

Acceleration

 **JK TYRE**
& INDUSTRIES LTD.

 JK TYRE

Integrated Annual Report
2022-2023

About the Cover



The image captures the essence of JK Tyre's commitment to innovation, excellence, and relentless pursuit of growth.



Visit <https://www.jktyre.com> to know more about JK Tyre

Forward-looking Statements

Certain statements in the report regarding our business are forward-looking statements. These include all statements, other than those of performance highlights and historical facts, including those regarding the market and financial position, business strategy, and objectives for future operations. Forward-looking statements shall be identified by words such as anticipates, expects, intends, may, will, believes, estimates, outlook, and other words of similar meaning in connection with a discussion of future operational, environmental, social and financial performance. Forward-looking statements are necessarily dependent on projections and trends and constitute our current expectations based on reasonable assumptions. Actual results could differ from the projected in any forward-looking statements due to risks and uncertainties and other external factors.



JK Tyre part of J.K. Organisation, is a global force and leading tyre manufacturer in India that leads with excellence and innovation.



Pioneer

Of radial technology in India



Leading

Truck/Bus Radial (TBR) manufacturer



30 Million

TBR tyres sold across the globe

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In order to re-emphasise our green ethos and conduct of business sustainably, we have carefully deliberated and developed our new vision: "Be a Green & Trusted Mobility Partner".



Read more on **Page 32**



Our focus lies in leveraging our extensive R&D to pioneer the development of smarter, greener, and more efficient tyres".



Read more on **Page 36**

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Integrated Approach to Value Creation

52 Manufactured Capital



Pioneer in futuristic Mobility Solutions for the evolving logistics industry.

58 Intellectual Capital



Developed an all-new sustainable tyre, 'UX Green' in the PCR segment.

66 Human Capital



Nurturing the potential of our employees for continuous growth.

76 Financial Capital



Secured ₹240 crores equity funding from International Finance Corporation (IFC).

84 Social and Relationship Capital



Developed an image processing technology for faster customer service.

98 Natural Capital



Secured best-in-class ESG rating among its peers.

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Acceleration

Over the years, JK Tyre has consistently endeavoured to become a catalyst for change – whether it be technological, social or environmental.

As the realm of mobility evolves into a new era, characterised by sustainable practices and technological advancements, JK Tyre is actively accelerating the smart revolution forward.

As a pioneer of radial technology in India, JK Tyre has elevated mobility with its high-tech tires and state-of-the-art services. Driven by a relentless pursuit of excellence, JK Tyre is leveraging its exceptional expertise in meeting evolving needs of its customers.

With a steadfast focus on sustainability, the Company

has made remarkable strides in reducing water and energy consumption, cementing its position as a Green Manufacturer in the industry. By investing heavily in the development of its workforce through continuous Training, coaching and mentoring, JK Tyre is well-positioned to drive innovation and set new standards in the industry.

The bottom line: JK Tyre is accelerating its quality-driven, customer-centric journey of excellence.



Accelerating Towards the Future



JK Tyre **celebrates automotive excellence** at the 18th Edition of Indian Car of The Year (ICOTY) and Indian Motorcycle of The Year (IMOTY).



JK Tyre sets another industry benchmark and launches **LEVITAS ULTRA-Ultra High Performance** for top-end luxury cars.



JK Tyre unveils specialised product range, **'Ranger Tyre'** series for EVs and SUVs.



JK Tyre to be **carbon neutral by 2050.**



JK Tyre opens **Steel Wheels showroom in Leh**, India's highest motorable region, providing unmatched 'one-stop-solution' services.



About the Report

Integrated Thinking at JK Tyre

JK Tyre’s second Integrated Report showcases its commitment to transparent stakeholder communication, highlighting financial and non-financial performance, value creation, strategy, and risk management.

Key Concepts

Value Creation Model

At JK Tyre, value creation is a consequence of how capitals are utilised to drive impactful stakeholder outcomes. The value creation model describes the approach undertaken by JK Tyre to preserve, enhance, and preserve value over the short-term, medium-term, and long-term.

Stakeholder Universe of JK Tyre

Stakeholder engagement is a crucial process that contributes to JK Tyre’s growth ambitions. By engaging with stakeholders in a structured and coordinated manner through transparent communication, we can build relationships that provide valuable capital at all times.

Materiality

JK Tyre’s material issues are those that have a significant impact on its ability to create value for its stakeholders. Its material issues are influenced by the economic, social, and environmental context in which the Company operates.

Material Clusters

JK Tyre’s material clusters are linked with the Company’s 5P platform.



Read more on [Page 46](#)



Capitals are stocks of value that have increased, decreased, or transformed through the activities of the organisation.



Read more on [Page 38](#)

Approval by the Board

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Annual Report. In the Board’s opinion, this Report addresses all the issues that are material to the Company’s ability to create value and fairly presents the integrated performance of JK Tyre.

Scope of Report

Reporting Period

1st April, 2022 → 31st March, 2023

Reporting Boundary

This Report extends beyond financial reporting and includes non-financial outcomes attributable to or associated with the JK Tyre’s key stakeholders.

All the information presented in this report pertains to consolidated operations of JK Tyre & Industries Limited, unless otherwise specified

Statutes, Framework, Guidelines, and Standards

This report has been prepared in accordance with the <IR> framework published by the International Financial Reporting Standards Foundation (IFRS). Additionally, this report has been prepared in accordance with the following statutes, frameworks, guidelines and standards:

- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards
- Secretarial Standards issued by the Institute of Company Secretaries of India
- National Guidelines on Responsible Business Conduct (NGRBC)

This report is Aligned to the Following Standards and Frameworks

- Global Reporting Initiative (GRI) Standards 2021
- United Nations Sustainable Development Goals (UN SDGs)

Contributing to UN SDGs



ESG Databook 2022-23

This report contains section that presents data encompassing various aspects of JK Tyre’s non-financial performance. The disclosure is voluntary and organised around JK Tyre’s 5P platform. This is a best-in-class practice and an industry first in India.

Read more on [Page 112](#)

External Assurance

This report has been independently assured by BSI as per AA1000 Standard and GRI Standard. The information on Business Performance is derived from our audited financial statements for FY 2022-23.

Read more on [Page 117](#)

Feedback

Share your feedback or queries on this report to: investorjktyre@jkm.com

JK TYRE & INDUSTRIES LTD.

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REGISTERED OFFICE
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Kankroli – 313 342, Rajasthan
CIN: L67120RJ1951PLC045966
Website: www.jktyre.com

AUDITORS
S S Kothari Mehta & Company
Chartered Accountants

Vice President (Legal) &
Company Secretary
Pawan Kumar Rustagi



A Year of Progress

Thriving in All Dimensions

JK Tyre showcased A strong financial performance with significant revenue growth, increased volumes, and improved operating margins during FY 2022-23.



Strong Financial Performance

▲ 22%

₹14,681 Cr

Revenue

▲ 20%

₹1,334 Cr

EBITDA

▲ 27%

₹880 Cr

Cash Profits

₹2,486 Cr

Export Revenue

18.80%

Dividend Payout Ratio



Robust Operational Performance

27 Mn tyres

Production Volume

86%

Capacity Utilisation



Delivering Innovation

162

Products Launched

₹116 Cr

Invested in R&D

▲ YoY growth

JK Tyre made significant strides on its 5P platform, attaining a 'Best-in-Class' rating, surpassing industry peers, thereby solidifying its commitment to the environment and society.



Tracking Our Footprint

58%

Power from renewable sources

65%

Reduction in Scope 1 & 2 carbon emission intensity from base year

Lowest

energy consumption (among the top 3 companies globally)

Lowest

Water consumption in the world, with less than 1.61 KL/tonne of tyre manufactured



Empowering People and Communities

94%

Retention rate

92,280

Lives impacted through CSR activities



Best-in-Class Governance

96%

Average attendance in Board meetings

58.33%

Independent Directors on the Board including one woman Independent Director



Creating Shared Value

Collaborating for Sustainable Growth

5P Platform

The 5Ps represent JK Tyre's strategy to promote sustainable development while simultaneously ensuring profitability. This strategy enables the Company to focus on the material Environment, Social, and Governance (ESG) topics that are crucial to its success.

2030

Reduce carbon emission intensity to 50%

2050

JK Tyre's carbon-neutral target

Each of the 5 Ps are central to how JK Tyre delivers value to stakeholders.

Read more on [Page 46](#)



Environment

JK Tyre strategically focuses on three key areas to achieve the intertwined objectives of resource conservation and manufacturing excellence: Research and Development, Product Development, and Manufacturing. As a result, the Company has attained a leadership position in environmental indicators, including energy usage, water management, and carbon emissions.

Climate Action

Recognising climate change as a global threat, JK Tyre aims to reduce carbon emission intensity by 50% and become carbon neutral by 2050. Demonstrating its commitment, the Company has already sourced 58% of its power from renewable sources, reflecting its proactive approach towards sustainable practices.



Social

Guided by the philosophy of sustainable development, JK Tyre is driven to be a frontrunner in catalysing change and shaping a brighter future. Through its relentless efforts, the Company has emerged as a leader in diverse domains, including health and safety, community development, and privacy and data security.

Safety Above All

The safety and wellbeing of the employees at JK Tyre are of paramount importance. The Company is committed to conducting operations without any workplace hazards or occupational illnesses. JK Tyre diligently works towards implementing world-class Global OHS Safety Standards, providing a comprehensive framework for employees.

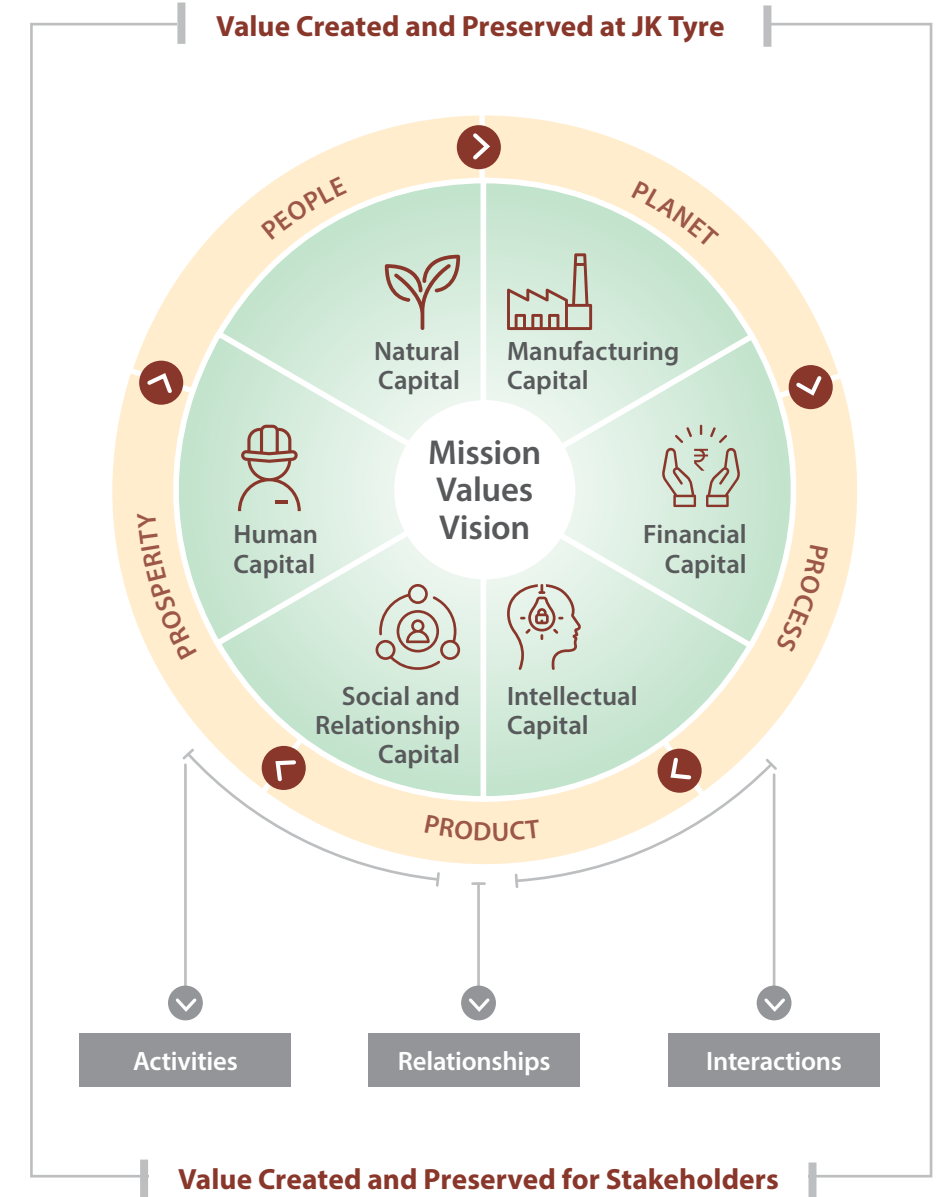


Governance

At JK Tyre, a robust framework has been established to ensure transparent management practices that maximise long-term value for stakeholders. This framework serves as a solid foundation for upholding business ethics, values, and responsible corporate governance, reflecting the Company's commitment to good governance.

Transparent Stakeholder Communication

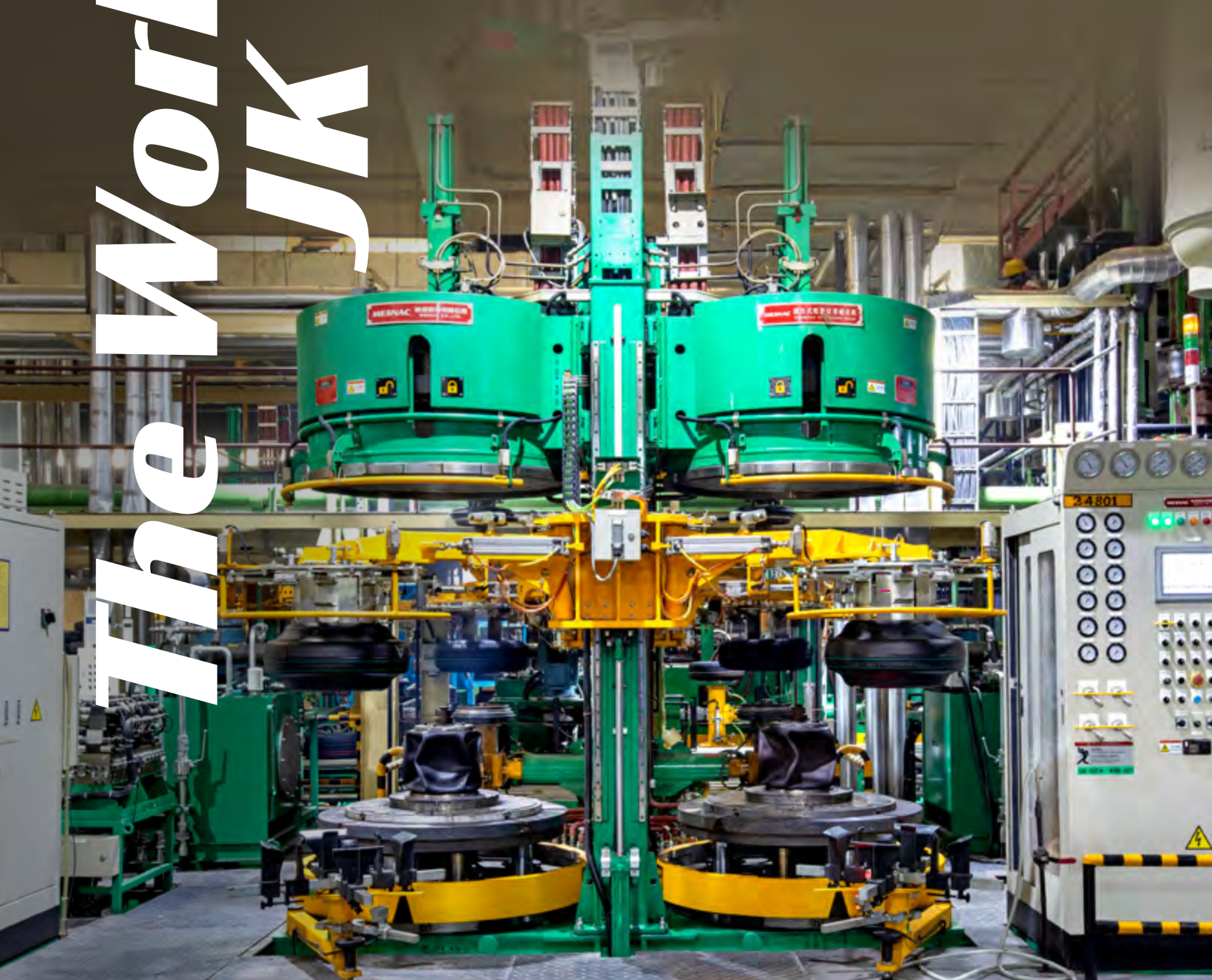
With a comprehensive set of policies in place, JK Tyre takes a proactive approach to monitor and report performance across various facets of ESG.



The World of JK Tyre

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Celebrating 25 Years of Acquisition of Vikrant and Enriching Lives

Marking a remarkable milestone, Vikrant Plant in Mysuru is now a state-of-the-art facility, a testament to JK Tyre's growth story in India. This achievement showcases the Company's commitment to innovation, creating value for the community.



Shri Thawar Chand Gehlot, Honourable Governor of Karnataka, graced the occasion of Vikrant Tyre 25th year celebration.





Corporate Portrait

Transforming Mobility

JK Tyre & Industries Ltd. is leading tyre manufacturer in India catering to diverse business segments. With each step forward, JK Tyre continues to shape the landscape of mobility and empowering journeys across roads and industries.

10,000
Employees Globally

India's
Only Tyre Superbrand

25+
OEM Clients and Relationships

Among Top 30
Sustainable Companies of India



Vision

Be a Green and Trusted Mobility Partner

Mission

<p>Be a customer centric Company</p>	<p>Deliver enhanced value to all stakeholders</p>	<p>Be amongst top 2 tyre brands in India with significant global presence</p>	<p>Constantly innovate and provide technologically advanced solutions</p>	<p>Achieve process excellence by leveraging emerging technologies</p>	<p>Be a learning organization with an engaged team</p>	<p>Reduce carbon emission intensity to 50% by 2030</p>
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Core Values

<p>Caring for people</p>	<p>Integrity including intellectual honesty, openness, fairness & trust</p>	<p>Excellence is our commitment</p>
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Research and Innovation

JK Tyre pioneered radial technology in India during the 1970s. Over the years, we have played a pivotal role in the growth of India's radial market with cutting-edge technologies, innovative practices, and consistent introduction of new products.

Winning Partnerships

JK Tyre is the preferred partner of choice for Original Equipment Manufacturers (OEMs) and has long-term collaborations with some of the most prominent names in the Indian automobile industry.





