global ranking: JK Tyre is among leading energy-efficient tyre companies in the world.
Four JK Tyre manufacturing plants received the British Sword of Honour recognition for exemplary safety standards, the first Indian tyre company to be so recognised.

Data-driven: The workflow is catalysed by a culture of documentation, target-setting, execution discipline, detail-orientation, reviews, cross-functional engagement and active knowledge sharing.

Cost leadership: The Company is among the most competitive tyre manufacturers in the world (especially in terms of water consumption per tonne of the end product); its energy consumption is attractively low and per-person hour creditable.

Kaizen: The Company continued to implement low-cost automation projects that enhanced manufacturing productivity in some of the Company's modern plants to around the industry's best.

Benchmarks: The Company moderated its carbon footprint; CFV measure declined; energy consumption per tonne of tyre manufactured and water consumption declined to a level that is among the lowest in the global tyre industry.

Best practices: The Company's cross-flow of knowledge across plants enhanced operating standards.

Outlook

The Company has its work charted out for the next few years. During the current financial year, the objective will be to stabilise the digitalisation programme at the Chennai and Banmore

manufacturing facilities across a large range of equipment and processes, strengthen transparency, extended decision-making from arbitrary and gut-based to data-backed initiatives, graduate data collection from batches to real-time access captured on a

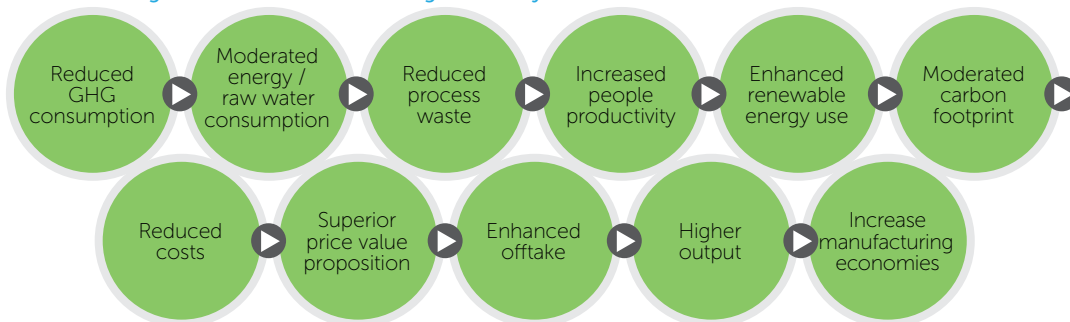
dashboard and transform data from the numerical to the visual format. Since this represents an inflection point for the sector, the Company will focus on training and growing professionals from within who can 'read' the data, creating the basis of an informed organisation.

The manufacturing efficiency of JK Tyre compared with global companies

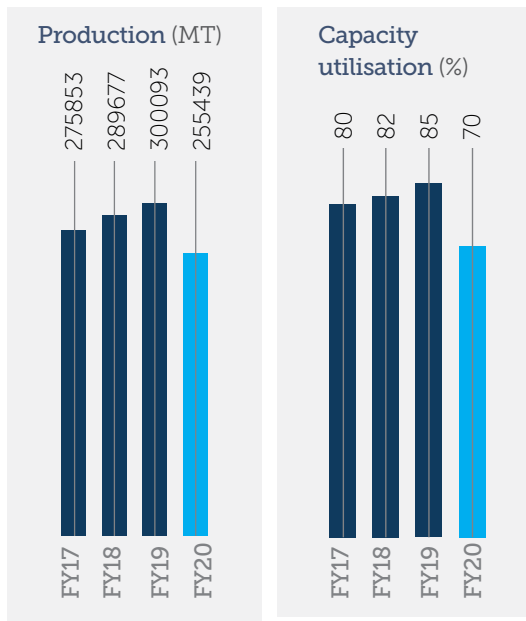
Organisation	Energy Consumption (GJ/tonne)	GHG Emission(Eq CO2/tonne)	Raw Water Consumption (Litres/Kg)
C-1	15.24	0.76	9.89
C-4	13.48	0.99	9.31
C-2	12.06	0.88	8.09
C-3	10.46	0.40	37.12
JK Tyre	9.73	0.97	2.2

C- Competitors (data based on their Annual & Sustainability Reports, 2018)

How we strengthened our manufacturing efficiency



Bringing 'Smart' to our manufacturing culture



Emission intensity (CO2 per tonne)

2013-14	1.835
2014-15	1.693
2015-16	1.530
2016-17	1.350
2017-18	1.172
2018-19	1.07
2019-20	0.97

Contribution of renewable power in total power consumption

2015-16	3.5%
2016-17	21.2%
2017-18	36.6%
2018-19	39.0%
2019-20	50%

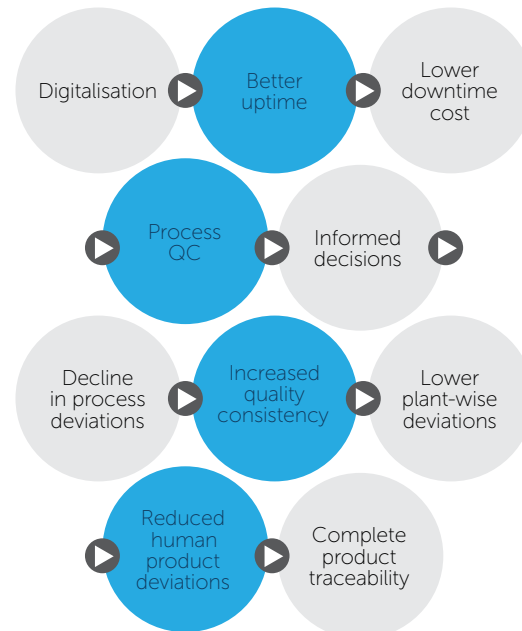
Energy consumption trend (Gj per tonne)

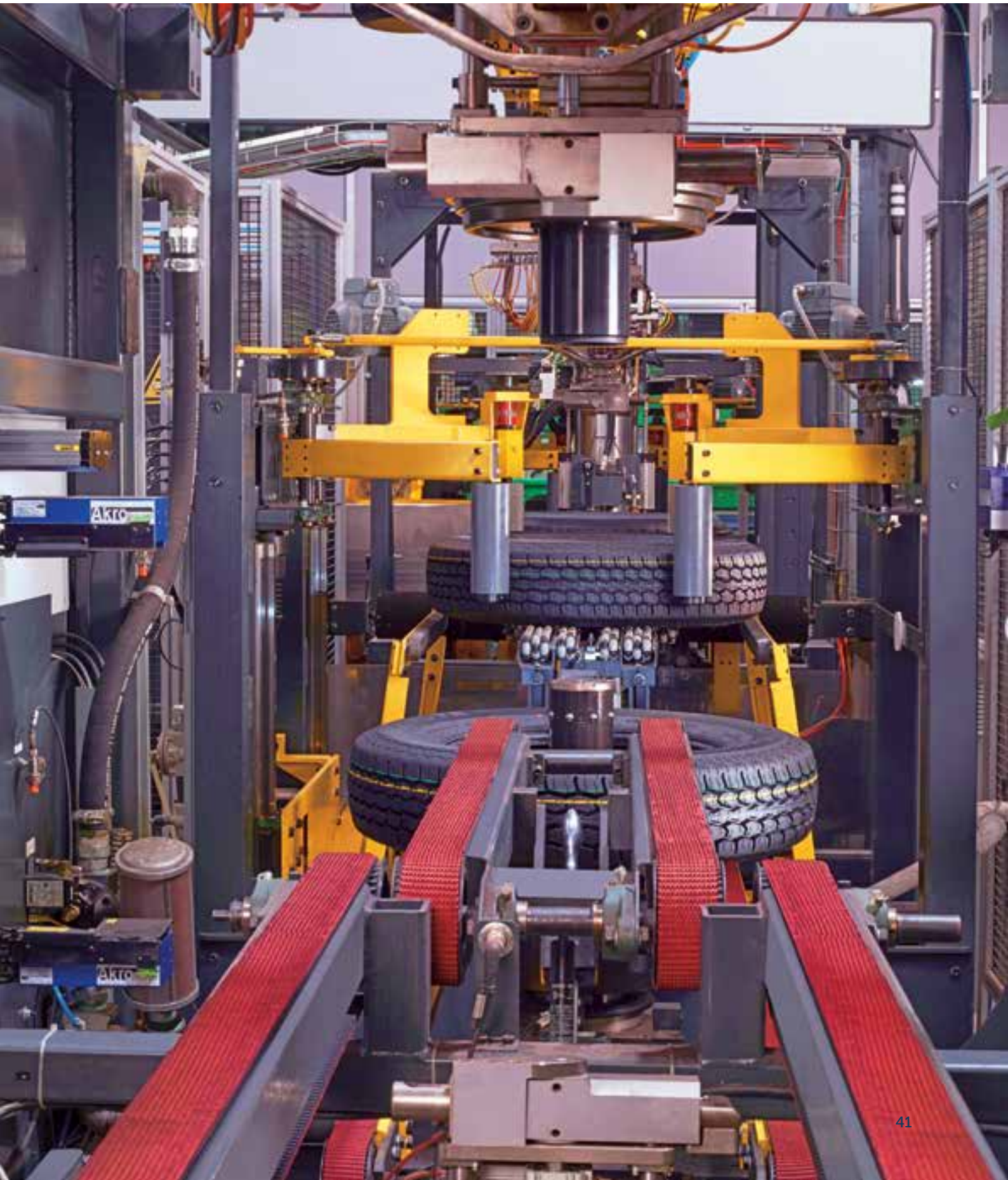
2013-14	12.31
2014-15	11.23
2015-16	10.74
2016-17	10.33
2017-18	10.20
2018-19	9.81
2019-20	9.73

Raw Water consumption Trend (KL Per Tonne)

2013-14	4.40
2014-15	3.90
2015-16	3.40
2016-17	2.83
2017-18	2.42
2018-19	2.18
2019-20	2.20

Digitalisation transformation







JK Tyre Tornel Plant, Mexico

EXPORTS

Growing our global business in a 'Smart' way

Big numbers (Standalone)

Year	FY17	FY18	FY19	FY20
Exports (₹ crores)	631	889	761	1036
Year	FY17	FY18	FY19	FY20
Exports as % of company's revenues (₹ crores)	11	14	10	17



Case study

Tyres that pay for themselves and other 'Smart' initiatives

Across four decades, the Company established itself among leading Indian tyre companies. The Company felt that the time had come to grow its global presence with similar passion. The Company was convinced that a global aspiration warranted a larger presence in USA. The continent is a large market for tyres, marked by a preference for a diverse tyre range, willingness to pay a premium for superior quality and graduation towards dependable brands.

During the last financial year, the Company accelerated its journey to establish the JK Tyre brand in USA. The Company engaged with long-standing trade partners with distribution networks across the continent; the Company emphasised its positioning around 'tyres that pay for themselves', which was validated by fleet owners who reported an increase in mileage and fuel efficiency.

The Company's objective is now to double its exports to this continent.

'Smart' objective

In the past, JK Tyre focused on robust growth coming out of the Indian market; this strategy was validated by a substantial increase in vehicle ownership in India. During the last financial year, the Company made a decisive extension in its approach: it began

to focus deeper on growing its international presence, leveraging its research that made it possible to produce products customised for diverse terrains, engage in extensive testing against the best tyres in the world and demonstrate that the quality being delivered by the Company compared with the best. The Company strengthened

its positioning as any-season and any-market provider as opposed to marketing globally only in years of excess supply or weak Indian market conditions. In addition to diversifying the Company's geographic away from an excessive dependence on India, the strategy will help the Company build a sustainable global brand.

Challenges

The Company encountered a number of challenges in growing its international exports share: the Company was not adequately known in a number of markets,

most of the large markets were marked by competition coming out of exports from China, Vietnam and Thailand and there was a need to protect realisations without undercutting. Besides, the global economy slowed:

from 3.6% in 2018 to around 2.9% in 2019 following the trade war between US and China, tightened financial conditions, geopolitical tension, trade restrictions on some countries and relatively high crude oil costs.

Achievements in 2019-20



Increase in exports

The Company reported an appreciable increase in its global business during the year under review; export revenues grew by an impressive 36%.



Wider presence

The Company enjoys a presence in 105 countries; the Company entered a number of countries in Europe and Africa with a portfolio of quality radial tyres. The Company resumed its exposure in South East Asian countries.



Product mix

The Company strengthened its product mix by leveraging its competitiveness and geographic understanding; commercial tyres accounted for 85% of the Company's exports while passenger car tyres accounted for the rest.



Positioning

The Company's products were marketed in line with products from other Indian companies, providing a lower cost per kilometre to the commercial fleets, high mileage and comfort to passenger vehicle owners. This concept selling, coupled with enhanced branding, strengthened offtake.



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, ensuring an increase in profit from exports.



Sales productivity

The Company strengthened its sales productivity and export profitability.



US presence

The Company's exports to US increased substantially; the Company emerged as the largest Indian commercial tyre exporter to the US.



Africa

The Company increased its market share of exports to Africa.



Synergies

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



Trade network

The Company established and strengthened marketing hubs and global sales teams in Middle East, South East Asia, Africa and North America.

SKUs
launched
for exports,
2019-20

24
PLT

15
TBR

9
TBB/LCV



Strengths



Presence

JK Tyre’s products are marketed in 105 countries.



Team

The Company invested in a marketing team possessing an understanding of ground realities across the geographies of its presence; the allocation of focused responsibilities enhanced accountability.



Product development

The Company leveraged its research to develop a larger number of tyres customised around global geographies; besides, the Company accelerated the development of new products. The Company reinforced its recall as a one-stop solution provider, marketing a complete range of tyres from its Indian and Mexican operations.



Trade network

The Company established a wide presence of trade partners across countries and continents (150), making it possible to pick up incremental tyre demand arising out of increased economic activity.



Brands

The Company grew its international presence on the strength of two established brands exported out of India (Vikrant for commercial tyres and JK Tyre across the entire range) and one brand (Tornel) exported out of Mexico, enhancing logistical efficiency and market responsiveness.



Access

The Company’s global footprint helped aggregate trend insights from a large number of markets.



Solution provider

The Company provided global customers the option to access products out of India or Mexico based on their logistical convenience and trade relations.

Outlook for 2020-21

The Company intends to increase the share of exports within the overall revenue during the current financial

year - a larger share of exports from US, Europe and Africa, growth in passenger car tyre and two-wheeler tyre exports, greater focus on increasing the global share of OHT

tyres (a segment that accounts for 66% of all tyre exports from India) and strong brand building to ensure a deeper market presence in selected regions.



DOMESTIC PRESENCE

Bringing a 'Smart' touch to our Indian business

Overview

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

The increase in the axle load norms during the course of the previous year (September 2018) by 14% continued to affect the prospects of the automotive sector. Besides, the market was affected by relatively high oil prices (until they declined during the latter part of the financial year).

There was a challenge related to people retention and increased competition that affected margins.

Big numbers

6.5%

De-growth of the two-three wheeler segment in India

30%

JK Tyre's growth in the two-three wheeler segment

1.7%

Growth of the OTR segment in India

20%

JK Tyre's growth in the OTR segment

Big numbers (India Operations)

Year	FY17	FY18	FY19	FY20
Revenues from India (₹ crores)	6607	7484	9193	7649
Year	FY17	FY18	FY19	FY20
India revenues as % of company's total revenues	86	89	89	88
Year	FY17	FY18	FY19	FY20
% of revenues derived from radial tyres	60	59	61	60

Achievements in 2019-20

Commercial tyres (truck)



Relationships

The Company addressed the radial tyre needs of large fleets through relationship managements who serviced their needs with speed beyond the immediate capacity of trade partners



comprising the outsourcing of tyres by large fleets, strengthening its critical mass of such customers and creating a base for the Company to extend this to a larger audience



New launches

The Company introduced products across the radial and bias varieties, deepening its presence across both customer types through a wider choice



Insurance

The Company introduced the concept of a tyre insurance for commercial tyres (truck) for the first ever time in the sector, enhancing customer confidence and retention



Approach

The Company addressed the growing radial tyre segment through the introduction of products under three variants (premium, regular and economy), making it possible for each to compete effectively with comparable products in their respective price segments



Intermediaries

The Company increased the number of dealers by 250 to over 4500, strengthening its pan-India coverage



Mobility solutions

The Company doubled the number of fleets around the radical 'pay per use' model



Mindset shift

The Company accelerated the shift in approach from 'sell' to 'serve', creating an organisational momentum of the product being positioned as a 'tyre as a service'

Two- and three-wheelers



New customers

The business extended into OEMs like Bajaj Auto and Hero Moto Corp on the one hand while enhancing after-market presence

a scenario where 75% of the offtake in this segment is accounted for by the Blaze brand and the rest by Challenger



SKU growth

The Company increased the number of SKUs from 40 three years ago to nearly 100 at the close of the last financial year, 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.



Channel partner engagement

The Company strengthened channel partner engagement for new distributors, which enhanced awareness of its products, technologies, manufacturing facilities and capabilities, strengthening per dealer throughput



Brand growth

The Company evolved from a complete dependence on one brand (Challenger) to



New launch

The Company launched sensor-fitted tyres in the truck passenger and two-wheeler and passenger car radial segments

Strengths

Two- and three-wheeler



Brand

The Company strengthened its recall around established brand attributes – Blaze’s superior product attributes and the Company being a credible ‘House of two- and three-wheeler tyres’



Branding building

The Company demonstrated its brand building competencies across the last few years when it built Blaze from scratch following an understanding of what consumers needed, corresponding product

development and established distribution networks



Coverage

The Company’s market reach comprised 350 distributors covering 600 districts and addressing the needs of more than 30,000 retailers and 30,000 mechanics/fitters, covering 70% of the country’s addressable market. The Company’s rural distribution network comprises a reach down to Tier 4 and 5 cities marked by a population of 20,000 or less

Outlook for 2020-21

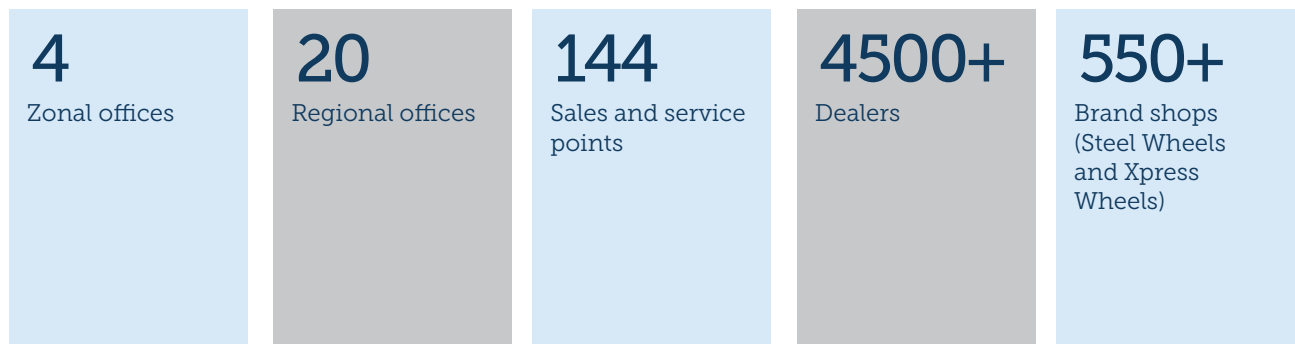
The Company intends to launch initiatives to empower the sales force, increase the number of trade partners and enhance their productivity. In the area of two- and three-wheeler tyres, the Company intends to widen its distribution presence, engage auto service and component providers to provide tyres, engage large modern format stores, strengthen premiumisation, launch 20 SKUs and enhance market share by 200 bps.





JK Tyre Xpress Wheels

Our Indian distribution footprint





JK Tyre Truck Wheels

49

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

800

Fleet operators

3

Marketing tie up with 3 oil companies



JK Tyre Steel Wheels

MARKETING

Putting 'Smart' into our marketing

Case study

How we moved with speed to moderate the impact of the virus-induced lockdown

In February 2020, the impact of the novel coronavirus began to impact global operations. JK Tyre moved proactively to secure its business.

JK Tyre was one of the first companies that launched a war room to prepare a sequence of measures to protect against the exigency.

Among the principal initiatives, the Company accelerated sales during the first half of March 2020; it undertook various support measures for its channels, protecting revenues and minimising impact.

Besides, the Company provided trade incentives to shrink the receivables cycle, strengthening cash flows.

The result is that the lockdown notwithstanding, the Company strengthened its offtake and liquidity during a challenging month.

Overview

In a market where realities transform with speed, there is a premium on information access, flexibility of approach and responsive agility.

During the year under review, JK Tyre turned the ship on a number of conventional practices, which transformed the mind-set, enhanced digitalisation-led interventions to facilitate quicker organisational responses, enriched the training of frontline employees to address

consumer needs and built a culture of profitable and sustainable growth.

Challenges

The Indian market was affected by a slowdown during the year under review. As automobile sales growth declined, most fleets operated at 70% of their capacity, affecting tyre offtake. Besides, the decision of the government to revise axle load norms resulted in a corresponding decline in tyre offtake.

Since 35% of the demand for tyres in India is derived from the OEM

segment, there was a slowdown in the impact on this segment; the slowdown moderated the Company's truck and bus segment by 44%. As the replacement market grew 5%, the Company outperformed with a growth of 6%.

The Company was required to sustain its percentage growth rate on a larger revenue base. It needed to enhance responsiveness to changes in marketplace dynamics as well as regulatory changes in axle load norms (announced in 2018) that affected the sales momentum.

Achievements in 2019-20

The Company embarked on a number of initiatives to strengthen its market presence and agility.

It focused on the replacement market even as OEM offtake declined. It positioned itself as a complete one-stop tyre supplier accounting for a larger share of the retailer's wallet, which strengthened realisations.

The number of products on offer increased during the course of the year; Brand Shop contribution towards PCR sales stood at 38% in FY20; there was an increase in the proportion of revenues from renting tyre services to fleet owners. The motorsport rub-off impressed consumers that the tyres manufactured by the Company were similar to the ones used by racers.

The Company created a portal, addressing dealers, and an app for employees with the objective to graduate a number of decisions from computer terminals to smartphones, enhancing speed and quality of decision making (in the area of online warranty registration for instance, among others).

The Company invested in digital interventions to moderate its response time in resolving consumer issues at the retail end, transforming consumer apprehension into delight.

The Company entered into an engagement with one of the most renowned global management consultants to seek opportunities in moderating costs and enhancing revenues by plugging market gaps and enhancing reach. The green shoots of this medium-term exercise were visible in the latter part of the financial

year under review in the form of operational streamlining, superior data access and informed decision-making.

The Company strengthened its channel partner engagement, arranging working capital for them, building tools to empower them to order tyres online and enhancing engagement ease with the Company.

The Company altered its conventional approach where the technology team conceived the product; the responsibility shifted to the sales and marketing team with its presence wider in the market and possessing a deeper grassroots understanding of markets and consumer needs. This 'go to market' approach started reflecting in the increased incidence

of successful launches with a higher throughput in the first few months.

The Company engaged in capability building for its sales and marketing team, extending from the conventional approach of knowledge accretion from manual to app-based skill building and behavioral training.

The Company strengthened the structure of its sales and marketing team with the objective to enhance agility, productivity, customer-centricity, approach smartness and people orientation. These initiatives are expected to enhance brand vibrancy as a comprehensive multi-product tyre company.



EXCON 2019, Bengaluru

Strengths



Pioneer

The Company is respected as India's radialisation evangelist, respected for introducing forward-looking radial products across more than four decades following the pioneering launch of this product in India in 1977.



Profitable growth

The Company enriched its product mix – addressing vehicle and terrain needs, delivered where customers wanted, evoking the right value proposition and generating a premium. The result was that growth was not at the cost of realisations or margins.



Portfolio

The Company offered a comprehensive portfolio of tyres including two- and three-wheeler tyres (from the Laksar plant) that translated into a complete tyre portfolio solution from 3 kg 2-wheeler tyres to 3.7 tonnes OTR tyres (India's largest).



Trade partners

The Company's marketing strength has been derived from enduring relationships with dealers and large fleet owners, strengthening revenue visibility.



Brand shops

The Company's branded outlets (550+ in India) provide a trusted standardised service (products and engagement). The Company increased the rollout of exclusive 'JK Tyre Steel Wheels' (addressing passenger car and LCV tyres) and 'JK Tyre Truck Wheels' retail outlets (addressing HCVs).



Coverage

The Company's products are available in more than 500 districts (out of 627), making it convenient for customers to buy. The Company's differentiated distribution network is represented by the presence of dealers in prominent locations with a limited sales footprint coupled with distributors deep inside districts with a large catchment. The Company serviced the anytime product availability needs of dealers through the ability to supply products from any of its nine Indian manufacturing facilities.



Trust

The Company's brand generates the unaided recall of 'trust'; it is the largest Indian tyre brand addressing commercial vehicles, the backbone of India's cargo transportation system. The result was that the Company strengthened per unit tyre realisations.



Flexibility

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



Pay per use

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), deepening its brand as customer-facing.



Stronger supply chain

The Company strengthened its supply chain frequency through hand-held information technology tools that increased demand fulfillment and moderated working capital outlay.

‘Smart’ initiatives

At JK Tyre, we believe that successful organisations are ones that communicate completely and effectively; in view of this the Company implemented digitalised interventions to communicate across the organisation.

The Company launched a smartphone app for the field

executives to report sales or update status or verify records, reducing the lead time in doing so. This approach made it possible to deliver solutions for trade partners with a greater speed, enhancing their delight.

The Company made it possible to market tyres through a wider range of trade channels – the conventional across the

country, e-commerce and fleet management solutions.

The digitalisation-backed backbone of the Company’s communication system has made it possible to generate hourly reports of operational health, making it possible to respond with speed to market developments and shrink the lead time between information access and action.

Outlook for 2020-21

The Company intends to engage young fresh talent, deepen digitalisation, enhance brand premium and engage in

transformative projects dedicated to plugging market gaps, capabilities and strengthening the price-value proposition. Besides, the Company expects

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

JK Tyre enjoys...

<p>The largest share in the area of truck and bus radials in India</p>	<p>The largest volume of commercial tyres in India (light truck radial, heavy-light-small commercial vehicles)</p>	<p>One of the highest shares of the OHT (bias) market in India</p>	<p>The widest range of truck radial tyres in India</p>
<p>The largest number of Truck Wheels outlets in India</p>	<p>One of the largest numbers of Brand Shops in India</p>	<p>One of the largest number of re-tread franchisees in India</p>	

JK Tyre's Fleet Management Solution

We provide truckers solutions related to tyre maintenance

We provide a preventive maintenance solution, extending tyre life

We demonstrated an attractively lower cost per km of tyre used

We extended this solution across more than 800 fleet owners

We ensure peace of mind for our fleet management customers



JK Tyre Happiness Truck Ride, Delhi-Leh-Delhi

HUMAN RESOURCE

Strengthening the 'Smartness' of our knowledge capital

'Smart' move

The Company firmly believes that its success is largely due to the employee commitment, passion and contribution. Over the years the Company has been working extensively to provide employees with a supportive, rewarding and safe work environment coupled with engagement and empowerment. With a

dedicated focus on workforce issues - learning and development programmes and succession planning - the Company is providing employees with career advancement opportunities. The structured human resource development covers employee engagement, performance and compensation management, competency mapping and assessment centres.

Overview

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

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

Over the years, the Company invested in people competencies, training, empowerment, team working, knowledge sharing, transparent communication (monthly webcast, Town Hall meetings etc.) and succession planning.

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

Challenges, 2019-20

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

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

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

There was a need to match the right talent with the right position at the right time to enhance fitment.

There was an added requirement to strengthen preventive measures against the spread of the Covid-19 virus.

The Company was required to enhance employee confidence and facilitate work from home, ensuring safety and business continuity.



Achievements in 2019-20



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



This outperformance was marked by a number of achievements.



The Company reinforced its culture around the willingness to embrace challenges and passion-driven outperformance.



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



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



The Company was recognised as One of Top 100 India's Best Companies To Work For in 2019.



The Company was recognised as one of India's 30 Best Workplaces in Manufacturing, 2020 - certified by Great Place to Work.



The Company reported a significant increase in the Trust Index (as measured by Great Place To Work).



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



The Company reinforced its succession planning for critical senior management positions.



The Company recorded the highest ever employee engagement score of 83% in the Employee Engagement Study that took place on 20th March, 2020.



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



The Company undertook various protective measures for its employees against the outbreak of the virus.

Outlook

The Company strives to be amongst the most trusted companies. The Company intends to be amongst the Top 20 best employers in India, strengthening a culture of innovation and talent development. The Company seeks to retain its position as a Great Place To Work.



HR Strategy Plan 2018-2023

GOAL

- Future-ready organisation
- To be amongst the top 20 Best Employers in India
- To become the number 1 talent company in the industry

Building Capabilities

- Assessment Development Centre (ADC)
- JKTIL Learning Centre Learning Management System (LMS)
- Building Mentoring Community
- Key training interventions

Enhancing Performance Culture

- Optimisation of Manpower
- Variable Pay
- Online Performance Management System (PMS)

Lean and Agile Organisation

- Organisational structure review
- Workplace planning
- Benchmarking for staffing ratios

Building Employer Brand

- Social media campaign
- Activation of external engagement

Proactive IR/ ER

- Proactive training and sensitisation of union/opinion leaders
- Healthy and safe work environment
- Timely long-term agreements (LTAs)

Organisation Core Values and HR Programmes





FINANCIALS

A culture of financial outperformance

Overview

In a competitive Indian tyre sector, there is a premium on the need to generate superior margins, utilise lower working capital, increase

margins, service debt on schedule and reinforce business sustainability. JK Tyre's Balance Sheet addresses growing needs of all stakeholders and viability across market cycles.

Challenges, 2019-20

The Company encountered various business challenges during the year under review. There was a

deepening market slowdown, growing competition and a lockdown during the latter part of the financial year.

Achievements, 2019-20

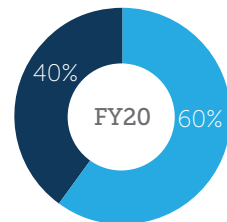
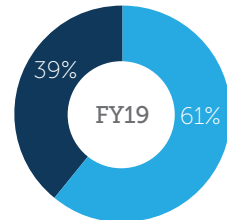
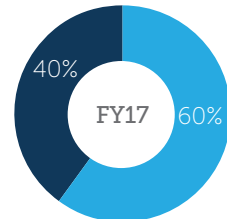
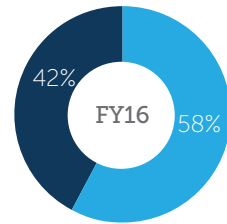
The Company continued to strengthen its product mix through a larger focus on aftermarket and value-added products; the Company increased the proportion of revenues derived from the aftermarket from 63% to 78%.

Strengths

The Company increased the proportion of radials in its product mix from 58% in 2015-16 to 60% in 2019-20 on a larger production base, 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 derived from renewable sources from 21% in 2016-17 to 50% during the year under review, marked by a short investment payback.