Corporate Portrait

Treading Across Continents

Key Facts

110

Countries market presence

12

Globally benchmarked 'sustainable' manufacturing plants



JK Tyre Plant

- 1 Kankroli, Rajasthan
- 2 Banmore, Madhya Pradesh
- 3 Mysuru, Karnataka
- 4 Chennai, Tamil Nadu

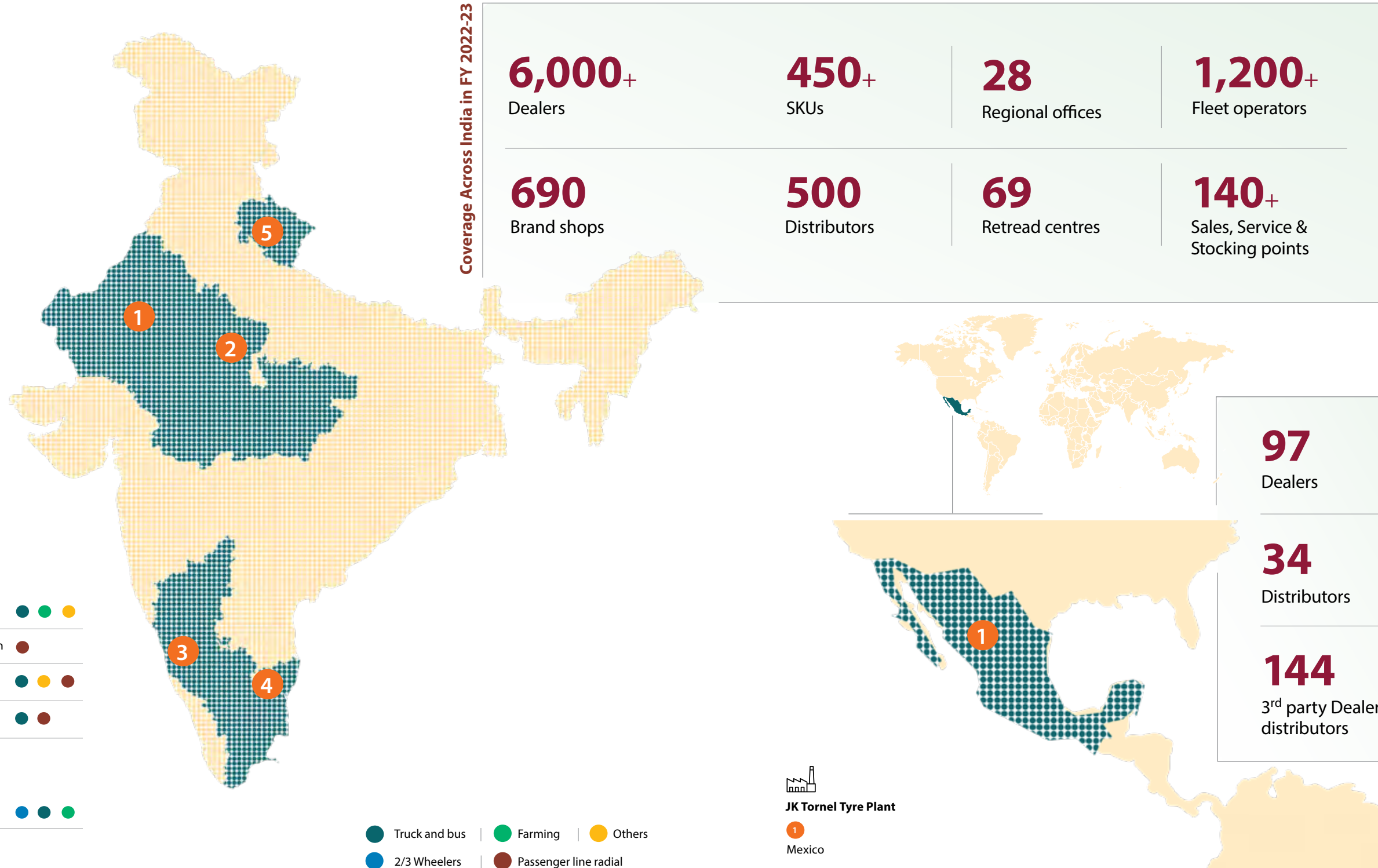


Cavendish Tyre Plant

- 5 Laksar, Uttarakhand

- Truck and bus
- Farming
- Others
- 2/3 Wheelers
- Passenger line radial

Note: Map not to scale





Operational Presence Over the Years

Milestones of Success

JK Tyre's legacy of manufacturing excellence is built upon a remarkable growth journey. From its humble beginnings in 1977 with a capacity of 0.5 million tyres per annum, the Company has achieved extraordinary expansion, now boasting a combined capacity of over 33 million tyres per annum.



1991

Banmore Tyre Plant, Gwalior



1997

Acquired Vikrant Tyres, Mysuru

1999

Acquired Vikrant All Steel Truck Bus Radial Tyre Plant, Mysuru



2008

Acquired Ternel, Mexico

2010

OTR Plant, Mysuru



2016

Acquired Cavendish Tyre Plant, Laksar



2012-2014

Chennai Tyre Plant



2014

Modernised and Expanded Radial Plant, Mexico



Product Portfolio

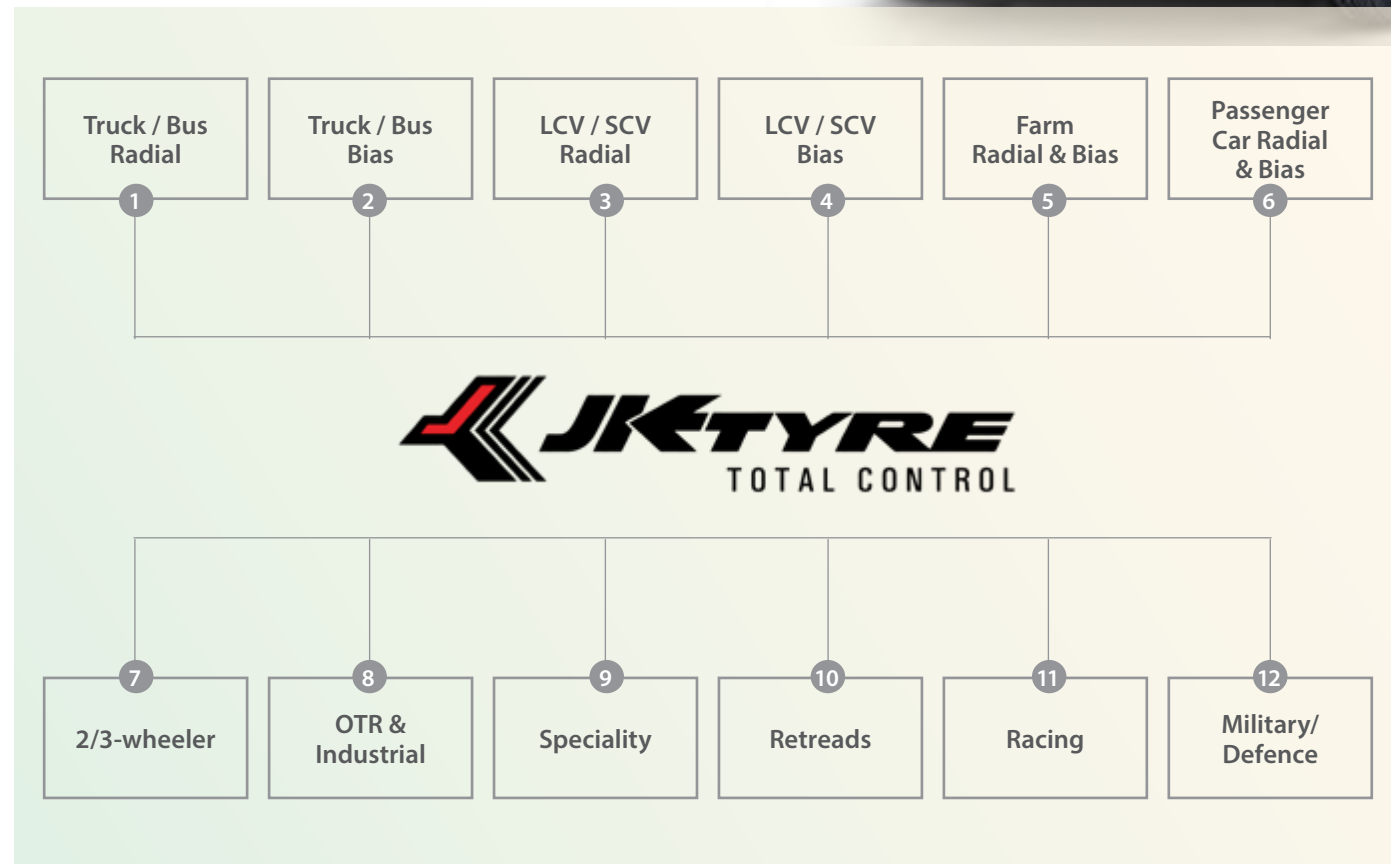
Innovation in Motion

With game-changing solutions including fuel efficient truck tyres, the revolutionary Smart Tyre, Puncture Guard ranges, Levitas and EV Tyres – the Company continues to demonstrate its technological prowess, creativity and trendsetting ability.

JK Tyre is not just a brand, but a driving force in the industry. The Company works closely with customers to provide sustainable and innovative solutions for every segment and geography. Its innovative product launches throughout the year have reaffirmed the Company’s position as a pioneer of radials in India.



A Diverse Bouquet of Products



Innovative Products Gaining Traction



What the Market Wants

- High levels of Safety and convenience

What We Offer
Puncture Guard Tyre

- Self-repair multiple punctures
- Hassle-free ride throughout life
- Better traction and ride comfort



What the Market Wants

- Low rolling resistance and fuel-efficiency

What We Offer
TBR – JUH XF & JDH XF

- Fuel-saver technology design
- Low RRC and low noise
- High mileage



What the Market Wants

- High performance and endurance

What We Offer
2-wheeler – Blaze

- High speed stability
- Ride comfort and smooth cornering
- High mileage and better traction



What the Market Wants

- Extended tyre life with high levels of comfort

What We Offer
Ranger EV Tyres

- Lower energy consumption
- Ultra-low resistance
- Higher durability





Customers

Collaborative Approach to Tyre Solutions

Backed by a firm belief in excellence, innovation, and technology, JK Tyre has made a significant impact in the automotive industry by forging enduring partnerships and relationships with renowned Original Equipment Manufacturers (OEMs).

Commercial and Farm

Targeting Value-creative Market Segments

54%

Revenue contribution

Target Segments

- Premium OEMs, most of whose customers remain loyal to the JK Tyre brand.
- Trucking companies and fleet managers whose demanding standards of efficiency and sustainability are met by JK Tyre.
- Last-mile delivery and shared mobility fleets that require energy-efficient, robust tires that offer long-lasting solutions.



OEM Customers

India

Commercial Vehicles

- Tata Motors
- Daimler India (Bharat Benz)
- JBM Auto
- Mahindra & Mahindra
- SML Isuzu
- Tata International
- Ashok Leyland
- VE Commercial Vehicles
- VOLVO India
- Force Motors

Tractors

- Captain Tractors
- Escorts Kubota
- International Tractors
- John Deere
- Mahindra & Mahindra
- TAFE Motors & Tractors
- Tractors & Farm Equipment

Mexico

Tractors

- Case New Holland
- John Deere

US

Tractors

- Mahindra

Passenger Line Radial and 2/3 Wheelers

Supporting Emerging Mobility Trends and Soaring Demand

32%

Revenue contribution

Target Segments

- OEMs fitting brand tires as original equipment, which encourages brand loyalty in the replacement market.
- Fast-growing segments, where we can offer the best products and related services.
- Motorists sensitive to safety, performance, and durability.



OEM customers

India

Passenger Cars

- Bajaj Auto
- Force Motors
- Honda Cars India
- Hyundai Motor
- Kia Motors India
- Maruti Suzuki India
- Mahindra & Mahindra
- Tata Motors

2W EVs

- Benling India Energy
- Coslight India
- Electrotherm India
- Jitendra New EV-Tech
- Sawhney Impex
- Warivo Motor India

- Sandhar Automach
- MECpower Mobility
- Godavari Electric Motors

2/3 Wheelers

- Bajaj Auto
- Hero MotoCorp
- TVS Motors

Mexico

Passenger Cars

- Nissan
- Honda

Others

Building Differentiation With Performance and Services

14%

Revenue contribution

Target Segments

- Agriculture tires, for operators demanding high productivity, machinery uptime, safety, and durability.

OEM Customers

India

OTR

- BEML
- JCB
- Action Construction Equipments (ACE)
- Escorts Kubota

- Tata Hitachi
- L&T Construction
- SANY India
- Bull Machines
- Doosan Bobcat India

- Indo Farm Equipment
- LiuGong India
- Terex
- SCHWING Stetter India
- Ammann India



JK Tyre Motorsport

Keeping India on the Move

JK Tyre has been the driving force behind Motorsport in India for over 40 years. The Company's unwavering commitment to developing and promoting the sport has put India on the global Motorsport map. JK Tyre has consistently championed the cause of promoting the cause of Motorsport right from the grassroots to across the country in all formats.

The Legacy of JK Tyre Motorsport



Early 1980s

Associates with The Himalayan Rally – India's premier international event.



Early 1990s

Forms its own rally team – Team JK Tyre – that goes on to become 7 times Indian National Rally Champions and the first Asian Zone champion. Introduced circuit racing.



Early 2000s

Introduced National Karting Championship riding the karting infrastructure institutionalised by JK Tyre.



Early 2010s

International Polo Cup brought to India.
First Company to acquire FIA accredited series Formula BMW rechristened it as JK Racing Asia Series which ran as a support to F1 in India, along with Rest of Asia & Europe.
Promoted the sport in North-East India.



Early 2020s

Despite the pandemic, sustained National Racing Championship.
Participated in World Rally Championship.
Introduced Regularity run Championship. Promoted Drag Racing.

Way Forward

The Company remains committed to nurturing young talent, as the accomplished team continues to excel in both domestic and international championships, upholding JK Tyre's legacy of excellence.

FY 2022-23, a Milestone Year



In 2022, JK Tyre achieved a momentous milestone by celebrating the 25th anniversary of the National Racing Championship. JK Tyre is the only promoter in the world to have run a national championship for 25 continuous years.

JK Tyre National Racing Championship has been the breeding ground for all Indian motorsport icons who have made India proud at the international level like Narain Karthikeyan (Padma Shri & India's first Formula 1 driver), Karun Chandhok (India's second Formula 1 driver), and Gaurav Gill (Arjuna Awardee) to name a few.

JK Tyre Himalayan Drive



The JK Tyre Himalayan Drive, a renowned motorsport event, received special recognition during the G20 festivities in West Bengal. The rally, supported by the Government of India and held alongside the 2nd Tourism Working Group meeting under India's G20 presidency, showcased adventure tourism.



Inaugurated by the Honourable Minister of Tourism, Shri G Kishan Reddy, the event saw participation from ambassadors of ten G20 nations and representatives from 29 countries. The rally highlighted the natural beauty of North Bengal and concluded in Darjeeling with a prize distribution ceremony graced by Shri Harsh Vardhan Shringla, Chief Co-ordinator of the G20 Secretariat.

World Rally Championship

Gaurav Gill, JK Tyre's Brand Ambassador, and Arjuna Awardee, showcased his remarkable skills in the WRC.

Kenya



Finland



Greece



Turkey



Australia





Governance at JK Tyre

Governing Growth with Accountability

JK Tyre is dedicated to establishing trust and confidence through transparent, accountable and ethical conduct. The Company is guided by a set of core values that prioritise value creation for stakeholders.

JK Tyre's Philosophy

At its core, JK Tyre's philosophy embodies a relentless focus on enhancing shareholder value and upholding the highest standards of ethical business conduct.

The Company's unwavering commitment to these ideals is reflected in its comprehensive Code of Corporate Ethics and Conduct, which serves as a powerful statement of its dedication to excellence in all interactions with stakeholders.

96%

Attendance by the Board of Directors

4

Board Meetings

A Balanced Governance Structure

Guided by JK Tyre's values and history, the Company's governance framework is built on the principles of accountability, transparency, and integrity that work together to ensure it delivers on its purpose.

Corporate Governance Framework



Key Board Policies

Nomination and Remuneration Policy	Policy for Determining Materiality of Events	Policy for Determining Material Subsidiary	Corporate Social Responsibility Policy
Dividend Distribution Policy	Vigil Mechanism/Whistle Blower Policy	Policy on Materiality of Related Party Transactions and on Dealings with Related Party Transactions	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
Code of Conduct for the Members of the Board and Senior Management	For more information about JK Tyre's policies, visit https://www.jktyre.com/termsconditionsofappointmentofind.saspx		

Performance Evaluation

The Nomination and Remuneration Committee ensured the evaluation of the Board, Committees, and individual Directors' performance criteria such as composition, processes, effectiveness, and participation. Additionally, Independent Directors assess non-independent Directors, the Board as a whole, and the Chairman & Managing Director.

Nomination and Remuneration Committee

Chaired by **Independent Director**

3

Members

100%

Independence

Code of Conduct

JK Tyre's Code of Conduct is deeply grounded in the Company's values, upholding the highest standards in its interactions with stakeholders, society, and the environment. Directors and Senior Management embrace their fiduciary responsibility, ensuring accountability and maximising shareholder value through ethical business practices and robust controls.

The Board of Directors also ensure that the Company's direct business activities and those of its value chain partners remain in compliance with the letter and spirit of JK Tyre's Code of Conduct.

71

Training sessions and awareness programmes held for employees other than BoD and KMPs

100%

Employees covered by training and awareness programs on Code of Conduct

Prevention of Sexual Harassment

We prioritise the prevention of sexual harassment in the workplace. Our Company has a formal policy in accordance with the Sexual Harassment of Women at the Workplace Act, 2013. We have constituted an Internal Complaints Committee (ICC) to address women employees' complaints.

Zero

Complaints have been filed or are pending with the ICC



Board of Directors

Leading with Integrity



Dr. Raghupati Singhania
Chairman & Managing Director



Bharat Hari Singhania
Director



Vimal Bhandari
Director



Bakul Jain
Director



Anshuman Singhania
Managing Director



Meera Shankar
Director



Shreekant Somany
Director



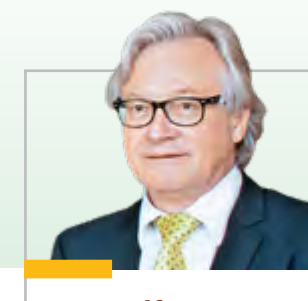
Subhrakant Panda
Director



Sunanda Singhania
Director



Kalpataru Tripathy
Director



Dr. Wolfgang Holzbach
Director



Arun K. Bajoria
Director & President – International

Board Summary

58.33%

Independent Directors on the Board including 1 Independent Woman Director

6.37 years

Average tenure of Independent Directors

4 out of 5

Committees are headed by Independent Directors

96%

Average attendance in Board meetings



Management Team

Executed by Expertise



Anuj Kathuria
President (India)

37.8 years
Average experience

18.9 years
Average tenure



V. K. Misra
Technical Director



Dr. R. Mukhopadhyay
Director – R&D



A K. Kinra
Financial Advisor



Sanjeev Aggarwal
Chief Financial Officer



Srinivasu Allaphan
Director – Sales & Marketing



P.K. Rustagi
Vice President (Legal) &
Company Secretary



Anil Kumar Makkar
Manufacturing Director



Ashish Pandey
Sr. Vice President – Materials



Sanjiv Saxena
Sr. Vice President –
Corporate Accounts



Bharat Aggarwal
Head – International Trade



Anjan Das
VP (W), CIL



Pravin Chaudhari
Executive Director –
JK Tornel Mexico



Business Strategy

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Chairman's Communique

Excelerating to a New Future



In order to re-emphasise our green ethos and conduct of business sustainably, we have carefully deliberated and developed our new vision: "Be a Green & Trusted Mobility Partner".

Dr. Raghupati Singhania
Chairman and Managing Director

Dear Stakeholders,

It gives me immense pleasure to address you after another year of growth across our businesses. This year has been pivotal in our journey as we embraced a new vision to shape our path forward. Our vision is to become a green and trusted mobility partner, a commitment that reflects our intention to combine growth with sustainability.

FY 2022-23, proved to be a remarkable period of expansion and achievements for JK Tyre, rightfully characterised as a year of 'Exceleration'. I am proud to share that we have surpassed the ₹14,000 crore mark, achieving the highest-ever revenue in our Company's history.

A New Vision

We at JK Tyre are continuously evolving and adapting to the rapidly changing world. In order to re-emphasise our green ethos and conduct of business sustainably, we have carefully deliberated and developed our new vision: "Be a Green & Trusted Mobility Partner". This vision recognises that we do not only manufacture and sell tyres but also contribute to society in terms of mobility, safety, health and happiness. The mission associated with this vision has been detailed in other sections of this report.



Celebrating 25 Years of Vikrant Plant

In 1997, we acquired the Vikrant Tyre plant in Mysuru and transformed it into a state-of-the-art facility. I am immensely proud to announce that JK Tyre is celebrating 25 years of its acquisition. Vikrant stands as a testament to our growth story and has played a crucial role in creating shared value for the larger communities in Mysuru.



A Milestone Year

We look back with great satisfaction at a year characterised by highly successful operations. JK Tyre successfully navigated through the challenges of high input costs in the tyre industry during the first half of the year. Our proactive approach and timely strategic business interventions played a crucial role in maintaining our profitable growth trajectory.

Notably, our revenue grew by 22%, culminating in the highest-ever consolidated turnover of ₹14681 crore. Prudent financial management and a strong focus on enhancing operating efficiencies at JK Tyre and its subsidiaries resulted in robust outcomes, with a 32% rise in net profit.

The International Finance Corporation (IFC), a prominent member of the World Bank Group and the largest global development institution, has reposed confidence in your Company by making

₹14,681 Cr

Turnover achieved by JK Tyre

25 years

Of acquisition of Vikrant Tyre

significant investments in JK Tyre, which will aid our growth efforts.

Vikrant Silver Jubilee

I am also delighted to share that this year we completed 25 years of acquisition of Vikrant Tyre, Mysuru by JK Tyre, which has been transformed into a state-of-the-art facility backed by world class research, innovation and technology. Even more satisfying is that we have been able to enrich the lives economically and socially, of not only our employees but communities in the vicinity of our plant and the city of Mysuru at large.

Our Green Journey – a Shared Responsibility for the Future

India, like other major economies, faces two significant challenges: the need to create a sustainable growth-oriented economy and the need to maintain competitiveness in the global market. At JK Tyre, we have demonstrated our strong commitment to ensuring Environment, Social, and Governance (ESG) considerations in our business practices, driving our non-financial performance.

JK Tyre has adopted a comprehensive 'Cradle-to-grave' approach to address sustainability challenges. Our Research and Development (R&D) efforts prioritise sustainability, aiming to minimise our impact on the environment. We have set ourselves a target to reduce carbon emission intensity to 50% by 2030,



JK Tyre has adopted a comprehensive 'Cradle-to-grave' approach to address sustainability challenges. Our Research and Development (R&D) efforts prioritise sustainability, aiming to minimise our impact on the environment.

reflecting our commitment to combat climate change.

It is heartening that our ESG efforts have garnered recognition, with JK Tyre being rated as the best among our peers in the tyre industry by CareEdge. As a green manufacturer, we continue to be amongst the best in areas of energy, water consumption and usage of green power. You will be glad to know that we have incorporated an ESG Data Book in this report which is a best-in-class practice and an Industry first in India.

Performing Subsidiaries – JK Tornel & Cavendish Industries

JK Tornel, Mexico's performance was at an all-time high and yielded satisfying results. It recorded its highest-ever sales of 6,546 Million



Interaction with JK Tornel Mexico Channel Partners.

Pesos in FY 2022-23 which is a growth of 13.11% over the previous year, despite challenging markets in USA and Latam. JK Tornel continued to enjoy the highest Market Share in Passenger Car Radials in Mexico. It also provided value-added services to farm OEM clients in the USA.

The acquisition of Cavendish has resulted in immense synergistic benefits for JK Tyre. During the year, production was at its all-time high across product categories. There was all-round progress and Cavendish achieved a record turnover of ₹3869 crores, an increase of 29% over last year.

Customer Centricity

Whether it is R&D, technology, marketing outreach, or any endeavour, at the core of our efforts are our

customers, both internal and external. Today we are proud to serve our diverse customers across segments, categories and geographies with a rich portfolio of products and services which are continually evolving as per their needs.

Corporate Social Responsibility

Your Company has consistently prioritised and strengthened its commitment to socially significant projects in the fields of health, education, adult literacy, livelihood enhancement, environment conservation, rural development, and renewable energy, among others benefitting the lives of communities in the vicinity of our plants and other locations.

Poised for 'Excelerated' Growth

As we enter the new financial year, equipped with a refined product mix, strengthened market presence, a keen eye on operational excellence, and accelerated digitalisation efforts, I am confident that these strategic measures will empower us to unlock fresh avenues of opportunity and pave the way for an 'Excelerated' growth in the years ahead.

I wish you and your families good health and prosperity.

With best wishes,

JAI HIND

Dr. Raghupati Singhania
Chairman and Managing Director

From the Managing Director's Desk

Treading the Path of Success

//

We are proud to report a robust financial outcome, with revenue witnessing an impressive 22% year-on-year profitable growth, reaching an all-time high of over ₹14,000 crores during the year”.



Dear Esteemed Stakeholders,

It is my privilege to present to you our second Integrated Annual Report for the financial year 2022-23.

The global economy has experienced turbulence over the last two years. Following the recovery from the pandemic, we witnessed a global economic crisis as a result of geopolitical turmoil. The export of goods and services faced headwinds. However, there was a gradual stabilisation in the latter half of the year. The resilience of the Indian economy was evident. The Indian Growth story remains intact with the country being at an early stage of a multi-decadal transformation. Over the next two decades, India is projected to transition into a middle-income economy, shining as a beacon of hope for over a billion aspirations.

Delivering a Strong Performance

Against the backdrop of high input cost inflation and disrupted supply chain conditions, the agile leadership team at JK Tyre successfully delivered on their commitment to achieving a strong performance. We are proud to report a robust financial outcome, with revenue witnessing an impressive 22% year-on-year profitable growth, reaching an all-time high of over ₹14,000 crore during the year with net profit growing by over 30%. All our plants operated at a capacity utilisation of ~90%. OEM business grew, which was supported by enlarged participation in new vehicle models. This was enabled by our strong focus on R&D and technology.

We launched many innovative products, such as Fuel Saver range in the truck/bus radial and Ultra High Performance passenger radials more particularly for high end cars. Most importantly, we developed India's greenest car tyre with 80% recycled material.

These achievements underscore our ability to capture market opportunities and expand our reach globally. Furthermore, we remained steadfast in our efforts to strengthen our balance sheet. Over the past five years, we have diligently leveraged our resources to reduce our total debt by more than 19%. We made progress on the ESG front, with our initiatives strengthening our position as a sustainability leader, as reflected in our best-in-class ESG rating.

Expanding, Building, and Delivering

With the anticipated robust demand in the tyre industry, particularly in the PCR and TBR segments, we are confident that our ₹1,100 crore Capex plan will propel the next phase of growth in the year ahead.

Strong Market Presence

India's tier 2 and tier 3 cities are experiencing an unprecedented surge, encompassing a population of 150 million individuals, and are projected to contribute 45% to India's GDP by 2025. This pivotal insight lies at the heart of our strategy, shaping our growth ambitions for the future.

To align with this trend, and in anticipation of demand for our products and services, we have undertaken aggressive expansion in the hinterland regions of India, through additions in brand outlets and onboarding new

fleet customers under our Fleet Management program 2.0. The footprint of our Mobility program is rapidly growing. We enjoy a strong brand presence through an extensive distribution network, encompassing over 6,000 channel partners which include more than 650 brand outlets, and retread Franchises.

The Pursuit of Customer Centricity

'Customer Centricity' has been at the core of all our brand initiatives. We have adopted a differentiated approach in our marketing efforts including a strategic media presence, backed by a strong ground connect. Digital continued to be a strong pillar for JK Tyre's brand building initiatives, and central to our visibility and engagement strategy.

We believe in forging strong relationships with our valued customers and we made special efforts to engage with them digitally and physically, even in the most remote corners of our nation.

We have made remarkable strides in deploying Artificial Intelligence (AI) throughout our organisation, unleashing exponential improvements in our service capabilities and delivering an extraordinary customer experience. The use of AI has empowered us to understand our customers on a deeper level, anticipate their needs, and provide personalised solutions that exceed their expectations.

Our commitment to innovation and customer empowerment continues to drive our relentless pursuit of excellence, reshaping the landscape of

our industry and setting new standards of service and satisfaction.

Sustainability

Our commitment to sustainability extends beyond just our products; it also encompasses our manufacturing processes which has resulted in JK Tyre being a green manufacturer while setting global benchmarks in many parameters.

Our focus lies in leveraging our extensive R&D to pioneer the development of smarter, greener, and more efficient tyres while working on a circular economy. By doing so, we aim to contribute to the transformation of the mobility landscape in India.

The Way Forward

The automobile industry is experiencing robust demand which is expected to further strengthen in the year ahead. This can be attributed to the government's sustained emphasis on infrastructure development and growing customer confidence. Moving forward, the outlook for the tyre industry remains optimistic.

At JK Tyre, we will continue to be guided by our key focus areas – sustainability, customer-centricity, technology-enabled manufacturing, and the development of a robust digital infrastructure. By prioritising these aspects, we aim to position ourselves as a leader in the industry.

As we continue on this path, let me take this opportunity to thank every stakeholder, and I look forward to your continued faith and confidence in us.

With best wishes to you and your families,

Anshuman Singhania

Managing Director



How JK Tyre Creates Value

Driving Value

Inputs

Financial Capital
Equity: ₹3,496 crores
Net Debt: ₹4,518 crores
Capital expenditure over the last five years: ~ ₹2,000 crores

Manufactured Capital
Manufacturing units: 12
Regional offices: 28
Brand shops: 690
JK Retread Centres: 69

Intellectual Capital
R&D spend over the last five years: ~₹450 crores
Total R&D centres: 2
R&D partnerships: 14-year-old research partnership with IIT Madras, long-term contract and onsite team at NATRAX Testing Centre

Human Capital
Total employees: 5,827
Training hours imparted per employee: 27.20
New hires: 355
Diversity (gender or otherwise): 2%+ in MCS

Social and Relationship Capital
Dealers: 6,000+
Total CSR spend: ₹5.17 crores
Dealer programmes: JK Tyre Advantage is a relationship programme for its esteemed channel partners

Natural Capital
Energy intensity: 8.53 GJ/tonnes
Raw water consumption intensity: 1.62 litres/Kg
Total renewable energy consumption: 36%
Raw Materials consumed: 0.53 Mn tonnes
Natural rubber consumption: 1,61,409 tonnes
Recycled rubber consumption: 4,377 tonnes



Read more on [Page 44](#)

Outputs

Production volume (automotive tyres, tubes and flaps)

Truck
~52 Lakh tyres

PVs
~125 Lakh tyres

2-3 Wheelers
~69 Lakh tyres

Others
~26 Lakh tyres

Co-products

Scope 1
Emission intensity: 0.44 tCO₂e/MT

Scope 2
Emission intensity: 0.27 tCO₂e/MT

Scope 3
Emission intensity: 0.21 tCO₂e/MT

Outcomes

Financial Capital
Revenue: ₹14,681 crores
EBITDA: ₹1,334 crores
Cash profits: ₹880 crores
PAT: ₹263 crores
EPS: ₹10.64
Contribution to exchequer: ₹1,132 crores
Read more on [Page 76](#)

Manufactured Capital
Total product categories: 11
Read more on [Page 52](#)

Intellectual Capital
New products launched in FY 2022-23: 162
New patents received: Fins technology, new circumferential groove
Read more on [Page 58](#)

Human Capital
Employees associated with the Company for >5 years: 76%
Attrition rate: 13.60
Read more on [Page 66](#)

Social and Relationship Capital
Channel partner engagement: Extended across the country to 6,000+ dealers
CSR beneficiaries: Nearly 11 Lakh (cumulative)
Read more on [Page 84](#)

Natural Capital
CO₂ emission reduction: 9.50%
Total water recycled: ~50%
Read more on [Page 98](#)

Contribution to UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES

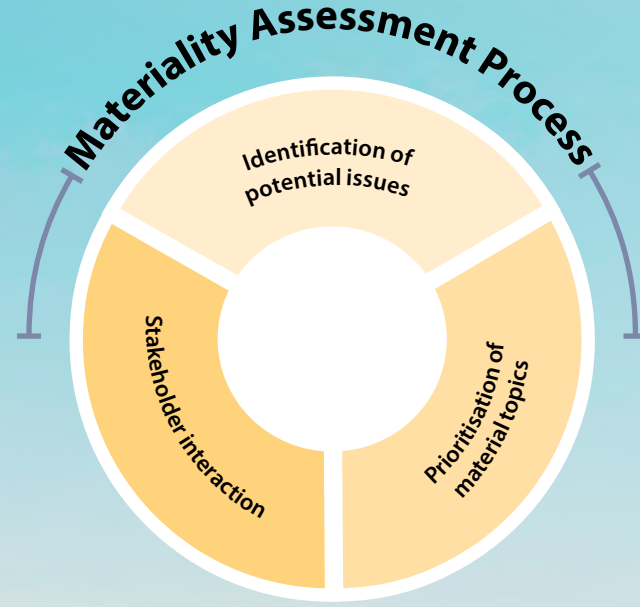
1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS

6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 15 LIFE ON LAND

Materiality

Building a Strong Foundation for Sustainability

JK Tyre has identified the issues that are relevant to its stakeholders in the short, medium, and long term, and that have an impact on the organisation's ability to create value. Addressing these issues is a critical component of the Company's business strategy and risk management efforts.



Clusters and Material Topics	Relevance for the Stakeholders	Capitals Impacted	Contribution to UN SDGs
Planet <ul style="list-style-type: none"> Energy Emissions Water Waste management 			
People <ul style="list-style-type: none"> Employment Health and safety Training and education Local communities 			
Process <ul style="list-style-type: none"> Compliance Supply chain mechanism Procurement practices Resource conservation 			
Product <ul style="list-style-type: none"> Innovation Customer-centricity 			
Prosperity <ul style="list-style-type: none"> Economic performance 			

- Investors
- Value Chain Partners
- Employees
- Customers
- Community
- Statutory and Regulatory Bodies
- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital



Megatrends and Opportunities

Seizing the Moment

In the fast-paced world of the tyre industry, seizing the moment is crucial. It means staying ahead of the curve, driving innovation, and delivering unparalleled quality and performance. For JK Tyre, it's about leading the charge and setting new standards of excellence.

India as One Market

The 'one nation, one market' initiative in India provides a significant opportunity for companies to broaden their reach and access new markets. By integrating fragmented markets into a single domain, companies now have the opportunity to achieve rapid growth, expand their market share, and position themselves as leaders in their respective sectors.

Government of India initiatives

e-NAM	GST
UAN	One nation, One grid, One price

Supported by Infrastructure Development

India will spend 1.7% of GDP on transport infrastructure this year, around twice the level in Americas and most European countries.

Implications from the Trend

- Emergence of last-mile delivery
- Tapping into the hinterland of India

Push for Decarbonisation

Decarbonisation presents an opportunity to lead the charge in developing sustainable solutions that drive economic growth and preserve the planet. By embracing renewable energy, energy efficiency, and sustainable practices, companies can tap into a growing market and position themselves as leaders in their industries.

Implications from the Trend

- Evolving regulatory changes

50%

Cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030[#]

2070

India's net zero target[#]

[#]Source: Government of India

Emergence of New Mobility Solutions

The evolving customer preferences in the Indian automotive market present an opportunity for companies to differentiate themselves. By investing in innovative, fuel-efficient, eco-friendly vehicles and personalised driving experiences, businesses can tap into the growing demand for smarter and sustainable mobility solutions, positioning themselves as leaders for long-term success.

Implications from the Trend

- Soaring demand for EV mobility solutions
- Need for businesses on the cutting edge of innovation and research

49%
Expected CAGR of EV market by 2030*

BS-VI
New norms for emissions

*Source: Economic Survey of India



Evolving Customer Preferences

There is a switch in customer preferences and subsequent rising demand for personal mobility solutions that offer advanced safety features, enhanced connectivity, and personalised driving experiences.

Implications from the Trend

- Soaring demand for SUVs, occupying 50% of car sales
- Need for businesses with a strong brand identity that resonates with customers
- Requirement of key value additions beyond mileage and durability of tyres

3.88 Mn
SUVs and PVs sold in FY 2022-23 in India





Strategic Priorities

Blueprint for the Future

JK Tyre remains committed to growth and the focus is on expanding market presence. With clear determination, the Company is poised to achieve its goals and continue on its path of growth and success.

Strengthen Market Position Across Segments and Geographies

Focus Areas

- Focus on increasing volumes across all product segment in replacement and export segment
- Expanding distribution channel through exclusive brand shops across PAN India to gain market share
- Extensive use of digital and AI tools
- Launching eco range of products for cars and buses (E- vehicle) fitted with ultra-low rolling resistance tyres in domestic and export marketplace
- Introduce technologically advanced products
- Strengthen presence in focus markets

Achievements in FY 2022-23

- Launched wide range of EV tyres (Ranger EV, 2W, Fuel-efficient tyres)
- Commercial Tyre sales growth 10%
- Passenger Tyre sales growth 10%
- 250+ fleet accounts added
- Over 200 JK Tyre pit stops made operational
- Revamped Fleet Management 2.0
- 96% complaints were processed through digital mode involving around 3,200 channel partners every month
- Retread business grew by 30%
- Crossed 30+Mn TBR
- Brand shop network grew to 650+
- Market-specific products in commercial category released for ASEAN and Bangladesh
- Enhanced presence in the Americas
- Wider international footprint in diverse markets

Deleverage Balance Sheet

Focus Areas

- Committed to reducing long-term borrowings significantly in the next 3 years
- Accelerated reduction in borrowings through improved profitability

Achievements in FY 2022-23

- Equity investment by International Finance Corporation (IFC)
- Net debt reduced by ₹422 crores in FY 23 viz a viz FY 2022-23
- Net debt to EBITDA ratio improved to 3.39x in FY 23 as compared to 4.45x in FY22
- Net Debt to Equity ratio has significantly improved to 1.29 in FY 2022-23 from 1.68 in FY 2021-22

Maximising Benefits of Acquisitions

Focus Areas

- Acquired entities are contributing significantly to the top and bottom line, creating value
- Substantially enhanced capacity across all product segments

Achievements in FY 2022-23

- Highest ever turnover by Cavendish Industries Limited – grew by 29%
- Highest ever turnover by JK Tornel - grew by 13%
- JK Tornel has highest market share of passenger car category in Mexico

Product Portfolio Premiumisation

Focus Areas

- Technologically advanced and eco-friendly tyres in line with market requirements

Achievements in FY 2022-23

- Launched tube type, fuel efficient tyres – JETWAY-JUH XF and JETSTEEL JDE XF giving best in class mileage and fuel efficiency
- New range of EV bus tyres
- Levitas Ultra high performance tyre for top and luxury tyres
- Ranger HPE meant for electric vehicles
- Ranger XAT – an extreme all terrain SUV tyre
- Smart Tyre and Puncture Guard Tyre
- Wide range of OHT tyres



Progressing Against the 5P Platform

Delivering on Commitments

JK Tyre’s roadmap contains key goals and targets, metrics, current performance and prior-year comparatives for the Company’s material sustainability topics.



Topic	Goals and Targets	Metrics	FY 2022-23	FY 2021-22	FY 2020-21
Energy	Reduce specific consumption of raw water by 2-5% every year.	GJ/tonne	8.53	8.83	8.92
Raw Water	Reduce specific consumption of raw water by 2-5% every year.	KL/tonne	1.62	1.72	1.87
Renewable Energy	Increase the use of renewables, including renewable energy by 2-5% every year in place of non-renewables.	%	36	29	25
Resource Conservation	Increase the use of recyclables and enhance the recyclability of resources used in the product by 2-5% every year.	% of total production	0.8	0.9	0.9
Waste	Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year.	MT	0	0	0
Climate Change	Reduce specific greenhouse gas emissions and by 2-5% every year and explore opportunities through Clean Development Mechanisms (CDM) and other carbon exchange programmes.	tCO ₂ e/tonne	0.71	0.78	0.83
Rainwater Harvesting	Increase the share of harvested rainwater in overall annual use of water by 2-5% every year.	%	1.3	0.71	0.41
Natural Capital Preservation	Reduce depletion of natural capital, which is directly attributable to JK Tyre’s activities, products, and services.	Lakhs (cumulative number of trees)	8.42	8.17	7.93



Risk Management

Navigating Uncertainty

In an evolving landscape, opportunities and risks abound. JK Tyre identifies and mitigates potential risks, enabling the Company to proactively address any unforeseen adverse events and improve its business.

How the Risks are Assessed

JK Tyre allocates the necessary resources and implemented a structured approach to managing risk. This includes the establishment of a dedicated Risk Management Committee comprising leadership members who regularly assess potential risks.

The committee’s findings, along with a comprehensive plan for risk mitigation, are presented to the Board for review and consideration, ensuring that the Company’s risk management strategy is informed, effective, and aligned with organisations overall goals.

1 Uncertain global economic scenario	2 Supply chain risk
4 Supply and capacity risk	3 Technology risk



Uncertain Global Economic Scenario

The pandemic severely impacted the global economy last year, but based on the year-end performance, the outlook for FY 2023-24 remains positive. However, due to high inflation and rising commodity prices, the world economy forecasts are changing. Economic growth is projected to moderate with respect to earlier projections. A sense of conservatism is coming across economies. The geopolitical situation has also prolonged the interruptions in the already weakened supply chain, leading to more uncertainties. The situation has impacted raw material supply and raised input costs.

Mitigation

In these times of uncertainty, JK Tyre diversified its geographical presence in the exports market. In the domestic market, the Company focused on channel expansion and increased its penetration in the replacement market. These efforts resulted in significant market share growth for JK Tyre.



Supply Chain Risk

Supply chain has been impacted across the world due to multiple factors, starting from lockdowns across the countries, geopolitical conflict, trade wars as well as realignment of sourcing strategies in the new normal business environment. Chip shortage has impacted multiple sectors, one of them being automobile. OEM sales have been impacted significantly on that account. Shortages of containers and shipping lines have also put a stress on seamless movement of raw materials and finished goods, creating scarcity and rising costs. This was one of the critical risks in FY 2022-23 for the Company, both from the perspective of sourcing raw materials and ensuring uninterrupted exports.

Mitigation

JK Tyre has taken sufficient steps to minimise the impact in its operations. The Company increased approved sources and established new mechanisms for a smooth transition to alternate sources. Logistics in high-risk areas have been effectively managed, providing a competitive advantage and risk mitigation. Long-term contracts with shipping lines/ freight forwarders and exploration of multiple ports ensured uninterrupted exports and avoided supply delays to customers.



Technology Risk

The tyre industry has always been evolving to provide enhanced value to customers and suit the requirement of new-age vehicles. Stringent OEM requirements and regulatory changes have been bringing in changes in tyre technology. Today, electric vehicle adoption is rapidly growing across the world and in India.

Mitigation

JK Tyre has been actively catering to the evolving specifications of Electric Vehicle (EV) tires and successfully supplying them. With a dedicated product development and R&D centre in Mysuru, the Company has built a strong R&D base.

Equipped with the right skills and talent, JK Tyre is well-positioned to meet the changing product requirements of EVs. The Company is focused on developing technologically advanced products and is prepared to address any future technological needs for EVs and other emerging demands.



Supply and Capacity Risk

The global as well as Indian economy is witnessing encouraging demand growth. Healthy demand in domestic and exports markets has resulted in sound capacity utilisation with a projected need to build capacities for the future. Going forward, the Company expects the demand cycle to go up higher on the back of CV as well as PV category OEM segment demand, induced by encouraging GDP growth, ever increasing network of roads/highways and the recently announced vehicle scrappage policy.