■ Radial ■ Bias

Outlook

The Company is attractively placed to grow its business across the foreseeable future. The Company expects to moderate its gearing, reinforcing its financial foundation and long-term business stability and making a gradual shift towards profitable segments and radial tyres.



From left to right: Mr. Srinivasu Allaphan, Director, Sales & Marketing; Dr. Raghupati Singhania, Chairman & Managing Director; Mr. Anshuman Singhania, Dy. Managing Director; Mr. VK Misra, Technical Director



From left to right: Mr. Sanjeev Aggarwal, Chief Financial Officer; Mr. Anshuman Singhania, Dy. Managing Director; Mr. VK Misra, Technical Director; Mr. AK Bajoria, Director & President (International Operations)



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



JK Tyre presents 'The Indian Motorcycle of the Year 2020' award to Dr. Pawan Munjal, Chairman, Hero MotoCorp Ltd. for the 'Hero XPulse 200'.



BRAND

The JK Tyre brand. Visible. Digital. Connected.

Overview

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

Digital

At JK Tyre, we recognise that the widening use of smartphones, emerging as one of the most potential drivers of brand recall. During the last few years, the Company leveraged the digital medium to promote branded outlets and to target campaigns at users in the PCR and Truck segments. Besides, in motorsport, the Company reached out to more than 20 million enthusiasts through the digital route, generating more than 1.5 mn views of videos and racing season webcasts on the social media. As an extension of this commitment, JK Tyre is the number one brand in India's tyre industry in terms of Facebook followers. By growing its visibility through the digital medium, the Company strengthened the contemporariness, accessibility and premiumness of its brand.



JK Tyre presents 'The Indian Car of the Year 2020' award to Mr. Bryan Dong Huwy Park, ED, Hyundai Motor India Limited, for the 'Hyundai Venue'.



JK Tyre presents 'The Premium Car Award 2020 by ICOTY' to Mr. Rudratej Singh, MD & CEO, BMW India for the 'BMW 3-Series'.

Brand salience

In 2019, JK Tyre pursued brand activities through premiumisation and differentiated communication. The thrust deepened through a consistent media presence (TV, print, digital, radio, outdoor etc.) resulting in greater consumer mind share.



TV

JK Tyre launched an aggressive TV campaign featuring India's leading motorsport champion Armaan Ebrahim that helped the Company reach more than 36 million customers. The Company's tactical campaigns on leading news channels enhanced brand visibility.



Print

JK Tyre leveraged the print media (magazines and newspapers) to promote its brand and product communication. A visible campaign promoted PCR consumer offers; a regional festive offer during Onam enhanced visibility.



Radio

JK Tyre utilised radio to reach out to a diverse segment of consumers. The Company executed multi-city campaigns to promote consumer offers, festive offers and motorsport events.



Outdoor advertising

JK Tyre focused on breaking the clutter through outdoor advertising at major airports and select cities. The Company executed a high visibility wall painting campaign across key towns and cities.



Below the line / brand activations

The Company participated in leading industry exhibitions like Auto Expo, Tyre Expo, Excon, CV Forum and Motofest to enhance visibility; activations like UBER Super day helped reach taxi drivers; Overdrive for SUV Comparo activity showcased premium SUV tyres. A mechanic influencer program (2-Wheeler ka don) helped reach sub-dealers and mechanics to drive secondary sales; a pioneering Happiness Truck Ride (Delhi to Leh and back) helped connect with the trucking community; an all-India canter

activity called Khadaan Express promoted the bias range of tyres for mining applications; an OE campaign promoted a new range of products among key OE franchisee customers; a National Hotspot Day activity increased customer conversion of premium products (TBR and TBB). In the LCV category, the Aapka Saarthi campaign focused on Southern India.



Motorsport

The Company continued to leverage the motorsport platform to reach out to youth and demonstrate technological prowess. The Company organised JK Tyre Festival of Speed, India's biggest motorsport extravaganza attracting 35,000 spectators. The Company made a comeback into National Rallying, signing champion rally driver Gaurav Gill as brand ambassador. The Company sustained motorsport activities in North-east India through its association with Hornbill Festival in Nagaland and Orange Festival in Dambuk.



Recognising excellence

The Company continued to sponsor the most coveted awards in the Indian automotive industry - Indian Car of the Year, Indian Motorcycle of the Year (IMOTY) and Premium Car of the Year 2020 - were awarded to Hyundai Venue, Hero Xpulse 200 and BMW 3-Series.



Awards

The Company continued to be the only tyre Superbrand to be conferred the award seventh time in a row coupled with the Great Place to Work 2019 recognition. A Lifetime Achievement Award was presented to Dr. Raghupati Singhanian, Chairman-Managing Director, at Manufacturing Today India Conference & Awards.



JK Tyre and Motorsport

During the last number of years, JK Tyre strengthened its brand visibility through a visionary leadership role in India's motor-racing sector. This helped generate a positive association with the sport on the one hand and performance of the Company's enduring tyres on the other.

Overview

To see JK Tyre as a Company that sponsors racing and rallying events in exchange for product and corporate visibility is to miss the big story of the contribution that it has made to the sport.

The Company has not just invested but has grown a motorsports movement, selecting to enter the space when no corporate brand was willing to be involved with the sport. The Company has not just conducted events; it has helped democratise the sport by

providing opportunities across economic classes and enhancing the affordability of the use of racing infrastructure. It has focused on encouraging Indian talent (the only F1 drivers from India are from JK Tyre's motorsport programme).



JK Tyre Brand Ambassador Gaurav Gill being conferred the prestigious Arjuna Award 2019 by the Honourable President of India Shri Ram Nath Kovind



Racing

JK Tyre instituted the National Racing Championship nearly a quarter of a century ago. JK Tyre National Racing Championship has been running successfully for 23 years, becoming a showpiece of engine and machine technologies and helping graduate competent racers into global names (F1 Race drivers Narain Karthikeyan and Karun Chandhok). The result is that the championship is more than just a competition; it is the breeding ground of the next generation of racing talent in India with 90% racers representing the country at various motorsport levels across the world having been drawn from JK Tyre’s karting / racing programmes.

Yash Aradhya (first motorsport person to win the Pradhan Mantri Rashtriya Bal Puraskar Award) with Honourable Prime Minister of India Shri Narendra Modi



JK Tyre Women's Rally to the Valley, Mumbai to Amby Valley

Rallying

JK Tyre entered into an association with rallying nearly three decades ago. During this period, Team JK Tyre won the National title on nine occasions and the inaugural Asia title. After a gap of two decades, the

Company entered the rallying space last year, fielding the best rally drivers from across the country who wore JK Tyre colours at the Indian National Rally Championship. The team welcomed Gaurav Gill (Registered driver in World Rally Championship, three times Asia

Pacific Rally Champion and six times National Rally Champion and the first motorsport athlete to win the prestigious Arjuna Award,) who had commenced his motorsport career with the Company's karting and racing programs.

TSD properties

Following the introduction of Time-Speed-Distance events, JK Tyre Motorsport organises and hosts a number of TSD events across the country. The Company has been associated with the JK Tyre Himalayan Drive since its launch eight years ago. A four-day event from Siliguri into the Himalayas navigates through picturesque locations in Sikkim and Darjeeling before culminating in Bhutan, crossing Nepal and

covering a distance of over 700 km through challenging terrains that makes this a differentiated rally open to all classes and a popular event in the Indian motorsport calendar.

In association with the Constitution Club of India, JK Tyre organises the JK Tyre-Constitution Club of India Car Rally since 2010 in Delhi. This TSD (Time-Speed-Distance) rally provides an opportunity to diplomats and Parliamentarians to compete,

the objective of this day-long rally being to get participants to make their way into the city using the TSD format to spread the message of road safety.

Organised in association with the Nagaland Adventure and Motorsports Association, the JK Tyre Hornbill Rally comprises action, high octane performance and excitement - and timed with the prominent Hornbill Festival.



Honorable Minister of Youth Affairs and Sports, Shri Kiren Rijju, and Shri Anshuman Singhania flagging-off the JK Tyre Times Women’s Drive

Off-roading properties

JK Tyre Motorsport contributed to growing the off-roading discipline in India. Through various events, the Company raised the bar for off-roading activities (location, routes, safety and organisation)

JK Tyre Arunachal Festival of Speed

This competition, organised with Motorsports Club of Arunachal, is a one-of-its kind event in India spread across three days, delivering the best of motorsport action (through autocross, rally sprint and rally hill climb).

JK Tyre 4x4 Fury

The Company, in association with Motorsport Club of Arunachal and in collaboration with Government of Arunachal Pradesh, popularised extreme off-roading in India and launched one of the most sought after off-roading events in the country.

Karting properties

JK Tyre Motorsport introduced go-karting in India, patronising karting tracks in seven cities. As a logical extension of this patronage, the JK Tyre National Karting Championship was introduced in 2000 with four stroke karts (upgraded to two stroke karts in 2004). The Company introduced a 4-Stroke Karting Championship in 2000 and a seven-city karting championship with a grand finale. Besides, the Company introduced JK Tyre National 2-Stroke Karting Championship over 15 years ago, attracting high speed adrenaline action and the opportunity to the winner to earn a lifetime opportunity to participate in World Karting Finals. It is a matter of pride that most prominent racers like Armaan Ebrahim, Aditya Patel, Arjun Maini and Kush Maini who are doing India proud at the international level first started their journey with the Company’s karting championships. Besides, 17-year-old prodigy Yash Aradhya (won Pradhan Mantri Bal Puraskar in 2020) started his motorsport career with the Company’s karting programmes.



JK Tyre Constitution Club of India Car Rally for Parliamentarians 2019 being flagged off by Shri Om Birla, Honourable Speaker of Lok Sabha, Shri Anshuman Singhania and other dignitaries



“What makes JK Tyre different in its treatment and respect of motor sport professionals is that it offers a personalised touch, besides highest level of technology. The Company provides emotional support: when I needed JK Tyre besides me during a personal crisis, the Company was there through the ordeal - not as much as a brand that sponsors but as a family that cares. Besides, their singular approach is not on enhancing visibility and marketing more tyres but in growing its racers into champions.”

Gaurav Gill, Arjuna awardee



Student design and education

JK Tyre Motorsport supported initiatives promoting young engineering talent and bringing to focus the role they play in the automotive industry. The Company was associated with BAJA Student India – a college-level all-terrain vehicle design competition for students

to design, build, test, race and promote a single-seat 4-wheeler off-road vehicle. Another initiative was the JK Tyre Formula Design Challenge where students got an opportunity to experience how the automotive and motorsport industry functions in addition to understanding the intricacies that go into designing a race car.

Women in motorsport initiative

The Company played an important role in promoting women in motorsport with Sneha Sharma and Mira Erda bringing glory to the country in international platforms. Apart from introducing an all-women racing team in the JK Tyre National Racing Championship, the Company has undertaken YLFO

Power Drive, JK Tyre Times Women’s Drive and JK Tyre Women’s Rally to the Valley. The Company joined hands with the Defence forces and organised a first-of-its-kind JK Tyre Defence Wives Power Drive for the wives of armed forces personnel. Nearly 10% of the grid across verticals comprised women, indicative of the sport’s growing popularity.





CORPORATE SOCIAL RESPONSIBILITY

JK Tyre. A socially responsible corporate

Transforming destinies

These are stories...

Of Gangabai Mangilal

of village Emdi, Kankroli, who was trained in floriculture and nursery raising and was able to double her agricultural income last year.

Of Radha of Bheel

Basti in village Dhayla, Kankroli, who does not need to walk miles every day to seek water.

Of Ganesh Batham

Batham of village Noorabad in Morena, who has built a toilet at home and feels proud that his village is now 100% open-defecation free.

Of Mohammed Aslam, a truck driver from Muzaffarpur, who flaunts his spectacles and says that his driving is now perfect.

Of Sundarbai of village Sathana, Kankroli, who is now growing two crops a year with the help of renovated water tank.

Of Kamla Kanwar of village Bagundara, Kankroli, who is a member of a JK Tyre-promoted SHG, trained in patchwork stitching and now living a life with dignity.

Of eight-year-old Venkat who now studies in a school with proper seating.

Of Ramdeen Gurjar of village Choukhuti, Morena, who owns a crossbred cow born through artificial insemination and yielding 14 litres of milk per day.

Of 18-year-old Mahesh Babu of Mysuru who received training in an ITI course.

Thanks to JK Tyre.

Stakeholder engagement

JK Tyre has always been committed to enhancing societal value in addition to generating value for stakeholders. The founders of the Company consistently believed that it was imperative for communities

to progress with the Company. Since inception, the Company engaged in various community development initiatives like health camps, support to schools, better rural and semi-urban infrastructure and conserving the

environment. For the Company, CSR is linked to the business sustainability, the Company invested ₹4.97 crores in this direction during the year under review.

Empowering communities

The Company takes various initiatives to empower communities towards the integrated development of communities. These comprise adult literacy programmes, vocational education, livelihood training, improved agriculture and livestock development, among

others. The key stakeholders of our CSR programmes comprise communities in the periphery of our tyre manufacturing units, suppliers, employees, contractors, truckers and transporters. The Company is committed to deepen prosperity in these areas. While

planning a CSR project or selecting beneficiaries the Company focuses on the marginalised. The Company conducts awareness building and training sessions on safe driving, road safety and prevention of HIV/ AIDS for truckers.

Approach and methodology

The Company's CSR activities are based on the needs of the communities with active participation of local communities covering project planning, implementation, monitoring and evaluation before handing over the project to local communities. Instead of implementing one-off

activities like a health camp or sponsoring a sports event, the Company lays an emphasis on sustainable solutions. In view of this, Need Assessment Surveys are periodically conducted at all CSR project areas; based on findings, CSR projects and activities are planned. The Company assists communities in identifying, prioritising

and meeting their developmental aspirations. Various social research methodologies like participatory rural appraisal, focused group discussion, personal interviews, secondary and primary data analysis, among others, help identify community needs.

Implementation of CSR projects

The Company's CSR activities are implemented directly by our in-house team and competent grassroots NGOs depending on the nature of activity and competence. Presently, the activities like adult literacy, reproductive and child health care projects are

implemented directly, while for the implementation of projects on water conservation, livelihood and skill development, the Company partners with competent NGOs. JK Tyre's CSR agenda addresses requirements of Section 135 and Schedule VII of the Companies

Act, 2013 as well as most UN Sustainable Development Goals. In line with an enunciated CSR Policy, initiatives are implemented under the guidance of a Board-level CSR Committee and senior management.

Monitoring and evaluation

For the effective implementation of CSR initiatives, the Company has a robust MIS and feedback mechanism. The monthly, quarterly and annual progress reports are shared with the senior management.

Impact assessment studies enhance an understanding of ground realities and the short-term and long-term impacts on beneficiaries. JK Tyre's social development initiatives can be categorised across education, health,

livelihoods and water conservation; there is an emphasis on providing long-term solutions to marginalised and disadvantaged rural and semi-urban communities.

Social audit

The Company conducts third-party impact assessment studies to measure transformative changes. Case studies explore how a CSR project

has been instrumental in increasing income and health on the one hand, while moderating a decline in IMR and MMR and conserving water on

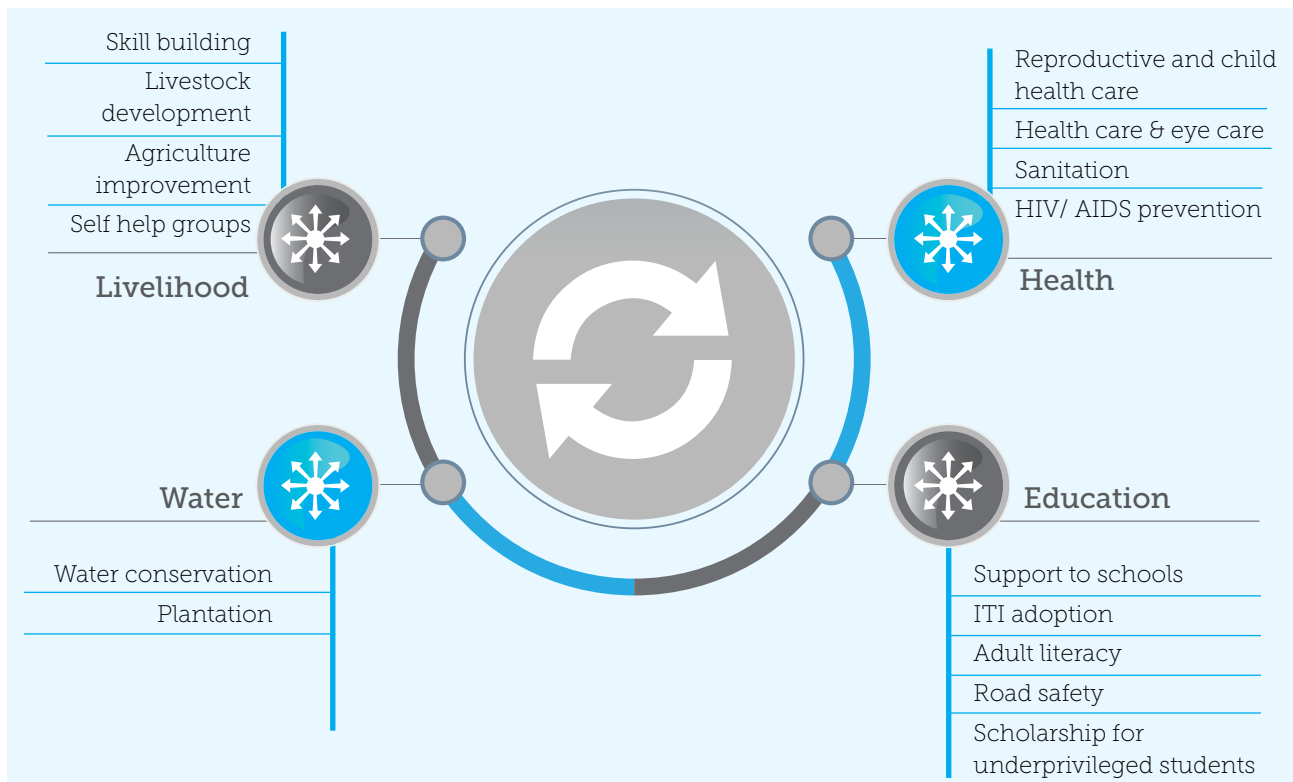
the other. These surveys document people's voices, assessing project effectiveness, shortcomings and improvement possibilities.

Partnering for success (SDG 17)

JK Tyre partners development-oriented corporates, NGOs, Government agencies and other stakeholders to improve project implementation, increase reach and create a sustainable impact. The Company collaborated with reputed NGOs

to capitalise on their grassroots presence, technical competence and rich experience of social project implementation. JK Tyre worked in the area of the Swachh Bharat Mission, building a large number of individual and public toilets, making villages open defecation-

free. The collaboration with NABARD is a step towards water sufficiency for communities in the villages near the Mysuru plant. The Company engages in a dialogue with stakeholders through a structured process.





Sustainable Livelihoods

While agriculture represents the backbone of India’s rural economy, livestock rearing remains also a vital contributor. Almost all rural households own livestock including families without lands. For most families, livestock is often their only income source, even as milk yields are low on account of poor nutrition and genetic quality.

JK Tyre’s Livestock Development Programme provides artificial insemination services that produce calves with significantly higher milk

yields, producing a surplus that can be sold. Livestock development centres in villages provide services (veterinary) at the owner’s doorstep to enhance health and nutrition. Surplus sold milk generates additional income for marginalised households. With the additional income and experience, families invest in a larger herd, paving enhancing livelihood viability.

The Company intends to encourage cattle owners to come together and form milk producer associations

to reduce logistic costs and enhance market linkages for higher realisations.

During last four years, 21,853 artificial inseminations were performed, 5,328 hybrid calves raised and more than 100,000 cattle protected through health care services (vaccination, deworming, de-ticking and fertility treatment, among others).

Livestock Development, Morena

21,853 artificial inseminations were performed

5,328 hybrid calves were born

100,000 animals were addressed through clinical health services, first aid, infertility, vaccination and de-worming

A large number of farmers were trained in fodder development



Agricultural improvement (SDG 1 & 2)

The Company is focused on making agriculture inclusive, advanced and sustainable. The Company trained farmers, especially women, in modern agricultural practices, high-yielding variety/ seeds, optimum fertiliser application and increased pesticide use, among others.



Floriculture (SDG 1 & 2)

To enhance agriculture profitability, 100 women farmers were trained in floriculture in Kankroli (Rajasthan). The attractive scope of this livelihood is on account of the location's proximity to Nathdwara Temple and Udaipur. Marigold, jasmine and chrysanthemum seedlings were distributed among enterprising women farmers. All farmers were provided wire fences to protect their crop from stray animals. This initiative empowered more than 200 women farmers to earn ₹10,000 per month.



Skill development (SDG 4)

The Company provided location-specific and market-oriented training on LMV driving, mobile repair, motor winding, beautician courses and tailoring, among other. The training was provided to around 500 unemployed youths to enhance their employability. A number of participants found gainful employment following skill development training; some trainees commenced enterprises generating employment for others.



Healthcare and sanitation

Project Jyoti Kiran (SDG 3): Project Jyoti Kiran was initiated in FY19-20 to provide free eye-care services to truckers and transporters. The eye care camps were organised at Transport Nagar, mandis and other locations. Nearly 30% drivers had issues related to vision that warranted the use of glasses. During the year under review, the Company organised 50 eye camps, benefitting >5,000 truckers.

Prevention of HIV/ AIDS (SDG 3 & 10): JK Tyre is engaged in enhancing awareness about the prevention of the HIV/ AIDS epidemic. The

Company commissioned three health clinics in high-risk HIV/ AIDS locations with partner NGOs. The project benefited >5,000 patients during the year under reviews; >2.5 lakhs from the transporter fraternity have benefited since project launch. The Company supported affected individuals in Rajsamand and helped PLHIV to get emotional support, guidance, medicines and nutritional supplements for HIV positive children. The PLHIV network enrolled 1200 PLHIV in Rajsamand; a large number were linked with government social

schemes like Antyodaya and Palanhar, among others.

Reproductive and child healthcare (SDG 3, 5 & 10): Project Parivartan was started in the tribal-dominated Rajsamand district in 2004. It has moderated IMR and MMR and strengthened health-seeking behavior in marginalised communities. Initially the project was implemented in Kankroli tehsil; presently, the project is being implemented in the Kumbhalgarh tehsil of Rajsamand district (40% population ST & SC). During the reporting year, 7,668 patients were provided free medicines.

Project Parivartan achievements

<p>No maternal mortality during child birth in the last three years</p>	<p>Nearly 100% institutional deliveries, ante-natal care, capacity building of health workers and community sensitisation.</p>	<p>Significant reduction in infant mortality in project villages.</p>	<p>Increased awareness of appropriate RCH practices, contraception use and institutional delivery.</p>	<p>Engagement of women in decisions related to family planning, maternal health, safe delivery and child care.</p>
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Clean drinking water (SDG 3, 5, 6 & 10)

The Company's clean drinking water project was implemented in 15 bastis/ hamlets in Kankroli, distant from the main village and not covered under the village water supply scheme. The women encountered drudgery and waste of time in drinking water collection from remote sources. More than 4,000 people were provided perennial potable water. Village Gram Vikas committees sustained the drinking water facilities.

PSRI Hospital & Research Institute (SDG 3)

PSRI Hospital & Research Institute, New Delhi is a super specialty hospital promoted by JK Group with a not-for-profit objective. The hospital (established 1996) is South East Asia's first and India's foremost institutes providing advanced and comprehensive medical and surgical treatment for digestion-related diseases. Since inception, specialities were added as a result of which the facility is a multispecialty institute. For the last two decades, thousands of patients benefited from its affordable best-in-class service.





Education

JK Tyre Student to Scholar program

This program helps meritorious needy students to avail scholarships of government and other corporates. Mass awareness is generated about the scholarships; students are helped fill scholarship applications. During 2019-20, 150 students received scholarships worth ₹35 lakhs.

Adult literacy (SDG 4, 5 & 10)

The adult literacy program has transformed 50,000 rural illiterate

women’s lives since 2004. These women are functionally literate, can read and write with ease, conduct basic calculations, help children with studies and start income generation activities. The literacy program at Central Prison, Mysuru, helped more than 6,000 inmates become functionally literate.

Adoption of Government ITIs (SDG 1, 4 & 10)

JK Tyre adopted three Government ITIs under the public-private

partnership model to impart job-oriented vocational education to more than 500 local students each academic year. Campus interviews are now being conducted by reputed corporates, providing almost 100% employment to these students. Many schools are also supported in pedagogy, learning outcomes, digital learning and infrastructure. The remedial classes are run for weaker students after school.



Training on Tyre Care & Maintenance (SDG 4 & 11)

The tyre is the only part of a vehicle that makes physical contact with the road surface, placing a premium on quality. Poorly inflated tyres depreciate faster and affect vehicle performance (braking distance, handling, fuel consumption and safety). The overloading increases tyre wear and fuel consumption, affecting vehicle stability. The Company conducts awareness campaigns and trainings programmes on tyre maintenance. The ‘Back to School’ campaign trains bus drivers in tyre care and responsible driving.



Road Safety (SDG 4 & 11)

Road safety training was provided to truckers, drivers, school children and the public. The awareness programs were implemented in collaboration with the local traffic police and other stakeholders.



Water conservation (SDG 13 & 15)

JK Tyre has achieved the distinction of being one of the lowest water consuming tyre companies in the world. The Company initiated water conservation initiatives in villages proximate to its manufacturing locations. Some community water harvesting structures, 10 check dams, 28 water tanks and 38 farm ponds have been developed to harvest water for irrigating agriculture fields, ground water recharge, drinking water for animals etc. Other water conservation activities like farm bunding, bore well recharge and soak pits helped conserve water, benefiting more than 20,000 neighbours.



Employee volunteering (SDG 8 & 17)

JK Tyre employees have played a role in various CSR initiatives. They took adult literacy classes, shared technical expertise with ITI students, sponsored the studies of poor students, donated blood (1552 units) and time.



Awards and recognition

JK Tyre was given the Best Practices Award 2019 on Sustainable Development Goals by United Nation Global Compact Network India (UNGCNI) during 14th Convention on Sustainable Development Goals.

JK Tyre was awarded Vedanta Hindustan Zinc CSR Award 2020 by Udaipur Chamber of Commerce and Industry.





Case study

Women gain rights, families flourish and societies become prosperous

Gangabai Mangilal. Marginal farmer, Emdi, District Rajsamand in Rajasthan. Member of a self-help group promoted by JK Tyre. She learned about the Company’s support for floriculture and farm fencing. Gangabai developed a marigold nursery coupled with fencing. She reported an additional profit of ₹31,000 during the last cropping season, doubling her income. The word of this success spread with speed. Some 200 women farmers of Kankroli took to floriculture / vegetable cultivation protected by farm fencing. There is a new whisper in the region: ‘Kheti is profitable.’ Thanks to JK Tyre.

Livestock rearing for enhanced incomes in Morena

Livestock is an alternative income generation activity for farmers. This activity sustains farmers below the poverty line, provides livestock products for the masses, enhances women empowerment and provides organic manure for agriculture.

JK Tyre’s livestock development initiative was initiated in Morena (Madhya Pradesh) to address low milk productivity and viability. JK Tyre’s Integrated Livestock Development Program (in collaboration with JK Trust) empowered cattle-owners to increase animal productivity and milk quality through artificial insemination, provision of animal feed, healthcare management and vet-induced training. These initiatives helped farmers enhance their incomes in times of crop failure.

This project has been implemented in 60 villages near the Company’s Banmore plant. Six ILD centres (with the help of JK Trust) provide cattle breed improvement, animal health care, fertility treatment, vaccination, deworming, castration and fodder development. Artificial insemination helped birth 5,328 hybrid calves, who possess the potential to double milk production. This livestock development project has transformed living standards of dairy farmers in Morena.

BOARD'S REPORT

To the Members

Your Directors are pleased to present the Annual Report of your Company, along with Audited Financial Statements for the year ended 31st March, 2020.

OPERATIONS

The Indian economy encountered considerable challenges commencing from the second half of the last fiscal year through to the current year. The automobile sector, comprising the commercial and passenger segments, bore the brunt of the slowdown, reporting a sluggish growth. The Original Equipment Manufacturers were significantly affected and given this reality, JK Tyre encountered demand challenges.

During the year under review, total turnover was lower at ₹8,753.29 crores on a consolidated basis. Apart from the slow economic activity, the Corona virus affected lives in India by the end of the financial year which seriously impaired offtake and resulted in subdued sales in the last quarter.

In this challenging environment, the Company recorded higher sales in the Passenger Car and 2/3 wheeler tyre categories. Company's renewed export thrust paid dividends with turnover growing 37% to ₹1,066 crores.

In addition to the various adversities, the Company encountered headwinds on the currency front, with the Indian rupee weakening significantly vis-a-vis US Dollar towards the end of the financial year. US Dollar liabilities of the Company and its subsidiary Cavendish Industries Ltd. (CIL) were recorded at exchange rates prevailing on the last day of the financial year, and this being, though exceptional and notional in nature, impacted profitability before tax. Similarly, an unfavourable currency movement of the Mexican peso, which depreciated 22% during the year, also impacted the Company's consolidated profitability.

As per the Scheme of Arrangement sanctioned by the Hon'ble Benches of National Company Law Tribunal, Kolkata and Chennai vide their respective Orders dated 5th November, 2018 and 3rd May, 2019, which became effective on 24th May, 2019; BMF Investments Ltd. and Florence Investech Ltd. were merged into Bengal & Assam Company Ltd. (BACL). As a result, JK Tyre & Industries Ltd. has become a subsidiary of BACL effective 24th May 2019.

SMART IS CONTROL

During the year under review JK Tyre lived up to its sobriquet of the "Pioneer of Radials in India" by introducing yet another

innovative product the "Smart Tyre" which has a strong synergy with JK Tyre Ethos of green technology.

It is also the first and only Company in India to roll out 20 million TBR Tyres and continues to provide mobility solutions to India. Not only is JK Tyre evolving into a digital brand for communication but leveraging machine learning technology for higher service levels to customers.

RAW MATERIALS

In the year under review two major raw material items crude oil and natural rubber showed volatility. The upward trend was arrested by the economic slowdown emanating from international trade wars and middle east tensions. This was further aggravated by the impact of COVID 19 in the last quarter. While raw material prices softened, the weakening of the Indian Rupee against the US Dollar had a negative impact. The Company has been adapting to the changing scenario & also taking along our business partners to ensure consistent material supply in line with the changing environment.

R&D AND TECHNOLOGY

Continuous scan of the competitive environment, understanding of the changing Customer and market needs and accordingly aligning the R&D and TECHNOLOGY activities is the most critical factor. The development of Technology through continuous enhancement of skills and evolving newer Technologies, ahead of others is our key to success.

In addition, the focus has been to achieve high degree of Quality consistency and optimised process efficiency to be Competitive in this environment. Our Engineers and Scientists are deeply involved in ensuring faster development of best in class products.