Mitigation

JK Tyre consistently evaluates its capacity to develop future-ready technologies. Although expansion plans were temporarily on hold due to the pandemic, the Company took measures during FY 2021-22 and FY 2022-23 to generate sufficient capacity and meet the increasing demand for its products.

Going forward, JK Tyre will plan further capital expenditure in alignment with operational requirements, in addition to ongoing expansion projects.

Integrated Approach to Value Creation

In this Section



Manufactured Capital
52



Human Capital
66



Social and Relationship Capital
84



Intellectual Capital
58



Financial Capital
76



Natural Capital
98



Parliamentarians Drive for Road Safety

The 8th edition of the JK Tyre-Constitution Club of India Car Rally for Parliamentarians was flagged off in New Delhi, promoting road safety, in the presence of over 70 politicians, bureaucrats and other invitees. The rally served as a platform to unite important stakeholders, including industry groups and associations, who share a common interest in fostering road safety and advocating for safe driving practices.

Participants adhered to traffic norms while navigating a predefined route, showcasing classic and vintage cars to highlight the significance of safer driving practices.



Road safety Awareness Walkathon in New Delhi



Crash barriers to Gurugram Police



Inauguration of JK Tyre-Constitution Club of India Parliamentarians Car Rally 2023



Tyre safety education to Delhi Traffic Police



Recognition for Road Safety Awareness

Manufactured Capital



Shaping the Future of Fleet Management

JK Tyre Mobility Solutions, launched in 2015, introduced a pioneering concept in India where large fleets pay on a per-kilometre basis. JK Tyre currently offers comprehensive solutions that cover the entire process, starting from the supply of new tires to the environmentally conscious disposal of used ones, exemplifying the notion of 'cradle to grave' solutions.

Under this unique approach, JK Tyre covers every aspect from tyre procurement to environmentally responsible tire disposal, ensuring optimal cost per kilometer (CPKM) for the fleet. As a result of the Company's efforts, many organised fleets have embraced this model, enabling them to concentrate on their core business while outsourcing total tyre management.

In addition, JK Tyre has embarked on an exciting new venture in highway services known as 'Pitstops'. Currently, the Company has over 200 operational Pitstops, and the network is poised for rapid growth. These pitstops are fully equipped to offer tyre servicing and repairs specifically for tubeless tires on highways, along with other convenience services aimed at enhancing driver comfort.

Year after year, JK Tyre has consistently expanded our customer base, and presently, the Company provides support to numerous large logistics companies operating in India, covering a combined fleet of over 12,000 vehicles.



Manufactured Capital

Made to Last

Enduring. Sustainable. Excellence.

Management Approach

JK Tyre utilises a range of strategies, processes, and techniques to effectively manage its production process, maximise the use of resources, ensure quality control, and enhance profitability. Given the nature of the industry in which JK Tyre operates, the Company places a significant emphasis on utilising its capital resources optimally to sustain its growth.

At JK Tyre, meeting evolving customer demands, maintaining flexibility, and contributing to environmental preservation are critical business imperatives. As a result, the Company is dedicated to achieving total system optimisation and attaining economies of scale by enhancing asset efficiency, performance, and lifecycle.

Interdependencies between Capitals

- 
Financial Capital
 Committed to Capex of ₹1,100 crore over the next two years.
- 
Intellectual Capital
 Integrating physical infrastructure with emerging technological developments such as IoT.
- 
Human Capital
 Achieving optimum capital-labour ratio to drive growth.
- 
Social and Relationship Capital
 Building connections with communities near our manufacturing facilities.
- 
Natural Capital
 Paving the way for sustainable infrastructure.



JK Tyre's Manufacturing Legacy

Location	State	Establishment
Kankroli	Rajasthan	1977
Banmore	MP	1991
Mysuru	Karnataka	1997/1999/2010
Chennai	Tamil Nadu	2012
Laksar	Uttarakhand	2016



Investing in Sustainable Manufacturing

JK Tyre believes sustainability and world-class manufacturing capabilities go hand-in-hand. For the Company, being sustainable is not only the right thing to do but also a key driver of growth. By investing in sustainable manufacturing processes, it aims to reduce waste, conserve resources, and create a more efficient and resilient supply chain.

Highlights

86%
Capacity utilisation

27 Mn
Tyre production

~5.50%

YoY growth

Material Topics Linkage

- Economic Performance
- Energy
- Emissions
- Water
- Waste Management
- Procurement Practices
- Health and Safety
- Employment

UN SDGs Aligned





Manufactured Capital

Operational Excellence

JK Tyre believes in continually improving its tyre production techniques to make them more sustainable, efficient, and innovative. The Company's strategy is to expand its production capacity and market share while prioritising the reliability, sustainability, and safety of its operations.

Linkage with Human Capital

There are two areas of synergy between human capital and manufactured capital:

- Learning and development of JK Tyre employees
- Health and safety at JK Tyre's manufacturing facilities

Read more on [Page 66](#)

Linkage with Natural Capital

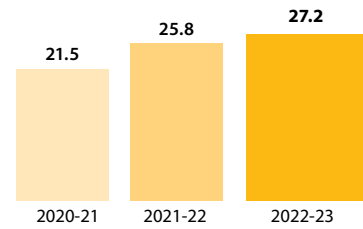
JK Tyre's strategy is oriented toward the twin objectives of sustainability and growth. Thus, the Company strives to make consistent improvements in:

- Optimising throughput
- Minimising environmental footprint

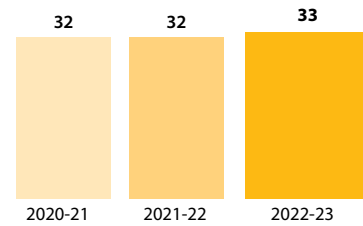
Read more on [Page 98](#)

Production Trends

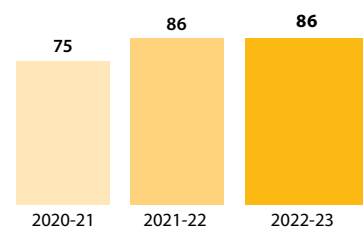
Tyre Production (in Mn/Annum)



Capacity (in Mn)



Capacity Utilisation (%)



Plans for Capacity Expansion

JK Tyre has committed to a Capex of ₹1,100 crores over the next two years, which includes a investment for Truck Bus Radial (TBR) expansion at Cavendish Industries, and investment for PCR expansion at the Banmore plant.

The capacity expansion, will lead to a 35% increase in PCR production and enhance the overall capacity of the Company to 34 million units by the end of FY 2023-24.

Agenda for FY 2023-24

The allocated capital expenditure for de-bottlenecking projects has already been utilised, and the planned capacity expansion capital expenditure for PCR and TBR tires is currently in the implementation stage, progressing smoothly.

In the medium-term, the Company's primary focus is on maximising the utilisation of its existing assets and realising the returns on its investments through the additional capacities.

Manufacturing Capacities at Cavendish

In FY 2016-17, JK Tyre acquired Cavendish Industries for ₹2,170 crores, significantly expanding the Company's production capacities in truck radials and 2/3 wheelers. Since then, through the implementation of cutting-edge manufacturing techniques and the process of learning by doing, JK Tyre has helped transform Cavendish into a manufacturing powerhouse.

Transforming Cavendish

FY 2016-17

155 tonnes/day

FY 2022-23

530 tonnes/day



Intellectual Capital



Eco-Conscious Engineering

Developing Sustainable Products

As part of JK Tyre's commitment to sustainable development, the Company has introduced a pioneering sustainable tyre, the 'UX Green'. With a firm focus on eco-conscious engineering, this tyre has been designed and developed using an impressive 80% sustainable materials, making it a significant step forward in reducing environmental impact.



The Science Behind JK Tyre's Breakthrough

JK Tyre is unwavering in its commitment to developing alternatives that address the pressing environmental demands arising from resource depletion.

The Company firmly believes that green product innovation is the key to achieving not only growth but also environmental sustainability and a better quality of life for all.

Recognising the intricate relationship between innovation and sustainability, the Company's dedicated R&D team has been working tirelessly to develop technology solutions that utilise sustainable sources for tyre raw materials, effectively replacing

conventional petro-based ingredients such as synthetic rubber and carbon black. Over the past decade, the Company's engineers have focused on creating and testing green alternatives, primarily based on:

- Recycled materials
- Renewable materials
- Bio-based/bio attributed materials
- Regenerated materials

After a decade-long journey at JK Tyre's ECO-Innovation Labs, the Company has achieved a remarkable outcome: JKTIL's Green Sustainable Product Line. The Company has also rigorously tested it on test tracks, actual roads and under the demanding usage conditions prevalent in India.

The result is a fully developed and extensively tested product line sourced from 80% sustainable materials. These materials include natural rubber, bio-attributed SBR and BR, bio-based oil, recycled rubber powder, recovered carbonaceous black, recycled polyester, and steel wire. The majority of these materials have earned the prestigious International Sustainability & Carbon Certification (ISCC) and have been fully validated on test tracks and in real-life high severity usage scenarios, proving their performance to be on par with conventional products.

JK Tyre is proud to offer this green sustainably sourced product line, which is now ready for deployment, catering to OEMs and retail consumers alike. By embracing green product innovation, the Company can simultaneously address environmental concerns and deliver exceptional performance and reliability on the road. Together with its stakeholders, the Company ensures a harmonious coexistence between progress and preservation.



By developing these sustainable tyres, JK Tyre is taking a substantial stride toward its goal of achieving carbon neutrality by 2050. The Company is excited to announce that the range of such environmentally-friendly tyres will be made available in the near future, further solidifying its dedication to a greener and more sustainable future.

Intellectual Capital

Innovation for Good

Purposeful. Sustainable. Stakeholder-centric.

Management Approach

The tyre industry is poised to have a significant impact on the ongoing changes within the broader transportation sector. There are emerging dynamics, which provide a series of high-growth opportunities and new technologies to forge new avenues of growth over the medium term.

Three Trends for Growth

Evolving customer needs and expectations

Changing regulatory landscape

Technological obsolescence

JK Tyre has been leading the way in these transformations, as demonstrated by their trailblazing introduction of radial technology in India. For JK Tyre, managing intellectual capital involves identifying, measuring, and leveraging intangible assets to create value for the organisation and for all stakeholders. The Company has a strong focus on building and preserving its stock of intellectual capital, with the aim of providing a differentiated value proposition to its customers.

Interdependencies between Capitals

- Financial Capital**
₹116 Crores invested in R&D to continuously product future-ready products.
- Manufacturing Capital**
Pioneering the higher usage of bio-sourced materials and recycled material.
- Human Capital**
Invested > ₹10 million to train and improve the skills of employees.
- Social and Relationship Capital**
Achieving continuous improvement, in products to cater to the needs of customers.
- Natural Capital**
Formulating innovative solutions to environmental problems faced across the value chain.

Research and Development (R&D)

JK Tyre has always been a Company at the forefront of innovation, a culture that runs deep within the organisation and has been one of the Company's biggest strengths since its inception. The organisation has a dedicated R&D team with 225 world-class scientists and engineers who are experts in various fields of material sciences & tyre technology.

JK Tyre's commitment to excellence is reflected in the state-of-the-art 'Raghupati Singhania Centre of Excellence (RPSCOE)' in Mysuru, a world-class facility dedicated to research and development. The Company has also established strong partnerships with leading academic institutions and global experts in the fields of advanced materials, nanotechnology, advanced tyre mechanics and tyre dynamics. These partnerships have been instrumental in helping JK Tyre stay ahead of the curve.

RPSCOE has India's largest Semi-anechoic chamber among the tyre companies in India for noise and vibration analysis, with the capacity to test all types of tyres, including those used in heavy-duty trucks.

JK Tyre was the first company in India to introduce Truck and Bus Radial (TBR) tyres.



Shri Thawar Chand Gehlot, Honourable Governor of Karnataka inaugurating tyre testing equipment at RPSCOE, Mysuru.

Highlights

162

New products launched

11

Patents filed till date

Material Topics Linkage

- Innovation
- Customer Centricity
- Economic Performance
- Resource Conservation

UN SDGs Aligned



Intellectual Capital

Bringing Ideas to Life With Product Development

During FY 2022-23, JK Tyre remained focused on developing innovative new products that not only meet the ever-evolving needs of customers but also minimise environmental impact. At the same time, JK Tyre strives to differentiate the Company's offerings by improving the durability and aesthetics of our products, setting new industry standards for excellence.



With the evolution of the EV sector in India, the Company is placing a significant focus on the development of EV-oriented tyres. The tyres are developed with next-gen design philosophy in mind, emphasising intelligence, low noise, durability, and energy efficiency across the entire range.

Key Features and Benefits

- Enhanced tyre life
- Hassle-free driving
- Low cost of maintenance



Pushing Boundaries With New Product Innovations

Puncture Guard Tyre

A World Bank study suggests that India has the potential to boost its per capita GDP by ~14% through effectively reducing road deaths and accidents by 50%. This underscores the noteworthy societal advantages of providing puncture-resistant tires.

JK Puncture Guard Tyre is equipped with advanced anti-puncture technology that involves a thick coating of puncture-proof sealant, providing unparalleled protection against piercing. This has resulted in a performance that is on par with that of a tyre that has never experienced a puncture.

Key Features and Benefits

- Ultra-low rolling resistance
- High durability and low noise
- Low energy and consumption

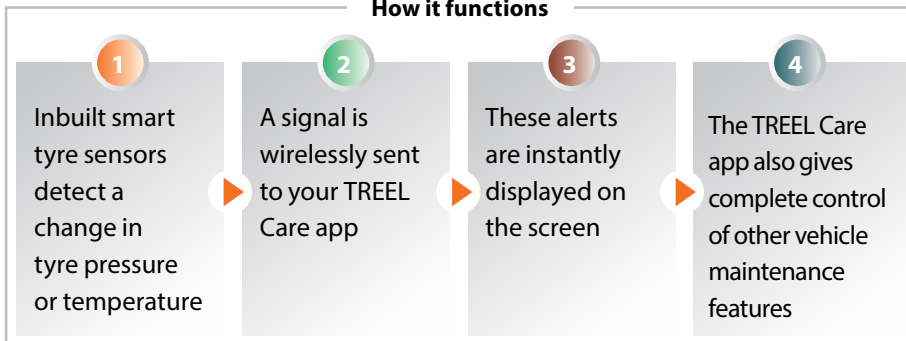
EV Tyres

JK Tyre has developed a complete range of Electric Vehicle (EV)-specific Smart Radial tyres for all categories of trucks, buses, LCVs and passenger cars in India.

Smart Tyre



How it functions



Key Features and Benefits

- Enhanced tyre life
- Fuel efficiency, reduced breakdowns, and theft protection
- Low cost of maintenance
- Real-time alerts of tyre performance

PUNCTURE GUARD
SELF HEALING TYRE
Ab Hawa Nahin Niklegi

- Heals up to 6 mm injury
- No need of puncture plug
- Can take multiple punctures

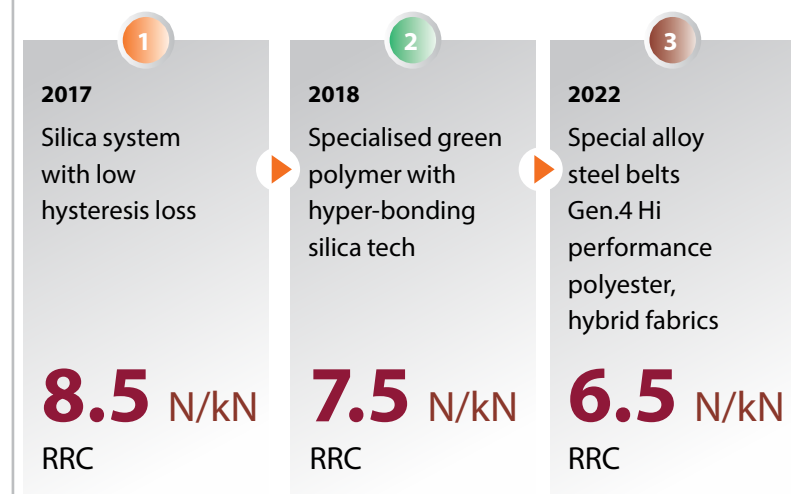
Intellectual Capital

Green Tyre

Key Features and Benefits

- Increased tyre life-cycle
- Lowest Reduced Rolling Resistance Coefficient (RRC) in the market
- Globally benchmarked in safety

Consistent Improvement in RRC (PCR Segment)



Intellectual Property

JK Tyre possesses a dedicated team and robust mechanisms to identify, safeguard, and capitalise on valuable assets, such as patents, trademarks, and copyrights. The team actively monitors

and enforces their intellectual property rights through a well-established program and is prepared to take legal action against any infringements, if required.

177

Technical papers published till date

Digitalisation

JK Tyre is committed to digital transformation and has been actively pursuing it to drive growth and innovation. During FY 2022-23, the Company was developing digital platforms to streamline and automate all interactions, enabling to enhance efficiency and improve customer experiences.

Digitalisation of processes played a crucial role in helping JK Tyre transform the manufacturing unit in Haridwar into a powerhouse, capable of producing 530 tonnes/day in FY 2022-23.

JK Tyre has made great strides in the usage of **ML-based algorithms** across its business functions.

Read more on [Page 84](#)

Design Process Automation

JK Tyre has integrated Product Life Cycle Management (PLM) with automation tools to significantly enhance the design process. The collaboration between designers, sales and marketing teams, and customers has the potential to streamline the entire product development process from conception to delivery.

This technical exercise has brought significant intellectual benefits to JK Tyre by reducing the cost of product failures and speeding up the time-to-market. The PLM automation tools can assist in creating a virtual design model that can be tested and validated before production, resulting in higher efficiency and accuracy.

ELXIR is Product Design Automation Project, undertaken jointly with SIEMENS. New Product Development (NPD) process is digitally mapped on top of an industry leading solution SIEMENS TEAMCENTER with a Web based interface.

- Digitally-driven design process for NPD
- Structured data management
- Single source of information and data
- Workflow automation
- Centralised data management and security
- Data based decision support system, and analytics
- Quicker decision-making
- Faster NPD
- Compliance friendly

Agenda for FY 2023-24

Global partnerships offer a valuable opportunity to enhance the adoption of green products and recycled materials. Going forward, JK Tyre aims to partner with and implement the development of eco-friendly green tyres, which effectively reduce rolling resistance, resulting in lower emissions, improved mileage, and enhanced fuel efficiency. By promoting the use of such tyres, the Company can contribute to significant reductions in fuel consumption, further bolstering its commitment to sustainable practices and environmental conservation.



Delhi Government has launched a fleet of EV Buses – a Green initiative towards clean Delhi. JK Tyre congratulates the people of Delhi and is proud to partner in this effort by supplying special EV tyres for the buses.

Human Capital



Nurturing Competency

Paving the Way to Professional Growth

At the core of JK Tyre's talent management process lies a robust competency framework, which serves as a guiding force in identifying individuals who possess the potential to excel in their respective roles.



At JK Tyre, talent management holds paramount importance and serves as a cornerstone of the company's approach. Recognizing the ever-changing and dynamic nature of the industry, the company places great significance on identifying emerging leaders who can propel its growth.

To achieve this, JK Tyre has meticulously crafted a comprehensive process that begins with an assessment development center module, strategically tailored to different job levels. This process enables the Company to identify individuals who possess the precise competencies and capabilities required for success.

By nurturing and harnessing the potential of these talented individuals, JK Tyre cultivates a culture of continuous growth and development, empowering its employees to reach new heights of success.

Singular Competency Framework

for all the JKO businesses and groups

7

Competencies

4

Proficiency levels



JK Tyre believes that its people are the driving force behind the business' success. During FY 2022-23, the Company identified ~150 individuals with high or medium potential, and they are currently undergoing a rigorous development process to enhance their skills and capabilities. The Company is committed to providing its people the competencies and capabilities they need to drive its business forward.



Human Capital

Driven by Care and Empathy

Empowering. Inclusive. Collaborative.

Management Approach

At JK Tyre, the significance of people in driving the Company’s competitiveness and ensuring sustainable business growth cannot be overstated. The Company has consistently prioritised the recruitment and onboarding of top industry talent to achieve exceptional performance. Aligned with the core value of “Caring for People,” JK Tyre has fostered a supportive and secure working environment for its employees.

JK Tyre remains committed to nurturing its people and safeguarding their wellbeing, enabling them to perform at their best and contribute to the shared success of the company. In FY 2022-23, JK Tyre realigned the expectations for its employees, ensuring that human resources initiatives align with the Company’s revised vision and mission.

Focus Areas

Talent hiring and retention	Employee engagement	Diversity and inclusion
Learning and development	Health and safety	

JK Tyre actively promotes human rights, both within its organisation and throughout its supply chain, and work towards eradicating any form of discrimination, harassment, or exploitation. During FY 2022-23, there were no zero instances of complaints pertaining to child labour, forced labour and involuntary labour.

Read more in JK Tyre’s Business Responsibility and Sustainability Report (BRSR).