All our teams including domain experts, are all located at RPS CENTRE OF EXCELLENCE, MYSURU, and driving newer Technologies in the Company in India as also guiding our Mexican operations through our Satellite Tech. Centre at Mexico.

AWARDS

1. JK Tyre is recognized as One of the Top 100 India's Best Companies to Work for 2019 & also for being One of the Best Workplaces in the Industry, certified by Great Place to Work.
2. JK Tyre is recognized as One of India's 30 Best Workplaces in Manufacturing 2020 - Certified by Great Place to Work.
3. Kankroli Tyre Plant of JK Tyre also received "Best Employer

Award" in Large Scale Industries (Engineering Sector) by 'Employers' Association of Rajasthan' on HR Practices, initiatives, training and development, employees' engagement etc. apart from overall business scenario of an industry.

4. Kankroli Tyre Plant also received "HR Excellence Award" (Gold Category) for different initiatives in "Employee Engagement" by Professional Network Group of India (PNGI), Delhi.
5. Chennai Tyre Plant of JK Tyre received "Runner Up" in "Excellence in Human Resources Award" 2019 from Aditya Birla Group's Manufacturing Today.
6. Our manufacturing plants BTP, CTP, LTP, VTP were awarded with Sword of Honour by British Safety Council as a recognition of having reached the pinnacle of health, safety and environmental management.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹0.70 per equity share of ₹2 each (i.e. 35%) on the equity share capital of ₹49.25 crores for the financial year ended 31st March 2020. The dividend outgo will be ₹17.24 crores. The dividend payout is in accordance with the Dividend Distribution Policy of the Company.

APPROPRIATIONS

The amount available for appropriation, including surplus from the previous year, stood at ₹794.08 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 at the link: www.jktyre.com.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2020, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors appointed Smt. Meera Shankar as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013, effective 30th January 2020. She has been appointed as an Independent Director for a term of five consecutive years with effect from the said date, subject to the approval of members of the Company at the ensuing Annual General Meeting (AGM). In terms of the said Section, Smt. Meera Shankar will hold office as a Director up to the date of the ensuing AGM. More so, the Company has received a notice in writing from a member proposing her candidature for appointment as a Director at the ensuing AGM. The Board recommends appointment of Smt. Meera Shankar as a Director of the Company.

Shri Shreekant Somany was appointed as an Independent Director of the Company for a term of five consecutive years with effect from 16th March 2016. Accordingly, the term of Shri Somany as an Independent Director will be determined on 15th March 2021. Being eligible, the Board of Directors recommends his reappointment as an Independent Director at the ensuing AGM for a second term of five consecutive years effective 16th March 2021, in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Declarations have been received from Smt. Meera Shankar and from Shri Shreekant Somany that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

Shri Bharat Hari Singhania, Managing Director, retires by rotation and, being eligible offers himself for re-appointment at the ensuing AGM.

The Board at its meeting held on 9th September 2019 re-designated Shri Anshuman Singhania as Dy. Managing Director. There is no other change in the Directors/Key Managerial Personnel of the Company during the year.

CONSERVATION OF ENERGY, ETC.

The details, as required under Section 134(3)(m) read with the

Companies (Accounts) Rules 2014, are annexed to this Report as Annexure 'A' and forms a part of it.

CONSOLIDATED FINANCIAL STATEMENTS

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

A report on each of the subsidiaries and associates together with highlights of their performances and financial position is presented in a separate section in 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:

(₹ Crores)		
Name of Company	Turnover	PBT*
- Cavendish Industries Ltd.	2,221.14	(88.03)
- JK Tornel (together with its subsidiaries)	1,191.08	(11.14)

*(after exceptional items)

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

During the financial year under review, Treel Mobility Solutions Pvt. Ltd. has become an associate of the Company. Except this, no Company has become or ceased to be your Company's subsidiary or associate. The Company does not have any Joint Venture.

DEPOSITS

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

The particulars with respect to deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2020 are: (a) accepted during the year - ₹51.18 crores; (b) remained unclaimed as at the end of the year - ₹2.15 crores; (c) default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - NIL and (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act - NIL.

AUDITORS

(a) Statutory Auditors and their Report

In accordance with the provisions of the Companies Act, 2013 and rules thereunder, M/s S S Kothari Mehta & Company, Chartered Accountants, were appointed Auditors

of the Company to hold office from the conclusion of the 64th Annual General Meeting (AGM) held on 4th August 2017 until the conclusion of the 67th AGM to be held in the year 2020. Being eligible, re-appointment of M/s S S Kothari Mehta & Company, Chartered Accountants, as Statutory Auditors of the Company is proposed for a term of 5 years to hold office from the conclusion of the 67th AGM to be held in the year 2020 until the conclusion of 72nd AGM to be held in the year 2025, subject to the approval of the members at the AGM to be held in the year 2020. The observations of the auditors in their report on accounts and the financial statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the secretarial audit of the Company for the financial year 2019-20. The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as Annexure 'B'. 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 financial year 2019-20 of CIL in the prescribed format is annexed to the Annual Report of CIL for the said financial year.

(c) Cost Auditor and Cost Audit Report

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. The Cost Audit for the financial year ended 31st March 2019 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 2020 is also being conducted by the said firm.

PARTICULARS OF REMUNERATION

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

Details as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the said Rules,

which form part of the Board's Report, will be made available to any shareholder on request, as per provisions of Section 136(1) of the said Act.

CORPORATE SOCIAL RESPONSIBILITY

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

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

The annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure '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 2020 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms part of it.

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

complied with.

ACKNOWLEDGEMENTS

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

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

On behalf of the Board of Directors

15th June, 2020
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

ANNEXURE A TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, ETC.

A. ENERGY CONSERVATION

At, JK Tyre, today for tomorrow is the new mantra for energy conservation to stay on course for becoming a "Green Company". One of the key mission of JK Tyre is to be greener by the day, and our efforts are targeted towards achieving sustainable energy consumption with reduction in fossil fuel dependence and continuous decline in our GHG intensity. We continued to give major emphasis on conservation of energy and ensured sustainance of the measures taken during the previous years.

In alignment to this principle JK Tyre as a Company has achieved new milestones of energy consumption. We are very pleased to report that JK Tyre in FY-2019-20 achieved a total energy level of 9.73 GJ/Ton of production and ranks among the top 3 companies in the sector worldwide. Since JK Tyre is the 1st Indian Tyre Company to have certified CFV as per IS standard, the focus continues on GHG emission resulting in over 48% reduction in emission over base year. Monitoring carbon footprint is part of our commitment to the society for better & safer environment.

We are proud to state that we have achieved new benchmark in water consumption of 2.20 Ltr/Kg of production. Effective and systematic plan for past 5 years has made the Company to sustain this a recognized benchmark level. Efforts in this regard are continuing to become water positive company.

Focus towards renewable energy is yet another route to improve on carbon footprint and we are proud to have achieved 50% power needs being met through renewable energy sources. Fossil fuel dependence specially coal in our country is a reality, we have initiated a new process change and have seen major advantage in reducing coal consumptions.

This journey of continuously conserving energy is an important act to save our environment and JK Tyre is moving ahead on this path to get maximum utilization of renewable source of energy for its usage. After solar rooftop at Mysore Vikrant plant & solar rooftop at Chennai Plant, the Company has set up new sources at Kankroli & Banmore plant. All these efforts are now yielding very encouraging results for achieving new benchmarks.

B. TECHNOLOGY ABSORPTION

a) Research & Development

Areas of R&D activities

Disruptions in technology area is happening across the industry and tyre industry is no exception. Electronics, Digitisation, Sensor Technology, Internet of Things (IOT), Data Science and Artificial Intelligence is going to be an

integral part of all our functions that include research, design, manufacturing and supply chain. With respect to material technology, bio based materials will be replacing the petro based material to meet the sustainability target. With the advancement in computational technology, virtual simulation is going to play a big role in product and process development. Keeping these points in mind, our Research & Development team is incessantly working in the following thrust areas:

- New generation polymer and filler materials for tyre performance improvement.
- Bio based eco friendly (green) material development.
- Multi scale (nanometer to meter scale) simulation tool development for virtual product development and design cycle time compression.
- Deployment of data science and artificial intelligence.
- Smart Tyre Development employing transducers/sensors to effectively improve safety & vehicle dynamic performance.
- Self-sealing technology for tyre for better reliability and safety.
- EV tyre Technology development.
- Development of Virtual tyre using virtual proving ground.
- Continuous improvement in Manufacturing/Process Technology to improve overall productivity, quality and performance while reducing the cost, waste and scrap.

Keeping environment as a strong focus area, we are developing eco-friendly products, such as tires that help to boost fuel economy. These products will not only deliver benefits to the environment, but also support differentiation of our JK Tyre brand within the marketplace.

Tire safety is another area where we are highly proactive. We have developed PUNCTURE PROOF Tyres through self-sealing technology. Additionally we have successfully achieved benefits of low Rolling Resistance in motorcycle as well as passenger vehicle tyre and launched these in new OEM products.

We have substantially improved the air retention properties of our tubeless tyres with special compound based on nano technology. This helped us not only to improve the rolling resistance but also durability.

Use of sophisticated state of the art experimental methods

at laboratory scale not only to verify and validate software based simulation results but also to measure parameters of influences affecting product performance and to optimally supplement through extensive physical evaluation. This has led to some of the innovative products, first in industry and gain an edge in the market place.

b) Expenditure on R&D

The expenditure on R&D during the year was ₹81.53 Crores, which was 1.33% of the turnover.

c) Technology, Absorption and Innovation

i) Efforts towards Technology Absorption, Adaption and Innovation

To be able to retain Globally competitive Technology edge, your Company's In-House R&D Centre is keenly pursuing Technology Sustenance through the concept of Self Reliance. We are also engaging global experts in this field to support our R&D efforts. In addition R&D team is working in the field of advanced material, alternate material, nano technology, process and product simulation, predictive technology, advanced tyre mechanics, vehicle dynamics including tyre characterisation and other relevant areas in association with 'Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)'; 'Raghupati Singhania Centre of Excellence for Tyre & Vehicle Mechanics' (RPS CoE) at IIT Madras; 'Rubber Technology Centre', IIT Kharagpur and major international raw material suppliers.

In addition, our In-House R&D team is continuously supporting the "Satellite Product Development Centre" at Mexico to service the customers in the Americas both OEMs and after markets.

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

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

- 131 new products launched for Domestic and International (OEM + Replacement).
- Ranger M/T series launched for Extreme off Roader segment.
- Fuel Efficient XF Series (JUH XF and JDH XF) TBR Tyres launched as FUEL SAVER TECHNOLOGY – saves upto 8% fuel-best in class.
- Jetsteel JDO-XD - Mining tyre launched in All Steel Radial Construction.
- Jetsteel JDC XD - Specially designed tyre for construction application launched.
- First Snow Series TBR Tyres launched especially for NORDIC Countries having Snow Flake / 3PMSF symbol over it.
- Wider Tyres for 2/3 wheelers launched, to provide smooth ride and excellent grip.
- Working hand in hand with all the possible E - Scooter as well as E-rickshaw manufacturers for E - Mobility .

Quality Management Systems

JK Tyre & Industries (JKTIL) have always been pioneer in adopting and maintaining world class Quality Management Systems. To comply with OEM requirements and sustaining stringent Quality Parameters, JKTIL continues to enjoy IATF 16969, ISO 1400, ISO 45001, ISO 50001, ISO 27001, ISO 17025 NABL and SA 8000 certifications.

It has also raised the bar on safety standards BY WINNING Global criteria of British Safety Standard- **Sword of Honour – 5 Star rating** of its 8 Indian Plants.

It is doing best performance on 'Go Green' initiative by taking third party certification of Zero waste to Land fill, Water Positive plants, Carbon footprint assessment for 6 years and release of annual Sustainability report based on GRI standard. Our plants at CTP and VTP are now Platinum level in Greenco rating system by CII GBC Hyderabad, and now on the way for Globe of Honour assessment by British Safety UK.

JKTIL is now regular in disclosing its performance in Global platform of Carbon disclosure projects for Climate change and Water Security. It has also achieved

Carbon Neutral Website recognition for 4 years.

The Company has embarked on the journey of TQM for overall business improvement and have taken up improvement projects to excel on Productivity, Quality, Cost and Delivery.

Process Technology

The Corporate Process Technology group ensures the transition from the design/development phase to the mass production phase across multiple manufacturing locations globally.

Primary activities of this group are focussed on rapid Industrialisation of different categories of New Products, advanced materials, Manufacturing Process upgradation to Global standards, Value engineering, standardisation initiatives and ensuring Consistent Quality in the Process.

C. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Crores)

	2019-20	2018-19
Export, Foreign Exchange Earnings	1,082.77	796.35
Foreign Exchange Outgo	1,176.44	1,605.24

On behalf of the Board of Directors

15th June, 2020
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

ANNEXER B TO THE BOARD'S REPORT

MR3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 2020 (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, 2020 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 for a few days at the year end due to lockdown imposed in the Country on account of COVID-19.
2. As per the Scheme of Arrangement sanctioned by the Hon'ble Benches of National Company Law Tribunal,

Kolkata and Chennai vide their respective Orders dated 5th November, 2018 and 3rd May, 2019, which became effective on 24th May, 2019; BMF Investments Ltd. and Florence Investech Ltd. were merged into Bengal & Assam Company Ltd. (BACL). As a result, the Company has become a subsidiary of BACL effective 24th May 2019.

3. The Company consolidated its shareholding in Cavendish Industries Limited, a subsidiary, by further acquiring 76,70,000 Equity Shares of ₹10 each, thereby raising its shareholding to 86.41% together with another subsidiary.

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, verification of documents and records of the Company.

Place: New Delhi
Date : 27th May 2020
UDIN: F000234B000289259

Namo Narain Agarwal
Secretarial Auditor
CP 3331, FCS 234

ANNEXURE C TO THE BOARD'S REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

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

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

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

2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

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

3. Average Net Profit of the Company for last three financial years: ₹24,679.59 Lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹493.59 Lakh

5. Details of CSR spent during the financial year

- Total amount to be spent for financial year : ₹493.59 Lakh
- Amount unspent, if any : NIL
- Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakh)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
1	Prevention of HIV AIDS	Cl.(i) Promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	VKI Nagar, Shahpura, Udaipur (Rajasthan) & Kankroli (Rajasthan)	25.00	24.20	24.20	Vatsalya Society & Rajsamand Network of PLHIV
2	Health camps & reproductive & child health care program		Kankroli (Rajasthan); Banmore (MP) & Mysuru (Karnataka)	67.00	45.23	45.23	Direct, Sevamob & Mamta Health Institute for Mother & Child
3	Sanitation		Kankroli (Rajasthan); Banmore (MP) & Mysuru (Karnataka)	21.00	17.79	17.79	FINISH Society & MYKAPS
4	Providing better health services through support to Hospital		Delhi	100.00	200.00	200.00	PSRI Hospital

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lakh)	Amount spent on the projects or programs Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
5	Support to Schools, ITIs, & educational institutes including Adult Literacy	Cl. (ii) Promoting education including special education and employment enhancing vocational skills	Kankroli (Rajasthan); Banmore (MP); Mysuru (Karnataka); Sriperumbudur (Tamil Nadu) & Haridwar (Uttarakhand)	14.00	8.83	8.83	Bhartiya Janseva Pratisthan & Direct
6	Scholarships for needy students		Mysuru (Karnataka) & Sriperumbudur (Tamil Nadu)	10.00	5.00	5.00	Buddy4Study
7	Road Safety Awareness Programs		Delhi	5.00	5.24	5.24	Direct
8	Livelihood enhancement and water conservation project	Cl.(ii) Promoting Livelihood enhancement projects, Cl. (iii) Promoting gender equality, empowering women, Cl. (iv) Conservation of natural resources	Delhi; Kankroli (Rajasthan); Banmore (MP); Mysuru (Karnataka) & Sriperumbudur (Tamil Nadu)	175.00	131.07	131.07	CII Foundation, Seva Mandir, JK Trust, BIRD-K, MYKAPS & Hand in Hand
9	Green cover & environment conservation		Kankroli (Rajasthan) & Mysuru (Karnataka)	20.00	22.46	22.46	Direct
10	Rural development	Cl. (x) Rural development projects	Banmore (MP); Sriperumbudur (Tamil Nadu) & Haridwar (Uttarakhand)	20.00	4.94	4.94	Direct
11	Contribution Towards Karnataka Flood Relief	Cl. (xii) Disaster management	Karnataka	9.00	8.91	8.91	Karnataka State Disaster Management Authority
12	Impact Assessment & process documentation			5.00	0	0	
13	Administrative Expenses				23.50	23.50	
	TOTAL (1) Sl. No. 1 to 12 (2) Sl. No. 13				(1) 473.67 (2) 23.50 Total = 497.17	497.17	

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

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

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

(Dr. Raghupati Singhania)
Chairman, CSR Committee

Date: 15th June, 2020

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC & BUSINESS ENVIRONMENT

The Indian Economy which is often been seen as the “Bright Spot in the Global Economy” is the 5th largest in the world and aspires to be a \$ 5 trillion economy by 2025. However, the economic scenario during the year gone by has not been very encouraging.

The deceleration of the Indian Economy from the last quarter of the previous financial year continued well into the year under review. The manufacturing sector which is the second largest contributor to economy slowed significantly-with the Index of Industrial Production dropping by nearly 1% in contrast to the previous year. Inflation increased from 3.3% in H-1 to over 7% in H2 primarily on account of food inflation in the year under review. The Consumer Confidence index declined throughout the year. There were major concerns on employment situation.

In the year ending March 2020, the GDP growth slowed to a 11 year low to below 5% amidst a weak environment for Global Manufacturing trade and demand. Fluctuating exchange rates and oil prices added to the instability. The advent of COVID-19 pandemic in Q4 aggravated the situation which resulted in a sharp drop in economic activity.

It is hoped that Government responds to the need of the Industry by inducting funds to protect employment and help the serious cash crunch faced by companies. This of course backed by support to rural economy and investment in infrastructure should help revive the economy.

INDIAN AUTOMOTIVE INDUSTRY

The Indian Automotive Industry contributes to 7% of the overall GDP, 26% of Industry GDP and 49% of the manufacturing GDP. A slowdown in this sector impacted the overall economy not only in terms of revenue but downstream effects like employment both formal and informal.

During this year, the industry grappled with a major issue of migration to BS VI. This caused lot of disruption as manufacturing lines had to be modified. Consumers also held back on purchases as on one side BS IV inventory was available at huge discounts and BS VI vehicles had started entering market in Q4 which was affected by COVID. Automotive manufacturers for most part of the year had to work on managing inventory.

In a bid towards environmental sustainability E-Vehicle models entered the market and were the flavor of Auto Expo 2020. As a segment this will redefine the component industry including tyres. Development of Infrastructure like charging stations will determine the growth of E-Vehicles in the future.

The slowing economy and drop in consumer confidence resulted in an overall drop in vehicle sales by 15%. Starting with Truck &

Buses - Medium & Heavy Commercial segment witnessed a sharp drop of 43.6% in contrast to the upswing in the previous year. Post the axle load norms implementation, increased freight carrying capacity of 20% in the existing MHCV fleets itself resulted in lower demand for new trucks in absence of commensurate growth in freight availability.

The light truck and small commercial vehicle segment which are a critical last mile link in the hub and spoke model degrew by 17.5% and 27% respectively. A drop in all the commercial segments is the outcome of the slowing economic activity.

After years of sustained growth passenger vehicles sales dropped by 20.8%. Multi Utility Vehicle sales however grew marginally by 1.8%. The overall passenger segment registered a drop of 14.6%, despite efforts by manufacturers and retailers to push sales throughout the year. The decline in the passenger vehicle segment was somewhat arrested by the entry of new brands as well as new releases by the existing manufacturers. Sales in the 2/3 Wheeler segment had a negative growth of 14% after witnessing an upward trajectory for many years.

Despite the Government's efforts to stimulate the agricultural sector in the year gone by, Tractor Sales turned negative by 11%. However, a revival is expected as a good monsoon is forecasted.

TYRE INDUSTRY

It has been a challenging year for the tyre industry on the back of the de-growth of the automotive sector, the overall global economic slowdown coupled with the impact of COVID-19 starting consequently in Q-4. The lockdown resulted in suspension of manufacturing and business operations in the second fortnight of March 2020. Domestic market volumes declined by 10%. The demand in the Original Equipment segment dropped by 44% by value. The drop was across all tyre categories especially in the commercial segments.

Truck and Bus tyre demand alone declined by 21%. Overall radialisation remained steady at 50% while radialisation in the OEM segment, it crossed 73% level. There was an overall drop in truck & bus radial tyres import, with China & Thailand accounting for 86% of the inflow in this segment.

The overall commercial segment including light truck and small commercial vehicle declined by 18% by volume. The radialisation in the LCV/SCV segment is on the rise. At the domestic level passenger, scooter and motor cycle segments had single digit de-growth.

In the PCR segment, though there was a decline in the imports, China and Thailand accounted for 67% of the imports. The farm segment witnessed a double-digit drop of 10%.

Because of the overall muted demand, the prices of rubber and crude remained steady throughout the year with minor fluctuations. There was however, a sharp drop in crude prices at the end of the year because of the COVID-19 impact globally.

JK TYRE - AN OVERVIEW

The tyre industry witnessed a de-growth of 10% during the year under review. Despite the volatile market scenario, where the OEM segment de-grew significantly, JK Tyre took strategic and timely measures to ensure that it grew more than the industry in the non-OEM segment. As against the tyre industry growth of 5%, JK Tyre grew by 6%. This was made possible by sharp focus on the domestic replacement market where JK Tyre gained market share and grew faster than the industry. Brand campaigns, Consumer activations, Channel expansion, Product innovations were some of market growth measures that were pursued. A renewed thrust on international business ensured that JK Tyre exports grew by 36%.

SMART IS CONTROL

JK Tyre lived up to its sobriquet of the "Pioneer of Radials in India" by introducing yet another innovative product the "Smart Tyre" as an extension to its initiative of providing mobility solutions to both Commercial and Passenger vehicle owners. During the year gone by JK Tyre introduced "Tyre Pressure Monitoring Systems" (TPMS) by offering "TREEL Sensors". This is the first such hi-tech move towards creating a Smart Tyre in the Indian market and is in synergy with JK Tyre ethos of green technology. Usage of Smart Tyres go a long way in enhancing road safety as it monitors air pressure loss and temperature thus preventing failure and enhances tyre life with better fuel efficiency. The TPMS Range was launched across cities and finally the SMART TYRE was formally launched at the prestigious Auto Expo 2020 in a smart zone created for the purpose.

BRAND JK TYRE

JK Tyre has been selected as Superbrand 2019, for the 7th consecutive time. As a highly recalled premium brand it continued to enjoy consumer trust as 'Wheels to the Nation'.

In 2019-20, JK Tyre sustained its multifaceted brand activities to drive brand premiumization by adopting a differentiated approach in marketing communication initiatives.

The exciting TV commercial, which featured International Racing Champion and brand ambassador - Armaan Ebrahim - garnered an overwhelming response from the audience. The impact of the strategically placed nationwide TV campaign was a massive viewership of over 36 million. In addition, the presence on print and radio platforms helped amplify and sustain visibility for brand JK Tyre.

DIGITAL MARKETING

During the year, 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 premiere of the brand TVC featuring our brand ambassador was on Facebook & Youtube and it was promoted amongst automobile enthusiasts, lifestyle & travel enthusiasts, so as to drive JK Tyre brand imagery. The focused outreach attracted more than 3 million viewership.

The new age technology product "TREEL" was promoted by creating connect with relevant audience from field of technology and core automobile users. A hype was created around Auto Expo-2020 with focus on 'SMART ZONE' that resulted in reaching out to more than 13 Mn audience.

The digital medium was leveraged to promote our branded outlets as well as targeted campaigns for end users in the PCR and Truck segments.

In Motorsport as well, targeted connect with enthusiasts has been our focus that resulted in reaching out to more than 20 Mn audience at Digital, more than 1.5 Mn views of Videos and racing Season Webcast at Social Media.

JK Tyre today is the number one brand in Tyre Industry in terms of followers on Facebook.

TRUCK BUS RADIAL & BIAS

JK Tyre, pioneers of Radial technology in India achieved the unique distinction of manufacturing 20 millionth TBR Tyre and the only company in India to do so. Premium Products delivering performance, fitment on the correct application and consumer education were the corner stones of JK Tyre strategy in the Truck Bus radial and bias segment both in JK Tyre and Vikrant brands. The wide JK Tyre range was enhanced by two new sizes to cater to the new axle norms - 295/90R20 in TBR and 295/95D20 in TBB in premium brands.

With a view to cater to the consumer needs for a range, the most fuel efficient tyre in the country -the XF series in JUH and JDH patterns was launched in the highly radialised Southern markets and unveiled for the top fleets of the country at the National Fleet Conference held at an international destination. These products are a benchmark in fuel efficiency in the country.

A sharp focus was created on premium SKUS both in TBB and TBR categories. Premium products like JET XTRA XLM & Jet R Miles in Bias and JET STEEL JDE++ & JETWAY JUH5 in radial which not only sustained their market leadership but were extended to new sizes like 7.50R20 in JUH5 for ODC (over Dimension Carrier) Trailers - India's first radial tyre in this segment. In the Bias segment, the popular JET XTRA XLM was released in 8.25-20 & 9.00-20 and Jet R Xtra Miles in size 11.00-20.

A high performance radial tyre for the mining application, 10.00R20 JDO XD was introduced in select markets.

The premium truck tyre range was promoted through wall paintings as well as Khaddan Express van campaign at Trucking clusters.

JK Tyre has established a nationwide chain of Truck Tyre Service Centre branded as 'JK Tyre Truck Wheels'. Nearly 50 such strategically located centres provide complete tyre solutions and services to customers.

The Fleet Management program was further innovated with mobility solutions on tyres. The enterprise version of TREEL Tyre Pressure Monitoring systems was well received by Fleets as it contributes significantly to reduction in operational costs.

PASSENGER

Expansion of the Brand shop retail network 'JK Tyre Steel Wheels' and 'Xpress Wheels' remained a continuing strategy. These shops delivered superior buying experience for the customers and wheel servicing solutions. The network which is 550+ brand shop strong has ensured that JK Tyre premium range of passenger car tyres UX 1, UX Royale, Elanzo Touring, Ranger and Taxi Max are available across the nation. The size range in these high performance brands was expanded. With a view to facilitate customers in this segment, warranty registration was started through the Advantage CRM Portal/ App.

Festive occasions both at national and regional level provided a platform for customer connect through on-ground activations. The PCR range and its technology features were aggressively promoted in the digital media and at vantage outdoor locations like airports and hill stations during the holiday season.

The new brand campaign on TV enhanced the premium positioning of the JK Tyre Brand especially in the PCR category.

TWO /THREE WHEELER

This category registered a handsome growth during the year. JK Tyre was associated with two prestigious two wheeler OEMs - Hero Motors and Bajaj Auto. During the year many new SKUs were launched with focus on the premium 'Blaze' Range. In order to drive promotions for the premium segment of 2W tyres - JK Tyre collaborated with xBHP (India's only lifestyle motorcycling magazine). The rides took place in Southern India, where professional riders tested the performance of Blaze BF33 and Blaze RYDR BR41 on the toughest terrains. Influencer campaigns like '2 Wheeler ka Don' were well received by the target audience of mechanics. At the ground level secondary sale especially at the sub dealer level was facilitated through direct connect and shop displays.

FARM

Continuing with the objective of enhancing the premium SKU sales in the product mix, 'Sona-1' and 'Shresth' range of tyres were promoted across relevant geographies like Gujarat, Rajasthan, Haryana and Punjab all around the year through Dealer meets, Mandi activities, fitter programs and CIPs. Significant contribution

of Shresth and Sona-1 has come from these key markets. Understanding the tractor application and mapping, the same with our product offering has led to tremendous growth across all tractor segments.

Continuous collaborations with our OEM players like John Deere, Mahindra and TAFE has been driving the growth story for this category. JK Tyre has been part of a joint campaign along with tractor OEMs dealers in key markets of Maharashtra and Madhya Pradesh thereby creating a top of the mind recall (TOMR) amongst tractor users.

JK Tyre has received second prize at the 8th Asian Leaders Awards 2019 in Excellence in Rural Marketing for its campaign JK Tyre- "Ab Ganne ka saathi Sona-1". Various farmer's meet have been conducted at sugarcane mills across Uttar Pradesh.

LIGHT AND SMALL COMMERCIAL VEHICLES

In The Hub and spoke model of transportation light and small commercial vehicles play a critical role in economic activity upto the last mile. JK Tyre has a strong presence in this segment and is a preferred choice of customers. To bring the best to the customers, premium Jet Xtra XLM truck pattern for Extra Load and Extra Mileage was launched in the Light Commercial Vehicle Bias segment. All Steel Radials, Jetway JUL3 & Jetsteel JDH5 brands in 16 inch size were introduced along with new sizes introduction in Steel King & Ultima XPC1 brand under Radial portfolio of Light Commercial Vehicle. A robust product portfolio consisting of premium SKUs has been made available which not only meets customer requirements but creates a better value proposition for the evolved consumer.

A campaign focused on technologically superior LCV Radial Tyres was carried out in select markets.

JK Tyre continues to drive the radial revolution in this segment also. The overall radialisation level has reached 55% and in the OEM segment, it has touched a level of 80%. In the replacement segment of the SCV category however, bias tyres continue to find preference due to operating conditions.

JK Tyre continued its leadership in the fast growing pick up segment with the introduction of new products as also enhancing presence in remote markets.

LCV /SCV customer connect programs were carried out round the year in top 500 LCV and SCV stands, unions and mandis in focus markets thus engaging thousands of end users. Eye and Health check up camps were conducted especially for drivers & transport fraternity, spectacles were also provided free of cost under the 'JK Jyoti Kiran' program. This also enhances road safety.

OFF THE ROAD

The overall construction and mining equipment industry witnessed numerous headwinds, as a result of economic slowdown during the year. The construction equipment sales are estimated to be lower by 22% in FY 2019-20 which was further

impacted by the outbreak of 'COVID-19' towards the end of the financial year.

Despite these adverse market conditions, our domestic Off-the-Road tyre business managed to grow marginally with enhanced focus on distribution development, demand generations & new OEM's. JK Tyre's presence expanded with entry in new OEM's such as SANY Heavy Industries, Schwing Stetter and Bull Machines etc.

Many new markets & application-specific products were introduced during the year, with one of the important addition being tyre size "23.1-26V-Compact R3 TL" tyre suitable for vibratory soil compactors offering excellent traction and durability. JK Tyre also for the first time, participated in the 10th edition of "EXCON 2019" held at BIEC ground Bengaluru, Karnataka, which is one of the largest construction equipment show in the world with a participation of more than 1,250 exhibitors and 60,000 visitors. Participation in this business event positively helped in generation of new business opportunities.

Our presence in various international markets was further strengthened with enhancement of distribution network.