Interdependencies between Capitals

- Financial Capital**
₹1,218 crore spent as a reflection of employees’ contribution to JK Tyre’s success.
- Manufacturing Capital**
Ensured global benchmarks are met in terms of health and safety.
- Intellectual Capital**
Invested > ₹10 million to train and improve the skills of employees.
- Social and Relationship Capital**
Maintaining a strong emphasis on stakeholder-centricity in internal communications for employees.
- Natural Capital**
Informing and educating employees about the environmental footprint of JK Tyre.

Talent Hiring and Retention

JK Tyre’s well-defined recruitment and retention strategy prioritises talented and engaged employees to sustain and grow the business. To achieve this, the Company focuses on talent management, ensuring that employees have the right skills and capabilities to thrive in their roles.

1.35 Lakh
Cumulative Industry Experience (years)

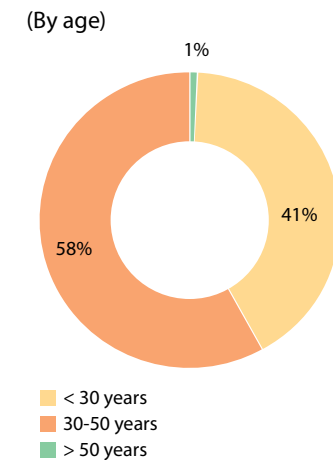
82%
Employees with 3+ years within the Company

During the recruitment process, JK Tyre actively seeks out top performers in the industry. Once onboarded, the Company empowers its employees through policies and practices designed to nurture their personal and professional growth. This approach cultivates a positive and fulfilling workplace culture, which in turn contributes to the overall success of the Company.

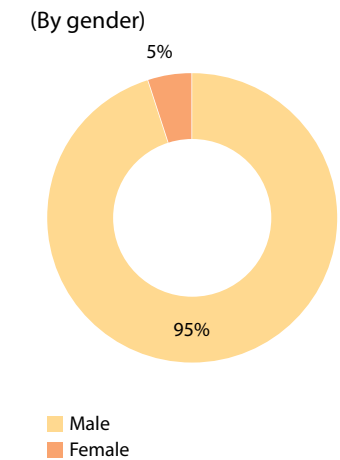
Employee Snapshot

Location	Male	Female	Total
Employees	2,158	52	2,210
Differently-abled employees	2	-	2
Workers	8,882	68	8,950
Differently-abled workers	8	-	8

New hires in FY 2022-23



New hires in FY 2022-23



Highlights

94%
Retention rate

40 years
Average age of employees

Material Topics Linkage

- Employment
- Health & Safety
- Training & Education
- Innovation
- Economic Performance

UN SDGs Aligned





Human Capital

Employee Engagement

Employee engagement is a critical aspect of how JK Tyre operates. The Company believes that motivated and engaged employees are key to achieving business objectives, and as such, the Company has implemented a range of initiatives to keep its people motivated and energised.

- **V-Connect:** Monthly communication and interaction platform with senior management
- **Coffee with Leader:** An informal platform to learn from leaders experiences
- **JK Tyre monthly e-magazine:** SAMVAAD
- **My Company My Industry.** This week-E Magazine
- Open house communication with teams
- Town halls

Skip Level Meetings

To promote open and transparent communication, we conducted skip level meetings during the year.

Total Employee Involvement

Total Employee Involvement was enhanced by including employees through suggestions, Kaizen and QIP projects.

JK Tyre ensures that the Company's vision and mission reach every employee in the organisation.

Case study

Youngage Konnect Mentoring Launch 2022-23

To foster the culture of mentoring, we have our ongoing program – Youngage Konnect; Mentoring for Development, a six-month structured intervention for new management Trainees and Graduate Engineer Trainees.

Our Mentees completed projects and were hand-held by mentors during the entire mentoring journey.

Case study

Competency Enhancement

To develop our Internal Talent, our employees went through a five days residential program at country's top-tier Institutes. The employees learned the latest trends from the faculty and external peers in the industry. All participants took a breakthrough project to implement their learning with innovative projects.

Initiatives in FY 2022-23

Internal Job Posting

To enrich their roles and careers, we have a robust platform of job rotation for our current employees across all locations.

Women's Premier League

Our Women colleagues from across locations participated in large numbers in the Annual Sports Competition. The event witnessed many sports events such as badminton, carrom, etc.

Employee Engagement Activities



Human Capital

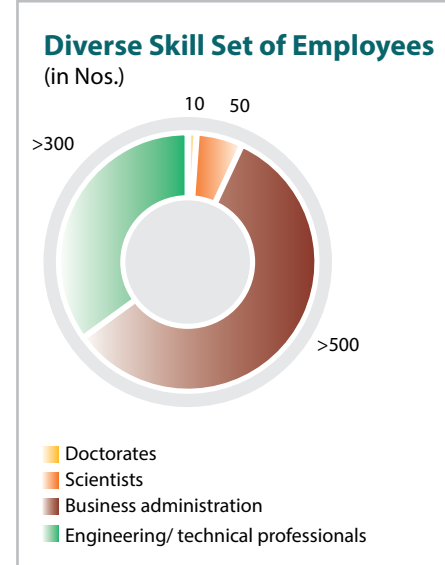
Diversity and Inclusion

JK Tyre values the diversity of its workforce, which brings a wealth of experience, expertise, viewpoints, and cultures to the organisation. The Company aims to create an open and inclusive work culture that fosters a sense of comfort and confidence among its employees, enabling them to uphold the organisation's core values.

JK Tyre recognises that an inclusive work environment is key to promoting

collaboration, creativity, and innovation, which are critical for achieving the Company's long-term growth and success.

2%+
Women in workforce (MCS)



Learning and Development

At JK Tyre, promoting a culture of excellence is a top priority, achieved by providing them with the necessary training and upskilling initiatives to keep up with the rapidly changing business environment.

The Company's focus on building an open, enabling work environment based on merit ensures that employees feel supported and empowered to achieve their full potential.



TRAIN TO EXCEL



Case study

Achieving Excellence

In 2022, JK Organisation implemented the HR Excellence Framework to align HR as a business enabler.

The Chennai Tyre Plant and the Kankroli Tyre Plant were proud recipients of the Winner and Runner-up trophies respectively in the JKO Chairman's People Management Award competition at the group level.



Career Growth at JK Tyre

Career planning
Assess career goals, create a clear growth plan, and promote internally.

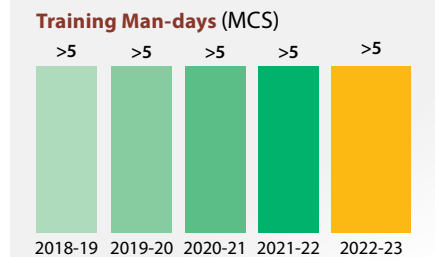
Job rotation
Formulation of a career plan for opportunities for development.

Challenging assignments beyond expectation
Support MCS through business challenges. Guide them to success and provide constructive feedback, when faced with setbacks.

Initiatives in FY 2022-23

To assess capability building, over 150 employees participated in management development programmes at a leading Management Institute. This enabled them gain insights on global trends and industry best practices in various functional areas.

Through initiatives like the "UDAAN" - competition, which saw participation from multiple teams across the Group, the Company encouraged employees to undertake innovative projects across all operational areas.



Training man-days for MCS

5.0

Overall training man days per person

3.4

Consistently exceeding annual target of

5 days



Human Capital

Health and Safety

JK Tyre prioritises the safety and wellbeing of its workforce and considers it crucial for long-term growth. Occupational Health and Safety (OHS) is a primary concern for the Company, which follows a zero-tolerance approach toward workplace hazards. The Company’s goal is to create a zero-harm workplace where employees can feel secure and empowered to give their best performance.

Hazard Identification

Routine activities at JK Tyre are closely monitored to ensure safety and mitigate risks. This is achieved through the implementation of various safety protocols such as Job Safety Analysis, Hazard Identification & Risk Assessment (HIRA), Standard Operating Procedures, and Operational Control Procedures.

For non-routine activities, the Company has established a comprehensive work permit system comprising six types of permits. Each permit is specifically tailored to address the unique risks associated with different types of work, ensuring a systematic approach to maintaining a safe working environment.

Health and Safety Performance Highlights

Safety Incident/Number	Category	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0
	Workers	0.07
Total Recordable work-related injuries	Employees	0
	Workers	2
No. of fatalities	Employees	0
	Workers	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0
	Workers	0

93.84%

Workers covered by training on health and safety measures

Building a Safety Culture

JK Tyre conducts regular trainings for service providers, perform regular risk assessments, organise ergonomic workshops for workers, and conduct health awareness sessions. The Company encourages employees to take responsibility for the safety of each other. Furthermore, the Company also

has employee counselling services, a sexual harassment prevention policy, and grievance processing mechanisms.

The below-mentioned forums are used for receiving inputs and monitoring health and safety practices:

- Safety patrol
- Work place inspections

- Safety audits
- On the job ‘know your machine’ training at the shop floor
- Safety Committee meetings
- Mock drills
- Feedback received from the outcome of risk assessment, suggestions, etc. are recorded and monitored as part of continual improvement

Agenda for FY 2023-24

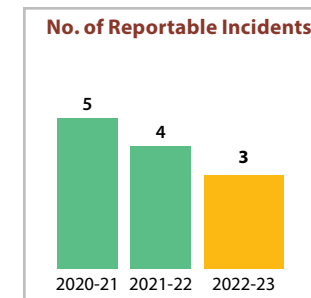
Moving forward, JK Tyre will strive to establish new standards and strengthen its position as an organisation that prioritises the safety and wellbeing of its workforce. Guided by our comprehensive Occupational Health and Safety (OHS) policies and mechanisms, the Company is dedicated to fostering a zero-harm workplace, where employees can feel both secure and empowered.

All plants

Awarded with “Sword of Honour”

3 plants

Awarded with “Globe of Honour”



Financial Capital



Green Wheels in Motion

Partnering for Growth

A new investment will strengthen India's efforts towards self-reliance in manufacturing, while boosting skilled job creation, exports, and sustainable growth, with IFC's support to leading tyre manufacturer, JK Tyre and Industries Limited.

IFC's \$30 million (about ₹240 crores) investment in JK Tyre will part-finance the expansion of manufacturing capacities and integrate advanced, resource-efficient technologies in the production of commercial and passenger car radial tyres which have better safety and longevity. IFC will hold a 5.6% stake in the tyre major through the issue of compulsorily convertible debentures (CCDs) on a preferential basis.

The investment aims to bolster the Company's capital structure and increase production of energy-efficient radial tyres by more than 10% —from 33 million to over 35 million tyres a year by 2025. This aligns with the national vision of a self-reliant India (AatmaNirbhar Bharat) and a strong focus on industrial job creation.

JK Tyre aims to up the ante as a 'Green Company' with sustainable use of energy and natural resources and robust ESG practices. The investment will support the Company's low-carbon strategy, further strengthen its ESG frameworks, reduce greenhouse gas emissions, and spur climate-smart initiatives through decarbonisation and sustainability advisory.



We recognise the trust reposed by IFC in our Company and are enthused to embark upon this new partnership. This investment will be utilised for the expansion of projects, which are not only growth-oriented but are also committed to promoting sustainable development and enhancing societal value creation. Innovation and technology are at the core of each of our products, which keeps us ahead of the curve to meet the needs of our customers.



Financial Capital

Creating Value Velocity

Speed. Agility. Timing.

Management Approach

JK Tyre employs effective financial resource management techniques to enhance its financial performance, encompassing cash, investments, and debt. The company's financial success is closely linked to the value it delivers to customers. To achieve this, it prioritises stakeholder-centricity, aligning all stakeholders to maximise customer value. This approach emphasises long-term value creation, ensuring the Company's sustainability and enduring financial prosperity.

The tyre industry is expected to grow at a healthy pace, as the Indian automotive sector is expected to reach a size of US\$ 300 billion by FY 2026-27. To capitalise on this opportunity, JK Tyre has focused on deleveraging and strengthening its balance sheet throughout the year, positioning the Company for a high-growth trajectory.

Six Elements of Strengthening Financials



Interdependencies between Capitals

-  **Manufacturing Capital**
Committed to Capex of ₹1,100 crores over the next two years.
-  **Intellectual Capital**
₹116 crores invested in R&D to continuously produce future-ready products commitment about the collective future of humanity.
-  **Human Capital**
~ ₹10 Million invested in the development the capabilities of employees under a competency framework.
-  **Social and Relationship Capital**
Utilisation of funds towards CSR activities, thereby impacting 92,280 lives.
-  **Natural Capital**
Invested in sustainable techniques of production, to reflect commitment about the collective future of humanity.

Delivering Value in FY 2022-23

JK Tyre achieved a record-breaking revenue of ₹14,681 crores, driven by robust domestic demand and the highest-ever export from India. The Company experienced overall volume growth of 9% due to increased OEM offtakes and strong replacement demand. Moreover, despite challenges in the business environment, the Company's exports crossed ₹2,400 crores in FY 2022-23.

Regarding profitability, JK Tyre demonstrated a sequential improvement in operating profits of approximately 20%, attributable to both softening raw material prices and its unwavering commitment to cost control measures.



Performance of Cavendish and Tornel

Cavendish and Tornel, Mexico, JK Tyre's subsidiaries, achieved record-high revenues. JK Tornel dominates the Mexican market, supplying the largest mass merchandisers and commanding a leadership position in passenger car radials. Both these acquisitions have been a strategic success, contributing significantly to the top-line and bottom-line of JK Tyre.

Highlights

100%
Dividend per share
(on a face value of ₹ 2 per share)

₹14,681 Cr
Revenue

 **22%**

₹1,334 Cr
EBITDA

 **20%**

 YoY growth

Material Topics Linkage

Economic Performance

UN SDGs Aligned





Financial Capital

Deleveraging Journey

Reducing debt remains an important strategic priority for JK Tyre. Over the last few years, the Company has accelerated deleveraging its balance sheet, on the back of a healthy financial performance, coupled with operational excellence.

During the year, the Company successfully reduced its net debt to ₹4,518 crores, marking a reduction of ₹422 crores compared to the previous year. This achievement was primarily driven by improved working capital levels and scheduled debt repayments.

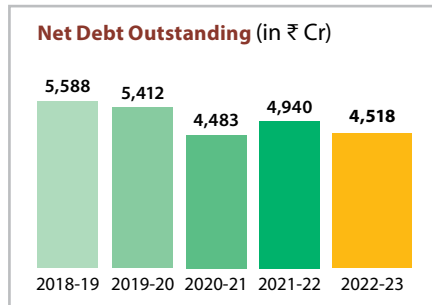
Furthermore, the Company witnessed significant improvements in leverage ratios, with the net debt to equity ratio improving to 1.3x compared to 1.7x in the previous year, and the net debt to EBITDA ratio improving to 3.4x compared to 4.5x in the previous year.

Going forward, the Company remains committed to deleveraging its balance sheet through the reduction of long-term borrowings and enhanced working capital management.

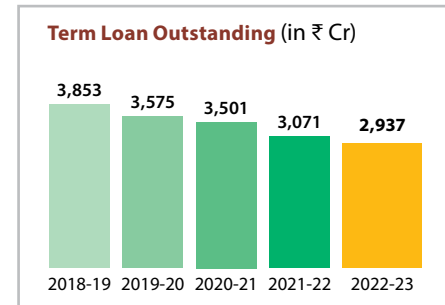
Tax Transparency

Tax disclosures constitute a crucial aspect of JK Tyre's commitment to compliance and adherence to exemplary corporate practices, surpassing mere statutory obligations. The Company acknowledges the significance of tax compliance in strengthening the economy,

Debt Position of JK Tyre



19%
Reduction over the last five years



24%
Reduction over the last five years

particularly in the regions where its operations are based, thereby fostering the socio-economic advancement of communities.

Capital Expenditure

During the year, JK Tyre undertook Capex of ₹1,100 crores, which will be which will be partly funded through debt, and the rest by internal accruals and the equity infusion through the investment of IFC into JK Tyre.

This strategic approach prepares JK Tyre to aggressively pursue a new Capex cycle, paving a smooth path toward achieving the Company's vision.



Working Capital Management

The approach behind working capital management at JK Tyre is geared towards release of liquidity and resources, unblocking funds to maintain liquidity for funding growth and, maximising the profitability.

Cash Flow Management

Maintaining a healthy cash flow to provide a buffer

Inventory Management

Optimising inventory to reduce carrying cost

Account Receivables Management

Effective management of accounts of customers

Accounts Payable Management

Optimising relationships with suppliers

Planning and Forecasting

Anticipating changes in the business environment

Dealing With Volatile Rubber Prices

COVID-19 had several adverse consequences, including a surge in the demand for key raw materials such as rubber. As a result, JK Tyre experienced a decrease in margins for seven to eight quarters following the pandemic.

However, the Company was able to maintain its earnings profile in FY 2022-23 through prudent working capital optimisation, counteractive measures, and premiumisation of product range.

JK Tyre's continued focus on cost control, coupled with the prospect of corrections in raw material prices and timely revisions, are expected to positively impact the earning profile in the upcoming financial year.

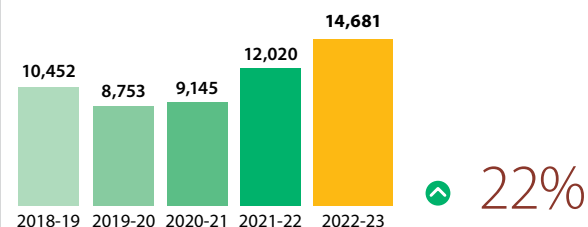




Financial Capital

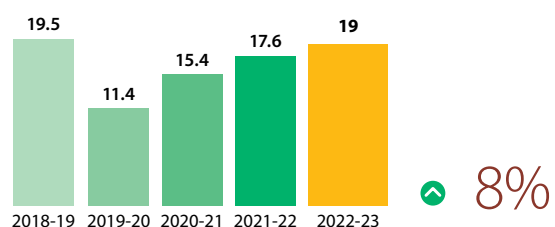
Progress Over the Years

Revenue (in ₹ Cr)



JK Tyre's revenue for FY 2022-23 increased by 22% compared to the previous year, fuelled by strong export sales and robust domestic demand. The Company's focus on operational excellence allowed them to translate this top-line growth into an EBITDA margin of 9.1%.

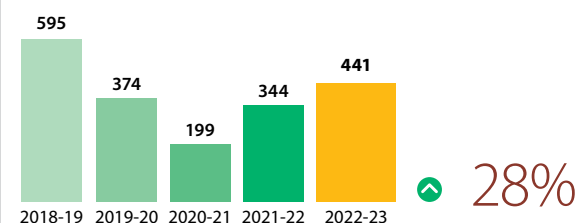
Dividend Payout Ratio (%)



JK Tyre remained focused on maximising shareholder value during FY23 and announced a dividend of ₹2 per share, representing a payout ratio of 19%.

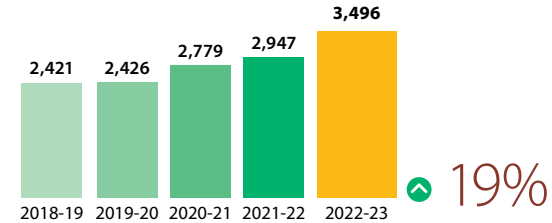
(Face value of ₹2 per share)

Capex (in ₹ Cr)



With a focus on capitalising on India's growth story, the Company is committed to investing ₹1,100 crores over the next two years to further expand its capacities in the TBR and PCR segments.

Net Worth (in ₹ Cr)



JK Tyre's net worth for FY 2022-23 stood at ₹3,496 crores, up from last year's ₹2,947 crores. This impressive performance is a testament to the Company's resilience and agility in navigating a challenging business environment.

↑ YoY growth

Shareholding Pattern (%)

Category	As on 31 st March 2023
Promoter & Promoter Group	53.12
Public	46.88
Total	100



Agenda for FY 2023-24

JK Tyre is poised to maintain its growth trajectory in the FY 2023-23, supported by the Government's continued emphasis on infrastructure development, the easing of chip shortages, and a rise in disposable income.

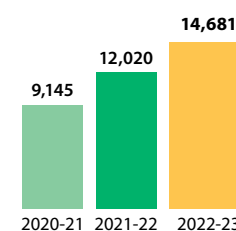
The Company's focus on cost control, enhancing its product portfolio, diversifying the product mix, and stable raw material prices will further enhance its profitability margins. Additionally, it will contribute to improved liquidity and solvency ratios in the upcoming year.

The previously announced capacity expansion capital expenditure for PCR and TBR Tyres, is currently in the implementation stage and progressing smoothly.

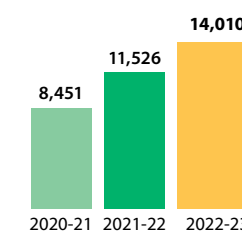
JK Tyre is fully committed to deleveraging its balance sheet by reducing long-term borrowings and improving working capital management in the future. These initiatives will strengthen its financial position and pave the way for sustainable growth.