RETREAD BUSINESS

JK Tread is a premium brand in the Retreading industry today. For over a decade now complete cradle to grave solutions are provided to JK Tyre customers. The wide product portfolio of pre cured high abrasion resistant treads designed for high mileage is based on JK Tyre's original patterns for the entire commercial and farm categories. During the year, High Mileage compound-XM (Xtra Mileage) for TBR and Heavy weight for Mining and Nepal specific SKU's were launched.

A chain of 40 JK Retread Centres established across India, has now been extended internationally with the first centre being opened in Nepal. These centres are equipped with ultra-modern retreading machinery providing comprehensive solutions for all categories of tyres including tubeless tyres.

SERVICE A BRAND DIFFERENTIATOR

Both pre sales and post sales Service are a crucial element in customer satisfaction and are our _Brand differentiators. Customer expectations are on the rise calling for higher service levels and it is a challenge to cater to the diverse range of customers ranging from individual customers to institutional buyers from diverse geographies.

Proactive support is extended to customers in all segments through extensive education campaigns and tyre care camps. To enhance service levels machine learning technology has been deployed. In addition, product and warranty registration through a portal has been introduced. Our call center operations act as Omni channel support to respond to the customer needs swiftly.

BUSINESS & SALES TRAINING

Knowledge and Skills need to be constantly enhanced and sharpened especially in challenging and highly competitive markets. Keeping this in mind, exhaustive programs covering diverse business and technical subjects were conducted throughout the year for Channel Partners as well as JK Tyre personnel across functions. This apart, several visits of our channel partners were also arranged to our manufacturing and R&D facilities, thus enhancing their confidence level. This program was branded as 'Higher Further Together' to demonstrate collaborative partnership.

With a need to keep abreast with new developments, on a daily basis the JK Tyre Total Control Mobile Learning App has been introduced for all field personnel.

INTERNATIONAL SALES

With a presence in 105 countries, the Company's export performance has continued its strong growth despite intensified global competition in major international markets including, North America, Brazil, Europe and countries from the MENA regions. In spite of challenges on account of growing geopolitical and economic uncertainty in Africa, Latin America and the Middle East, and intense competition from Chinese brands made in China and South East Asia JK Tyre maintained profitable growth in exports with 36% higher revenues during year 2019-20. The demand for JK Tyre brand truck and passenger radials across markets increased substantially on the back of good performance of our tyres.

MANUFACTURING EXCELLENCE AT JK TYRE

Keizeku-teki Kaizen & kakushin, are two basics pillars to our approach towards manufacturing excellence. Commitment for excellence in approach for all coordinates has been the hallmark of JK Tyre's manufacturing process.

The Company has been committed for the sustainable growth through conservation of environment. The commitment is transformed into a great initiative of being Green and Clean Company with sustainable use of energy. This encourages the Company to Reduce, Recycle & Reuse the energy to become the 1st Green & Clean Tyre Company of India. We are very proud to share that our specific raw water consumption is the lowest in the world and is a global benchmark. The Company has also shown a significant reduction in the energy consumption and with all the efforts and work in the area of green energy, we have achieved the new milestone of energy consumption which stands among one of the top 3 companies in the sector worldwide. This also results in continuous drop in our carbon footprint year on year.

While continuously raising the bar ourselves, productivity and consistency remains the key challenge for the team.

Efforts involved in excelling the manufacturing process at all locations and inculcating the culture to set new benchmarks in the sector have been recognized at different fora by several institutions. Some of which are mentioned below:

- 4 Manufacturing Locations Awarded with - “Sword of Honor Award” by British Safety Council.
- “Grow Care Award” for sustainability in GOLD category, 2019. This is the first award by JK TIL on Sustainability Practices.
- “Award of Excellence in Energy Management 2019” from

Clean Energy Ministerial (CEM) of Energy Management Working Group (EMWG), Canada. First Indian Company to receive in 10 years.

- “Leaders Award” - Mega Large Business, Engineering Sector. Vikrant Plant is the 1st Tyre plant in the country to receive this highest award for Sustainability & Green Commitment.
- “National Energy Management Award” for Excellence in Energy Efficiency 2019 by CII.
- “National Energy Leader Award” 2019 by CII.

FINANCIAL PERFORMANCE

The following is the brief summary of the Company's performance during the financial year ended 31st March 2020:

₹ Crores

PARTICULARS	Year Ended		Year Ended	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	Standalone		Consolidated	
Turnover	6,120.23	7,689.67	8,753.29	10,452.01
Operating Profit (PBIDT)	677.63	807.52	1,015.95	1,196.16
Finance Cost	342.92	316.28	548.99	521.08
Profit Before Exceptional Items & Tax	92.32	302.88	89.13	359.41
Exceptional Items	(7.15)	1.80	(105.90)	(88.95)
Profit/(Loss) Before Tax (PBT)	85.17	304.68	(16.77)	270.46
Tax Expenses / (Credit)	(143.49)	100.28	(165.78)	94.17
Profit After Tax (PAT)	228.66	204.40	149.01	176.29

As mentioned earlier, on account of slower economic activity and other unfavourable macro-economic factors, sales have de-grown this year compared to the preceding year which impacted profitability. However, it is gratifying to record that even under such challenging environment, the Company has recorded higher sales in some segments. Sales of 2/3 wheeler tyres recorded a robust growth.

Consolidated profitability is impacted on account of unfavourable exchange rates at the end of the year due to weakening of the Rupee. In the case of Cavendish, the Company had to record dollar liabilities at the exchange rates as at the end of the year which resulted in significant exchange loss. Mexican Pesos also depreciated significantly vis-a-vis dollar which impacted profitability of its subsidiary JK Tormel.

PARTICULARS	2019-20	2018-19
Interest Coverage Ratio (Times)	1.98	2.55
Current Ratio (Times)	0.98	1.04
Operating/EBITDA Margin (%)	11.07	10.50
Net Profit Margin (%)	3.74	2.66
Return on Networth (%)	11.00	11.23

JK TORNEL

JK Tormel, Mexico achieved a Turnover of ₹1,191 Crores. Brand ‘Tormel’ continued to make its presence felt in a big way in Mexican

Tyre market. However, the profitability was impacted due to lower volumes and depreciated Mexican Pesos.

CAVENDISH INDUSTRIES LTD.

The operations of the Company improved quarter on quarter except in the last quarter which was affected due to market disruption on account of Corona virus. Despite slow down in the Automobile industry, the Company achieved a Turnover of ₹2,221 crores, a marginal reduction of 4.1%. However, the Operating margin remained at 11.7% of Net Sales. The Company achieved significant growth of over 27% in 2/3 Wheeler segment.

R&D AND TECHNOLOGY

Enhanced customer expectations, particularly OEMs and fast changing regulatory and environment related requirements are continuously throwing up challenges. The R&D and Technology teams regularly scan legislations both in India and across the Globe which necessitate changes in Tyre Technology and other Technological changes which influence our business environment.

A critical factor in staying competitive is development of newer technologies which are tested and ready to be deployed in the product as and when required.

Our designers and compounding experts have been successfully meeting contradictory requirements of tyre performance like:

- Lowering rolling resistance while improving tyre wear and traction characteristics
- Improving steering and handling while keeping satisfactory ride and rolling comfort
- Improving noise performance along with better snow performance and accomplishing all of above with improved tyre uniformity and reduced weight.

We have successfully met the new requirements of OEMs to have products with 10-15% lower Rolling Resistance (RRC) in our products without compromising durability which cater to lower emission and higher fuel efficiency norms.

By virtue of closer and deeper interaction with our customers, our R&D and Technology teams have been able to anticipate their requirements and have set industry benchmarks.

Being pioneer of Radials in India we have always brought in the latest Technology to our valued customers. This enabled the development of a SMART TYRE providing connected mobility solutions thus enhancing SAFETY, FUEL EFFICIENCY and DURABILITY which was developed indigenously and a first in the country. This new Technology has been launched as Treel Mobility Solutions.

Besides this and as another pioneering effort, our R&D and Technology teams have launched new range of Truck/Bus Radial Tyres under the concept of "Fuel Saver Technology". Our tyres offer the highest fuel efficiency and offer upto 8% fuel reduction, the best in class so far.

In addition, your Company has been always focussing on timely upgradation and modernisation of the manufacturing plants to ensure consistent productivity and quality.

JK Tyre has leveraged digitisation using IOT and Industry 4.0. A major shift is taking place towards automation in processes, primarily to minimise variability. Live process data is captured which enables agility in taking timely action and is transforming the way we work and innovate. Our entire focus being faster actions and visible control of the processes.

One of our mission is to "Go Green" and all our actions are directed towards sustainability. We have introduced products which have lower consumption of fossil fuel based raw materials as well as use recycled material.

RAW MATERIALS

The year 2019-20 started with high Oil & Natural Rubber (NR) prices. This was followed by Trade War which arrested further hardening of prices. Kerala again saw floods & landslides for the second year in a row which impacted domestic natural rubber availability.

The advent of quarter three saw attacks on Oil assets in Middle east followed by slowing of economic activity. Other than NR, all prices remained soft during the second half of the year.

Finally, the last quarter came with Covid 19 situation, affecting China initially but engulfing the entire globe in the following period, resulting in softer demand by the year end.

JK Tyre developed alternate sources to ensure regular material availability.

MOTORSPORT

The year gone by has been a great one for JK Tyre in terms of its association with motorsports. JK Tyre, pioneer of the sport in the country for the last three decades have set up new benchmarks this season. JK Tyre has made their presence felt across different verticals of motorsports including karting, circuit racing, rallying, TSD Drive, off-roading and two-wheeler racing. And it was not limited to only male participants but JK Tyre like every year came up with notable initiatives to promote the cause of women in motorsports.

The Buddh International Circuit, Greater Noida played host to yet another successful grand finale of the **22nd JK Tyre FMSCI National Racing Championship**. Rechristened as the JK Tyre Festival of Speed (JKFOS) this year, it turned out be the racing spectacle with the crème-de-la-crème of Indian motorsport circuit as well as over 35,000 fans occupying the Grand Stand. The event also hosted the opening round of the ambitious new initiative, the X1 Racing League Powered by JK Tyre.

After years of sabbatical, JK Tyre this year made a comeback into the **Indian National Rally Championship and World Rally Championship**. JK Tyre **celebrated the home coming of Gaurav Gill**, the three-time APRC champion and India's only Arjuna Awardee in motorsport, who began his sparkling career as a JK Tyre Go-karting prodigy almost two decades ago.

Year 2019 was indeed a proud one for Indian Motorsport and for JK Tyre as motorsport received its due recognition from the Government. **Gaurav Gill was conferred with the most coveted Arjuna Award**-the highest and first recognition for Sport in the country. The second big moment came when 17 yr old **Yash Aradhya, our Karting prodigy was conferred with the Pradhan Mantri Bal Shakti Puruskar** by the Hon'ble President of India.

In an ongoing effort to encourage women to take up motorsport, JK Tyre conceptualized numerous initiatives for women, creating platforms for them to step forward and participate in the sport like FIA Accredited **Girls on Track** program, an all-girls racing team in National Racing Championship etc. JK Tyre has also supported multiple drives exclusively for women in the Time, Speed, Distance format.

HUMAN RESOURCE

The Year 2019-20 has experienced number of initiatives in line with our journey for business transformation and excellence. Our talent management process has been made more robust. We have strengthened our connect with field employees through 'Regional Ownership' by HR thus enabling higher performance. The Employee Satisfaction Survey (ESS), which is conducted once in every two years, was completed in March'20. The score this time is the highest ever. The Survey has established a good framework for actions for enhanced employee engagement. JK Tyre has been certified as 'Best Place to Work in Manufacturing', and is ranked among top 30 Indian manufacturing companies. Top management communication through monthly V Connect has become highly interactive, thus creating more passion and engagement among employees.

The Year represents progress in analytics and digital transformation including acquisition of talent in respective areas. On-line HR processes for employee services through 'Employee Portal' was a major achievement towards HR digitization during the year. Employee self-service has been promoted by tying up with road travel service companies. The focus is on building digital capability at every level for more and more digitised solutions. Digital interventions in sales, marketing, service and supply chain is helping our field force to minimise human exposures. Recruiting digitally skilled talent is our strategy in order to ensure less of human interventions and more automations in place of human efforts. The capability development has received a major thrust by moving to digital and virtual learning.

Apart from the regular role of HR in terms of human resource planning, talent management, employee engagement, retention and development; the last quarter of previous year has witnessed employee health and safety as prime concern during the onset of COVID 19. JK Tyre has put high emphasis on training and teaching employees in terms of new sets of behaviors that ensure health and safety for self and all stakeholders.

RISKS AND CONCERNS

All businesses are exposed to many risks which can arise from wide variety of sources like financial uncertainty, market uncertainty, competitive landscape, technological advancement, regulatory and policy related, legal liabilities, economic risk, natural disasters and others.

Risk management process at JK Tyre involves identification of risk, evaluation and then planning to avoid or minimize its impact. The Company understands the importance of risk management and has adopted well-structured framework to undergo this exercise. Company has constituted risk management committee who regularly work towards this aim and reduce risk. The committee keeps reviewing the risk action plan and the scenario about

risks on a periodic interval. The same is also being presented to the Board level Risk Management Committee, which has been constituted in the Company.

Some of the risks that are identified for our business are below:

Uncertain economic scenario:

Last year the global economy started slowing down due to multiple events including uncertainty over US-China trade deal & other trade agreements. There have been some development on the geo-political environment also which has further increased such uncertainty. Such events not only have potential to impact Company's exports but also increases risk of increasing imports at cheaper prices impacting the domestic market.

Company has identified this as key risk and has started working on two fronts, to diversify global market presence and look for newer market opportunities as well as moving towards deeper penetration in the existing markets with larger range of products. Consequently, JK Tyre made a thrust in Tier 2 & 3 towns and in addition appointed rural distributors in select areas.

Slowdown in India's GDP and Auto Sector:

India's GDP growth rate has been seen slowing during last year. This was also interlinked with the automobile sector degrowth. Being a part of the auto ancillary sector, this has direct impact on the Company's business resulting into lower OEM segment demand.

As a response to this development, Company has been working with OEMs for new approvals in more vehicles and in new segments as well. Company has also increased focus on the replacement segment in the domestic market, as well as on the export market to be able to successfully minimize the impact of this demand contraction.

Technology Risks

Indian auto industry and tyre industry has seen many regulatory changes in the recent past such as axle load norms, BS-6 norms etc. Increasing trend of shared mobility and electric vehicle trend along with some of the changes in consumer need and expectation have increased competitiveness. Technology plays an important role to address these expectations through quick development of suitable tyres. Company's technology function is fully prepared with right skills and talent sets to address any such requirement.

Global Pandemic (Covid-19) Risk

World is currently facing the unprecedented issue in form of pandemic (Covid-19) which has not only impacted supply chain disruptions, severe drop in market demand, fall in GDP across

nations but also poses a severe threat to the human health and their livelihood. Many of the economies have gone under lockdown of different magnitude to check the spread of this virus leading to almost shut down of industrial activities. It has impacted all the sectors.

Company has taken various action to be able to fight against this pandemic and reduce its impact. Various task forces have been constituted to address various areas of impact due to this pandemic. People health and safety is considered a prime focus area and therefore all the government guidelines are being strictly followed to safeguard everyone associated. Company is hoping that economy will recover soon and we will be ready to bounce back.

Raw Material Risk

With the slowdown in global growth raw material availability is not of much a concern. However, due to global pandemic supply chain interruptions are widespread. This is caused due to many actions being taken in various geographies to control the spread of the pandemic. Company has anticipated such interruptions and is trying to diversify its sourcing from multiple manufacturers across geographies. This will help in timely availability of raw material at our manufacturing plants.

Structured risk management has helped Company to assess and plan for the risks well in advance. We have been preparing the action plans to counter many such risks and implementing them in timely manner. This process has helped us protecting stakeholders' interest and minimizing the impact of interruptions.

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 alongwith 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 address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

Your Company's actual results, performance or achievements could thus, differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publically amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

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 2020, of which four are Executive Directors and eight are Non-Executive Directors(NED); out of eight NED, seven are Independent Directors(IND). Six Board Meetings were held during the twelve months period from 1st April 2019 to 31st March 2020 i.e., on 16th May 2019, 1st August 2019, 9th September 2019, 30th October 2019, 30th January 2020 and 25th March 2020. Attendance and other details as on 31st March 2020 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	5	Yes	7	4	2
2	Shri Arvind Singh Mewar Δ	IND	4	Yes	-	-	-
3	Shri Bakul Jain Δ	IND	6	Yes	4	4	2
4	Shri Shreekant Somany Δ	IND	4	Yes	4	2	-
5	Smt. Sunanda Singhania	NED	6	No	-	-	-
6	Shri Vimal Bhandari Δ	IND	6	No	5	2	1
7	Shri Kalpataru Tripathy Δ	IND	6	Yes	5	3	1
8	Dr. Wolfgang HolzbachΔ	IND	5	No	-	-	-
9	Smt. Meera Shankar Δ @	IND	1	N.A.	4	2	-
10	Shri Bharat Hari Singhania, Managing Director	Executive	5	No	4	1	-
11	Shri Anshuman Singhania, Dy. Managing Director #	Executive	6	Yes	-	-	-
12	Shri Arun K. Bajoria, Director & President – International Operations	Executive	6	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). Declarations have been received from all the Independent Directors of the Company that they meet the criteria of Independence prescribed under Section 149 of the Companies Act 2013 and the Listing Regulations.

Shri Shreekant Somany who was appointed as an Independent Director of the Company for a term of five consecutive years at the AGM held on 2nd September 2016 is proposed to be re-appointed as an Independent Director at the forthcoming AGM in accordance with the provisions of Section 149 of the Companies Act, 2013 and the Listing Regulations.

@ Appointed as an Additional Director in the category of Independent Woman Director for a tenure of five consecutive years w.e.f. 30th January 2020, subject to the approval of shareholders. In the opinion of the Board, Smt. Meera Shankar satisfies the criteria of integrity, expertise and experience/proficiency.

- # Re-designated as Dy. Managing Director w.e.f. 9th September 2019.
- * DIN of the above named directors in seriatim: 1 - 00036129; 2 - 00008244; 3 - 00380256; 4 - 00021423; 5 - 02356376; 6 - 00001318; 7 - 00865794; 8 - 06422833; 9 - 06374957; 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.

N.A. Not Applicable

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.)

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

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

Smt. Meera Shankar: ITC Ltd. (Ind.), Pidilite Industries Ltd. (Ind.), Adani Transmission Ltd. (Ind.) and Hexaware Technologies 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; Shri Vimal Bhandari- financial expertise; Shri Kalpataru Tripathy - legal & regulatory;

Dr. Wolfgang Holzbach- technology, quality, manufacturing & safety and Smt. Meera Shankar- former ambassador, global business strategy & community service.

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 2020 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, Shri Kalpataru Tripathy - Nil Shares, Shri Vimal Bhandari - Nil Shares, Smt. Meera Shankar - 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 30th January 2020. Shri Vimal Bhandari was unanimously elected as Chairman of the said meeting and four 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

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.

Five meetings of the Audit Committee were held during the financial year ended 31st March 2020.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
16th May 2019	3*
1st August 2019	4
30th October 2019	4
30th January 2020	3*
25th March 2020	4

*Shri Kalpataru Tripathy, an independent director, attended the Audit Committee Meetings held on 16th May 2019 and on 30th January 2020.

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	5
Shri A.S. Mewar	Member	3
Shri Shreekant Somany	Member	3
Shri Arun K. Bajoria	Member	5

All the Committee Meetings were attended by the Head of Finance Function and Company Secretary. The Head of Internal Audit and the representative of the Statutory Auditor are regular in attending the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors out of which two are Non-executive Independent Directors and one is Executive Director. The composition and the Role/'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

During the financial year ended 31st March 2020, two meetings of the Committee were held on 16th May 2019 and on 30th October 2019. Shri Bakul Jain (Chairman of the Committee) and Shri Arun K. Bajoria, Member of the Committee attended both the meetings and Shri Shreekant Somany attended the meeting held on 30th October 2019.

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2020, the Company has not received any complaint from the 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'. The share transfer formalities are attended, as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2020, 10 Meetings of the 'Share Transfer Committee' were held.

8. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Dates of the meetings and the number of Members attended are:

Date of the Meeting	Number of Members attended
16th May 2019	2
1st August 2019	3
9th September 2019	3
30th January 2020	2

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	2
Shri Vimal Bhandari	Member	4
Shri Kalpataru Tripathy	Member	4

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 of four Directors - namely, Shri Shreekant Somany (Chairman of the Committee), Shri Kalpataru Tripathy, Shri Anshuman Singhanian and Shri Arun K. Bajoria and one senior executive of the Company- namely, Shri Ashok Kumar Kinra, Financial Advisor. The Board nominated Shri Sanjeev Aggarwal, Chief Financial Officer (CFO) as a member of the Committee in place of Shri Ashok Kumar Kinra w.e.f. 31st January 2020. 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 2020, one meeting of the Committee was held on 30th January 2020 which was attended by Shri Kalpataru Tripathy, Shri Anshuman Singhanian and Shri Ashok Kumar Kinra.

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 comprising of salary, perquisites and retirement benefits, such as contribution to Provident Fund, etc. for the financial year ended 31st March 2020 to the following Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director ₹7.61 Crores; Shri Bharat Hari Singhania, Managing Director ₹3.77 Crores; Shri Arun K. Bajoria, Director & President - International Operations ₹4.45 Crores and Shri Anshuman Singhania, Dy. Managing Director ₹3.02 Crores. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT - 9, which forms part of the Board's Report and has been uploaded on the website of the Company.

The tenure of office of the Chairman & Managing Director, Managing Director and Dy. Managing Director is five years from the respective dates of appointments and three years from the date of appointment in case of Director & President - International Operations. In the case of all Executive Directors, notice period is six months. Severance Fees for the Chairman & Managing Director, the Managing Director and Dy. Managing Director 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 2020, 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 aggregating to ₹0.36 Crore to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof. In addition to sitting fees, commission was also payable to Non-executive Directors amounting to ₹10 lakh each and ₹1.67 lakh to Smt. Meera Shankar, (proportionate to her tenure during the financial year ended 31st March, 2020) aggregating to ₹71.67 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
2016-17	Jaykaygram, PO-Tyre Factory, Kankroli- 313 342 (Rajasthan)	4.8.2017	4.15 P.M.
2017-18	Same as above	22.8.2018	11.30 A.M.
2018-19	Same as above	14.8.2019	11.30 A.M.

Details of the Special Resolution (SR) passed: No SR was passed at the AGM held in the year 2017, one SR was passed at the AGM held in the year 2018 and seven SRs were passed at the AGM held in the year 2019.

No SRs were required to be put through postal ballot during the financial year ended 31st March 2020. There is no immediate proposal for passing any resolution through postal ballot.

13. DISCLOSURE:

- (i) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: **None**

Suitable disclosures as required by Ind AS 24 – Related Party Transactions have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/RPolicy.pdf>

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.

(iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 12th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

(iv) Prevention of Sexual Harassment of Women at Workplace: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and 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 2020, 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 2020.

(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 2020, 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 27th May 2020 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS 234, CP No. 3331) that none of the directors on the board of JK Tyre & Industries Ltd. has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

(viii) Subsidiary Companies: The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

The Company has formulated a Policy for determining material subsidiary. The Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/pdms.pdf>. The Company has one material subsidiary - namely, Cavendish Industries Ltd. and the requirements pertaining to the same are complied with.

(ix) Corporate Social Responsibility Committee: The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of three Directors out of which one is Independent and two are Executive Directors. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2020 i.e., on 16th May 2019 and on 30th January 2020. Dr. Raghupati Singhania (Chairman of the Committee) and Shri Arun K. Bajoria (Member) attended all the Meetings held during the said financial year.

(x) Dividend Distribution Policy: The Board at its meeting held on 9th February 2017 has formulated Dividend Distribution Policy as per the requirements of the Listing Regulations. The Policy is as follows:

(1) PREAMBLE

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 9th February, 2017.

(2) OBJECTIVE

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

(3) FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

While recommending/declaring Dividend, the Board shall take into account various Internal & External factors which shall inter-alia include:

- (1) Profitability of the Company during the relevant year.
- (2) Past Dividend trends.
- (3) Leverage profile.
- (4) Future capital expenditure programmes including organic and inorganic growth opportunities.
- (5) Company's Liquidity Position and Cash flow position.
- (6) Economic conditions and regulatory environment.
- (7) Any other relevant factors that the Board may deem fit to consider.

(4) UTILISATION OF RETAINED EARNINGS

The retained earnings will be used inter-alia for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

(5) DECLARATION OF DIVIDEND

The Board may declare/recommend Dividend either as an Interim or as Final Dividend during any financial year.

The Dividend shall be declared or paid by the Company for any financial year out of the profits of the Company arrived at in conformity with the Companies Act.

The Board shall endeavour to achieve a Dividend Payout

Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

(6) REVIEW & MODIFICATION OF DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes along with the rationale therefor.

(7) DISCLOSURE

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

- (xi) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the financial year ended 31st March 2020.

(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 2020, the Company has paid total fees for various services including statutory audit, amounting to ₹40 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: 02952-302400/330011
(ii)	Annual General Meeting (AGM)	
	(a) Date, Time & Venue	Tuesday, 22nd September 2020 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 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) Financial Reporting :	
	<ul style="list-style-type: none"> ■ 1st Quarter ending June 30, 2020 	} Within 45 days of the end of the quarter or within such time limits as may be permissible. } Within 60 days of the end of the 4th quarter or within such time limits as may be permissible.
	<ul style="list-style-type: none"> ■ 2nd Quarter ending September 30, 2020 	
	<ul style="list-style-type: none"> ■ 3rd Quarter ending December 31, 2020 	
	<ul style="list-style-type: none"> ■ Annual and 4th Quarter ending March 31, 2021 	
	<ul style="list-style-type: none"> ■ Annual General Meeting for the financial year 2020-21 	Between July and September 2021
(iv)	Dividend Payment Date	Dividend Payment within two weeks of conclusion of AGM.
(v)	Date of Book Closure	16th September to 22nd September, 2020 (both days inclusive).
(vi)	Names and addresses of Stock Exchanges where equity shares of the Company are listed	<p>The Equity Shares of the Company are listed on the following Stock Exchanges:</p> <p>(i) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001</p> <p>(ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051</p> <p>The annual listing fee for the financial year 2020-21 have been paid to both the aforesaid Stock Exchanges.</p> <p>The securities of the Company are not suspended from trading.</p>
(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-2019	96.50	86.50	96.20	86.20
May-2019	88.90	75.00	87.60	74.90
June-2019	84.50	72.20	84.50	72.30
July-2019	81.95	65.35	81.60	67.80
August-2019	72.35	53.55	72.45	54.65
September-2019	75.00	60.00	75.00	59.75
October-2019	80.00	63.10	80.35	64.75
November-2019	79.70	66.80	79.80	66.70
December-2019	81.45	69.50	81.40	69.50
January-2020	87.70	72.25	87.55	72.10
February-2020	76.40	61.00	76.40	60.80
March-2020	66.00	31.50	65.60	31.65

JK Tyre & Industries Ltd.'s (JK Tyre's) Share Performance v/s BSE Sensex (April 2019 – March 2020)

Month & Year	BSE - JK Tyre's Share Price (Closing)		BSE Sensex (Closing)	
	₹	Relative Values to 100	Actual	Relative Values to 100
April-19	86.75	100.00	39,031.55	100.00
May-19	82.35	94.93	39,714.20	101.75
June-19	80.05	92.28	39,394.64	100.93
July-19	70.80	81.61	37,481.12	96.03
August-19	57.95	66.80	37,332.79	95.65
September-19	70.15	80.86	38,667.33	99.07
October-19	75.60	87.15	40,129.05	102.81
November-19	70.10	80.81	40,793.81	104.51
December-19	74.85	86.28	41,253.74	105.69
January-20	74.40	85.76	40,723.49	104.33
February-20	63.00	72.62	38,297.29	98.12
March-20	40.80	47.03	29,468.49	75.50

(ix) Distribution of Shareholding (as on 31.3.2020):

No. of Equity Shares Held (of ₹2/- each)	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	8716078	3.54	110286	76.21
251-500	6791974	2.76	17412	12.03
501-1000	7425232	3.01	9404	6.50
1001-5000	13411544	5.45	6378	4.41
5001-10000	4716440	1.92	641	0.44
10001 & above	205169612	83.32	585	0.41
Total	246230880	100.00	144706	100.00

(x) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

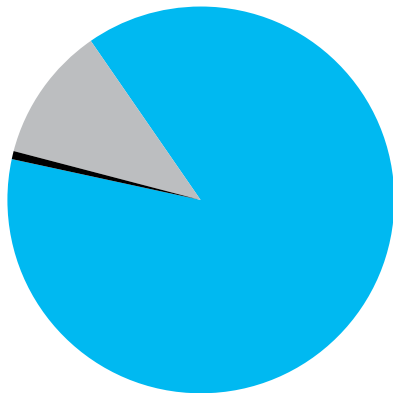
It may be noted that Trading in Equity Shares of the Company is permitted only in dematerialised form. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1st April, 2019. Accordingly, the Company/its RTA has stopped accepting any fresh lodgement

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.

Shares held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2020



■ NSDL 88.15%, ■ CDSL 11.39%, ■ Physical 0.46%

As on 31st March 2020, 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 2020, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and exports.

The Company is having a Risk Management framework for identifying various risks and for formulating plans for mitigating the same. The risks as well as mitigating plans are viewed periodically and updating takes place as and when 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 2020, the Company consumed 82171 MT rubber, valuing ₹1,025 Crores. The Company does not have any exposure hedged through commodity derivatives.

(xiv) Plant Locations

- Jaykaygram, Rajasthan
- Banmore, Madhya Pradesh
- Mysuru Plant I, Karnataka
- Mysuru Plant II, Karnataka
- Mysuru Plant III, Karnataka
- Chennai Plant, Tamil Nadu

(xv) Address for Correspondence for Share Transfer and Related Matters

- Vice President (Legal) & Company Secretary
JK Tyre & Industries Ltd.
Secretarial Department
Gulab Bhawan
6A, Bahadur Shah Zafar Marg,
New Delhi -110 002.
Phone No.: 91-11-30179263
Fax No. : 91-11-23322059
Email: investorjkyre@jkmil.com
Website : www.jkyre.com
- Registrar & Share Transfer Agent
Alankit Assignments Ltd.
205-208 Anarkali Complex,
Jhandewalan Extension,
New Delhi-110 055 (India)
Phone No. :91-11-42541234;
Fax No: 91-11-41543474
Contact Person: Shri J.K. Singla
Email: rta@alankit.com
Website: www.alankit.com

(xvi) List of all Credit Ratings obtained by the Company alongwith revisions thereto during the financial year ended 31st March 2020, 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:

- Ratings to various facilities of the Company by CARE Ratings Ltd. are: (a) Long-term Bank Facilities - CARE A; Negative (Single A; Outlook: Negative). Rating Action - Revised from CARE A+; Negative (Single A Plus; Outlook: Negative). (b) Short-term Bank Facilities - CARE A1 (A One). Rating Action - Revised from CARE A1+ (A One Plus). (c) Long-term/ Short-term Bank(Non Fund) Facilities - CARE A; Negative/ CARE A1 (Single A; Outlook: Negative/A One). Rating Action - Revised from CARE A+; Negative/CARE A1+ (Single A Plus;

Outlook: Negative/A One Plus). (d) Commercial Paper issue - CARE A1 (A One). Rating Action – Revised from CARE A1+ (A One Plus). (e) Fixed Deposit - CARE A (FD); Negative/ CARE A1 (FD)(Single A [Fixed Deposit]; Outlook: Negative/A One [Fixed Deposit]). Rating Action – Revised from CARE A+ (FD); Negative/ CARE A1+ (FD) (Single A Plus [Fixed Deposit]; Outlook: Negative/ A One Plus [Fixed Deposit]).