Economic Value

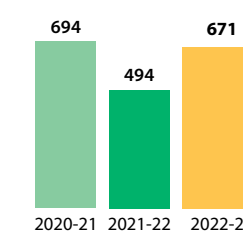
Direct Economic Value Generated* (in ₹ Cr)



Economic Value Distributed# (in ₹ Cr)



Economic Value Added (in ₹ Cr)



*Direct economic value generated is the sum of revenue from operations and revenue from other sources

#Economic value distributed is the sum of operating costs, employee wages and benefits, payment to providers of capital, payments to governments, and community investments

Social and Relationship Capital



The Future in Motion

Empowering Stakeholders Through Technology

JK Tyre has made significant advancements in enhancing algorithms, which have had a profound impact across all aspects of the business. From marketing, finance, to operations, machine learning models have become integral to our operations.

In the realm of marketing, ML-AI-based algorithms have empowered the Company to make data-driven decisions and create highly effective marketing campaigns and strategies. These algorithms have played a pivotal role in identifying new market opportunities, enabling businesses to determine the next product for cross-selling and improving upselling.

The **supply chain domain** has witnessed remarkable advancements, particularly in the truck placement process and freight tracking. Noteworthy process improvements have been implemented, with the entire planning process seamlessly integrated into the digital platform.

By integrating PLM automation tools with supply chain platforms, real-time tracking and traceability of products from manufacturing to delivery are facilitated. This integration holds the potential to

reduce delays, enhance transparency, and foster seamless collaboration among stakeholders.

For customers, with the use of AI/ML, customers can now easily report defects in their tyres by visiting a dealer shop and having six images of the tyre taken. These images are then fed into an AI model, which quickly analyses the images and provides a solution. This process is much faster and more efficient than traditional methods of customer service, which involve a lengthy process of filling out forms, sending e-mails, and waiting for a response.



Social and Relationship Capital

Harmony in Action

Enriching. Trust. Interactions.

For over 40 years, JK Tyre has been guided by harmonious relationships and trust-based partnerships. These principles have empowered the Company to generate unparalleled, transformative value for stakeholders, encompassing communities, partners, customers, and more.




Recognising the significance of social connections, JK Tyre invests in relationship-building activities and aligns its strategies to maximise social and relationship capital. The Company's management approach entails actively nurturing, leveraging, and optimising relationships and networks to cultivate long-term value.

Interdependencies between Capitals

- 

Financial Capital
Close to ₹100 Crores spent to enhance JK Tyre's brand position.

- 


Manufacturing Capital
Actively engaging with employees around the Company's facilities to create shared value.

- 

Intellectual Capital
Focus on design-thinking which emphasises user experience.

- 

Human Capital
Emphasising stakeholder-centricity in JK Tyre's internal communication with employees.

- 

Natural Capital
Engaging stakeholders to align them with JK Tyre's sustainability agenda.

Highlights

92,280

Lives impacted through CSR activities

100%

Customer complaints resolved

Material Topics Linkage

- Compliance
- Supply Chain
- Mechanism
- Procurement Practices
- Local Communities
- Customer Centricity

UN SDGs Aligned



Social and Relationship Capital



Customers

JK Tyre's unwavering dedication to customer-centricity serves as the cornerstone of the Company's market success. With a firm belief in empowering and supporting customers, JK Tyre prioritises understanding their unique needs and delivering exceptional products and services.

Going beyond the point of purchase, the Company actively maintains engagement with customers, fostering enduring trust and loyalty. It is through this customer-centric approach that JK Tyre continues to thrive in the industry.

Recognising Excellence

Presented the **18th edition of ICOTY & IMOTY Awards 2023**, the most coveted awards, a platform created by JK Tyre



What Customers Want

- High-quality tyres for superior performance, safety, durability, and fuel efficiency
- Competitive pricing to provide value for customers

- Wide range of tyres to cater to diverse customer needs
- Excellent customer service for a positive buying experience
- Emphasis on environmental sustainability and eco-friendly practices

JK Tyre has taken a significant leap forward by offering comprehensive end-to-end solutions for all tyre-related concerns, catering to the diverse needs of consumers in the most extensive and beneficial manner possible

Customer Education

JK Tyre ensures that its products meet the Bureau of Indian Standards (BIS) specifications and the quality standards of export destinations. The Company prominently displays all necessary product information on the tire tread

and sidewall, including size, ply rating, speed symbol, production date, and tread wear indicator.

Furthermore, JK Tyre goes beyond mandatory requirements by providing extra information on tire usage and maintenance, such as Visual Alignment

Indicator (VAI) and Uniform Tire Quality Grading (UTQG).

During the FY 2022-23, there have been no occurrences of issues relating to advertising, marketing, and labelling regulations or any product recalls for JK Tyre.

Strengthening Brand Recognition

JK Tyre has a two-pronged strategy into B2C and B2B, which embraces traditional and modern branding solution that enhances brand visibility and engagement.



Conferred "SUPER BRANDS 2023"



#1

Tyre brand on social media in terms of followers

Recognised "ET ICONIC BRANDS OF INDIA 2022"



B2C

JK Tyre has shifted toward digital strategies by using social media and Google My Business to drive brand visibility and engagement.

600+

Brand shops listed on Google My Business (GMB)

B2B

JK Tyre has strengthened its relationships through highly customised Customer Interaction Programs (CIPs), along with product and service offerings, continuously building upon the ambition of being a customer-centric organisation.

Social and relationship Capital

Digital Campaigns

#FutureOfDriving JK Smart Tyre (The Future of Driving is here)

Hits of over 110 Million in a less than 4 months



JK Puncture Guard Tyre Self-Healing

Record hits of over 100 Million in 2 months



DIGIXX Smart Tyre Campaign Awards Sustainable Marketing Award



Digital Influencer, Golden Mikes, ACEF, TopGear Awards -JK Tyre Puncture Guard Campaign



Value Chain Partners

JK Tyre recognises the vital role played by the Company's value chain partners and actively encourage them to embrace their responsibilities as responsible corporate citizens. The Company proactively engages with its suppliers through various channels. These engagements serve as opportunities to foster collaboration, share best practices, and align its goals toward a shared purpose.

The Company maintains a pan-India presence with strategically located facilities across the country. As part of its commitment to local sourcing, the Company strives to procure input materials from local suppliers wherever feasible. In FY 2022-23, the Company successfully procured a significant amount of materials from local and small suppliers, including general consumables and equipment spares.

The Power of Digital in Procurement

The objective of the year was to establish a digital procurement platform, bringing buyers and sellers together on a unified platform for seamless data exchange. In the past, the traditional method of receiving RFPs and RFQs via e-mail was cumbersome and inefficient.

With the introduction of the digital platform, the challenges were mitigated. Digital enablement simplified data analysis with the utilisation of big data tools and expanded the possibilities of data mining. This transformation significantly streamlined processes, enhancing JK Tyre's agility in today's highly competitive business landscape.

Sustainable Supply Chain

JK tyre closely collaborates with its suppliers to ensure responsible sourcing and the adoption of sustainable business practices across its entire value chain.

The Company has sustainable procurement policy for its suppliers, which enables it to foster a responsible and inclusive business environment while safeguarding the rights and wellbeing of individuals throughout its supply chain.

Read more on [Page 110](#)

Sustainability Context

According to Niti Aayog, the transportation sector in India stands as the third-largest contributor to greenhouse gas emissions, accounting for 14% of the country's energy-related CO₂ emissions. These emissions have tripled since 1990 and are projected to double by 2050.

Combating climate change is, therefore, an enormous task and requires coordination and collective action amongst all players in the transportation sector.

>50%

Suppliers covered by 26 awareness programmes held in FY 2022-23

>50%

Channel partners covered by 22 awareness programmes held in FY 2022-23



Recognising channel partners





Social and Relationship Capital

Communities

JK Tyre recognises the vital role played by local communities in our success and believes in contributing to their wellbeing. The Company's CSR activities enrich and empower local communities, addressing critical social, economic, and environmental challenges.

Management Approach

JK Tyre's CSR agenda meets the requirements of Section 135 and Schedule VII of the Companies Act, 2013, and aligns with most of the UN SDGs. The Company has a well-defined CSR policy and the initiatives are planned

and implemented under the guidance of the Board-level CSR Committee and the top management.

The Company maintains a robust feedback mechanism. Monthly, quarterly, and annual progress reports are shared

with the top management for their feedback and suggestions.

JK Tyre always consciously acts as a responsible organisation and engages with the marginalised and vulnerable sections of society.

The Company maintains frequent communication with local communities and other stakeholders, including indigenous people, utilising need assessment and participatory methods to gain insights into their needs and assess the impact of their interventions. During FY 2022-23, there were zero complaints filed from local communities.

Livelihood

- Skill building
- Livestock development
- Agriculture improvement
- Self-help groups

₹76.93 lakhs
CSR expenditure

Education

- Support to schools
- ITI adoption
- Adult literacy
- Scholarships

₹219.83 lakhs
CSR expenditure

Health

- Reproductive and child healthcare
- Sanitation
- HIV/AIDS prevention
- Drinking water

₹106.44 lakhs
CSR expenditure

Environment

- Water conservation
- Plantation

₹35.53 lakhs
Rural Development & Admin
₹278.66 lakhs
CSR expenditure

₹517.39 lakhs
spent during FY 2022-23

92,280
Lives impacted through CSR activities



Social Impact Assessment

JK Tyre conducts third-party impact assessment studies to measure the transformative changes brought about in the lives of people through the Company's social projects. These surveys are an effective tool to record and document people's voices and assess the effectiveness of the project, its shortcomings, and ways to improve project delivery.

Education

Education holds the potential to transform lives and uplift community life. The Company's endeavours include scholarship programs, adult literacy initiatives, and providing infrastructure support to schools. These initiatives aim to promote education among children and youth in nearby communities, with the ultimate objective of empowering individuals to create a brighter future for themselves and their communities.

24,437
Lives impacted through education initiatives

>50%
Beneficiaries from vulnerable and marginalised groups



Adoption of ITIs

JK Tyre has implemented a public-private partnership model by adopting three Government ITIs to provide job-oriented vocational education. This initiative aims to benefit over 500 local students annually. As a result of this collaboration, the reputation of the adopted ITIs has significantly improved. Notably, renowned corporations now conduct campus interviews, leading to nearly 100% employment for these students.

Support to School Programme

JK Tyre, in collaboration with local NGOs, is dedicated to the transformation of government schools near their manufacturing sites into exceptional 'Model Schools.' The comprehensive program encompasses academic, infrastructure, digitalisation, and leadership enhancements. The Company emphasises constructing school buildings, and toilets, and providing furniture, while implementing Building as Learning Aid (BaLA) designs, ensuring access to clean water, and developing

11
Schools renovated

Sustainability Context

India's education system grapples with various complex challenges, including low pupil-teacher ratios and a rural-urban divide, which were further exacerbated by the pandemic. These challenges persist despite the substantial Social Return on Investment (SROI) that education can provide.

JK Tyre recognises these issues and actively addresses them through its CSR initiatives, acknowledging the significance and potential impact of education in overcoming these obstacles.

play areas. The objective is to create child-friendly environments that enable underprivileged children to access quality education. Through the academic enrichment programme, they offered high-quality resources and introduced solar-powered smart TVs to enhance learning. The Company also provided after-school remedial classes to support the integration of weaker students. This year, JK Tyre successfully installed 10 smart TVs, benefiting 2,500 children, and improved infrastructure in 11 schools, benefiting over 4,000 children.

2,500
Children benefited

Testimonial from a Beneficiary

Empowered by Skill Development and Self-Help Group Project

I learned stitching, focusing on Patchwork, and it made me better at tailoring. Now I have my own boutique shop, and it is how I support my family. I make more than ₹15,000 every month. My kids are going to school, and I feel respected in our community. I'm also part of a group supported by JK Tyre that helps us with loans for my business and personal needs. I am really thankful to JK Tyre for helping us and caring about our village in Kankroli.



Social and Relationship Capital

Health

JK Tyre recognises the significance of quality healthcare and proper sanitation in bolstering community resilience against diseases and infections. By emphasising improved healthcare, JK Tyre aims to contribute to the overall well-being and health of the communities it serves, fostering a healthier and more resilient society.

Project 'Jyoti Kiran'

Project Jyoti Kiran was initiated in 2019 with the objective of offering free eye care services, specifically targeting truckers and transporters. Eye care camps are organised at locations such as Transport Nagar, Mandis and other places frequented by a large number of truck, LCV and HCV drivers on a daily basis. During these camps, eye tests are conducted for truck drivers and those in need are provided with spectacles free of charge on the spot. On average, it has been observed that 30-40% of the drivers who visit these camps have vision-related issues requiring corrective glasses. Under the Jyoti Kiran Project, a total of 97 eye camps have been organised, benefiting 13,564 truckers and providing spectacles to 4,311 truck drivers, enabling them to have clear vision.

Sustainability Context

While India faces a huge economic opportunity, Indians need to be healthier for sustained economic growth. For example, according to a study by the World Economic Forum, India stood to lose \$4.58 trillion due to non-communicable diseases and mental disorders between 2012 and 2030.

JK Tyre is committed to building a healthier India, as evidenced by the various initiatives the Company undertook during the year.

25,067

Lives impacted through health initiatives

Case study

Driving Hope: HIV/AIDS Intervention for the Driver Community

JK Tyre recognises the driver community as a crucial stakeholder. Acknowledging the higher incidence of HIV/AIDS within this fraternity, the Company has taken proactive measures to minimise the impact of this devastating disease.

During FY 2022-23, JK Tyre provided essential medicines to over 1,650 HIV-positive individuals in Kankroli. These interventions are vital as globally, 1 million people succumbed to HIV/AIDS in 2016, but thanks to Antiretroviral Therapy (ART), 1.2 million lives were saved. Without ART, the mortality rate would have been more than double.



Case study

Employee Champions in CSR

JK Tyre's employees play a pivotal role in fostering connections and driving CSR efforts of the Company through structured volunteering programmes.



Employee speaks

I am **Vishnu Sharma, Deputy Area Manager - Mobility** and I keep on volunteering for various social causes. My experience of volunteering at the CSR Project – Jyoti Kiran, wherein we provided health care services to truckers fraternity has been very fulfilling. I am really proud to be associated with a Company which is so compassionate to all of its stakeholders.



Environment

Water Conservation

JK Tyre has proudly achieved the status of being one of the most water-efficient companies in the global tyre industry. As a part of its CSR initiatives, the Company has implemented several water conservation initiatives in neighbouring villages surrounding its manufacturing sites, empowering local communities to achieve water self-sufficiency. In FY 2022-23, the Company successfully renovated four water ponds and constructed three anicuts, creating additional water sources for the benefit of the local population.

4

Water ponds renovated

3

Anicuts constructed

1 Lakh+

Lives impacted through water conservation initiatives

Sustainability Context

India is home to 18% of the world's population, the country possesses only 4% of its water resources, rendering it one of the most water-stressed nations globally. A substantial portion of the Indian population grapples with high to extreme water stress. As climate change progresses, the pressure on water resources is expected to intensify across the nation.

Transformative Partnerships

In collaboration with esteemed partners such as NABARD, CII, Government Departments, NGOs, and local communities, the Company has undertaken water harvesting projects to expand its reach and scale.

These initiatives have yielded significant results, including the transformation of vast tracts of wasteland into productive land, the diversification of traditional agricultural practices, and the provision of year-round drinking water for cattle. Moreover, nearby wells have experienced a notable increase of 3-4 feet in water levels as a direct outcome of these endeavours.





Social and Relationship Capital

Case study

- Water is directly linked to the business sustainability and therefore the Company is working on water conservation issues in all areas of its operation.
- Partnered with NABARD, CII, Government Department, NGOs and local communities for enhancing outreach and scale of water harvesting projects.
- This project has been instrumental in;
 - Transforming a large acreage of waste land into productive land
 - Diversifying traditional agricultural practices
 - Ensuring round the year availability of drinking water for cattle
 - Increasing 3-4 feet water level in nearby wells



Livelihood

The livestock development programme and skill training initiatives implemented by JK Tyre have enabled individuals to make significant changes in their lives. By equipping people with the necessary skills related to agriculture and non-farm activities, they have been empowered to embrace sustainable livelihood practices. These initiatives have resulted in tangible transformations within communities, fostering a positive impact on the lives.

Livestock Development Programme in Mysuru and Morena

JK Tyre's Livestock Development Programme revolutionises dairy farming through the use of artificial insemination services, resulting in high-yielding calves and surplus milk for sale. Conveniently located Livestock Development Centres provide doorstep services and veterinary support, ensuring optimal animal health. This surplus milk offers additional income, particularly valuable for impoverished households, empowering them to expand their herds and pursue dairy farming as a sustainable livelihood.

By forming milk producers, associations, logistic costs are reduced, and access to larger markets with better prices is enhanced. In collaboration with NABARD, the project has scaled up in its second phase, achieving significant milestones such as 7,087 artificial inseminations, 41,168 overall procedures, and the birth of 1,442 hybrid calves. Over a lakh animals have received clinical health services through animal health camps. Dairy owners have witnessed a remarkable monthly net income increase of ₹8,000-15,000, benefiting over 25,000 farmers. With an investment of approximately ₹1 crore, the project has yielded substantial social impact worth ₹20 crores, showcasing an impressive Social Return on Investment (SROI) of 20 times. The project's success has led to its expansion and collaboration, extending its reach from 15 to 150 villages, ensuring a greater number of dairy farmers can benefit from the long-term advantages offered by artificial insemination.



Transforming Livelihoods

With 2 acres of land, four years ago, the JK Tyre Factory provided us with 100 high-yielding mango saplings. Today, these saplings have grown into mature trees and are yielding fruits. Our mango orchard has become our primary source of income, allowing us to earn ₹20,000 last year. This additional income is crucial as it enables me to educate my children. I am grateful to JK Tyre for their support through their CSR initiatives.

Maniyamma
Mydanahalli, Mysuru

Sustainability Context

The rural-urban divide in India is so prominent that the income of an average person in the rural parts of India is less than even half of the urban counterpart, despite having a higher labour force participation rate.

By focusing the CSR efforts of JK Tyre on strengthening rural livelihoods, the Company can have a more significant impact as nearly 70% of the total population lives in rural areas.



Pasture Land Development



Community Empowerment



Case study

Blooming Empowerment

With a focus on empowering marginalised communities, JK Tyre trained 200 women in resilient floriculture (marigold cultivation), imparting the necessary skills and knowledge in floriculture techniques.

The training programme unlocked additional income opportunities. Within a period of two to three months, particularly during the festive period of Diwali when demand for flowers is high, the women were able to earn an impressive income ranging from ₹15,000-20,000. This instilled confidence, self-esteem, and a sense of pride among the women, enabling them to contribute to their households and communities in a meaningful way.



Natural Capital



Becoming a Sustainability Champion



JK Tyre has secured a 'Very Good' rating on ESG parameters and is the best among peers in the industry. The Company's strong commitment to ESG performance is evident through its transparent policies and market leadership in the tire industry. Notably, JK Tyre excels in water management practices and has made significant strides in reducing emission intensity, emphasising its strong commitment to environmental objectives.

JK Tyre has achieved an impressive score of 75 out of 100, indicating a "Very good" rating for the Company's ESG performance. This noteworthy achievement highlights JK Tyre's commitment to excellent governance, positive social and environmental impact, and adeptness in managing risks and capitalising on opportunities.

Significantly, the Company holds a leadership position across compliance, policies, and performance categories. JK Tyre has embraced a comprehensive set of policies, implemented robust monitoring mechanisms, and proactively reports on performance metrics to its stakeholders. This proactive approach reflects the Company's commitment to transparency and accountability, further strengthening its position as a leader in the industry.

Looking ahead, JK Tyre will intensify its efforts in ESG areas, aiming to enhance its performance and establish

new benchmarks within the industry. The Company remains dedicated to its commitment to sustainability, ensuring that it stays at the forefront of responsible business practices and sets a shining example for others to follow.



JK Tyre has secured a best-in-class rating in ESG performance, placing us as the industry leader among our peers. This recognition reflects the Company's steadfast dedication to environmental conservation and serving society's needs.

Sustainability has always been at the core of our growth journey, and we are dedicated to becoming a green and clean Company while maintaining our focus on growth. We will strive to be the best, not only in our industry but also in the world, in terms of ESG performance and sustainability.

Natural Capital

Caring for the Collective

Green. Clean. Best-in-Class.

Management Approach

JK Tyre is on a mission to become one of the greenest tyre companies in the world. With a focus on achieving carbon neutrality by 2050, the Company has an ambitious strategy and roadmap for implementing this vision.

JK Tyre's unwavering commitment to sustainability is reflected in the Company's low-carbon strategy, which serves as the foundation for its growth.

The Company's commitment to making a meaningful impact on collective wellbeing is reflected in the 5P platform, aligned with UN SDGs goals. This is an extension of J.K. Organisation's founders' vision and paves the way for the Company to flourish in the years to come.

Management Systems

JK Tyre has consistently been a leader in adopting and maintaining world-class Quality Management Systems (QMS) while upholding stringent quality parameters.