- (B) Ratings to various facilities of the Company by India Ratings & Research Pvt. Ltd. are: (a) Long-term Loans - IND A/Negative. (b) Fund-based and non-fund based limits - IND A/Negative/IND A1. (c) Term deposit - IND tA+/Negative. India Ratings & Research Pvt. Ltd. has not reviewed ratings of the Company during 2019-20.

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2020 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. 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 Dy. 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
Corporation Bank	The Federal Bank Ltd.
IDBI Bank Ltd.	Punjab National Bank
Indian Bank	

(xxi) (a) Transfer of Shares to IEPF Authority

As on 1st April 2019, the Company had 7,03,818 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 1,23,670 Equity Shares to the demat account of IEPF Authority, during the year. During the year, nine shareholders have claimed back 2,775 Equity Shares from the IEPF Authority. As on 31st March 2020, there are 8,24,713 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 2019, the Company had 1,14,215 Equity Shares, which were unclaimed by 421 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company has transferred 41,145 Equity Shares, which remained unclaimed by 169 Equity Shareholders, to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 3 requests during the year, for 3,885 Equity Shares for despatch, from the suspense account. These have since been despatched. Accordingly, as on 31st March 2020, the Company has 69,185 Equity Shares which remain unclaimed by 249 Equity Shareholders in the suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owners of such shares claim the same.

16. DECLARATION:

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of JK Tyre & Industries Ltd." during the Financial Year ended 31st March 2020.

Dr. Raghupati Singhania
Chairman & Managing Director

17. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
JK Tyre & Industries Limited

I have examined the compliance of the conditions of Corporate Governance by JK Tyre & Industries Limited ('the Company') for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2020.

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: 15th June 2020

Namo Narain Agarwal
Company Secretary, FCS 234, CP 3331
UDIN: F000234B000340079

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

INTRODUCTION:

JK Tyre presents its Business Responsibility Report (BRR) for the financial year 2019-20. 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	:	2019-20				
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>22111</td> <td>Manufacture of Tyres, Tubes & Flaps.</td> </tr> </tbody> </table>	NIC Code	Description	22111	Manufacture of Tyres, Tubes & Flaps.
NIC Code	Description						
22111	Manufacture of Tyres, Tubes & Flaps.						
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Tyres, Tubes & Flaps				
9.	Total number of locations where business activity is undertaken by the Company	:	The Company along with its subsidiaries has twelve manufacturing plants across the world.				
	(a) Number of International Locations (Provide details of major 5)	:	3 - through subsidiaries in Mexico.				
	(b) Number of National Locations	:	Nine - six manufacturing plants – one each at Kankroli (Rajasthan); Banmore (Madhya Pradesh); Chennai (Tamil Nadu) and three plants at Mysuru (Karnataka). In addition, three manufacturing plants through a subsidiary at Laksar, Haridwar (Uttarakhand).				
10.	Markets served by the Company – Local/ State/National/International	:	The Company has pan-India presence through a network of its own offices, dealers/business associates. In addition to serving Indian markets, the Company exports to over 105 countries across six continents.				

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	49.25 Crores
2.	Total Turnover (INR)	:	6120.23 Crores
3.	Total profit after taxes (INR)	:	228.66 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2.01% of the Average Net Profit after Tax for three Financial Years immediately preceding the FY 2019-20
5.	List of activities in which expenditure in 4 above has been incurred:-	:	<p>The major activities in which the above CSR expenditure has been incurred includes:</p> <ul style="list-style-type: none"> • Health Care • Education • Livelihood enhancement • Environmental conservation

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies?	: Yes, the Company has 15 subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: The Company's two Indian subsidiaries participate in the BR Initiatives. The remaining thirteen subsidiaries in foreign countries follow the laws in their respective regions.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	: No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR	
(a) Details of the Director/Director responsible for implementation of the BR policy/policies	The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies. The Committee comprises of the following Directors:

Name	DIN	Designation
Dr. Raghupati Singhania, Chairman of the Committee	00036129	Chairman & Managing Director
Shri Arvind Singh Mewar, Member	00008244	Independent Director
Shri Arun K. Bajoria, Member	00026540	Director & President- International Operations

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00026540
2	Name	Shri Arun K. Bajoria
3	Designation	Director & President - International Operations
4	Telephone number	+91 11 30179106
5	e-mail id	akbajoria@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	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? These Policies conform to the International Standards like SA8000, ISO 14001, OHSAS 18001, EnMS/ISO 50000, ISO/ TS-16949, etc.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? - Note 1	Y	N	N	Y	N	N	N	Y	N
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? - Note 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	Y	-	-	Y	-	-	-	-

Note 1- These Policies, however, have been signed by Director & President –International Operations.

Note 2 - It has been Company's practice to upload all the policies on the intranet site for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management, and CSR Policy are available on the website of the Company - <http://www.jktyre.com/codeofconduct.aspx> and <http://www.jktyre.com/CSRPolicy.pdf>.

(b) If answer to the question at series number 1 against any principal is 'NO', please explain why:

(tick upto 2 options)- Not Applicable

3. Governance related to BR

(a)	<p>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.</p> <p>Business Review Meetings are held on monthly basis. Such Meetings are chaired by DMD. In addition, on quarterly basis, the Board and the Audit Committee of the Board also review business performance.</p> <p>Besides this, the CSR Committee of Directors reviews the CSR initiatives taken by the Company every 3-6 months.</p>
(b)	<p>Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p> <p>The Company has published Sustainability Report for the Financial Years 2018-19, 2017-18 and 2016-17.</p> <p>The Company's Sustainability Report for the financial years 2017-18 and 2016-17 can be viewed at http://www.jktyre.com/Sustainability-Report.aspx. and also, Business Responsibility Report for the Financial Years 2018-19, 2017-18 and 2016-17 as per the format prescribed by SEBI can be viewed at www.jktyre.com/annualreport.aspx.</p>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	<p>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?</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The said Codes/Policy covers all dealings with suppliers/customers/business associates/others.</p>
2.	<p>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.</p> <p>The Company has not received any complaint from the shareholders during the financial year 2019-20. No complaint was pending as on 31st March 2020.</p> <p>The Company has not received any complaint under the said Codes/Policies during the financial year ended 31st March 2020.</p>

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.

Low RRc Tyres in PCR (Fuel Efficient)

1. Customer awareness is increasing day by day on saving the environment - be it around Plastic or pollution or carbon emission. Globally, efforts are being made in auto industry to enhance fuel efficiency and reduce carbon emission. We have reduced Rolling resistance of tyres by over 40% , which is the indicator of tyre's contribution in fuel efficiency. These products are globally benchmarked and capable of handling high severity markets like India , additionally these tyres are also certified by European regulations(ECE R117 Stage 2 requirements), same technology is being developed and will be deployed for electric vehicles . These products are offered to global as well Indian oems in addition to retail channels. Some of the products are:
 - a. 155/80 R13 Ultima Neo
 - b. 215/60 R17 UxRoyale
 - c. 165/80 R14 UxRoyale

Low RRc tyres in TBR (Fuel Efficient):

1. Successfully launched the fuel efficient tyres to the Indian market in 295/90R20 size. JUH XF is a rib tyre developed for front axle tyre and JDH XF is a lug tyre developed for rear axle. These tyres have tested for fuel efficiency and given a result of 8% improvement over regular tyres.
2. 6 patterns were approved under SmartWay certification which is a stringent fuel efficient standard of US market.
3. All our TBR & LTR patterns are meeting the stringent requirements of ECE R117 Stage-2. This covers all the European market and allied markets which follows similar kind of regulations. With this we have developed tyres which helps in reducing environmental pollution, noise and also increases tyre safety.

Low RRc tyres in TBB :-

On account of expanding sales of automobiles, growing purchasing power of people and expanding vehicle fleet size in UAE. Further increase in number of infrastructure projects is projected to boost demand commercial vehicles and related tyres in the country. Looking at the market scenario and the upcoming future trends of UAE tire market, our readiness in terms of technological requirements to cater these markets

is ensured through TBB offerings which meets the stringent requirement of GCC and SASO countries .

1. 12.00-24 POWER TRAK
2. 10.00-20 JET R PLUS

Tyres for E-Rickshaws : –

On account of growing need to curb air pollution levels across the country, Government incentive schemes, growing distributor & dealership network, rising online sales, and increasing affordability of electric two wheelers being provided by leading automobile manufacturers are some of the other key factors that would boost demand for electric two wheelers in India. Moreover, growing research & development activities are likely to result in a wide product portfolio for electric two wheelers, thereby positively influencing the country's electric two wheeler market. We have developed the following products to meet this growing demand for E- scooters

1. 3.75-12 BA 61 (E-Rickshaw)
2. 90/90-10 BA 21 (E- Scooter)
3. 90/100-10 BA21 (E- Scooter)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

To become “Green Company” is one of the key mission of JK Tyre and in this mission statement is pursued rigorously thus forcing one sustainable use of energy. JK Tyre as company is concerned over its environment and has pledged to conserve it for our future generation. In alignment to this principle JK Tyre as a company has achieved new mile stones to reduce the energy consumption. We are very pleased to record that JK Tyre in FY-2019-20 achieved a total energy benchmark level of 9.73 GJ/Ton of production and stands in the line with top five best companies in the sector worldwide.

Monitoring carbon footprint is part of our commitment to the society for better & safer environment of our future generation. The focus continues on GHG emission resulting in over 47% reduction in emission over base year. The company has achieved the new benchmark in water consumption by achieving mile stone of 2.20 Ltr/ Kg of production.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Innovation in Technology is the basic principle of JK Tyre and also the continual process. This enables the better and innovative way of product service at the customer end, also enables company deliver product prone to fuel saving. These activities basically effort of energy conservation at the customer end..

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

During the year, the Company has procured sizeable material from the local sources or vendors (except the major raw materials). These vendors are basically supplying the general consumables as well as spares for the equipment. The Company also encourages the vendors to adopt quality, environmental and safety management practices. This helps in developing entrepreneurship (Make in India Initiative), reduce costs and reduce dependence on fossil fuels as a part of Green Supply Chain initiative.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.

Yes. The Company is going a well-defined procedure to recycle and re-use the entire process waste. Additional approximately 5% of the recycled/regenerated material is used in the virgin product. Working with the above principle company has achieved process scrap/waste below 1%. The disposition of waste of all types (including non hazardous),

generated or handled at plants, to various (approved) customers, are done strictly as per directives of Central/ State Pollution Control Boards and compliance reports are submitted to the authorities.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 6151
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 4782
3. Please indicate the Number of permanent women employees: 38
4. Please indicate the Number of permanent employees with disabilities: 14
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association?
Approximately 68%. (while all permanent workmen are unionized in all plants)
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the

financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

The Company has systems certified to Social Accountability SA-8000 standards (from BSI) and has robust and effective tracking/ monitoring/review systems in place.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees	100%
(b) Permanent Women Employees	100%
(c) Casual/Temporary/Contractual Employees	100%
(d) Employees with Disabilities	100%

Training and re-training of all sections of people working in all our plant premises has become a hygiene factor which has delivered excellent performance on safety.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. The Company dynamically engages with its varied stakeholders to create an inclusive business environment seeking their inputs constantly. The Company has mapped its internal and external stakeholders and has identified - employees, customers, business partners/ suppliers, government and government agencies, lenders, shareholders/ investors and society as its stakeholders.

The Company has various mechanism in place for engagement with these stakeholders such as employee engagement study, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company.

The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community development initiatives. Various partnerships with local NGOs, government agencies, institutions, etc have been developed to scale up the CSR projects and enhance their efficacy.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

As few of the manufacturing plants of the company are located in semi-urban & under-developed areas, the company has strategically identified the disadvantaged, vulnerable & marginalized stakeholders. There are well laid out structured need assessment survey and baseline study formats and procedures to exactly assess the need of the area and people and accordingly targeted community development projects are planned to engage disadvantaged, vulnerable & marginalized stakeholders. Our CSR initiatives like project 'Parivartan' for pregnant women and newly born children, water conservation & livestock development for farmers, scholarship project for meritorious but economically weaker students, etc are the example of engaging with the disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company is committed to social development and works towards social betterment of the community in and around its factories. The Company has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focus areas against which all community engagement projects are taken up. In line with its set CSR Policy the Company undertook several community development programs during the year, some of them are:

1. Livelihood enhancement initiatives such as skill development for unemployed youths, livestock development, agricultural improvement, etc.
2. The project 'Parivartan' for providing better reproductive and child health care services, prevention of HIV/ AIDS among truckers, support to People Living with HIV/ AIDS, health camps, construction of toilets, etc.
3. Education based initiatives like support to schools, scholarships for brilliant and disadvantaged children, adoption of IT's, adult literacy project for rural women and prison inmates, infrastructural development, etc.
4. Water conservation & plantation

For more details on our work with communities, refer to Annexure D to the Directors report in the Annual Report and our websites, www.jktyre.com

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company 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 has been committed towards welfare of underprivileged sections of society by undertaking various developmental initiatives like reproductive and child health care project- Parivartan, prevention of HIV/ AIDS, medical camps, adult literacy, livelihood based projects, etc.
- (v) 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 financial year 2019-20 for violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.

Sustainability is built into JK Tyre's business processes through well-defined HEALTH, SAFETY & ENVIRONMENTAL (HSE) POLICY. The Company is committed to design, manufacture and distribute its products in a manner that protects the environment; prevents injury and ill health in all the activities being carried out under our control. The Company continually improve on Occupational Health, Safety and Environmental performance for sustainable growth by:

- Complying with legal and other HSE requirements applicable to products, processes and services.
- Taking measures in HSE management system by being proactive, innovative and cost effective.
- Conserving natural resources and energy by optimizing efficiency, minimizing waste and supporting environment friendly processes.
- Enhancing effectiveness of Safety, Health & Environmental Management system through Risk assessment and regularly reviewing its objectives and targets.
- Providing our employees, sub contractors and transporters the appropriate work environment, facilities, information and training to work safely and involving them in HSE matters concerning them.
- Integrating Safety, Health and Environmental policy into our business planning, decision making and performance review at appropriate levels. The policy will be reviewed periodically on need base to suit its applicability for the business requirements.
- We commit to consult all stakeholders and ensure participation of workers representatives and ensure adequate supervision to enhance the OHS & Environment performance.

The Company communicates this policy to all employees, persons working for and on its behalf and to make it available to all interested parties on request.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to design, manufacture and distribute its products and services in a manner that will be green and believe in quantification of greenhouse gas emissions by value addition processes as a first step in reducing these emissions in a systematic manner by following means:

- Ensure conformance with ISO 14064-1:2006 international standard.
- Ensuring that this information would facilitate the preparation of GHG reports which will remain Relevant, Complete, Consistent, Transparent and Accurate.
- Ensuring availability of resources to enhance GHG performance and build a suitable corporate culture.
- Aligning employee competencies to needs of this system.
- Creating a continual improvement mind set in respect of GHG performance within the organization.

Mission Statement on Sustainable Growth

Being cognizant of the need of sustainable growth and dwindling stock of natural capital, the Company is committed to the attainment of the following Ten - Natural Capital Commandments.

1. Reduce specific consumption of energy and water by 2-5% every year over next ten years.
2. Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next ten years.
3. Increase use of renewable, including renewable energy by 2-5% every year in place of non-renewable over next ten years. The Company already uses about 40% of its total requirement of power, through renewable resources.
4. Reduce specific greenhouse gas emissions and other process emissions by 2-5% every year over next ten years and explore opportunities through Clean Development Mechanism (CDM) & other Carbon Exchange Programs.

5. Increase use of recyclables and enhance recyclables of resources embedded in the product by 2-5% every year over next ten years.
6. Increase the share of harvested rainwater in the overall annual use of water by 2-5% every year over next ten years.
7. Incorporate life cycle assessment criteria for evaluating new and alternative technologies & products.
8. Strive to adopt green purchase policy and incorporate latest clean technologies.
9. Take lead in promoting and managing product stewardship program, by forging partnerships with businesses and communities.
10. Reduce depletion of natural capital, which is directly attributable to Company's activities, products and services by 2-5% every year over next ten years. We also commit to demonstrate attainment of these commandments in our pursuit to certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO- 50001, ISO-27001, Green Buildings, Eco Labels Sustainability reporting and the like.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has established system under ISO 14001: 2015 through which Environmental risk, impact and assessment is done and reviewed periodically. The purpose of this procedure is to establish and maintain procedures for identifying environmental/ Hazard aspects of activities, Risk assessment and Determining Control, and products and services that can be controlled and influenced.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes, the Company announced 'Becoming Green Company' as a part of its Mission Statement. All plants are certified by CII-GODREJ with Greenco Awards since last 4 years. Pursuant to Swachh Bharat Initiatives, the Mission is to be water positive in all plants by 2022. The on-going greening initiatives includes plantation of over 10,000 trees/year, life cycle assessment for products, green supply chain for logistics, carbon foot print measurements as per ISO-14064:2006 (by BSI) periodically keep us on this journey of clean development.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations. Also, the Company is working to make 50% use of Renewable Energy in Plants. The projects towards achieving this have started.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Each of the manufacturing plant has consents from State Pollution Control Boards (PCB) for air, water and solid waste. During the financial year 2019-20, the plants were compliant of relevant statutory laws in this regard and the requisite reports are filed periodically to State PCBs.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

This is to confirm that there were no show cause/legal notices received from the State Pollution Control Boards (PCB) and nothing is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	<p>Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:</p> <p>The Company is a member of the following:-</p> <ul style="list-style-type: none"> • Automotive Tyre Manufacturers Association (ATMA) • Confederation of Indian Industry (CII) • PHD Chamber of Commerce and Industry • Indo-American Chamber of Commerce <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>
2.	<p>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)</p> <p>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.</p>

Principle 8: Businesses should support inclusive growth and equitable Development

1.	<p>Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.</p> <p>The Company has framed its CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The contents of the CSR policy are disclosed on the website of the Company.</p> <p>Since long, the company has been engaged in various community development initiatives broadly categorized into four thematic areas- Livelihood, Health & Sanitation, Education and Water and environment to bring enduring sustainable change in the lives of people.</p> <p>The Company has been committed towards inclusive growth and equitable development since inception and it has been undertaking projects for overall development and welfare of the society in areas pertaining to promoting preventive healthcare, education, sustainable livelihood, rural development, conservation of natural resources, environmental sustainability, etc. Details of the same have been given in Annexure D of Director's Report in the annual report.</p>
2.	<p>Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?</p> <p>The CSR programmes/ projects of the Company are implemented directly by in-house teams and also with the help of grassroots and competent external NGOs.</p> <p>The company believes in developing partnerships and has collaborated with Government, corporates, NGOs and other stakeholders to effectively implement & scale up the CSR projects.</p>
3.	<p>Have you done any impact assessment of your initiative?</p> <p>For effective implementation and timely improvement in CSR initiatives, it's mandatory to have a robust MIS and feedback mechanism. The monthly, quarterly & annual progress reports are shared with top management for their feed-back and suggestions. Impact assessment studies are also conducted regularly to know the ground reality, short term and long term impacts of social interventions on lives of people and based on the findings of these studies further CSR interventions are planned.</p>

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the financial year 2019-20, the Company has spent ₹4.97 Crores on CSR initiatives, while the details of the Company's CSR Projects and activities have been given in Annexure D to the Director's Report in the annual report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Company adopts participatory stakeholder approach to engage communities right from the project planning stage. The need based projects implemented with participatory stakeholder approach have greater acceptability & ownership among communities. We strongly believe that our role in community development is only of a facilitator and enabler to empower the people so in long run they may become the owner of the project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The % age total consumer cases under process as on 31st March 2020 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 customer comprehensive customer care measures which include customer education on preventive tyre care pre and post service. The Company has enabled access to customers through various modes whether be it toll free helpline, Website, emails, or interface at the nationwide network of offices and extended reach through over 4000 channel partners including the exclusive retail outlets -Truck Wheels and Steel Wheels. During the year, the Company has expanded its retail presence including that of Xpress Wheels for non metro towns thus increasing its touch points with cusotmers. The Company has well laid out redressal procedures for complaints of customers and the complaints are immediately attended to both from the customers of Original equipment as well as retail buyers. The Technical Service Department has technically qualified and well trained personnel. Service levels are monitored closely. Large fleet customers have dedicated personnel assigned to them. The Company has also facilitated end users with user friendly warranties. OEM franchisee staff are periodically educated enables quicker service levels.

During the year new initiatives have been taken leverage digital technology including machine intelligence to provide quick responses to end users.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

The Company's products conform to Bureau of Indian Standards specifications, well as standards of countries where the Company's products are exported as may be required. The Company also adheres to various stringent worldclass processes and quality standards.

The Company displays all the requisite product information on Tread and on the sidewall of tyres as per statutory requirements under applicable laws such as tyre size designation, ply rating/load index, speed symbol, date of production and Tread Wear indicator etc. Over and above the mandatory requirements, the Company displays additional information related to tyre usage & maintenance like Visual Alignment indicator (VAI), Safety Warning for tyre fitment and service operating conditions etc.

The Company is also continuously interacting and educating customers on tyre selection, care & maintenance as per customer application & usage needs. This is done through various customer interaction programmes, driver training programmes, as well as during various customer care initiatives in partnership With automotive vehicle manufacturers. We also share road safety and tyre maintenance information on our digital & social media platforms for the benefit of customers at large.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No court case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or pending as on end of the financial year.

Under the said Competition Act 2002, investigation was conducted for the period 2009-10 to 2013-14, to find out presence of any agreement or understanding within the meaning of Section 3 of the said Act between the market players namely – Apollo Tyres Ltd., MRF Ltd., Ceat Ltd, JK Tyre & Industries Ltd. and Birla Tyres Ltd. and ATMA. The Company in its response has denied presence of any cartel. Other tyre manufacturers and ATMA have also submitted their responses and the matter is sub-judice.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

Customer has been constantly evolving and the company has been constantly engaged in understanding the shift in consumer behavior or needs. During the year, the Company has undertaken customer surveys, both in-house and through 3rd party. The company has also subscribed to 3rd party syndicated reports for this purpose. Interactions with customers at various forums also acts as a source of feedback.

The company periodically carries out field surveys and captures Voice of consumer & Consumer insights. Information obtained through this and other modes, are used for development of New Products and business policies based on creating customer value propositions. Documented in the company's plans these serve as inputs to the Strategic Business Plan and are reviewed at the highest level in the organization.

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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note No. 42 of the standalone financial statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management could not perform year-end physical verification of inventories at various locations. Further, our attendance at the physical Inventory verification done by the management subsequently was impracticable under the lock-down restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

Key Audit Matter	Auditor's Response
<p>Recognition of Revenue</p> <p>The Company recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the 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, 2020, the Company's Statement of Profit & Loss included Sales of ₹ 6038.07 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated. Refer to Accounting policies Note 1.3 (xiii) and Note No. 24 of the standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <ul style="list-style-type: none"> • We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 24 of the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged With Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the

Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and

whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant

books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 No. 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

New Delhi, the 15th June, 2020

Membership Number: 098336

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management according to the programme of periodical verification in phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, the material discrepancies, if any, noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts. However, due to COVID -19 pandemic our attendance at the physical Inventory verification done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at the year end.
- iii. According to the records and information and explanation made available to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP, and other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). However, Outstanding year-end balance of deferred receivable from a Company is ₹ 48.55 crores related to past year transaction under the Companies Act, 1956 and:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) In respect of aforesaid receivable, receipts of principals as well as interest accrued thereon are as per stipulated terms and conditions.
 - (c) There is no overdue amount in respect of principal and interest.
- iv. According to the information, explanations and representations given to us and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of sections 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Act in respect to the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2020.
 - (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	23.60
		Revision Board	2005-2006	14.57
		Joint Commissioner	2011-2017	7.75
		Tribunal	2005-2009	46.89
		High Court	1980-1982	1.80
Central Excise Act, 1944	Excise Duty	Commissioner-Appeals	1996-2013	46.00
		Additional Commissioner	2004-2010	52.34
		CESTAT	1981-2010	312.29
Custom Act, 1962	Custom Duty	Supreme Court	2012-2013	241.15
		High Court	2013-2014	1,558.33
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

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

New Delhi, the 15th June, 2020

Membership Number: 098336

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

Report on the Internal Financial Controls 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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

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, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 15th June, 2020

Membership Number: 098336

JK Tyre & Industries Limited

Balance Sheet as at 31st March, 2020

₹ in Crores (10 Million)

	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	3489.99	3320.46
(b) Capital Work-in-progress		60.88	73.80
(c) Investment Property	3	5.83	5.93
(d) Other Intangible Assets	4	3.14	3.93
(e) Financial Assets			
- Investments	5	723.80	596.61
- Loans	6	44.39	47.99
- Other Financial Assets	7	106.92	80.62
(f) Other Non-current Assets	8	28.28	35.41
		4463.23	4164.75
(2) Current Assets			
(a) Inventories	9	1095.53	1136.12
(b) Financial Assets			
- Trade Receivables	10	1436.03	1632.45
- Cash and Cash Equivalents	11	20.90	75.84
- Other Bank Balances	12	25.38	24.46
- Other Financial Assets	13	116.19	140.85
(c) Current Tax Assets (Net)	14	18.45	11.43
(d) Other Current Assets	15	312.78	219.48
		3025.26	3240.63
TOTAL ASSETS		7488.49	7405.38
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	49.25	49.25
(b) Other Equity	SOCE - II	2113.25	1945.87
		2162.50	1995.12
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	16	1465.00	1558.22
- Other Financial Liabilities	17	501.70	314.36
(b) Provisions	18	31.33	26.66
(c) Deferred Tax Liabilities (Net)	19	243.67	404.91
		2241.70	2304.15
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	20	1528.13	1451.85
- Trade Payables			
Micro & Small Enterprises		16.82	15.50
Others		926.89	963.60
- Other Financial Liabilities	21	511.64	527.92
(b) Other Current Liabilities	22	79.02	139.55
(c) Provisions	23	21.79	7.69
		3084.29	3106.11
TOTAL EQUITY AND LIABILITIES		7488.49	7405.38
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
Arun K. Bajoria

Chairman & Managing Director
Managing Director
Deputy Managing Director
Director

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

JK Tyre & Industries Limited

Statement of Profit & Loss for the year ended 31st March, 2020

₹ in Crores (10 Million)

	Note No.	2019-2020	2018-2019
I. Revenue from Operations	24	6094.84	7610.40
II. Other Income	25	25.39	79.27
III. Total Income (I+II)		6120.23	7689.67
IV. Expenses			
Cost of Materials Consumed		3157.83	4071.30
Purchases of Stock-in-trade		769.42	1273.24
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	26	(40.98)	(180.24)
Employee Benefits Expense	27	553.76	560.36
Finance Costs	28	342.92	316.28
Depreciation and Amortisation Expense		242.39	188.36
Other Expenses	29	1002.57	1157.49
Total Expenses (IV)		6027.91	7386.79
V. Profit before Interest, Depreciation & Tax (PBIDT)		677.63	807.52
VI. Profit / (Loss) before Exceptional Items and Tax (III-IV)		92.32	302.88
VII. Exceptional Items	41	(7.15)	1.80
VIII. Profit / (Loss) before Tax (VI+VII)		85.17	304.68
IX. Tax Expense			
(1) Current Tax		15.57	63.69
(2) Mat Credit Entitlement		1.00	(21.15)
(3) Deferred Tax		(160.06)	57.74
X. Profit / (Loss) for the Year (VIII-IX)		228.66	204.40
XI. Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss:			
- Re-measurement Losses on Defined Benefit Plans		(22.39)	(15.79)
- Income Tax relating to Items that will not be reclassified to Profit or Loss		5.63	5.52
Total Other Comprehensive Income		(16.76)	(10.27)
XII. Total Comprehensive Income for the Year (X+XI)		211.90	194.13
XIII. Earnings per Equity Share of ₹2 each			
Basic / Diluted (₹)	43	9.29	9.01

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 *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 15th June, 2020

P. K. RUSTAGI
Company Secretary

JK Tyre & Industries Limited

Statement of Changes in Equity (SOCE) for the year ended 31st March, 2020

I. SHARE CAPITAL

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
a. Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
b. Issued, Subscribed and fully paid up:		
Equity Shares - 24,62,30,880 of ₹2 each		
Balance at the beginning of the year	49.25	45.36
Addition during the year	-	3.89
Balance at the end of the year	49.25	49.25
c. Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	24,62,30,880	22,68,13,480
Addition during the year	-	1,94,17,400
Shares outstanding as at the end of the year	24,62,30,880	24,62,30,880
d. Details of each shareholder holding more than 5% shares:		
Name of Shareholder	No. of shares held	No. of shares held
Bengal & Assam Company Limited	13,11,58,250	6,14,34,600
BMF Investment Limited	-	3,88,64,550
Florence Investech Limited	-	3,26,59,100
Edgefield Securities Limited	1,74,37,500	1,74,37,500
e. Details of shares held by the Holding Company (including NIL shares held by its Subsidiaries and Associates):		
Bengal & Assam Company Limited	13,11,58,250	-

f. Rights and preferences attached to Equity Shares:

- i. 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.
- ii. 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.
- iii. 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, 2020

II. OTHER EQUITY

₹ in Crores (10 Million)

Particulars	Reserves & Surplus					Total Other Equity
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
				Surplus in P/L Statement	Other Comprehensive Income*	
As at 31st March, 2018	262.88	7.00	903.46	446.55	(20.96)	1598.93
Addition during the year \$	196.11					196.11
Share issue expenses charged during the year	(2.29)					(2.29)
Profit for the year				204.40		204.40
Other Comprehensive Income (Net of Taxes)					(10.27)	(10.27)
Cash Dividend				(34.02)		(34.02)
Dividend Distribution Tax on Cash Dividend				(6.99)		(6.99)
As at 31st March, 2019	456.70	7.00	903.46	609.94	(31.23)	1945.87
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)	2113.25

\$ The Company allotted 1,94,17,400 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share on preferential basis to the promoter group resulting into augmentation of net worth of the Company.

* Represents Re-measurement Losses on Defined Benefit Plans.