Interdependencies between Capitals

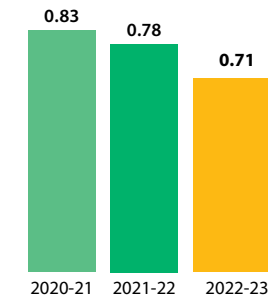
- Financial Capital**
Received an investment ₹240 crore from IFC based on JK Tyre's ESG and profitability credentials.
- Manufacturing Capital**
Implementing initiatives across all plants to reduce JK Tyre's environmental footprint.
- Intellectual Capital**
Pursuing continuous improvement to make products smarter, efficient, and greener.
- Human Capital**
Engaging with employees to align them with JK Tyre's 5P sustainability platform.
- Social and Relationship Capital**
Improving water security in local communities through CSR activities.



We are on the cusp of a new energy era that promises to be profoundly disruptive. For nearly three centuries, the global economy has been powered by fossil fuels, but the age of hydrocarbons is rapidly coming to a close. It's time for us to take collective responsibility for our energy consumption and transition towards sustainable sources. The future of our planet depends on the choices we make today.

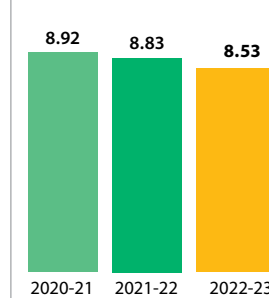
Progress Over the Years

GHG Emission Intensity (in GJ/tonne of finished product)



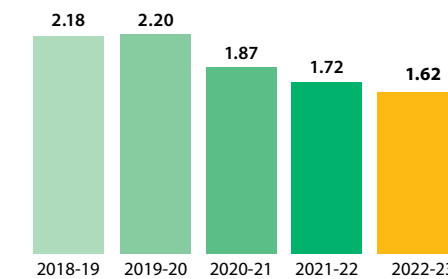
JK Tyre's strong focus on the use of green and clean energy has resulted in a reduction of the Company's GHG emissions by 61.45% over the last nine years. Furthermore, the Company has installed solar panels throughout its manufacturing units.

Energy Intensity (in Eq. CO2)



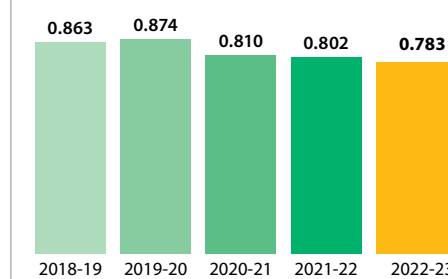
In addition to JK Tyre's emphasis on managing emissions, the Company has reduced energy intensity by 31% over the past nine years. Globally, JK Tyre has ranked among the top 3 companies in terms of lowest energy consumption..

Specific Raw Water Intensity (in KL/tonne)



JK Tyre has set new standards for water conservation practices by actively engaging in activities such as harvesting pits, trenching, and de-silting. As a result, the Company has established a global benchmark for the lowest water intensity, surpassing all other competitors.

Specific Power Consumption (in Kwh/kg)



Over the past decade, JK Tyre has consistently prioritised being lean and efficient. As a testament to these efforts, the Company has successfully achieved a significant reduction in power consumption, reaching its lowest level to date.

Highlights

19,340 GJ of energy saved over previous year through our energy saving projects and efficiency improvements

Lowest Specific raw water consumption in the world

Material Topics Linkage

- Emissions
- Energy
- Water
- Waste
- Management

UN SDGs Aligned





Natural Capital

Climate Action and JK Tyre

JK Tyre is committed to producing more while using fewer resources and adopting a low-carbon strategy. As one of the top 21 tyre manufacturers in the world, the Company has made significant progress in reducing greenhouse gas emissions every year.

Starting from 2013, JK Tyre has been regularly tracking and reporting its

carbon footprint in accordance with the ISO 14064-1 international standard.

The majority of the Company's GHG emissions are generated by fossil fuel consumption in the manufacturing facilities' boilers and processes, purchased electricity consumption, diesel consumption in DG sets, and refrigerant

gas consumption in the chiller and air conditioning units.

The GHGs relevant to the four locations are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons (HFCs).

Climate change is one of the most pressing global challenges facing the mobility industry. The need for climate action has never been more urgent, and the auto components industry has a crucial role to play in reducing carbon emissions.

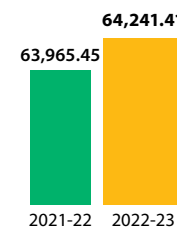
2050

JK Tyre's carbon-neutral target

Usage of Biomass

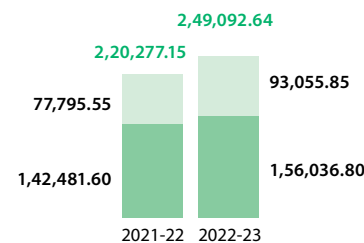
The use of biomass plays a crucial role in JK Tyre's strategy to achieve carbon-neutral status. In FY 2022-23, the Company utilised 28% of bioenergy as a fuel source for boilers.

Total Scope 3 Emissions (MTCO₂e)



energy-efficient alternatives, improved insulation and optimised utility utilisation, have further decreased energy requirements and fuel consumption, ultimately leading to reduction in GHG emissions.

Emissions (MTCO₂e)



■ Total Scope 2 emissions
■ Total Scope 1 emissions

Progress in FY 2022-23

For the past decade, JK Tyre has voluntarily undertaken the inventory and reporting of Greenhouse Gas (GHG) emissions, including direct and energy indirect emissions (Scope 1 and Scope 2). Each year, the Company conducts third-party verification of its GHG inventory in accordance with ISO 14064-1 standards. Over this period, JK Tyre has achieved an impressive 61.5% reduction in GHG emission intensity, from 1.8350 tCO₂e/MT in FY 2013-14 to 0.7073 tCO₂e/MT in FY 2022-23.

This significant reduction has been accomplished through various emission reduction initiatives, such as adapting boilers for biomass compatibility, substituting coal usage, increasing reliance on renewable electricity and implementing technological advancements like nitrogen-based curing and LPG substitution.

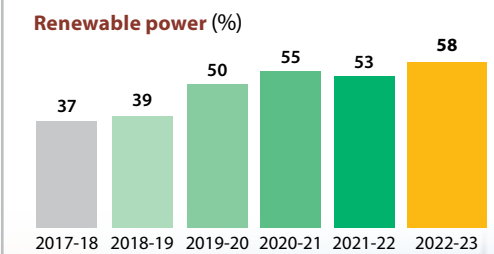
Additionally, energy-saving measures, including the replacement of conventional equipment with

Substituting Fossil Fuels with Renewable Energy

JK Tyre's has been constantly setting up or purchasing green energy at the Company's manufacturing locations. One of the key objectives of the Company has been the increase the use of renewable energy by 2-5% every year, as indicated by the following:

58%

Power needs met by renewable sources



9.49% YoY

Reduction in emission intensity

Case study

From Coal to Biomass: Banmore Tyre Plant

Steam is a very essential utility tyre plants, used for tyre curing.

In Banmore Tyre Plant, steam was generated by using coal as fuel.

Under green energy drive, usages of biomass taken as break through project in year 2018-19.

For the purpose, modification carried out in fuel system and biomass mixing with coal started, but the husk utilisation was limited to around 5% at initial stage.

To address the issue, biomass storage and feeding system separated out, with this modification, biomass utilisation increased to ~20 % in the year 2020.

Further, under PDCA, all systems were restudied and modifications were carried out, including changes in fuel feeder, modification in ash drain system, auto control of husk and coal feeding. With these efforts, biomass utilisation increased to 80% from April, 2022.



Agenda for FY 2023-24

- Enhanced usage of biomass
- Greater use of renewable sources of energy like solar and wind



Natural Capital

Energy Conservation and Efficiency

JK Tyre has embraced the mantra of ‘today for tomorrow’ in its journey toward becoming a greener Company. Energy conservation and efficiency are key missions for JK Tyre as it strives to achieve its goal of becoming a more environmentally responsible Company.

Through consistent efforts and a targeted approach, JK Tyre is committed to achieving greater sustainability and reducing its impact on the environment.

Progress in FY 2022-23

Each year, JK Tyre invests in energy conservation projects. Some of the energy conservation projects implemented in FY 2022-23 include:

- Replacement of conventional pumps with energy efficient pump on cooling towers
- Reduction in compressed air by PCI air recovery
- Insulation on high temperature application

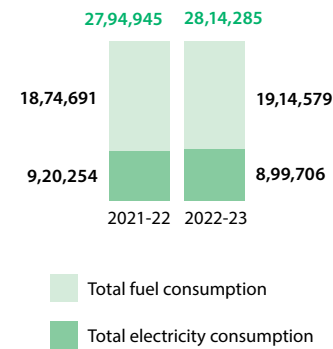
- VFD on dust collector and fume extractor fans and pumps etc.
- Replacement of conventional blower with energy efficient blower in AHU’s
- Replacement of conventional motors with energy efficient blowers in process application
- Energy Saving by uses of alternate energy for TCU application
- Power saving by provision of VFD’s on mill application

Owing to these initiatives, JK Tyre managed to reduce energy consumption by 3% compared to last year.

Agenda for FY 2023-24

JK Tyre is committed to upholding a healthy environment and preserving the ecosystem by investing into green solutions to manage its carbon footprint, conserve energy, use renewable power, decrease greenhouse gas emissions and manage waste reduction.

Energy Consumption (GJ)



Progress in FY 2022-23

JK Tyre has achieved a remarkable milestone as the first tyre company in India to develop and evaluate tyres using 80% sustainable materials. This significant achievement demonstrates the Company’s commitment to sustainability and environmental responsibility.

The Company has also made strides in enhancing its usage of renewable recycled materials, with a notable 3% increase. Moreover, JK Tyre has emphasised the usage of crumb rubber, contributing to the circular economy and promoting the responsible utilisation of resources.

Sustainable material in the tyre industry includes various materials in different

categories of recycled materials like reclaim rubber, crumb rubber powder of different particle sizes, recycled pyrolysed oil, recycled carbonaceous materials, micronised rubber powder with finer particles, devulcanised rubber, etc. All these materials have the potential for inclusion in the virgin rubber compounds with a specific threshold limit to maintain the performance parameters. Out of varied recycled materials, widely available materials are reclaim rubber, crumb rubber powder, and devulcanised rubber. Other two major categories like recycled carbonaceous material & pyrolysed oil and micronised rubber powder are available in restricted quantities.

In JK Tyre, with the internal sustainability drive, the Company is promoting higher usage of recycled materials in our rubber compounds for the manufacturing of tyres of different categories. The table below gives a picture of the recycled material journey. Through focused research, the Company is working aggressively to increase its recycled material consumption in tyres.

Agenda for FY 2023-24

JK Tyre is committed to upholding a healthy environment and preserving the ecosystem by investing into green solutions to manage its carbon footprint, conserve energy, use renewable power, decrease greenhouse gas emissions and manage waste reduction.

Usage of Renewable/Recyclable Materials (in MT)

FY 2022-23	FY 2021-22	FY 2020-21
4,377	4,268	3,975

At JK Tyre, we utilise the 6R framework that guide the Company’s transition toward a more sustainable, circular economy.

6 R’s at JK Tyre

<p>Rethinking the linear economy model and transition toward a circular model</p>	<p>Redesigning products, services, and business models with the aim of creating a more circular economy</p>	<p>Reducing the amount of waste generated through improving efficiency and optimising usage</p>
<p>Reusing materials in different contexts or for a different purpose</p>	<p>Repairing products and materials to extend their lifespan</p>	<p>Recycling materials at end of their life to create new products</p>

Circular Economy

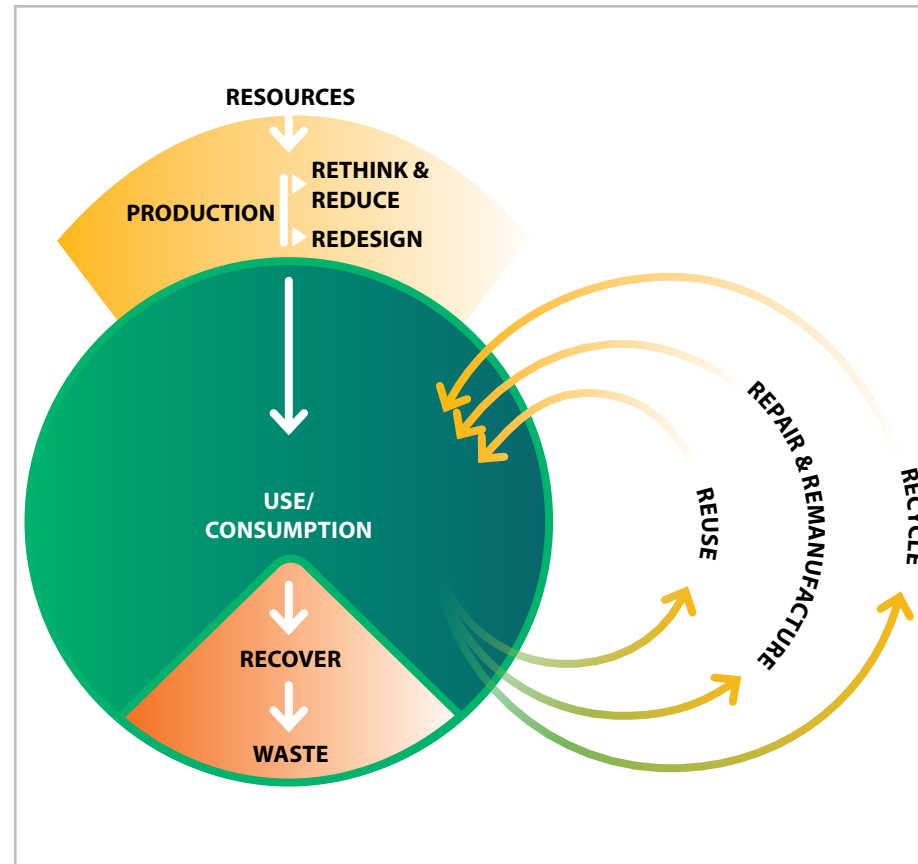
As a product composed of numerous raw materials, including synthetic rubber, natural rubber, and carbon black, among others, tyres have the potential to play a significant role in India’s transition towards a circular economy.

Each year, approximately 2,75,000 tyres reach the end of their useful life in India, and the potential consequences of discarding, stockpiling, and dumping tires can be environmentally harmful.

Raw Material Sourcing

JK Tyre recognises the importance of using renewable or recyclable raw materials and is committed to identifying renewable or recyclable raw materials for its various product lines.

Natural Capital



Case study

Towards Greater Security and Sustainability

India has established itself as a competitive player in tyre manufacturing on the global stage. However, achieving the vision of AatmaNirbhar requires the development of a self-sufficient value chain, with strong backward and forward linkages.

In line with this objective, JK Tyre, along with other leading tyre companies, has committed to investing ₹ 1,100 crores over the next five years to enhance the production of natural rubber across eight Indian states. By bolstering the domestic production of this critical raw material, JK Tyre aims to promote a more self-reliant tyre industry in India.

Agenda for FY 2023-24

Natural rubber is a vital raw material in the tyre industry, known for its sustainability. To ensure a steady supply for our customers, JK Tyre recognises the importance of securing stable production of natural rubber. The Company is committed to making natural rubber a sustainable resource, aligning with its role as a global tyre manufacturer.

Case study

Mission North East

In line with its mission of sustainability and supporting rubber farmers in non-traditional regions, JK Tyre has implemented various initiatives in the North-Eastern part of India. These efforts include conducting educational and training campaigns for thousands of farmers, skilling rubber tappers, and promoting rain-guarding practices. These measures have significantly enhanced productivity, income, and quality for farmers. Additionally, JK Tyre has provided training to workers and graders of rubber dealers to meet tyre-grade standards. The Company's active engagement has multiplied its sourcing of natural rubber threefold and uplifted the livelihoods of farmers in the region.

Product Footprint and Stewardship

As a mobility and safety manufacturing Company, JK Tyre conducts Life Cycle Assessment (LCA) of tyres such as Truck/Bus Radial, and Truck/Bus Bias, PCR among others to assess the overall environment impact it makes during its whole life cycle.

Life Cycle Assessment (LCA)

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted
C22	10.00-20_JET XTRA XLM_16PR_J_TT	1.80	Cradle to Grave
C22	10.00R20_JUH5_16PR_K_TT	2.80	Cradle to Grave
C22	165/80R14 TAXIMAX 85 S TL	0.4	Cradle to Grave
C22	2.75-18 BLAZE BF32 TT (4PR-42P)	0.2	Cradle to Grave

Agenda for FY 2023-24

JK Tyre has made significant strides in scaling up its product range made from sustainable materials. The Company is focused on widening its range of EV Tyres, catering to the growing electric vehicle market. Additionally, JK Tyre is actively working on developing

Polymers (TDP) and implementing the cryogenic process for Molecular Recycling of Polymers (MRP). These initiatives demonstrate the Company's commitment to innovation and sustainability, aiming to offer eco-friendly tyre solutions and reduce environmental impact throughout the tyre lifecycle.

Waste and Effluent Management

JK Tyre is dedicated to product stewardship by implementing best practices, including a zero waste to landfill policy. The Company has a clearly defined waste management strategy that involves segregating waste generated during the manufacturing process and utilising recycled materials in the production of JK Tyre's products.

All the production sites are equipped with effluent treatment facilities that treat wastewater to meet strict criteria. The Company is proud to report that there have been no documented instances of non-compliance with effluent criteria at any of its sites.

Progress in FY 2022-23

JK Tyre has achieved a remarkable feat of sustained zero waste to landfill across all its plants. Additionally, the Company has successfully implemented zero liquid discharge practices at three of its locations. These initiatives showcase the Company's dedication to environmental stewardship by minimising waste generation and ensuring responsible handling of liquid waste.

Agenda for FY 2023-24

JK Tyre is steadfast in its commitment to maintaining zero waste to landfill across all its plants. Additionally, the Company is actively working towards obtaining zero liquid discharge for its remaining locations.



Natural Capital

Closed Loop Solutions: Zero Liquid Discharge

With a strong focus on environmental sustainability and ecosystem preservation, JK Tyre's manufacturing units have been equipped with state-of-the-art wastewater treatment technologies. In 2021, the Chennai Tyre Plant achieved the distinction of being the first JK Tyre plant certified as a Zero Liquid Discharge facility.

Building on this accomplishment, both the Radial Tyre Plant in Mysuru and the Kankroli Tyre Plant in Rajasthan received Zero Liquid Discharge Certification in 2022-23. By implementing innovative systems and technologies, the plants treat, recycle, and reuse wastewater, repurposing any remaining waste. This closed-loop approach ensures the maintenance of zero liquid discharge, promoting sustainable water circulation.

Total Waste Generated (in MT)

Name of Product/Service	FY 2022-23	FY 2021-22
Plastic waste	1,455.6	958.62
E-waste	8.8	10.94
Bio-medical waste	0.03	0.31
Battery waste	8.1	15.83
Other Hazardous waste.	574.9	514.1
Other Non-hazardous waste generated	9,778.9	8,510.90
Total*	11,826.3	10,010.7

*Total waste generated is disposed other methods other than landfill and incineration.

Water Stewardship

JK Tyre has continuously strived to improve water efficiency in its operations, and as a result of the Company's tireless efforts, JK Tyre has achieved the lowest specific raw water consumption globally.

Regarding water sources, JK Tyre primarily uses surface water collected from neighbouring rivers or provided by the municipal corporation. To ensure efficient control of water use in all production facilities, water metering stations have been installed at critical usage sites.

Progress in FY 2022-23

JK Tyre's commitment to water conservation and operational efficiency has yielded significant results. Through the implementation of water conservation projects and improved operational practices, the Company has successfully increased its water efficiency and reduced water consumption by 15.3% in FY 2022-23 compared to the previous year.

Additionally, JK Tyre has one of the lowest raw water consumption intensities in the tyre industry globally.



73,539 KL
Water discharged in FY 2022-23

Water Withdrawal (in KL)

Water Withdrawal by Source	FY 2022-23	FY 2021-22
Surface water	33,322	48,225
Others	13,777	7,425
Total volume of water withdrawal	47,099	55,650

Lowest Raw Water Consumption (in KL/tonne)

FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19
1.62	1.72	1.87	2.20	2.18

Agenda for FY 2023-24

JK Tyre is committed to further enhancing its water sustainability efforts through the implementation of rainwater harvesting and water recycling initiatives. Additionally, by expanding its water recycling capabilities, the Company seeks to maximise the reuse of water within its operations, minimising freshwater consumption and promoting a circular approach to water management. These endeavours highlight the Company's ongoing commitment to environmental stewardship and its continuous efforts to reduce its water footprint.





Natural Capital

Responsible Supply Chain

JK Tyre is committed to collaborating with its suppliers to develop a responsible and sustainable supply chain. To fulfil this commitment, the Company conducts training sessions for its suppliers on various sustainability aspects, including resource optimisation, energy management, water management, and other related topics.

Building an Inclusive Ecosystem

JK Tyre carefully evaluates and prefers suppliers who are aligned with the Company's sustainability vision. Its preference is to select suppliers who are in close proximity to the plants.

As a result, JK Tyre has been able to develop a large number of domestic suppliers and collaboratively works with them to bring them at par with world standards.