Component of Equity	Nature and Purpose
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or/and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

Notes to the standalone financial statements

NOTE - 1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1. The Company overview:

JK Tyre & Industries Limited (JKTIL) is a public limited company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The registered office of the company is situated at Jaykaygram, PO - Tyre Factory, Kankroli - 313342 Rajasthan, India.

JKTIL develops, manufactures, markets and distributes automotive Tyres, Tubes, Flaps and Retreads. The company markets its Tyres for sale to vehicle manufacturers for fitment in original equipments and for sale in replacement markets worldwide. The company has six manufacturing plants located at Kankroli (Rajasthan), Banmore (Madhya Pradesh), Sriperumbudur (Tamil Nadu) and three plants at Mysuru (Karnataka).

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 15th June 2020.

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.

Notes to the standalone financial statements

(iii) Intangible assets:

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated 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:

Pursuant to Ind AS – 116, Leases, becoming applicable w.e.f. 1st April, 2019:

- a) For initial application of Ind AS – 116, Leases, the Company recognised a right-of-use assets and lease liabilities by applying modified retrospective approach at the commencement of the financial year i.e. 1st April, 2019.
- b) 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 recognized 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 amortized 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 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.

- c) 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.
- d) 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.
- e) 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 exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets till 31st March, 2020 and depreciated over their balance life pursuant to the option in Notification No. G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non-Monetary Foreign Currency items are stated at cost.

(vi) Inventories:

Inventories are valued at lower of cost and net realisable value. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Notes to the standalone financial statements

(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 recognized 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.

Notes to the standalone financial statements

(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

Notes to the standalone financial statements

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.

(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 holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and Remittances in transit for the purpose of meeting short-term cash commitments.

Notes to the standalone financial statements

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation				Net Value	
	As at 31.03.2019	Additions/ Adjustments [^]	Sales/ Adjustments	As at 31.03.2020	Upto 31.03.2019	For the year	Sales/ Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Land:										
- Freehold	59.85 (58.53)	- (1.32)	-	59.85 (59.85)	-	-	-	-	59.85 (59.85)	59.85 (58.53)
- Leasehold-Right of Use \$	10.96 (10.96)	-	-	10.96 (10.96)	2.26 (2.14)	0.13 (0.12)	-	2.39 (2.26)	8.57 (8.70)	8.70 (8.82)
Buildings:										
- Owned*	794.57 (790.00)	9.38 (4.57)	-	803.95 (794.57)	168.84 (155.56)	15.13 (13.28)	-	183.97 (168.84)	619.98 (625.73)	625.73 (634.44)
- On Lease- Right of Use \$	-	58.98	-	58.98	-	12.93	-	12.93	46.05	-
Plant & Equipment:										
- Owned	4485.33 (4575.89)	160.93 (157.72)	10.50 (248.28)	4635.76 (4485.33)	1890.58 (1742.60)	164.40 (167.53)	9.07 (19.55)	2045.91 (1890.58)	2589.85 (2594.75)	2594.75 (2833.29)
- On Lease- Right of Use \$	-	178.21	-	178.21	-	42.08	-	42.08	136.13	-
Furniture and Fixtures	18.38 (17.59)	0.27 (0.81)	0.01 (0.02)	18.64 (18.38)	11.71 (10.63)	1.28 (1.10)	0.01 (0.02)	12.98 (11.71)	5.66 (6.67)	6.67 (6.96)
Office Equipments	20.68 (19.79)	1.74 (1.00)	0.42 (0.11)	22.00 (20.68)	15.96 (14.53)	1.53 (1.54)	0.40 (0.11)	17.09 (15.96)	4.91 (4.72)	4.72 (5.26)
Vehicles	32.07 (30.31)	5.27 (6.28)	5.22 (4.52)	32.12 (32.07)	12.03 (10.79)	3.63 (3.55)	2.53 (2.31)	13.13 (12.03)	18.99 (20.04)	20.04 (19.52)
Total	5421.84 (5503.07)	414.78 (171.70)	16.15 (252.93)	5820.47 (5421.84)	2101.38 (1936.25)	241.11 (187.12)	12.01 (21.99)	2330.48 (2101.38)	3489.99 (3320.46)	3320.46 (3566.82)
Previous year										

Figures in brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

[^] Includes forex reinstatement of ₹24.78 crores (Previous year: ₹25.50 crores). Unamortised forex reinstatement as on 31.03.2020 ₹115.06 crores (Previous year: ₹94.65 crores)

* Buildings include 32 shares held in co-operative housing societies.

\$ Right of use assets recognized pursuant to IND AS 116 becoming applicable w.e.f. 01.04.2019.

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 ₹414.58 crores (Previous year: ₹417.71 crores).

NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation				Net Value	
	As at 31.03.2019	Additions/ Adjustments	Sales/ Adjustments	As at 31.03.2020	Upto 31.03.2019	For the year	Sales/ Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Buildings	6.53 (6.53)	-	-	6.53 (6.53)	0.60 (0.49)	0.10 (0.11)	-	0.70 (0.60)	5.83 (5.93)	5.93 (6.04)
Total	6.53	-	-	6.53	0.60	0.10	-	0.70	5.83	5.93
Previous Year	(6.53)	-	-	(6.53)	(0.49)	(0.11)	-	(0.60)	(5.93)	(6.04)

Figures in brackets represent amounts pertaining to previous year.

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value				Amortisation				Net Value	
	As at 31.03.2019	Additions/ Adjustments	Sales/ Adjustments	As at 31.03.2020	Upto 31.03.2019	For the year	Sales/ Adjustments	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Computer Software#	17.45 (17.45)	0.39	-	17.84 (17.45)	13.52 (12.39)	1.18 (1.13)	-	14.70 (13.52)	3.14 (3.93)	3.93 (5.06)
Total	17.45	0.39	-	17.84	13.52	1.18	-	14.70	3.14	3.93
Previous Year	(17.45)	-	-	(17.45)	(12.39)	(1.13)	-	(13.52)	(3.93)	(5.06)

Figures in brackets represent amounts pertaining to previous year.

Being amortised over a period of 5 years.

Notes to the standalone financial statements

NOTE - 5 INVESTMENTS [NON-CURRENT] (Other than Trade)

₹ in Crores (10 Million)

	As at 31.03.2020		As at 31.03.2019	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Investment in Equity Shares:				
Subsidiary Companies (at Cost):				
Lankros Holdings Limited (Euro 1 each) *	42,95,604	73.71	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	0.61	1,35,000	0.61
J. K. Asia Pacific Ltd. (HK\$ 1 each)	19,99,999	0.71	19,99,999	0.71
3D Innovations Pvt. Ltd (₹10 each)	15,00,000	1.50	15,00,000	1.50
Cavendish Industries Ltd. (₹10 each) ^	3,96,73,286	563.01	3,20,03,286	448.04
Associate Companies (at Cost):				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; Previous year: ₹2400)	24	-	24	-
Treel Mobility Solutions Pvt. Ltd.(₹10 each)	3,737	6.30	-	-
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35
Others (at fair value through P&L):				
HDFC Bank Ltd. (₹1 each (Previous year : ₹2 each)	10,000	0.86	5,000	1.16
Bengal & Assam Company Ltd. (₹10 each)	11,641	1.40	11,641	1.99
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	2.20	49,400	0.33
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	14,000	0.18	14,000	0.16
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	36,000	0.04	36,000	0.04
Investment in Preference Shares (at fair value through P&L):				
Associate Company:				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Shares) (₹100 each)	11,00,000	10.89	11,00,000	9.81
Others:				
V. S. Lignite Power Pvt. Ltd. (0.01% Cumulative Redeemable Preference Shares) (₹10 each) #	11,14,222	-	11,14,222	0.47
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	70,00,000	61.07	70,00,000	56.67
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.56	2,50,000	0.65
		723.80		596.61
Aggregate amount of quoted Investments/ market value thereof		2.82		3.80
Aggregate amount of unquoted Investments		720.98		592.81
Aggregate provision for impairment in value of Investments		-		-

* Pledged with bank for loans availed by certain foreign subsidiaries.

^ Pledge with banks - 51% shareholding out of 71.91% held.(Previous year :64%).

Under lien with Issuer.

Notes to the standalone financial statements

NOTE - 6 LOANS [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
<i>Unsecured, Considered Good:</i>		
Security Deposits	44.39	47.99
	44.39	47.99

NOTE - 7 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	106.92	80.62
	106.92	80.62

NOTE - 8 OTHER NON-CURRENT ASSETS

Advances - Project Related	13.43	14.94
Others	14.85	20.47
	28.28	35.41

NOTE - 9 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials*	342.16	414.35
Work-in-Progress	34.06	66.49
Finished Goods**	606.81	513.45
Stock-in-trade	60.01	79.96
Stores and Spares	52.49	61.87
	1095.53	1136.12

* Includes raw materials in transit ₹81.45 crores (Previous year: ₹142.08 crores).

** Includes finished goods in transit ₹1.27 crores (Previous year: ₹21.10 crores).

NOTE - 10 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1436.03	1632.45
Credit Impaired	10.63	8.63
Less : Allowance for Bad and Doubtful debts	(10.63)	(8.63)
	1436.03	1632.45

NOTE - 11 CASH AND CASH EQUIVALENTS

Balances with Banks in Current Accounts	19.35	18.49
Remittances in transit and Cheques on hand	1.33	57.27
Cash on hand	0.22	0.08
	20.90	75.84

NOTE - 12 OTHER BANK BALANCES

Unclaimed Dividend Accounts	1.76	1.69
Deposit Accounts*	23.62	22.77
	25.38	24.46

* Represent Deposit Repayment Reserve Account ₹16.60 crores (Previous year: ₹14.74 crores) and margin money under lien with banks against bank guarantees ₹7.02 crores (Previous year: ₹8.03 crores).

Notes to the standalone financial statements

NOTE - 13 OTHER FINANCIAL ASSETS [CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
<i>Unsecured, Considered Good:</i>		
Interest Recoverable	7.55	2.23
Due from Related Parties (Refer Note No. 45)	0.20	18.83
Balances with Government Authorities	71.98	54.50
Deferred Receivable	27.48	55.46
Others	8.98	9.83
	116.19	140.85

NOTE - 14 CURRENT TAX ASSETS / (LIABILITIES) (NET)

Current Tax Assets / (Liabilities) (Net)	18.45	11.43
	18.45	11.43

NOTE - 15 OTHER CURRENT ASSETS

Balances with Government Authorities	128.82	164.01
Prepaid Expenses	16.71	15.97
Advances to Related Parties (Refer Note No. 45)	126.94	-
Advances to Suppliers	28.33	27.41
Others	11.98	12.09
	312.78	219.48

NOTE - 16 BORROWINGS [NON-CURRENT]

₹ in Crores (10 Million)

	Non - Current		Current *	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Secured Loans				
Term Loans: **				
- Financial Institutions	247.16	252.30	34.05	51.54
- Banks	1148.68	1249.16	154.20	207.58
	1395.84	1501.46	188.25	259.12
Unsecured Loans				
Term Loans:				
- Others	-	-	-	8.17
Fixed Deposits	69.16	56.76	27.52	42.25
	69.16	56.76	27.52	50.42
TOTAL	1465.00	1558.22	215.77	309.54

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 21).

** Net of ₹3.31 crores (Previous year: ₹4.27 crores) for unamortised processing charges.

- (i) Term Loans aggregating ₹ 30.95 crores from Banks, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Karnataka, both present and future are repayable in 12 equal quarterly instalments.

Notes to the standalone financial statements

- (ii) Term Loans aggregating ₹ 273.28 crores (₹176.33 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹96.95 crores including ₹31 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 12 equal quarterly instalments.
- (iii) Term Loans aggregating ₹293.55 crores (₹108.66 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹184.89 crores including ₹29.87 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation created on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 31 equal quarterly instalments.
- (iv) Term Loans aggregating ₹552.57 crores from a Bank, 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 is repayable in 53 quarterly instalments.
- (v) Foreign Currency Loan from a Bank amounting to ₹73.71 crores including ₹13.43 crores due to forex reinstatement, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 15 equal quarterly instalments.
- (vi) Foreign Currency Loan from a Bank amounting to ₹203.34 crores including ₹26.92 crores due to forex reinstatement is secured by first pari passu charge on movable fixed assets at Company's Plants at Rajasthan and Karnataka (excluding those specifically charged to other banks), both present & future. Loan of Tranche – I, ₹80.13 crores and Tranche – II, ₹123.21 crores are repayable in 16 and 20 quarterly instalments respectively.
- (vii) Term Loan of ₹ 160 crores from a Bank, secured by a first pari passu charge created on movable fixed assets at a Company's Plant in Madhya Pradesh, both present and future is repayable in 8 equal quarterly instalments.
- (viii) Term Loans carrying first pari passu charge on the movable and immovable assets also have second charge on stocks and book debts hypothecated with banks for working capital borrowings.
- (ix) Fixed Deposits of ₹27.52 crores, ₹33.12 crores and ₹36.04 crores (aggregating ₹96.68 crores) are due for repayment in 2020-21, 2021-22 and 2022-23 respectively.
- (x) The Company has availed moratorium of three months 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 May, 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 - Regulatory Package, to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic. Further, 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.

Subsequently, RBI vide its Circular number RBI/2019-20/244 DOR.No.BP.BC.71/21.04.048/2019-20 dated 23rd May, 2020 extended the moratorium period for another three months from 1st June, 2020 to 31st August, 2020 and has also permitted to convert the accumulated interest on working capital borrowings for the deferment period up to 31st August, 2020, into a funded interest term loan (FITL) which shall be repayable not later than 31st March, 2021. In line with aforesaid Circular, the Company has applied to all its lenders for availment of moratorium and conversion of interest on working capital into FITL.

Accordingly, the repayment schedule for such loans as also the residual tenor, will be shifted across the board.

NOTE - 17 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Trade Deposits & Others	356.88	314.36
Lease Liabilities	144.82	-
	501.70	314.36

NOTE - 18 PROVISIONS [NON-CURRENT]

	31.33	26.66
Provision for Employee Benefits	31.33	26.66

Notes to the standalone financial statements

NOTE - 19 DEFERRED TAX LIABILITIES (NET)

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability related to Property, Plant and Equipment	636.16	721.58
Deferred Tax Assets on:		
- Expenses / Provisions Allowable	(135.52)	(55.25)
Deferred Tax Liabilities / (Assets) - Net	500.64	666.33
MAT Credit Entitlement	(256.97)	(261.42)
	243.67	404.91

NOTE - 20 BORROWINGS [CURRENT]

Secured Loans *		
Repayable on Demand from Banks	1181.38	1220.79
Buyers Credit	72.42	-
	1253.80	1220.79
Unsecured Loans		
Fixed Deposits	10.51	9.17
Loans from:		
- Banks	263.82	221.89
	274.33	231.06
	1528.13	1451.85

* 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	215.77	309.54
Interest Accrued but not due on Borrowings	31.61	19.66
Unclaimed Dividends #	1.76	1.69
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	3.05	2.05
Lease Liabilities	40.66	-
Others	218.79	194.98
	511.64	527.92

Investor Education & Protection Fund will be credited, as and when due.

NOTE - 22 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	50.81	115.09
Others	28.21	24.46
	79.02	139.55

NOTE - 23 PROVISIONS [CURRENT]

Provision for Employee Benefits	21.79	7.69
	21.79	7.69

Notes to the standalone financial statements

NOTE - 24 REVENUE FROM OPERATIONS

₹ in Crores (10 Million)

	2019-2020	2018-2019
Sale of:		
- Products	5936.83	7430.62
- Services	101.24	103.06
Other operating revenues:		
- Miscellaneous Income #	56.77	76.72
	6094.84	7610.40

Includes Government incentive of ₹36.32 crores (Previous Year: ₹34.12 crores).

NOTE - 25 OTHER INCOME

Income from Non-current Investments:		
- Dividends	0.74	0.72
- Interest	3.42	2.97
- Profit / (Loss) on Sale of Investments	-	0.29
- Fair Value changes in Investments	0.42	0.05
Profit on sale of Fixed Assets (Net)	-	48.19
Other Interest Income	18.02	24.10
Rent	2.79	2.95
	25.39	79.27

NOTE - 26 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock		
Finished Goods	513.45	389.01
Work-in-progress	66.49	47.03
Stock -in-trade	79.96	43.62
	659.90	479.66
Closing Stock		
Finished Goods	606.81	513.45
Work-in-progress	34.06	66.49
Stock -in-trade	60.01	79.96
	700.88	659.90
Net (Increase) / Decrease in Stocks	(40.98)	(180.24)

NOTE - 27 EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	384.87	396.23
Contribution to Provident and other Funds	37.53	35.10
Employees' Welfare and other Benefits	131.36	129.03
	553.76	560.36

NOTE - 28 FINANCE COSTS

Interest on Borrowings & Others	320.43	313.09
Interest on Lease Liabilities	19.56	-
Other Borrowing Costs	2.93	3.19
	342.92	316.28

Notes to the standalone financial statements

NOTE - 29 OTHER EXPENSES

₹ in Crores (10 Million)

	2019-2020	2018-2019
Consumption of Stores and Spares	66.64	74.98
Power and Fuel	220.92	256.49
Lease Rent	11.46	53.33
Freight and Transportation	238.52	266.16
Advertisement and Sales Promotion	134.49	135.58
Loss on sale of Fixed Assets (Net)	0.25	-
Allowance for Doubtful Debts / Advances	2.00	1.50
Corporate Social Responsibility Expenses	4.97	6.73
Miscellaneous Expenses	323.32	362.72
	1002.57	1157.49

NOTE - 30

Estimated amounts of contracts remaining to be executed on capital account ₹34.89 crores (Previous year: ₹79.46 crores).

NOTE - 31

Contingent liabilities in respect of claims not accepted and not provided for ₹119.31 crores (Previous year: ₹61.58 crores) pertain to Excise & Customs duty matters in appeal ₹7.83 crores, Service tax matters ₹0.18 crore, Sales Tax matters in appeal ₹2.94 crores, Income tax matters in appeal ₹4.97 crores & other matters ₹103.39 crores (Previous year: ₹8.34 crores, ₹4.37 crores, ₹2.13 crores, ₹7.73 crores & ₹39.01 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)

Particulars	As at 31.03.2020	As at 31.03.2019
Employee Benefits Expense	-	1.76
Miscellaneous Expenditure	0.36	0.34
	0.36	2.10
Add: Expenditure upto previous year	1.31	3.07
	1.67	5.17
Less: Transferred to Property, Plant and Equipment	1.67	3.86
	-	1.31

NOTE - 33

The transition to Ind AS – 116 pursuant to its adoption w.e.f 01.04.2019 resulted in recognition of 'Right of Use' asset of ₹156.44 crores (including prepaid rent of ₹ 4.79 crores) and corresponding lease liability of ₹151.65 crores. Comparatives figures have not been retrospectively adjusted. The effect of adoption of this Ind AS is not material on the profit before tax, profit for the period and earnings per share.

Lease rent expense recorded for short-term leases was ₹7.59 crores and low value leases was ₹3.87 crores for the year ended 31st March, 2020.

NOTE - 34

Debts / Advances include ₹58.65 crores (Previous year ₹52.06 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.

Notes to the standalone financial statements

NOTE - 36

- a. Forward Contracts for hedging Receivables: US \$ 10 Million (Previous year: US \$5 Million) are outstanding as at 31.03.2020.
- b. Foreign currency exposure unhedged net payable is ₹574.09 crores – US \$ 76.16 Million (Previous year: ₹537.23 crores – US \$ 77.67 Million) as at 31.03.2020.

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 31.03.2020: 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 31.03.2020: Nil (Previous year: Nil).

NOTE - 38

Miscellaneous expenses include ₹2.00 crores (Previous year: Nil) for political contribution.

NOTE - 39 EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES DURING THE YEAR: ₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
i) Revenue Expenditure*:		
1. Employee Cost	23.37	17.25
2. Cost of Materials and Testing Charges	49.40	43.78
3. Other R&D Expenses	5.31	4.84
Subtotal (i)	78.08	65.87
ii) Capital Expenditure	3.45	9.66
Total (i+ii)	81.53	75.53

* Included in respective revenue accounts.

NOTE - 40 AMOUNT PAID TO AUDITORS:

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
i) Statutory Auditors		
a) Audit Fee	0.30	0.25
b) Taxation	0.03	0.03
c) Certificates / other services	0.04	0.18
d) Reimbursement of expenses	0.03	0.02
ii) Cost Auditors		
a) Audit Fee	0.02	0.02
b) Certificates / other services ₹10000 (Previous year: ₹35000)		
c) Reimbursement of expenses Nil (Previous year: ₹11400)		

NOTE - 41

Exceptional items include net impact of favorable foreign exchange rate fluctuation ₹ 1.25 crores (Previous Year: 6.69 crores) and expenditure on VRS for the employees ₹8.40 crores (Previous year: ₹4.89 crores).

NOTE - 42

COVID-19 pandemic has caused serious disruptions on the global economic and business environment and there is a huge uncertainty with respect to its severity, which cannot be reasonably ascertained. However, the Company has evaluated and factored in to the extent

Notes to the standalone financial statements

possible the likely impact that may result from Covid-19 pandemic as well as all events and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2020. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date on the financial results for the year ended 31st March, 2020 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

Further, considering the long-standing relationships and the goodwill it carries with its customers, suppliers and other stakeholders including employees and the high quality product portfolio, we believe that the Company's business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

NOTE - 43 EARNINGS PER SHARE (EPS)

₹ in Crores (10 Million)

	2019-2020	2018-2019
a) Profit for the year attributable to Equity Shareholders	228.66	204.40
b) Weighted average number of Equity Shares for Basic/Diluted EPS	24,62,30,880	22,69,73,075
c) Earnings per share of ₹2 each		
- Basic / Diluted (₹)	9.29	9.01

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)	
	2019-2020	2018-2019	2019-2020	2018-2019
I Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	33.09	29.28	134.17	118.37
2) Current Service Cost	3.19	3.26	7.07	6.33
3) Interest Expense or Cost	2.25	1.94	9.36	8.79
4) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	2.51	0.39	7.30	1.09
- experience variance (i.e. actual experience vs assumptions)	7.23	6.30	2.45	8.19
5) Benefit Paid	(11.77)	(8.08)	(20.29)	(8.60)
6) Present Value of Obligation as at the end	36.50	33.09	140.06	134.17
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	136.61	132.53
2) Investment Income	-	-	9.81	9.97
3) Employer's Contribution	-	-	6.95	2.53
4) Benefits Paid	-	-	(20.29)	(8.60)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(2.90)	0.18
6) Fair value of Plan Assets as at the end	-	-	130.18	136.61
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	3.19	3.26	7.07	6.33
2) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.25	1.94	(0.45)	(1.18)
3) Expenses recognised in the Income Statement	5.44	5.20	6.62	5.15

Notes to the standalone financial statements

₹ in Crores (10 Million)

Particulars	Leave Encashment		Gratuity	
	(Non-Funded)		(Funded)	
	2019-2020	2018-2019	2019-2020	2018-2019
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	2.51	0.39	7.30	1.09
- experience variance (i.e. actual experience vs assumptions)	7.23	6.30	2.45	8.19
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	2.90	(0.18)
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	9.74	6.69	12.65	9.10
V Actuarial Assumptions:				
1) Discount Rate	6.70%	7.55%	6.70%	7.55%
2) Expected rate of return on Plan Assets	-	-	6.70%	7.55%
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				
	2019-20	2018-19	2017-18	2016-17	2015-16	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Defined Benefit Obligation	36.50	33.09	29.28	24.54	18.69	140.06	134.17	118.37	107.80	97.16
Fair Value of Plan Assets	-	-	-	-	-	130.18	136.61	132.53	112.19	95.95
Surplus / (Deficit)	(36.50)	(33.09)	(29.28)	(24.54)	(18.69)	(9.88)	2.44	14.16	4.39	(1.21)
Experience adjustment on Plan Liabilities (Gain) / Loss	7.23	6.30	7.65	6.27	4.14	2.45	8.19	1.20	4.49	6.70
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	2.90	(0.18)	0.95	(1.99)	(0.05)

(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 2020		31st March 2019		31st March 2020		31st March 2019	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	39.96	33.58	35.92	30.72	149.80	131.56	142.05	127.37
Salary Growth Rate (- / + 1%)	33.52	39.97	30.65	35.95	131.72	149.38	127.46	141.77
Attrition Rate (- / + 50% of attrition rates)	36.11	36.84	32.53	33.60	139.15	140.86	133.01	135.32
Mortality Rate (- / + 10% of mortality rates)	36.49	36.51	33.09	33.12	140.02	140.09	134.19	134.28

(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.

Notes to the standalone financial statements

(vi) Employer's Contribution to PF (trust) during the 12 months ended 31st March, 2020 of ₹8.92 crores (Previous year: ₹12.16 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 27).

(vi) Maturity Profile of Defined Benefit Obligation: ₹ in Crores (10 Million)

	Leave Encashment		Gratuity	
	2019-2020	2018-2019	2019-2020	2018-2019
Within next 1 Year	5.34	6.67	13.67	26.45
Between 2 - 5 Years	13.40	12.51	69.10	64.46
Between 6 - 10 Years	18.47	16.52	81.74	71.15
More than 10 Years	26.56	24.90	108.03	104.43

(b) **Defined Contribution Plans:**

Employer's Contribution to Provident and other Funds charged off during the 12 months ended 31st March, 2020 of ₹21.99 crores (Previous year: ₹17.79 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 27).

NOTE - 45 RELATED PARTIES

a) **Holding Company:**

Bengal & Assam Company Ltd. (BACL-H) (w.e.f. 24th May, 2019)

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 JK TSA

c) **Fellow Subsidiaries (with which, the Company has transactions):**

JK Agri Genetics Ltd. (JKAGL) (w.e.f. 24th May, 2019)

J.K. Fenner (India) Ltd. (JKFIL) (w.e.f. 24th May, 2019)

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) (w.e.f. 24th May, 2019)

JK Paper Ltd. (JKPL - Associate of BACL-H) (w.e.f. 24th May, 2019)

Treel Mobility Solutions Private Limited (TREEL) (w.e.f. 31st Dec, 2019)

Notes to the standalone financial statements

e) Key Management Personnel (KMP):

(i)	Dr. Raghupati Singhania	Chairman & Managing Director
(ii)	Shri Bharat Hari Singhania	Managing Director
(iii)	Shri Anshuman Singhania	Deputy 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 Jan, 2020)
(xiii)	Shri Sanjeev Aggarwal	CFO (w.e.f. 18th Feb, 2019)
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xv)	Shri Ashok Kumar Kinra	CFO of the Company (till 17th Feb, 2019) [Non-Executive Director of BACL-H (w.e.f. 24th May, 2019)]

f) 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)

g) 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)

(i) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to CHT, VPL-274.98, JKLC		98.48		275.03		373.51
Sale of Tyres to CHT, VPL		(116.36)		(248.92)		(365.28)
Sale of Goods to CIL, TREEL		14.35		0.59		14.94
Sale of Goods to CIL		(8.63)				(8.63)
Sale of Capital Items to CIL		1.01				1.01
Sale of Capital Items to CIL		(1.49)				(1.49)
Purchase of Goods from CIL, TREEL-2.64, JKFIL - (₹36000), JKLC		605.03		2.68		607.71
Purchase of Goods from CIL - 688.74, 3DIPL		(688.91)				(688.91)
Purchase of Capital Items from CIL		0.41				0.41
Purchase of Capital Items from 3DIPL - 2.86, CIL- (₹23418)		(2.86)				(2.86)
Sharing of Expenses received from BACL-H, CHT-0.10, CIL, JKFIL - 0.66, JKAGL, HASETRI - 3.83, JKLC - 0.64, JKPL, BACL - (₹18653)	0.02	0.11	0.74	5.15		6.01
Sharing of Expenses received - CIL, HASETRI, BACL		(0.01)		(3.59)	(0.01)	(3.61)

Notes to the standalone financial statements

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Investment in Equity Shares of CIL		74.97				74.97
Purchase of CIL's Equity Shares	40.00					40.00
Investment in Equity Shares of LANKROS		(47.40)				(47.40)
Issue of Equity Shares – BA CL					(65.51)	(65.51)
Sharing of Expenses paid to BA CL-H, JK LCL-0.31, TREEL – (₹11541), JKPL, NPPL-0.54, BA CL	0.64			0.41	0.64	1.69
Sharing of Expenses paid - BA CL					(0.56)	(0.56)
Services Availed – BA CL-H, JKAPPL - 1.87, CIL, JKFIL, HASETRI - 25.50, JK LCL-0.37, VPL	13.00	1.93	16.95	26.06		57.94
Services Availed - CIL - 10.08, JKAPPL, HASETRI - 24.08, VPL		(11.93)		(24.28)		(36.21)
Services Rendered to CIL - 107.85, JK TSA		124.65				124.65
Services Rendered to CIL - 108.80, JK TSA		(125.26)				(125.26)
Interest Income from JKFIL			4.17			4.17
Interest Income from 3DIPL		(0.11)				(0.11)
Royalty Income from VPL				0.24		0.24
Royalty Income from VPL				(0.37)		(0.37)
Dividend Received from JKFIL			0.70			0.70
Contribution to Trusts- JKEPFK- 6.91, JKOSFK- 0.36, JKEGFK- 16.27, JKEPFV - 21.14, JKOSFV- 0.30, JKEGFV					47.97	47.97
Contribution to Trusts- JKEPFK- 5.89, JKOSFK- 0.38, JKEGFK- 7.58, JKEPFV - 19.98, JKOSFV- 0.35, JKEGFV					(40.86)	(40.86)
Outstanding as at year end:						
Due from CHT-0.20		0.20				0.20
Due from JK TSA-1.22, HASETRI - 17.61		(1.22)		(17.61)		(18.83)
Advances to CIL – 87.61, HASETRI - 29.40 VPL- 9.93		87.61		39.33		126.94
Other Receivables:						
-BA CL-H-0.66, CHT-154.44, CIL-36.45, JK TSA-27.90	0.66	218.79				219.45
- CHT - 87.45, CIL - 48.13, JK TSA – 15.29		(150.87)				(150.87)
-JKFIL-48.55, VPL- 114.59, JKEGFV-5.38, NPPL- 0.54			48.55	114.59	5.92	169.06
-VPL - 103.74, JKEGFV – 2.95, BA CL - 0.48				(103.74)	(3.43)	(107.17)
Payables:						
-JK TSA-0.56, JKFIL-15.91, TREEL-0.27, JKEGFK- 15.25		0.56	15.91	0.27	15.25	31.99
- JKEGFK- 0.51					(0.51)	(0.51)

Figures in brackets represent amounts pertaining to previous year.

Notes to the standalone financial statements

(II) Remuneration paid to Key Managerial Personnel ₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
Short-term Employee Benefits	22.30	30.75
Post-employment Benefits*	1.70	1.42
Other Payments	1.27	1.36

* Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

NOTE - 46

Disclosure pursuant to Regulation 34(3) read with Schedule V, Part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Promoter / promoter group companies holding more than 10% in equity share capital of the Company:

BMF Investment Ltd. (BMF) (till 23rd May, 2019)

Florence Investech Ltd. (FINVL) (till 23rd May, 2019)

The following transactions were carried out with aforesaid parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	2019-2020	2018-2019
Issue of Equity Shares – BMF	-	134.49
- Sharing of Expenses received BMF-₹3000, FINVL-₹15000 (BMF: ₹18000, FINVL- 0.01)	-	0.01
Service rendered - FINVL–Nil; Previous Year: (₹45000)	-	-
Outstanding balances as at year end	Nil	Nil

Figures in brackets represent amounts pertaining to previous year.

NOTE - 47

Loans and Advances pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

₹ in Crores (10 Million)

Particulars	Outstanding as at 31st March, 2020	Maximum Amount Outstanding during 2019-2020	Outstanding as at 31st March, 2019	Maximum Amount Outstanding during 2018-2019
Loan to Subsidiary (Repayment as per Repayment Schedule)				
- 3DIPL (for business purpose)	-	-	-	2.98

NOTE - 48 DIVIDENDS

The following dividends were declared and paid by the company during the year:

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
For the year ended 31st March, 2019 - 75% i.e. ₹1.50 per equity share, (31st March, 2018 - 75% i.e. ₹1.50)	36.93	34.02
Dividend Distribution Tax thereon	7.59	6.99
Total	44.52	41.01

Notes to the standalone financial statements

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:

Particulars	₹ in Crores (10 Million)	
	2019-2020	2018-2019
For the year ended 31st March, 2020 - 35% i.e. ₹0.70 per equity share (31st March, 2019 – 75% i.e. ₹1.50)	17.24	36.93
Total	17.24	36.93

NOTE - 49 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss

Particulars	₹ in Crores (10 Million)	
	2019-2020	2018-2019
Current Tax	15.57	63.69
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	(160.06)	57.74
- MAT Credit Entitlement	1.00	(21.15)
Total Deferred Tax	(159.06)	36.59
Income Tax Expense Reported in the Statement of Profit or Loss	(143.49)	100.28

(B) Income Tax recognised in Other Comprehensive Income

Particulars	₹ in Crores (10 Million)	
	2019-2020	2018-2019
Deferred Tax on Re-measurement Losses on Defined Benefit Plans	(5.63)	(5.52)
Total	(5.63)	(5.52)

(C) Reconciliation of Effective Tax Rate

Particulars	₹ in Crores (10 Million)	
	2019-2020	2018-2019
Accounting Profit Before Income Tax	85.17	304.68
At applicable Statutory Income Tax Rate @ 34.944%	29.76	106.47
In House R&D expenses u/s 35(2AB)	(12.04)	(10.15)
Contribution u/s 35(1)(ii)	(0.52)	-
Exempt Income	(0.25)	(0.25)
Others	(2.40)	4.21
Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years) (A)	14.55	100.28
Effective Tax Rate	17.07%	32.91%
Reversal of Deferred Tax Liabilities pertaining to earlier years* (B)	(158.04)	-
Income Tax Expense reported for the year (A+B)	(143.49)	100.28

* 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 has re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier). Accordingly, provision of Deferred Tax Liability of Rs 158.04 crs. no longer required has been reversed during the current year.

Notes to the standalone financial statements

(D) Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

Particulars	As at	As at
	31.03.2020	31.03.2019
Opening Balance	666.33	614.11
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	(160.06)	57.74
Other Comprehensive Income	(5.63)	(5.52)
Deferred Tax Liabilities/(Assets)	500.64	666.33
MAT Credit Entitlement	(256.97)	(261.42)
Deferred Tax Liabilities (Net)	243.67	404.91

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 Company:

₹ in Crores (10 Million)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	16.13	16.13	14.61	14.61
- Others	-	-	1.69	1.69
(b) At Amortised Cost				
- Investments	61.07	61.07	56.67	56.67
- Trade Receivables	1436.03	1436.03	1632.45	1632.45
- Others	313.78	313.78	368.07	368.07
Total	1827.01	1827.01	2073.49	2073.49
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss	2.80	2.80	-	-
(b) At Amortised Cost				
- Borrowings	3208.90	3208.90	3319.61	3319.61
- Trade Payables	943.71	943.71	979.10	979.10
- Others	794.77	794.77	532.74	532.74
Total	4950.18	4950.18	4831.45	4831.45

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
- Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.

Notes to the standalone financial statements

- 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, 2020 and 31st March, 2019:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2020			
Financial Assets			
- Quoted Equity Shares	2.26	-	-
- Unquoted Equity Shares	-	-	2.42
- Unquoted Preference Shares	-	-	10.89
- Mutual Funds	0.56	-	-
Financial Liabilities			
- Forward Contracts	-	2.80	-
31st March, 2019			
Financial Assets			
- Quoted Equity Shares	3.15	-	-
- Unquoted Equity Shares	-	-	0.53
- Unquoted Preference Shares	-	-	10.28
- Mutual Funds	0.65	-	-
- Forward Contracts	-	1.69	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2020.

NOTE - 51

The fair value of Investment property as at 31st March, 2020 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

Notes to the standalone financial statements

market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

- o **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 31.03.2020	As at 31.03.2019
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(1.90)	(0.76)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	1.90	0.76

- o **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost-effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(8.02)	(8.30)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	8.02	8.30

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- o **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres, and therefore, requires a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, 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).
- o **Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

Notes to the standalone financial statements

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

- o **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.
- **Liquidity Risk:** Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
As at 31st March 2020		
Borrowings*	2666.38	542.52
Trade and Other Payables	943.71	-
Lease Liabilities	173.78	11.70
Other Financial Liabilities	255.21	356.88
Total	4039.08	911.10
As at 31st March 2019		
Borrowings*	2730.48	589.13
Trade and Other Payables	979.10	-
Other Financial Liabilities	218.38	314.36
Total	3927.96	903.49

* 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 31.03.2020	As at 31.03.2019
Borrowings	3208.90	3319.61
Less: Cash and Cash equivalents	20.90	75.84
Net debt	3188.00	3243.77
Equity Share Capital	49.25	49.25
Other Equity	2113.25	1945.87
Total Capital	2162.50	1995.12
Capital and Net Debt	5350.50	5238.89
Gearing Ratio	59.58%	61.92%

Notes to the standalone financial statements

NOTE - 54

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March 2020 is ₹4.95 crores (31st March 2019 ₹7.19 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 ₹4.97 crores on Corporate Social Responsibility Projects / initiatives during the year (Previous year: ₹6.73 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

Arun K. Bajoria

Chairman & Managing Director

Managing Director

Deputy Managing Director

Director

HARISH GUPTA

Partner

Membership No. - 098336

New Delhi, the 15th June, 2020

P. K. RUSTAGI

Company Secretary

JK Tyre & Industries Limited

Cash Flow Statement for the year ended 31st March, 2020

₹ in Crores (10 Million)

	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	85.17	304.68
Adjustment for:		
Depreciation and Amortisation expense	242.39	188.36
Finance Costs	342.92	316.28
(Profit) / Loss on sale of Property, Plant and Equipment	0.25	(48.19)
(Profit) / Loss on Sale of Investments	-	(0.29)
Fair Value Changes in Non-Current Investments	(0.42)	(0.05)
Unrealised Foreign Exchange Fluctuation	8.37	12.54
Interest / Dividend Received	(22.18)	(27.79)
Allowance for Doubtful Debts / Advances and Bad Debts written off	2.00	1.50
Operating Profit before Working Capital changes	658.50	747.04
(Increase) / Decrease in Trade and Other Receivables	247.04	(306.62)
(Increase) / Decrease in Inventories	40.59	(110.11)
Increase / (Decrease) in Trade and Other Payables	(36.03)	(4.26)
Cash generated from Operations	910.10	326.05
Direct Taxes (Net)	(19.14)	(64.36)
Net Cash from Operating Activities	890.96	261.69
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(147.56)	(132.50)
Sale of Property, Plant and Equipment	5.57	303.07
Movement in Loans & Advances	(108.31)	(5.62)
Investment in Subsidiary & Associate	(121.27)	(47.40)
Redemption of Investments	-	1.06
Deposit Accounts with Banks	(0.85)	(11.75)
Interest Received	12.75	22.91
Dividend Received	0.74	0.72
Net Cash used in Investing Activities	(358.93)	130.49
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital (Net of Expenses)	-	197.71
Proceeds/ (Utilisation) from Short-term Borrowings (Net)	69.93	(70.18)
Proceeds from Long-term Borrowings	40.56	830.44
Repayment of Borrowings	(276.02)	(982.32)
Payment of Lease Liabilities	(46.91)	-
Finance Costs paid	(330.01)	(310.78)
Dividend paid (including dividend tax)	(44.52)	(41.01)
Net Cash from / (used in) Financing Activities	(586.97)	(376.14)
Net increase / (decrease) in Cash and Cash Equivalents	(54.94)	16.04
Cash and Cash Equivalents as at the beginning of the year	75.84	59.80
Cash and Cash Equivalents as at the end of the year	20.90	75.84

Cash Flow Statement for the year ended 31st March, 2020

Notes:

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	1.55	57.35
- Balances with Banks	19.35	18.49
Total	20.90	75.84

2. Non-cash changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

Particulars	As At 31.03.2019	Cash Flows	Non- Cash Changes		As At 31.03.2020
			Foreign Exchange Movement	Others	
Short-term Borrowings	1451.85	69.93	6.35	-	1528.13
	(1522.38)	(-70.18)	(-0.35)	-	(1451.85)
Long-term Borrowings	1867.76	(235.46)	47.51	0.96	1680.77
	(1975.70)	(-151.88)	(42.54)	(1.40)	(1867.76)
Total Liabilities from Financing Activities	3319.61	(165.53)	53.86	0.96	3208.90
Previous Year	(3498.08)	(-222.06)	(42.19)	(1.40)	(3319.61)

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 *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note No. 38 of consolidated financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations, and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management of the Holding Company & of a subsidiary located in India could not perform year-end physical verification of inventories at various locations. Further, our attendance as well as of the auditors of the subsidiary located in India at the physical Inventory verification done by the respective management was impracticable under the lock-down restrictions imposed by the government. Consequently, we and the auditors of the subsidiary located in India have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition The Group recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer.	Principal Audit Procedures <ul style="list-style-type: none"> 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.

Key Audit Matter	Auditor's Response
<p>For the year ended 31st March, 2020, the Group's Statement of Profit & Loss included Sales of ₹ 8599.62 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.</p> <p>Refer Note No. 27 of the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"> • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 27 of the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income,

consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and 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 ₹ 5441.09 crores as at 31st March, 2020, total revenue of ₹ 4101.37 crores, total net loss after tax of ₹ 78.45 crores, total comprehensive income/(loss) of ₹ (84.43) crores and net cash inflow of ₹ 10.33 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also includes the Group's share of net loss after tax of ₹ 7.33 crores and total comprehensive income/(loss) of ₹ (7.33) crores for the year ended 31st March, 2020, 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, 2020, 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 loss after tax of ₹ 0.37 crore and total comprehensive

income/ (loss) of ₹ (0.37) crore for the year ended 31st March, 2020, 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, 2020 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, 2020 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 35 to the consolidated financial statements.
- ii. The Group and its associates have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and an associate incorporated in India.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 15th June, 2020

Membership Number: 098336

Annexure 'A' to the Independent Auditor's Report of even date on the Consolidated financial statements of JK Tyre & Industries Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, 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 companies, 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 subsidiaries 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 subsidiaries and its associates, 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, 2020, 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 associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 15th June, 2020

Membership Number: 098336

JK Tyre & Industries Limited

Consolidated Balance Sheet as at 31st March, 2020

	Note No.	As at 31.03.2020	₹ in Crores (10 Million) As at 31.03.2019
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	6171.10	5974.83
(b) Capital Work-in-progress		277.21	269.76
(c) Investment Property	3	5.83	5.93
(d) Other Intangible Assets	4	204.74	246.85
(e) Intangible Assets under Development		7.09	-
(f) Financial Assets			
- Investments accounted using Equity Method	5	63.03	59.89
- Other Investments	6	77.20	71.28
- Loans	7	52.31	55.73
- Other Financial Assets	8	113.46	83.68
(g) Deferred Tax Assets (Net)	9	76.93	47.59
(h) Other Non-current Assets	10	36.02	55.09
		7084.92	6870.63
(2) Current Assets			
(a) Inventories	11	1617.84	1689.09
(b) Financial Assets			
- Trade Receivables	12	1848.42	1945.10
- Cash and Cash Equivalents	13	65.39	109.33
- Other Bank Balances	14	71.13	60.34
- Other Financial Assets	15	120.87	154.38
(c) Current Tax Assets (Net)	16	81.82	73.37
(d) Other Current Assets	17	399.78	414.17
		4205.25	4445.78
TOTAL ASSETS		11290.17	11316.41
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	49.25	49.25
(b) Other Equity	SOCE - II	2282.10	2235.15
Equity Attributable to Owners of the Parent		2331.35	2284.40
(c) Non-controlling Interest	SOCE - II	94.71	136.23
		2426.06	2420.63
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	18	3150.42	3317.16
- Other Financial Liabilities	19	605.46	408.32
(b) Provisions	20	94.43	73.37
(c) Deferred Tax Liabilities (Net)	21	279.88	457.60
		4130.19	4256.45
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	22	1973.64	1904.29
- Trade Payables			
Micro & Small Enterprises		22.69	24.17
Others		1665.72	1574.85
- Other Financial Liabilities	23	909.92	847.53
(b) Other Current Liabilities	24	122.53	266.15
(c) Provisions	25	25.13	20.36
(d) Current Tax Liabilities (Net)	26	14.29	1.98
		4733.92	4639.33
TOTAL EQUITY AND LIABILITIES		11290.17	11316.41
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
Arun K. Bajoria

Chairman & Managing Director
Managing Director
Deputy Managing Director
Director

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

JK Tyre & Industries Limited

Consolidated Statement of Profit & Loss for the year ended 31st March, 2020

₹ in Crores (10 Million)

	Note No.	2019-2020	2018-2019
I. Revenue from Operations	27	8724.90	10367.76
II. Other Income	28	28.39	84.25
III. Total Income (I+II)		8753.29	10452.01
IV. Expenses			
Cost of Materials Consumed		5095.33	6302.94
Purchases of Stock-in-Trade		256.14	676.56
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		(14.46)	(294.90)
Employee Benefits Expense	29	923.18	909.62
Finance Costs	30	548.99	521.08
Depreciation and Amortisation Expense		377.83	315.67
Other Expenses	31	1477.15	1661.63
Total Expenses (IV)		8664.16	10092.60
V. Profit before Interest, Depreciation & Tax (PBIDT)		1015.95	1196.16
VI. Profit / (Loss) before Exceptional Items and Tax (III-IV)		89.13	359.41
VII. Exceptional Items	37	(105.90)	(88.95)
VIII. Profit / (Loss) before Tax (VI+VII)		(16.77)	270.46
IX. Tax Expense			
(1) Current Tax		34.38	59.44
(2) Mat Credit Entitlement		1.00	(21.15)
(3) Deferred Tax		(201.16)	55.88
X. Profit / (Loss) after Tax (VIII-IX)		149.01	176.29
XI. Share in Profit / (Loss) of Associates		(7.70)	(5.72)
XII. Profit / (Loss) for the year (X+XI)		141.31	170.57
XIII. Profit / (loss) for the year attributable to:			
Owners of the Parent		150.76	176.34
Non-controlling Interest		(9.45)	(5.77)
XIV. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss:			
Re-measurement losses on Defined Benefit Plans		(31.16)	(15.64)
Income Tax Relating to Items that will not be reclassified to Profit or Loss		8.42	5.48
(B) Items that will be reclassified to Profit or Loss:			
Exchange Differences on Translating the Financial Statements of Foreign Operations		(47.51)	0.89
Total Other Comprehensive Income		(70.25)	(9.27)
XV. Total Comprehensive Income for the year (XII+XIV)		71.06	161.30
XVI. Other Comprehensive Income for the year attributable to:			
Owners of the Parent		(69.90)	(9.26)
Non-controlling Interest		(0.35)	(0.01)
XVII. Total Comprehensive Income for the year attributable to:			
Owners of the Parent		80.86	167.08
Non-controlling Interest		(9.80)	(5.78)
XVIII. Earnings per equity share of ₹ 2 each			
Basic / Diluted (₹)	39	6.12	7.77

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
Arun K. Bajoria

Chairman & Managing Director
Managing Director
Deputy Managing Director
Director

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 15th June, 2020

P. K. RUSTAGI
Company Secretary

JK Tyre & Industries Limited

Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2020

I. SHARE CAPITAL

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
Issued, Subscribed and fully paid up:		
Equity Shares - 24,62,30,880 of ₹2 each		
Balance at the beginning of the year	49.25	45.36
Addition during the year	-	3.89
Balance at the end of the year	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		Exchange differences on translating the financial statements of foreign operations			
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans				
As at 31st March, 2018	262.88	7.36	7.00	9.82	903.46	785.90	(52.41)	(8.27)	1915.74	142.01	2057.75
Addition during the year ⁵	196.11								196.11		196.11
Share issue expenses charged during the year	(3.07)								(3.07)		(3.07)
Profit for the year						176.34			176.34	(5.77)	170.57
Other Comprehensive Income (Net of Taxes)							(10.15)	0.89	(9.26)	(0.01)	(9.27)
Cash Dividends						(34.02)			(34.02)		(34.02)
Dividend Distribution Tax on Cash Dividend						(6.99)			(6.99)		(6.99)
Reinstatement Gain / (Loss) of Reserve on Consolidation		0.30							0.30		0.30
As at 31st March, 2019	455.92	7.66	7.00	9.82	903.46	921.23	(62.56)	(7.38)	2235.15	136.23	2371.38

Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2020

II. OTHER EQUITY (contd...)

₹ in Crores (10 Million)

Particulars	Reserves & Surplus						Other Comprehensive Income		Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings		Exchange differences on translating the financial statements of foreign operations			
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans				
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

\$ The Company allotted 1,94,17,400 equity shares of ₹ 2/- each at a premium of ₹ 101/- per share on preferential basis to the promoter group resulting into augmentation of net worth of the Company.

Component of Equity	Nature and Purpose
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Reserve	Represents Capital Reserve on Consolidation.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
Legal Reserve	Represents the statutory reserve created in Subsidiaries, registered in Mexico, out of the current year profits upto a prescribed limit.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or/and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 15th June, 2020

P. K. RUSTAGI
Company Secretary

Notes to the consolidated financial statements

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 15th June, 2020.

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 31.03.2020:

- 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 31.03.2020	As on 31.03.2019
J. K. International Ltd., U.K.	100.00%	100.00%
J. K. Asia Pacific Ltd., Hong Kong	100.00%	100.00%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100.00%	100.00%
Lankros Holdings Ltd., Cyprus	100.00%	100.00%
Sarvi Holdings Switzerland AG., Switzerland	100.00%	100.00%
JK Tornel S.A. de C.V., Mexico	99.98%	99.96%
Comercializadora América Universal, S.A. de C.V., Mexico	99.98%	99.96%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.98%	99.96%
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.98%	99.96%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.98%	99.96%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.98%	99.96%
Gintor Administración, S.A. de C.V., Mexico	99.98%	99.96%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.98%	99.96%
3DInnovations Pvt. Ltd.	100.00%	100.00%
Cavendish Industries Ltd., India	86.41%	80.00%

- 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.

Name	Status	Ownership Interest
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.

Notes to the consolidated financial statements

- 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 recognize deferred tax liability with respect to undistributed retained earnings of subsidiaries and associate and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries and associates as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

Notes to the consolidated financial statements

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation / Amortisation					Net Value	
	As at 31.03.2019	Additions / Adjustments [^]	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2020	Upto 31.03.2019	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Land :												
- Freehold #	570.75	-	-	14.72	556.03	-	-	-	-	-	556.03	570.75
	(569.27)	(1.32)	-	(-0.16)	(570.75)	-	-	-	-	-	(570.75)	(569.27)
- Leasehold - Right of use [§]	10.96	-	-	-	10.96	2.26	0.13	-	-	2.39	8.57	8.70
	(10.96)	-	-	-	(10.96)	(2.14)	(0.12)	-	-	(2.26)	(8.70)	(8.82)
Buildings:												
- Owned*	1192.18	9.38	-	15.12	1186.44	271.63	25.80	-	9.84	287.59	898.85	920.55
	(1187.46)	(4.57)	-	(-0.15)	(1192.18)	(247.55)	(24.05)	-	(-0.03)	(271.63)	(920.55)	(939.91)
- On Lease- Right of Use [§]	-	59.62	-	-	59.62	-	13.11	-	-	13.11	46.51	-
	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipments:												
- Owned	7061.29	341.76	10.96	67.06	7325.03	2626.60	272.53	9.12	53.11	2836.90	4488.13	4434.69
	(6693.68)	(618.76)	(251.80)	(-0.65)	(7061.29)	(2377.93)	(268.67)	(20.20)	(-0.20)	(2626.60)	(4434.69)	(4315.75)
- On Lease- Right of Use [§]	-	178.21	-	-	178.21	-	42.08	-	-	42.08	136.13	-
	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	29.87	0.52	0.01	0.76	29.62	19.75	1.91	0.01	0.67	20.98	8.64	10.12
	(29.46)	(0.95)	(0.56)	(-0.02)	(29.87)	(18.16)	(1.75)	(0.17)	(-0.01)	(19.75)	(10.12)	(11.30)
Office Equipments	33.08	2.12	0.42	1.51	33.27	26.20	2.59	0.39	1.36	27.04	6.23	6.88
	(31.50)	(1.81)	(0.23)	-	(33.08)	(24.65)	(1.71)	(0.17)	(-0.01)	(26.20)	(6.88)	(6.85)
Vehicles:												
- Owned	39.49	5.27	5.24	0.09	39.43	16.35	4.24	2.56	0.32	17.71	21.72	23.14
	(37.76)	(6.44)	(4.94)	(-0.23)	(39.49)	(14.73)	(4.20)	(2.63)	(-0.05)	(16.35)	(23.14)	(23.03)
- On Lease- Right of Use [§]	-	0.45	-	0.07	0.38	-	0.10	-	0.01	0.09	0.29	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	8937.62	597.33	16.63	99.33	9418.99	2962.79	362.49	12.08	65.31	3247.89	6171.10	5974.83
Previous Year	(8560.09)	(633.85)	(257.53)	(-1.21)	(8937.62)	(2685.16)	(300.50)	(23.17)	(-0.30)	(2962.79)	(5974.83)	(5874.93)

Figures in brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

^ Includes forex reinstatement ₹24.78 crores (Previous Year: ₹25.50 crores). Unamortised forex reinstatement as on 31.03.2020: ₹115.06 crores (Previous Year: ₹94.65 crores).

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

As at 31st March 2020, 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.

* Buildings include 32 shares held in co-operative housing societies.

§ Right of use assets recognized pursuant to IND AS 116 becoming applicable w.e.f. 01.04.2019.

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 ₹711.27 crores (Previous year: ₹754.97 crores).

NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation					Net Value	
	As at 31.03.2019	Additions	Sales / Adjustments	Translation Adjustment	As at 31.03.2020	Upto 31.03.2019	Additions	Sales / Adjustments	Translation Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Buildings	6.53	-	-	-	6.53	0.60	0.10	-	-	0.70	5.83	5.93
	(6.53)	-	-	-	(6.53)	(0.49)	(0.11)	-	-	(0.60)	(5.93)	(6.03)
Total	6.53	-	-	-	6.53	0.60	0.10	-	-	0.70	5.83	5.93
Previous Year	(6.53)	-	-	-	(6.53)	(0.49)	(0.11)	-	-	(0.60)	(5.93)	(6.03)

Figures in brackets represent amounts pertaining to previous year.

Notes to the consolidated financial statements

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value					Amortisation					Net Value	
	As at 31.03.2019	Additions	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2020	Upto 31.03.2019	Additions	Sales/ Adjustments	Translation Adjustment [@]	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Computer Software #	21.64	0.39	-	-	22.03	16.55	1.92	-	-	18.47	3.56	5.09
	(21.69)	-	(0.05)	-	(21.64)	(14.73)	(1.86)	(0.04)	-	(16.55)	(5.09)	(6.96)
Industrial Commercial Benefit *	261.36	-	-	31.44	229.92	19.60	13.32	-	4.18	28.74	201.18	241.76
	(261.02)	-	-	(-0.34)	(261.36)	(6.52)	(13.20)	-	(0.12)	(19.60)	(241.76)	(254.50)
Total	283.00	0.39	-	31.44	251.95	36.15	15.24	-	4.18	47.21	204.74	246.85
Previous Year	(282.71)	-	(0.05)	(-0.34)	(283.00)	(21.25)	(15.06)	(0.04)	(0.12)	(36.15)	(246.85)	(261.46)

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 31.03.2020	As at 31.03.2019
Investments in Equity Shares of Associates*:		
- Equity Investments - At Cost	6.86	0.56
- Share in Net Assets	56.17	59.33
	63.03	59.89

* Carrying amount of investment in associates includes ₹5.08 crores (Previous year: ₹0.27 crore) towards Goodwill as well as share of profits & reserves on consolidation.

NOTE - 6 OTHER INVESTMENTS [NON-CURRENT] (Other than Trade)

At fair value through P & L:		
- Equity Shares	4.68	3.68
- Preference Shares:		
in Associate	10.89	9.81
in Others	-	0.47
- Mutual Funds	0.56	0.65
At amortised cost:		
- Preference Shares	61.07	56.67
	77.20	71.28

NOTE - 7 LOANS [NON-CURRENT]

<i>Unsecured, Considered Good:</i>		
Security Deposits	52.31	55.73
	52.31	55.73

NOTE - 8 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	106.92	80.62
Others*	6.54	3.06
	113.46	83.68

* Represent fixed deposits having maturity more than 12 months as security deposit with Sales Tax department ₹0.01 crore (Previous year: ₹0.01 crore) and with banks as DSRA ₹6.53 crores (Previous year: ₹3.05 crores).

Notes to the consolidated financial statements

NOTE - 9 DEFERRED TAX ASSET (NET)

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Deferred tax Assets are as under:		
Deferred Tax Assets		
- Expenses / Provision Allowable	32.25	26.38
- Unabsorbed depreciation / Loss	329.33	257.61
Deferred Tax Liability related to Property, Plant & Equipment	(292.22)	(243.97)
Deferred Tax Asset - Net	69.36	40.02
MAT Credit Entitlement	7.57	7.57
	76.93	47.59

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 10 OTHER NON-CURRENT ASSETS

Advances - Project related	17.01	32.55
Others	19.01	22.54
	36.02	55.09

NOTE - 11 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials*	512.74	576.45
Work-in-Progress	53.59	106.83
Finished Goods**	864.72	784.26
Stock-in-trade	93.39	119.66
Stores and Spares	93.40	101.89
	1617.84	1689.09

* Includes raw materials in transit ₹114.08 crores (Previous year: ₹184.17 crores).

** Includes finished goods in transit ₹1.29 crores (Previous year: ₹21.48 crores).

NOTE - 12 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1848.42	1945.10
Credit Impaired	18.54	17.58
Less: Allowance for Bad and Doubtful debts	(18.54)	(17.58)
	1848.42	1945.10

NOTE - 13 CASH AND CASH EQUIVALENTS

Balances with Banks:		
- Current Accounts	54.18	34.89
- Deposit Accounts	2.15	2.87
Remittances in transit and Cheques on hand	8.76	71.40
Cash on hand	0.30	0.17
	65.39	109.33

Notes to the consolidated financial statements

NOTE - 14 OTHER BANK BALANCES

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Unclaimed Dividend Accounts	1.76	1.69
Deposit Accounts*	69.37	58.65
	71.13	60.34

* Represent DSRA ₹42.61 crores, Deposit Repayment Reserve Account ₹16.60 crores, security deposit with Sales Tax department - Nil, deposits with banks under lien towards margin money against bank guarantee ₹7.87 crores and against Letter of Credit ₹2.25 crores (Previous year: ₹35.07 crores, ₹14.74 crores, ₹0.01 crore, ₹8.83 crores and Nil, respectively).

NOTE - 15 OTHER FINANCIAL ASSETS [CURRENT]

<i>Unsecured, Considered Good:</i>		
Interest Recoverable	9.66	3.74
Due from Related Parties (Refer Note No. 40)	0.39	18.51
Balance with Government Authorities	71.98	54.50
Deferred Receivable	27.48	55.46
Others	11.36	22.17
	120.87	154.38

NOTE - 16 CURRENT TAX ASSETS (NET)

Current Tax Assets (Net)	81.82	73.37
	81.82	73.37

NOTE - 17 OTHER CURRENT ASSETS

Balances with Government Authorities	246.11	334.94
Prepaid Expenses	29.32	31.73
Advances to Related Parties (Refer Note No. 40)	39.33	-
Advances to Suppliers	73.04	29.65
Others	11.98	17.85
	399.78	414.17

Notes to the consolidated financial statements

NOTE - 18 BORROWINGS [NON-CURRENT]

₹ in Crores (10 Million)

	Non - current		Current *	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Secured Loans				
Term Loans: **				
- Financial Institutions	832.89	825.38	92.76	123.36
- Banks	2248.37	2433.25	302.46	362.28
	3081.26	3258.63	395.22	485.64
Unsecured Loans				
Term Loans:				
- Others	-	-	-	8.17
Fixed Deposits	69.16	56.76	27.52	42.25
Loan from Body Corporate (Refer Note No. 40)	-	1.77	1.91	-
	69.16	58.53	29.43	50.42
TOTAL	3150.42	3317.16	424.65	536.06

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 23).

** Net of ₹17.30 crores (As at 31.03.2019: ₹19.29 crores) for unamortised processing charges.

NOTE - 19 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Trade Deposits & Others	460.19	408.32
Lease Liabilities	145.27	-
	605.46	408.32

NOTE - 20 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	94.43	73.37
	94.43	73.37

NOTE - 21 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities are as under:		
Deferred Tax Liabilities related to Property, Plant and Equipment	725.76	815.27
Deferred Tax Assets:		
- Expenses / Provision Allowable	(179.90)	(65.53)
- Unabsorbed Depreciation / Loss	(9.01)	(30.72)
Deferred Tax Liabilities - Net	536.85	719.02
MAT Credit Entitlement	(256.97)	(261.42)
	279.88	457.60

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Notes to the consolidated financial statements

NOTE - 22 BORROWINGS [CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2020	As at 31.03.2019
Secured Loans		
Repayable on Demand from Banks	1596.99	1652.58
Others	102.32	20.65
	1699.31	1673.23
Unsecured Loans		
Fixed Deposits	10.51	9.17
Loans from:		
- Banks	263.82	221.89
	274.33	231.06
	1973.64	1904.29

NOTE - 23 OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Borrowings	424.65	536.06
Interest Accrued but not due on Borrowings	54.57	22.84
Unclaimed Dividends #	1.76	1.69
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	3.05	2.05
Lease Liabilities	41.11	-
Others	384.78	284.89
	909.92	847.53

Investor Education & Protection Fund will be credited as and when due.

NOTE - 24 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	93.82	241.19
Others	28.71	24.96
	122.53	266.15

NOTE - 25 PROVISIONS [CURRENT]

Provision for Employee Benefits	25.13	20.36
	25.13	20.36

NOTE - 26 CURRENT TAX LIABILITIES (NET)

Current Tax Liabilities (Net)	14.29	1.98
	14.29	1.98

Notes to the consolidated financial statements

NOTE - 27 REVENUE FROM OPERATIONS

₹ in Crores (10 Million)

	2019-2020	2018-2019
Sale of:		
- Products	8558.74	10144.09
- Services	40.88	65.05
Other operating revenues:		
- Provision no longer required	-	0.17
- Miscellaneous Income #	125.28	158.45
	8724.90	10367.76

Includes Government Incentive of ₹87.12 crores (Previous Year: ₹92.00 crores)

NOTE - 28 OTHER INCOME

Income from Non-current Investments:		
- Dividends	0.74	0.72
- Interest	3.42	2.98
- Profit / (Loss) on Sale of Investments	-	0.29
- Fair Value changes in Investments	0.42	0.05
Profit on sale of Fixed Assets (Net)	-	48.38
Other Interest Income	21.79	29.65
Rent	2.02	2.18
	28.39	84.25

NOTE - 29 EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	676.41	668.97
Contribution to Provident and other Funds	59.14	78.79
Employees' Welfare and other Benefits	187.63	161.86
	923.18	909.62

NOTE - 30 FINANCE COSTS

Interest on Borrowings & Others	524.75	516.44
Interest on Lease Liabilities	19.57	-
Other Borrowing Costs	4.67	4.64
	548.99	521.08

NOTE - 31 OTHER EXPENSES

Consumption of Stores and Spares	120.78	141.74
Power and Fuel	379.32	418.57
Lease Rent	18.85	53.81
Freight and Transportation	374.17	390.83
Advertisement and Sales Promotion	142.37	150.52
Allowance for Doubtful Debts / Advances	2.00	1.79
Corporate Social Responsibility Expenses	4.97	6.73
Loss on Sale of Fixed Assets (Net)	0.24	-
Miscellaneous Expenses	434.45	497.64
	1477.15	1661.63

Notes to the consolidated financial statements

NOTE - 32

Estimated amount of contracts remaining to be executed on capital account ₹121.46 crores (Previous year: ₹188.64 crores).

NOTE - 33

Contingent liabilities in respect of claims not accepted and not provided for ₹137.57 crores (Previous year: ₹71.33 crores), pertaining to Excise & Customs duty matters in appeal ₹7.83 crores, Service Tax matters ₹0.18 crore, Sales Tax matters in appeal ₹2.94 crores, Income Tax matters in appeal ₹4.97 crores & other matters ₹121.65 crores (Previous year: ₹8.34 crores, ₹4.37 crores, ₹2.13 crores, ₹7.73 crores & ₹48.76 crores respectively).

NOTE - 34

The transition to Ind AS – 116 pursuant to its adoption w.e.f 01.04.2019 resulted in recognition of 'Right of Use' asset of ₹156.87 crores (including prepaid rent of ₹ 4.79 crores) and corresponding lease liability of ₹152.08 crores. Comparatives figures have not been retrospectively adjusted. The effect of adoption of this Ind AS is not material on the profit before tax, profit for the period and earnings per share.

Lease rent expense recorded for short-term leases was ₹13.30 crores and low value leases was ₹5.55 crores for the year ended 31st March, 2020.

As at 31st March, 2020, the future minimum lease payments under non-cancellable operating leases contracted but not recognised as liabilities are ₹0.08 crore, payable not later than one year (Previous Year: ₹0.18 crore).

NOTE - 35

Debts /Advances include ₹76.58 crores (Previous year: ₹69.09 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 unfavorable foreign exchange fluctuation ₹97.50 crores (Previous year: ₹83.22 crores) and expenditure on VRS for the employees ₹8.40 crores (Previous Year: ₹5.73 crores).

NOTE - 38

COVID-19 pandemic has caused serious disruptions on the global economic and business environment and there is a huge uncertainty with respect to its severity, which cannot be reasonably ascertained. However, the Company has evaluated and factored in to the extent possible the likely impact that may result from Covid-19 pandemic as well as all events and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2020. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date on the financial results for the year ended 31st March, 2020 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

Further, considering the long-standing relationships and the goodwill it carries with its customers, suppliers and other stakeholders including employees and the high quality product portfolio, we believe that the Company's business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

NOTE - 39 EARNINGS PER SHARE (EPS)

₹ in Crores (10 Million)

	2019-2020	2018-2019
a) Profit for the year attributable to Equity Shareholders	150.76	176.34
b) Weighted average number of Equity Shares for Basic/Diluted EPS	24,62,30,880	22,69,73,075
c) Earnings per share of ₹2 each		
- Basic / Diluted (₹)	6.12	7.77

Notes to the consolidated financial statements

NOTE - 40 RELATED PARTIES

a) Holding Company:

Bengal & Assam Company Ltd. (BACL-H) (w.e.f. 24th May, 2019)

b) Fellow Subsidiaries (with which, the Company has transactions):

JK Agri Genetics Ltd. (JKAGL) (w.e.f. 24th May, 2019)

J.K. Fenner (India) Ltd. (JKFIL) (w.e.f. 24th May, 2019)

Umang Dairies Ltd. (UDL) (w.e.f. 24th May, 2019)

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) (w.e.f. 24th May, 2019)

JK Paper Ltd. (JKPL - Associate of BACL-H) (w.e.f. 24th May, 2019)

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	Deputy 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 Jan, 2020)
(xiii)	Shri Sanjeev Aggarwal	CFO (w.e.f. 18th Feb, 2019)
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xv)	Shri Ashok Kumar Kinra	CFO of the Company (till 17th Feb, 2019) [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)

Notes to the consolidated financial statements

(i) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 274.98, JKLC			275.03		275.03
Sale of Tyres to VPL			(249.14)		(249.14)
Sale of Goods to TREEL			0.59		0.59
Purchase of Goods from JKFIL, VPL-4.54, TREEL-2.64, JKLC		0.01	7.34		7.35
Purchase of Goods from VPL			(8.04)		(8.04)
Sharing of Expenses received from BACL-H, JKFIL-0.68, JKAGL-0.08, UDL, HASETRI-3.83, JKPL-0.71, JKLC, BACL (₹18653)	0.02	0.77	5.24		6.03
Sharing of Expenses received – HASETRI, BACL			(3.59)	(0.01)	(3.60)
Purchase of CIL's Equity Shares	40.00				40.00
Issue of Equity Shares – BACL				(65.51)	(65.51)
Sharing of Expenses paid to BACL-H, JKLC-0.31, JKPL-0.10, TREEL (₹11541), NPPL-0.54, BACL	0.64		0.41	0.64	1.69
Sharing of Expenses paid – BACL				(0.56)	(0.56)
Services Availed from BACL-H, JKFIL, HASETRI-27.08, JKLC-0.37, VPL	13.00	16.95	27.64		57.59
Services Availed – HASETRI –24.22, VPL			(24.42)		(24.42)
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 income from VPL			0.24		0.24
Royalty income from VPL			(0.37)		(0.37)
Dividend Received from JKFIL		0.70			0.70
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
Contribution to Trusts- JKEPFK- 5.89, JKOSFK- 0.38, JKEGFK- 7.58, JKEPFV - 19.98, JKOSFV- 0.35, JKEGFV-6.68, CILEGF				(43.21)	(43.21)
Outstanding as at year end:					
Due from WTHI – 0.39			0.39		0.39
Due from HASETRI – 17.61, WTHI – 0.90			(18.51)		(18.51)
Advances to HASETRI-29.40, VPL – 9.93			39.33		39.33
Other Receivables:					
- BACL-H – 0.66, JKFIL – 48.55, UDL – 0.01, VPL– 95.88, WTI – 0.03, JKEGFV – 5.38, NPPL-0.54	0.66	48.56	95.91	5.92	151.05
- VPL- 100.23, WTI – 0.03, JKEGFV– 2.95, BACL – 0.48			(100.26)	(3.43)	(103.69)
Loan from VPL – 1.91			1.91		1.91
Loan from VPL – 1.77			(1.77)		(1.77)
Other Payables:					
- JKFIL – 15.91, HASETRI – 1.26, TREEL – 0.27, JKEGFK – 15.25, CILEGF – 12.80		15.91	1.53	28.05	45.49
- JKEGFK – 0.51, CILEGF-8.11				(8.62)	(8.62)

Figures in brackets represent amounts pertaining to previous year.

Notes to the consolidated financial statements

(II) Remuneration paid to Key Managerial Personnel

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
Short-term Employee Benefits	22.43	30.75
Post-employment Benefits*	1.70	1.42
Other Payments	1.29	1.36

* Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

NOTE - 41

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 23th May, 2019)

Florence Investech Ltd. (FINVL) (till 23th May, 2019)

₹ in Crores (10 Million)

Nature of Transactions	2019-2020	2018-2019
Issue of Equity Shares – BMF	-	134.49
Sharing of Expenses received BMF=₹3000, FINVL=₹15000 (BMF: ₹18000, FINVL-0.01)	-	0.01
Service rendered - FINVL Nil; Previous Year: (₹45000)	-	
Outstanding balances as at year end	Nil	Nil

Figures in brackets represent amounts pertaining to previous year.

NOTE - 42 OPERATING SEGMENTS

a. Basis for segmentation

An operating segment is component of the Company that engages in the business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' results are reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance.

The Company has reportable segments based on geographical location (India, Mexico and Others), which are the Group's strategic business units. These business units are engaged in developing, manufacturing, marketing and distribution of automotive Tyre, Tubes, Flaps, etc. For each of the business units, the Company's chief operating decision maker reviews internal management reports at least on quarterly basis.

Notes to the consolidated financial statements

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	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
1. Revenue								
Total Sales	7649.11	9193.39	1191.07	1308.53	1.92	2.33	8842.10	10504.25
Inter Segment Sales	(115.28)	(134.16)	-	-	(1.92)	(2.33)	(117.20)	(136.49)
External Revenue from Operation	7533.83	9059.23	1191.07	1308.53	-	-	8724.90	10367.76
Other Income	28.37	78.97	0.01	0.92	0.01	-	28.39	84.25
Total Revenue	7562.20	9142.56	1191.08	1309.45	0.01	-	8753.29	10452.01
2. Result								
Segment Result (PBIT) before Exceptional Items	603.70	803.03	35.29	77.75	(0.87)	(0.29)	638.12	880.49
Less: Finance Costs	512.03	481.11	36.91	39.94	0.05	0.03	548.99	521.08
Profit / (Loss) before Exceptional Items	91.67	321.92	(1.62)	37.81	(0.92)	(0.32)	89.13	359.41
Exceptional Items	(96.36)	(63.80)	(9.52)	(25.37)	(0.02)	0.22	(105.90)	(88.95)
Profit / (Loss) before Tax	(4.69)	258.12	(11.14)	12.44	(0.94)	(0.10)	(16.77)	270.46
Less: Income Taxes	(174.85)	84.09	9.07	10.08	-	-	(165.78)	94.17
Profit / (Loss) after Tax	170.16	174.03	(20.21)	2.36	(0.94)	(0.10)	149.01	176.29
Share of Profit in Associates	0.09	-	(0.37)	(0.29)	(7.42)	(5.43)	(7.70)	(5.72)
Less: Non-controlling Interest	(9.45)	(5.77)	-	-	-	-	(9.45)	(5.77)
Net Profit	179.70	179.80	(20.58)	2.07	(8.36)	(5.53)	150.76	176.34
3. Other Information								
Segment Assets	9954.34	10008.92	1273.57	1241.29	62.26	66.20	11290.17	11316.41
Segment Assets include:								
- Investments accounted for using Equity Method	6.74	0.35	-	-	56.29	59.54	63.03	59.89
Capital Expenditure	359.28	586.25	14.70	8.84	-	0.01	373.98	595.10
Depreciation & Amortisation	329.95	265.53	47.27	49.68	0.61	0.46	377.83	315.67
Segment Liabilities	7918.11	7962.38	943.12	930.58	2.88	2.82	8864.11	8895.78

c. Major Customer:

Revenue from one customer of the group is Nil (Previous Year: ₹1250.26 crores), which is more than 10 percent of the Group's total revenue and belongs to Business Unit – None (Previous Year: India).

Notes to the consolidated financial statements

NOTE - 43 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
Current Tax	34.38	59.44
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	(201.16)	55.88
- MAT Credit Entitlement	1.00	(21.15)
Total Deferred Tax	(200.16)	34.73
Income Tax Expense Reported in the Statement of Profit or Loss	(165.78)	94.17

(B) Income Tax recognised in Other Comprehensive Income

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
Deferred tax on Re-measurement Losses on Defined Benefit Plans	(8.42)	(5.48)

(C) Reconciliation of Effective Tax Rate

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
Accounting Profit Before Income Tax	(16.77)	270.46
At applicable Statutory Income Tax Rate @ 34.944%	(5.86)	94.51
House R&D Expenses u/s 35(2AB)	(12.04)	(10.15)
Contribution u/s 35(1)(ii)	(0.52)	-
Exempt Income	(0.48)	(0.25)
Differential Tax Rates of Subsidiaries	0.71	(0.58)
Others	10.45	10.64
Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years) (A)	(7.74)	94.17
Effective Tax Rate	46.15%	34.82%
Reversal of Deferred Tax Liabilities pertaining to earlier years *	(B) (158.04)	-
Income Tax Expense reported for the year (A+B)	(165.78)	94.17

* 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 has re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier). Accordingly, provision of Deferred Tax Liability of ₹158.04 crores no longer required has been reversed during the current year.

(D) Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	679.00	628.72
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	(201.16)	55.88
Other Comprehensive Income	(8.42)	(5.48)
Foreign Currency Translation Difference	(1.93)	(0.12)
Deferred Tax Liabilities/(Assets)	467.49	679.00
MAT Credit Entitlement	(264.54)	(268.99)
Deferred Tax Liabilities (Net)	202.95	410.01

Notes to the consolidated financial statements

NOTE - 44 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 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	16.13	16.13	14.61	14.61
- Others	-	-	9.84	9.84
(b) At Amortised Cost				
- Investments	61.07	61.07	56.67	56.67
- Trade Receivables	1848.42	1848.42	1945.10	1945.10
- Others	423.16	423.16	453.62	453.62
Total	2348.78	2348.78	2479.84	2479.84
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss	11.39	11.39	-	-
(b) At Amortised Cost				
- Borrowings	5548.71	5548.71	5757.51	5757.51
- Trade Payables	1688.41	1688.41	1599.02	1599.02
- Others	1079.34	1079.34	719.79	719.79
Total	8327.85	8327.85	8076.32	8076.32

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.

Notes to the consolidated financial statements

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, 2020 and 31st March, 2019:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2020			
Financial Assets			
- Quoted Equity Shares	2.26	-	-
- Unquoted Equity Shares	-	-	2.42
- Unquoted Preference Shares	-	-	10.89
- Mutual Funds	0.56	-	-
Financial Liabilities			
- Option Contracts	-	8.59	-
- Forward Contracts	-	2.80	-
31st March, 2019			
Financial Assets			
- Quoted Equity Shares	3.15	-	-
- Unquoted Equity Shares	-	-	0.53
- Unquoted Preference Shares	-	-	10.28
- Mutual Funds	0.65	-	-
- Option Contracts	-	8.15	-
- Forward Contracts	-	1.69	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2020.

NOTE - 45

The fair value of Investment property as at 31st March, 2020 is ₹12.41 crores (as at 31st March, 2019: ₹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 - 46 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).

Notes to the consolidated financial statements

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 31.03.2020	As at 31.03.2019
Change in USD	+ ₹ 0.25	+ ₹ 0.25
Effect on Profit before Tax	(2.62)	(2.16)
Change in USD	- ₹ 0.25	- ₹ 0.25
Effect on Profit before Tax	2.62	2.16

- o **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost-effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(13.87)	(14.39)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	13.87	14.39

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- o **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, 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).
- o **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 minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

- o **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

Notes to the consolidated financial statements

- **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
As at 31st March 2020		
Borrowings *	4093.86	1454.85
Trade and Other Payables	1688.41	-
Lease Liabilities	174.68	11.70
Other Financial Liabilities	444.16	460.19
Total	6401.11	1926.74
As at 31st March 2019		
Borrowings *	4233.39	1524.12
Trade and Other Payables	1599.02	-
Other Financial Liabilities	311.47	408.32
Total	6143.88	1932.44

* Including working capital facility from consortium banks renewed every year.

NOTE - 47 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 31.03.2020	As at 31.03.2019
Borrowings	5548.71	5757.51
Less: Cash and Cash equivalents	65.39	109.33
Net debt	5483.32	5648.18
Equity Share Capital	49.25	49.25
Other Equity	2282.10	2235.15
Total Capital	2331.35	2284.40
Capital and Net Debt	7814.67	7932.58
Gearing Ratio	70.17%	71.20%

Notes to the consolidated financial statements

NOTE - 48 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 31.03.2020	As at 31.03.2019
Assets		
Non-current Assets	2709.52	2579.52
Current Assets	706.23	701.88
Liabilities		
Non-current Liabilities	1714.51	1695.11
Current Liabilities	1004.48	905.13
Equity	696.76	681.16
Percentage of Ownership held by Non-controlling Interest	13.59%	20%
Accumulated Non-controlling interest	94.71	136.23

₹ in Crores (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Revenue	2221.14	2316.46
Net Profit/(Loss)	(57.32)	(28.83)
Other Comprehensive Income	(2.05)	(0.05)
Total Comprehensive Income	(59.37)	(28.88)
Total Comprehensive Income allocated to Non-controlling Interests	(9.80)	(5.78)

₹ in Crore (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Net Cash Inflow/(Outflow) from Operating Activities	307.92	498.40
Net Cash Inflow/(Outflow) from Investing Activities	(124.79)	(430.54)
Net Cash Inflow/(Outflow) from Financing Activities	(193.53)	(64.74)
Net Cash Inflow/(Outflow)	(10.40)	3.12

NOTE - 49 INTEREST IN ASSOCIATES

The summarised aggregate financial information of individually immaterial associates as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2020	As at 31.03.2019
Carrying Amount of Interests in Associates	73.92	69.70
Share in Profit / (Loss)	(7.70)	(5.72)
Share in Total Comprehensive Income	(3.64)	(1.50)

Notes to the consolidated financial statements

NOTE - 50 CONSOLIDATED NET ASSETS AND SHARE IN CONSOLIDATED PROFIT & LOSS

₹ in Crores (10 Million)

Sl. No	Name of the entity	Net Assets, (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A	Parent								
	JK Tyre & Industries Limited	52.06%	1213.72	151.40%	228.25	23.98%	(16.76)	261.55%	211.49
B	Subsidiaries								
(a)	Indian								
1	3DInnovations Pvt. Ltd.	0.03%	0.66	0.01%	0.01	-	-	0.01%	0.01
2	Cavendish Industries Limited	35.24%	821.76	-38.54%	(58.10)	2.93%	(2.05)	-74.39%	(60.15)
(b)	Foreign								
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.11%	2.65	-0.44%	(0.66)	-0.14%	0.10	-0.69%	(0.56)
3	J. K. Asia Pacific (S) Pte. Ltd.	0.04%	0.87	0.03%	0.05	-0.01%	0.01	0.07%	0.06
4	Lankros Holdings Ltd.	0.00%	(0.08)	-0.58%	(0.87)	-0.13%	0.09	-0.96%	(0.78)
5	Sarvi Holdings Switzerland AG.	-0.01%	(0.15)	0.36%	0.54	-0.03%	0.02	0.69%	0.56
6	JK Tornel S.A. de C.V. & its Subsidiaries	14.20%	330.96	-13.42%	(20.21)	79.71%	(55.72)	-93.90%	(75.93)
6.1	JK Tornel S.A. de C.V. (JKTSA)	-1.97%	(45.97)	-0.48%	(0.73)	-	-	-0.90%	(0.73)
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	0.02	0.10%	0.15	-	-	0.19%	0.15
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.65%	38.40	1.11%	1.68	-	-	2.07%	1.68
6.4	Compañía Hulera Tornel, S.A. de C.V.*	11.79%	274.83	-20.89%	(31.50)	78.01%	(54.53)	-106.39%	(86.03)
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	2.80%	65.39	0.48%	0.72	-	-	0.88%	0.72
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.26%	6.12	1.03%	1.55	-	-	1.92%	1.55
6.7	Gintor Administración, S.A. de C.V.*	-0.47%	(11.05)	4.70%	7.09	1.70%	(1.19)	7.30%	5.90
6.8	Hules y Procesos Tornel, S.A. de C.V.*	0.14%	3.22	0.55%	0.83	-	-	1.03%	0.83
	Less: Non-controlling Interest @	-4.06%	(94.71)	6.27%	9.45	-0.50%	0.35	12.12%	9.80
C	Associates (Investment as per the equity method)								
	Indian								
1	Hari Shankar Singhania Elastomer & Tyre Research Institute \$	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited	0.00%	0.01	0.01%	0.01	-	-	0.01%	0.01
3	Treel Mobility Solutions Pvt. Ltd.	0.00%	0.08	0.05%	0.08	-	-	0.10%	0.08
	Foreign								
1	Valiant Pacific LLC	2.41%	56.08	-4.92%	(7.42)	-5.97%	4.17	-4.02%	(3.25)
2	Western Tire Holdings, Inc.	-0.02%	(0.51)	-0.25%	(0.37)	0.16%	(0.11)	-0.59%	(0.48)
	TOTAL	100.00%	2331.35	100.00%	150.76	100.00%	(69.90)	100.00%	80.86

* Subsidiaries of JKTSA

@ Insignificant and immaterial Non-controlling Interest is not considered.

\$ Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

Notes to the consolidated financial statements

NOTE - 51

Figures less than ₹50000 have been shown at actual in bracket..

NOTE - 52

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

NOTE - 53

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 *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336

New Delhi, the 15th June, 2020

JK Tyre & Industries Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2020

₹ in Crores (10 Million)

	2019-2020	2018-2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	(16.77)	270.46
Adjustment for:		
Depreciation and Amortisation Expense	377.83	315.67
Finance Costs	548.99	521.08
(Profit) / Loss on sale of Property, Plant and Equipment	0.24	(48.38)
(Profit) / Loss on Sale of Investment	-	(0.29)
Fair Value Changes in Non-current Investments	(0.42)	(0.05)
Provision no longer required	-	(0.17)
Unrealised Foreign Exchange Fluctuation	77.38	83.09
Foreign Currency Translation gain / (loss) on Consolidation	(3.15)	(4.53)
Interest / Dividend Received	(25.95)	(33.35)
Allowance for Doubtful Debts / Advances and Bad debts written off	2.00	1.79
Operating Profit before Working Capital changes	960.15	1105.32
(Increase) / Decrease in Trade and Other Receivables	233.06	(150.62)
(Increase) / Decrease in Inventories	48.46	(240.89)
Increase / (Decrease) in Trade and Other Payables	137.64	163.91
Cash generated from Operations	1379.31	877.72
Direct Taxes (net)	(33.65)	(80.91)
Net Cash from Operating Activities	1345.66	796.81
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(279.78)	(564.42)
Sale of Property, Plant and Equipment	5.99	306.68
Movement in Loans & Advances	(108.31)	(8.60)
Investment in Subsidiary & Associate	(46.30)	-
Sale of Investment	-	1.06
Deposit Accounts with Banks	(14.16)	(24.60)
Interest Received	15.91	27.88
Dividend Received	0.74	0.72
Net Cash used in Investing activities	(425.91)	(261.28)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital (Net of Expenses)	-	197.71
Proceeds from Short-term Borrowings (Net)	42.51	29.39
Proceeds from Long-term Borrowings	76.78	1122.31
Repayment of Borrowings	(465.23)	(1310.54)
Payment of Lease Liabilities	(47.30)	-
Finance Costs paid	(524.81)	(519.45)
Dividend paid (including Dividend Tax)	(44.52)	(41.01)
Net Cash used in Financing Activities	(962.57)	(521.59)
Net increase / (decrease) in Cash and Cash Equivalents	(42.82)	13.94
Cash and Cash Equivalents as at the beginning of the year	109.33	95.32
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	(1.12)	0.07
Cash and Cash Equivalents as at the end of the year	65.39	109.33

Consolidated Cash Flow Statement for the year ended 31st March, 2020

Notes:

₹ in Crores (10 Million)

Particulars	2019-2020	2018-2019
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	9.06	71.56
- Balances with Banks	57.45	37.70
- Unrealised Translation gain / (loss) on Foreign Currency balances	(1.12)	0.07
Total	65.39	109.33

2. Non-cash changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

Particulars	As At 31.03.2019	Cash Flows	Non- Cash Changes		As At 31.03.2020
			Foreign Exchange Movement	Others	
Short-term Borrowings	1904.29	42.51	68.93	(42.09)	1973.64
	(1862.20)	(29.39)	(12.73)	(-0.03)	(1904.29)
Long-term Borrowings	3853.22	(388.45)	131.40	(21.10)	3575.07
	(3949.08)	(-188.23)	(91.50)	(0.87)	(3853.22)
Total Liabilities from Financing Activities	5757.51	(345.94)	200.33	(63.19)	5548.71
Previous Year	(5811.28)	(-158.84)	(104.23)	(0.84)	(5757.51)

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 *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

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	92.5762	1.71	(1.71)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N.A.	HKD \$	9.6495	1.93	0.22	5.88	5.88	1.17	0.02	(0.70)	-	(0.70)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A.	SGD \$	52.5398	0.68	0.37	1.63	1.63	0.39	1.90	0.04	-	0.04	-	100.00
4	3D Innovations Pvt. Ltd.	N.A.	INR	N.A.	1.50	(0.84)	0.66	0.66	-	0.01	-	(0.01)	0.01	-	100.00
5	Cavendish Industries Ltd.	N.A.	INR	N.A.	55.17	64.59	3415.75	3415.75	-	2221.14	(88.03)	(30.71)	(57.32)	-	86.41
6	Lankros Holdings Ltd.	N.A.	Euro	82.2959	35.35	45.26	80.70	80.70	79.20	0.07	(0.91)	-	(0.91)	-	100.00
7	Sarvi Holdings Switzerland AG.	N.A.	CHF	77.6996	53.13	45.35	98.66	98.66	98.48	0.96	0.63	0.00	0.63	-	100.00
8	JK Tornel S.A. de C.V.	N.A.	MXN PESO	3:1456	58.61	(171.04)	612.44	612.44	219.56	629.02	11.61	12.30	(0.68)	-	99.98
9	Comercializadora América Universal, S.A. de C.V.	N.A.	MXN PESO	3:1456	0.01	3.07	3.28	3.28	-	0.11	0.11	(0.02)	0.13	-	99.98
10	Compañía Hulera Tacuba, S.A. de C.V.	N.A.	MXN PESO	3:1456	0.31	34.45	56.78	56.78	-	5.10	1.85	0.40	1.45	-	99.98
11	Compañía Hulera Tornel, S.A. de C.V.	N.A.	MXN PESO	3:1456	106.18	167.54	972.67	972.67	0.00	934.44	(34.03)	(7.04)	(26.99)	-	99.98
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A.	MXN PESO	3:1456	1.13	101.94	127.36	127.36	-	5.66	0.87	0.26	0.62	-	99.98
13	General de Inmuebles Industriales, S.A. de C.V.	N.A.	MXN PESO	3:1456	0.03	30.42	38.33	38.33	-	3.02	1.55	0.21	1.34	-	99.98
14	Gintor Administración, S.A. de C.V.	N.A.	MXN PESO	3:1456	0.01	27.94	50.02	50.02	-	41.63	7.68	1.56	6.12	-	99.98
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹ 1573)	N.A.	MXN PESO	3:1456	*	9.54	12.21	12.21	-	1.52	0.89	0.17	0.72	-	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	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020*
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	56.29	9.83 @	0.36	1.57	-
6	Profit / (Loss) for the year					
	Considered in Consolidation	(7.42)	-	0.01	0.08	(0.37)
	Not Considered in Consolidation	(7.72)	(0.09)	0.01	(1.06)	(0.55)

* Exempt from audit.

@ Not Considered in Consolidation

1. 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.
2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania *Chairman & Managing Director*
Bharat Hari Singhania *Managing Director*
Anshuman Singhania *Deputy Managing Director*
Arun K. Bajoria *Director*

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Membership No. - 098336
New Delhi, the 15th June, 2020

THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020, AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive Directors: Shri Arvind Singh Mewar – 2.1, Shri Bakul Jain – 2.1, Smt. Sunanda Singhania – 2.1, Shri Kalpataru Tripathy – 2.1, Shri Vimal Bhandari – 2.1, Dr. Wolfgang Holzbach – 2.1, Shri Shreekant Somany – 2.1 and Smt. Meera Shankar – 0.3.

Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 159.4; Shri Bharat Hari Singhania; Managing Director – 78.9; Shri Arun K. Bajoria, Director & President - International Operations – 93.1 and Shri Anshuman Singhania, Deputy Managing Director – 63.1.

- (b) **The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary in the financial year:** During the financial year, remuneration of Dr. Raghupati Singhania, Chairman & Managing Director; Shri Bharat Hari Singhania, Managing Director; Shri Arun K. Bajoria, Director & President - International Operations and Shri Anshuman Singhania, Deputy Managing Director decreased by 30.6%, 51.1%, 13.1% and 34.2% respectively. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy and Shri Shreekant Somany decreased by 20.0%. Smt. Meera Shankar was appointed as non-executive director w.e.f. 30.01.2020 and Shri Sanjeev Agarwal was appointed as Chief Financial Officer w.e.f 18.02.2019, being their respective remuneration were for part of the year, the same was not comparable. The remuneration of Shri P. K. Rustagi, Company Secretary increased by 2.6%.
- (c) **The percentage increase in the median remuneration of employees in the financial year:** 3.1%
- (d) **The number of permanent employees on the rolls of the Company:** 6,323
- (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 2019-20, average increase in the salaries of employees other than the Managerial Personnel was 5.8%. However, during the same year, the remuneration for Managerial Personnel decreased by 27.2%.
- (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, 2019-20

FROM 2 TO 22 WHEELER
WITH 22TYRE DELIVERED BY TECHNOLOGY

TOTAL CONTROL DELIVERED BY TECHNOLOGY

FINALLY, TYRES THAT KEEP UP WITH YOU.

Amreen Ebrahim
International Racing Champion

CARVED FOR ALL TERRAINS

THE BEST OF THE BEST
NAME OF TRUCKING TIRAL TYRES

THE SWIFT WAY TO DRIFT.

ENHANCED SAFETY & PROFITABILITY AT EVERY MILE

सोना-1
 सेती और दुमई के काम में एक्सपर्ट

सोना - 1 के एक्सपर्ट बन

NEW SIZE FOR NEW BULL, TO CARRY EXTRA LOAD

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