A centralised raw material procurement team supervises the global procurement activity of all plants in India and Mexico. Global targets are rolled out covering operations across the globe. Procurement is always guided by long-term policies and agreements, which ensure the stability of supplies despite market constraints.

~50%

Input raw materials are sourced sustainably

99%

Procurement process is sustainable

Redefining Freight Transportation

JK Tyre is spearheading a ground-breaking initiative by utilising the RRU (RoadRailer Unit) for transportation between Chennai and Delhi. With the objective of reducing dependency on road trucks and alleviating traffic congestion, the RRU has emerged as a game-changer.

Despite maintaining similar transit times to road transportation, upcoming railway corridors will further enhance efficiency. Moreover, this sustainable approach by JK Tyre resulted in significant cost savings and contributed to a greener future, with an impressive 60%-70% reduction in carbon emissions compared to conventional road movement.



Progress in FY 2022-23

Raw material sourcing is the heart of the tyre industry as it dominates the total spent of the Company. During FY 2022-23, various actions were initiated towards risk mitigation in sourcing, localisation of raw materials, several skill development and knowledge enhancement workshops were conducted for both natural

rubber and other categories. Special emphasis was given towards livelihood upliftment of the needy section of society engaged in rubber farming. Engagement with suppliers was done on various sustainability principles for a better, improved and sustainable supply of raw materials apart from process improvements.

Agenda for FY 2023-24

In the new world order, JK Tyre seen the importance of sustainable principles and in the new financial year, the Company will intensify its efforts toward sustainability principles.

We are focusing on the following pillars:

- Safe and healthy environment
- Fair strategic policies
- Respect the environment
- Human rights
- Local community development

JK Tyre follows a structured approach towards addressing the issues in its sourcing plan for the development of the entire eco-system.

Biodiversity

Biodiversity holds immense significance to JK Tyre as a responsible and sustainable organisation. Recognising the critical role of biodiversity in maintaining healthy ecosystems and supporting life on Earth, JK Tyre places a high value on preserving and enhancing biodiversity.

As of 31st March, 2023, none of JK Tyre's manufacturing units are located in or near ecologically sensitive areas.

Progress in FY 2022-23

To assess the ecological and biodiversity impact of its operations, JK Tyre conducted third-party Ecological and Biodiversity Impact Assessments at all its manufacturing locations in the past two years. The Company has also established a corporate Biodiversity Protection Policy, aimed at minimising biodiversity risks in its business operations. This policy encourages relevant stakeholders to support better biodiversity management and establishes a monitoring and reporting system to track the progress made in biodiversity protection. The policy is shared with stakeholders and is publicly available to ensure transparency and accountability.

Agenda for FY 2023-24

JK Tyre is committed to biodiversity preservation and environmental stewardship. Moving forward, the Company will intensify its efforts by conducting rigorous third-party assessments to evaluate ecological and biodiversity impacts, identifying areas for improvement. Targeted conservation measures will be implemented, focusing on minimising negative impacts through habitat restoration and adopting best practices. Through these actions, JK Tyre reaffirms its commitment to safeguarding biodiversity, paving the way for a sustainable future for ecosystems, communities, and generations to come.



ESG Databook

Measuring Progress and Performance

JK Tyre’s commitment to Environmental, Social, and Governance (ESG) principles is deeply ingrained in the Company’s 5P platform, shaping its approach to seizing opportunities and managing risks.

As part of the Company’s ongoing efforts to enhance transparency and accountability, it is pleased to share its first-ever ESG Databook, showcasing the metrics it tracks to become a more sustainable organisation, supporting its employees, and making positive contributions to communities.

In line with our commitment to global sustainability, this section also aligns our performance metrics with the United Nations Sustainable Development Goals (UN SDGs), ensuring that the Company’s actions are driving meaningful impact and contributing to a better tomorrow.



Planet



Manufacturing Capital



Natural Capital

The environmental aspect of ESG is pivotal in shaping the practices of the mobility industry, compelling them to embrace responsible resource consumption, reduce dependence on fossil fuels, and implement efficient waste recycling measures to mitigate carbon footprints. This global transition towards a low-carbon approach is propelled by customer demand for eco-friendly products and the understanding that sustainability initiatives positively impact long-term profitability.

Focus Area	SDGs Impacted	Metric	Base value of Index (FY 2020-21)	FY 2021-22	FY 2022-23
Water Conservation		No. of beneficiaries on harvested water	100	246	354
		kl storage capacity created	100	200	469
Greening		Number of trees	100	214	315
Sustainable Product Material Consumption		% use of renewable materials	100	98	115
		% use of fossil based materials	100	101	101
		% switch from sea port to inland ports	100	200	200

Focus Area	SDGs Impacted	Metric	Base value of Index (FY 2020-21)	FY 2021-22	FY 2022-23
Product Efficiency		% weight reduction (PLT)	100	100	107
		% weight reduction (TBR)	100	100	100
		% improvement in rolling resistance (PLT)	100	108	117
		% improvement in rolling resistance (TBR)	100	100	118
		% early failure reduction (PPM)	100	100	86
Waste Generation		% of process waste to finished product (Bias)	100	93	49
		% of process waste to finished product (Radial)	100	84	73
		Kg/tonne of solid waste to finished product (Non-Hazardous)	100	90	105
		Kg/tonne of Solid Waste to finished product (Hazardous)	100	109	80
Water Conservation		Raw water consumption intensity (kl/tonne)	100	106	118
		KL as % of total Volume (Recycled Water)	100	107	124
Energy Consumption		Total energy consumption intensity (GJ/tonne)	100	102	106
Climate Action		GHG emission intensity (Scope 1 and Scope 2) (tCO ₂ e/tonne)	100	107	117
		% of renewable Power usage of total power	100	97	105
		% of biomass usage of total fuel	100	206	254
		% of tertiary freight to total freight	100	114	95
		% of EV vehicles used for delivery to total vehicles	100	100	100
		% of CNG vehicles used for delivery to total vehicles	100	106	108
		% age TBR tyres Re- Treaded	100	132	133



People



Human Capital



Social and Relationship Capital

While pursuing sustainable growth, it is crucial for companies to ensure a healthy and safe working environment for employees. Alongside, promoting diversity and inclusion within companies is essential. Embracing workplace diversity not only drives innovation but also enhances employee productivity, retention, decision-making, and customer satisfaction. Moreover, through CSR initiatives, companies have the opportunity to empower local communities, fostering positive social impact and sustainable development.

Focus Area	SDGs Impacted	Metric	Base value of Index	FY 2021-22	FY 2022-23
Communities					
Livelihood Enhancement		No. of beneficiaries from livelihood-based initiatives	100	246	395
Community Health		No. of beneficiaries from health-based initiatives	100	212	311
Education		No. of beneficiaries from education-based initiatives	100	215	405
Employees					
Good health and Wellbeing		Employee engagement score	100	112	112
		No. of reportable Incident	100	125	125
		No. of safety incidents in field	100	100	100
Training		Man-days per person - MCS	100	90	83
		Man-days per person - Non-MCS	100	142	122
		No of Participants – Field Employees Business and product Training and capability building training	100	186	133
Value Chain Partners					
Supplier Engagement		No. of knowledge-sharing events for suppliers	100	400	650
Training for Channel Partners		No. of channel partners impacted through business Training initiatives	100	51	42



Process



Manufacturing Capital



Social and Relationship Capital

Corporate governance is a crucial aspect of business that enhances long-term shareholder value and upholds high ethical standards. Adhering to global best practices is essential for maintaining and improving corporate governance. Examples include implementing a whistle-blower policy or vigil mechanism that allows employees to report genuine grievances, such as fraud, policy violations, unethical behaviour, and other issues that could harm the organisation's interests.

Process

SDGs

Focus Area	SDGs Impacted	Metric	Base value of Index	FY 2021-22	FY 2022-23
Talent acquisition		New hires	100	247	235
Learning and Development		% age people involved in innovative projects	100	150	170
Digitalisation		%age Of Digital payment	100	97	97
Innovation		No. of patents	100	100	300
Sustainable processes		Ratio of Branding Marketing Expenses to Sales	100	137	135
Sustainable processes		Digital Claim Process- % age digital claims (Non-Truck)	100	162	166



Product



Intellectual Capital

The pandemic has had a profound impact on all stakeholders, necessitating a heightened focus on customer-centricity. In today's evolving retail landscape, customers are seeking smarter and greener products, and expect seamless experiences through various channels

To meet these demands, businesses must adapt and provide customers with convenient and sustainable solutions. This shift not only enhances customer satisfaction but also aligns with the growing importance of sustainability in consumer preferences.

Focus Area	SDGs Impacted	Metric	Base value of Index	FY 2021-22	FY 2022-23
Production Continuity		No. of incidence(s) of Production Stoppage due to unavailability of incoming Raw Material	100	100	100
		No. of incidence(s) of Production Stoppage due to unavailability of incoming Raw Material	100	167	167
		No. of incidence(s) of procurement from non-approved source(s)	100	100	100
Recycling		% use of Recycled Materials	100	95	158
Sustainable Product		EV product sales as a % TBR against total TBR OE sales.	100	149	149
		EV product sales as a % PCR against total PCR OE sales.	100	100	100



Prosperity



Financial Capital

Implementing best-in-class processes and enhancing operational efficiencies can yield significant benefits, leading to increased profitability and improved competitiveness. This is especially crucial considering the external challenges faced by the automotive industry in recent years, including global economic slowdown, the pandemic, and lower OEM demand.

Additionally, integrating business operations with sustainable practices contributes to a greener planet but also positions businesses for long-term success in an evolving global landscape.

Focus Area	SDGs Impacted	Metric	Base value of Index	FY 2021-22	FY 2022-23
Performance		Productivity per sales person	100	115	135
Employee retention		Employee retention rate	100	98	66



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INDEPENDENT ASSURANCE

OPINION STATEMENT

Statement No: **SRA-IND-719266**

JK Tyre & Industries Limited Integrated Annual Report 2022-23

The British Standards Institution is independent to JK Tyre & Industries Limited (JKTIL) and has no financial interest in the operation of JKTIL other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for JKTIL only for the purposes of assuring its statements relating to its ESG report, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This statement is intended to be used by stakeholders & management of JKTIL. The stage 1 assurance was completed using hybrid model of onsite visits and remote assessment using immersive techniques. Half the sites sampled were visited onsite to verify the claims. The remaining half of sampled sites were assured remotely, which was conducted over Microsoft Teams video-conferencing tool, where the assessor and the assessee client connected through the computer systems and internet.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by JKTIL. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to JKTIL only.

Scope

The scope of engagement agreed upon with JKTIL includes the following:
 1. The assurance covers the Integrated Annual Report 2022-23 of the JKTIL, prepared "with reference to" GRI Standards 2021, and focuses on systems and activities of JKTIL covering the Four manufacturing units in India, their corporate office located at





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Delhi and their product development centre located at Mysore, India during the period from 1st April 2022 to 31st March 2023.

2. The AA1000 Assurance Standard, AA1000AS v3, Type 1 moderate level engagement evaluates the nature and extent of JKTIL's adherence to all four AA1000 AccountAbility Principles: Inclusivity, Materiality, Responsiveness, and Impact. The specified sustainability performance information/data disclosed in the report has been evaluated.

Opinion Statement

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard, AA1000AS v3 and with reference to GRI Universal Standards 2021. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that JKTIL's description of their self-declaration of compliance with the GRI Standards were fairly stated.

We conclude that the JKTIL's Integrated annual Report 2022-23 review provides a fair view of the JKTIL's CSR programmes and performances during FY 2022-23. We also believe that the 2022-23 economic, social and environment performance disclosures are fairly represented. The sustainability performance disclosures disclosed in the report demonstrate JKTIL's efforts recognized by its stakeholders. The intended users of our assurance report are the management and stakeholders of JKTIL.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- A top-level review of issues raised by external parties that could be relevant to JKTIL's policies to provide a check on the appropriateness of statements made in the report.
- Discussion with senior executives and their external consultant on JKTIL's approach and methodology of collection and evaluation of stakeholder engagement. We had no direct contact with external stakeholders.
- Interview with staff and authorities involved in sustainability management, report preparation and provision of report information were carried out.
- Review of key organizational developments.
- Review of supporting evidence for claims made in the reports.
- An assessment of the company's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard v3.
- A sample-based assessment of the reliability and quality of information as company's performance provided in the Integrated Annual report.



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Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality Responsiveness, and Impact and the GRI Standards is set out below:

Inclusivity

This report has reflected a fact that JKTIL is seeking the engagement of its stakeholders through numerous channels such as Meetings with regulators, business partners, suppliers, investors, and employees along with feedback processes from customers, and submission of various reports to the relevant stakeholders. The process of stakeholder engagement clearly addresses the various types of stakeholders involved, their modes of engagement together with their frequencies of interaction. Stakeholder interaction exercise has been conducted across own operations covering all management levels to identify and understand their concerns among the identified universe of material topics.

This report focuses on the activities undertaken by JK Tyre & Industries Limited covering the Four manufacturing locations in India, their corporate office located at Delhi and their product development centre located at Mysore, India. This report covers the fair reporting and disclosures for economic, social and environmental information. In our professional opinion, the report covers the JKTIL's inclusivity issues that demonstrates participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Materiality

JKTIL publishes sustainability information that enables its stakeholders to make informed judgments about the company's management and performance.

The material topics identified are Energy, Emissions, Water and Effluent, Waste, Employment, Occupational Health & Safety, Training & Education, Local Communities. The adequacy of previous year identified material topics were assessed internally and same were adopted for the current reporting year.

In our professional opinion the report covers the JKTIL's material issues by using JKTIL materiality matrix, internal and external stakeholder consultation and boundary mapping, however, the future report they should be further enhanced by including suitable performance indicators for the newly identified material aspects for which GRI indicators are not available. An impact-based analysis of material issues is also recommended.

Responsiveness

JKTIL has implemented the practice to respond to the expectations and perceptions of its stakeholders. Feedback from all the internal stakeholder representatives were collected along with few selected external stakeholders.





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In our professional opinion nothing has come to our attention to suggest that the responses related to identified material topics are not adequately represented in the Report.

Impact

JKTIL has also demonstrated that adequate systems are in place to monitor, measure and be accountable for their actions that affect the economy, the environment, society, stakeholders, and the organization itself.

GRI-reporting

JK Tyre & Industries Limited provided us with their self-declaration of compliance "with reference to" the GRI Universal Standard 2021.

Based on our verification review, we are able to confirm that social responsibility and sustainable development disclosures in all 3 categories (Environmental, Social and Economic) are reported "with reference to" the GRI Universal Standard 2021. It is the responsibility of JKTIL corporate to notify GRI post publishing the report.

In our professional opinion the self-declaration covers JKTIL Corporate's social responsibility and sustainability issues. On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly describe the following sustainability disclosures as stipulated in the GRI Standards.

- GRI 302: Energy 2016 - 302-1, 302-3, 302-4
- GRI 303: Water & Effluent 2018 - 303-3
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-3, 305-4, 305-5
- GRI 306: Waste 2020 – 306-3, 306-4, 306-5
- GRI 401: Employment 2016 – 401-1
- GRI 403: Occupational Health and Safety 2018– 403-9
- GRI 404: Training & Education 2016 – 404-1
- GRI 413: Local Communities 2016 – 413-1



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Competency and Independence

The assurance team was composed of Lead auditors experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including GRI Universal Standard 2021, AA1000, ISO10002, ISO 14001, ISO 45001, ISO 14064, ISO 50001 and ISO 9001, etc. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

Assurance Level

The type 1 moderate level of assurance provided is in accordance with AA1000 Assurance standard, AA1000AS, v3 in our review as defined by the scope and methodology described in this statement.

Responsibility

It is the responsibility of JKTIL's senior management to ensure the information presented in the Integrated annual report is accurate. It is also left to the decision of the JKTIL management on the publishing / submission of the report to any of their stakeholders. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Reliability

The assurance statement on the performance was issued based on the evidence collected from ground level provided by the employees of JKTIL. The sample selection was on random basis and selection is done by BSI auditor. The assessment included all sites covering the four manufacturing locations in India, their corporate office located at Delhi and their product development centre located at Mysore, India. The assurance team was convinced that the performance information presented in the report are reliable and representative.

Quality

The quality of information was checked through cross verification of data. Field level measurement and records were verified with the procurement and supply chain invoices/bills. Interview with the responsible persons detailed the activities, maintenance, and process performance. The fitness of the measuring devices, frequency of measurement and recording, competency of the person concerned, and review & approval of information were checked and found in conformance.

Performance Information

JKTIL Integrated Annual Report has addressed their Environmental, Social and Economic performance through GRI Universal Standard disclosures. The assurance team has evaluated the requirements of the GRI disclosures for general disclosures and those relevant to the material topics only.





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Verification Report

Verification Opinion: 637319

Verified as Satisfactory	
Based on the process and procedures conducted, there is evidence that the GHG statement contained in the GHG Report for JK Tyre & Industries Ltd. Green House Gases Emission, Annual Report 2022-23, Rev.02, Dated 16.06.2023 produced by JK Tyre & Industries Ltd., Link House 3, Bahadur Shah Zafar Marg, New-Delhi- 110002	<ul style="list-style-type: none"> is materially correct and is a fair representation of GHG data and information. has been prepared in accordance with ISO 14064-1: 2018, ISO 14064-3: 2019 & it's principles.
Lead Verifier	Ishan Mehrotra
Independent Reviewer	Mohua Banerjee De
Signed on behalf of BSI	 Theuns Kotze
Issue Date	26/06/2023
BSI India Pvt. Ltd., Headquarters: The MIRA Corporate Suites (A-2), Plot 1&2 Ishwar Nagar. Mathura Road. New Delhi. India. 110065 BSI Group India is a subsidiary of British Standards Institution +91 11 4762-9000	
Note: BSI India Pvt. Ltd. is independent to and has no financial interest in JK Tyre & Industries Ltd. This 3rd party Verification Opinion has been prepared for JK Tyre & Industries Ltd. only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI India Pvt. Ltd. has assumed that all information provided to it by JK Tyre & Industries Ltd. is true, accurate and complete: BSI India Pvt. Ltd. accepts no liability to any third party who places reliance on this statement.	

<NB: CFV 637319 and 26/06/2023>

Verification Engagement

Organization	JK Tyre & Industries Ltd.
Responsible party	JK Tyre & Industries Ltd.
Verification Objectives	To express an opinion on whether the organizational GHG Statement which is historical in nature: <ul style="list-style-type: none"> Is accurate, materially correct and is a fair representation of GHG data and information Has been prepared in accordance with ISO 14064-1: 2018, ISO 14064-3: 2019, the criteria used by BSI to verify the GHG Organizational Statement
Materiality Level	5%
Level of Assurance	Limited
Verification evidence gathering procedures	<ul style="list-style-type: none"> Evaluation of the monitoring and controls systems through interviewing employee's observation & inquiry



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	<ul style="list-style-type: none"> Verification of the data through sampling recalculation, retracing, cross checking, and reconciliation. Data is verified through manual consumption logs, SAP records, vendor service reports, invoices, calibration reports etc. Electricity consumption data are verified via Electricity Board Monthly Invoices and Payments made.
The verification activities applied in a limited level of assurance verification are less extensive in nature, timing, and extent than in a reasonable level of assurance verification.	
Verification Standards	The verification was carried out in accordance with ISO 14064-3: 2019 and ISO 14065: 2020
Note: JK Tyre & Industries Ltd. is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI is responsible for expressing an opinion on the GHG statement based on the verification.	

Organizational GHG Statement

Organization	JK Tyre & Industries Ltd.	
Organizations GHG Report containing GHG Statement	JK Tyre & Industries Ltd., Green House Gases Emission Annual Report, 2022-2023, Rev. 02, Dated 16/06/2023	
Organizational Boundary	Operational Control	
Locations included in the Organizational Boundary (if boundary is only the one site listed above this row can be removed)	See Appendix A	
Scope of activities:	'Design and Manufacture of Conventional (Bias), Radial Truck, Bus & Car Tyres.'	
Reporting Boundary:	Direct GHG Emissions Category-1(Scope 1)	<ul style="list-style-type: none"> Coal Diesel (Stationary) Diesel (Movable) Petrol Refrigerants LDO Furnace Oil Fire Extinguisher LPG Acetylene
	Indirect GHG Emissions from imported energy Category-2(Scope 2)	Imported Electricity
	Indirect GHG emissions from transportation Category-3(Scope 3)	Transportation of raw material. Transportation of finished goods. Employee Commute. Business Commute. Waste Transportation.
Exclusions from Reporting Boundary:	Category-4 Excluded: Accounting methodology developed only covers few elements of Category 4 and does not cover the full category, will consider including the category 4 in near future.	





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	Category-5 Excluded: Accounting methodology developed only covers few elements of Category 4 and does not cover the full category, will consider including the category 4 in near future.
Criteria for developing the organizational GHG Inventory:	ISO14064-1: 2018 Organizational GHG Policy GHG Protocol: As per WRI & WBCSD
Reporting Period	1 st April 2022 to 31 st March 2023

JK Tyre & Industries Ltd.	tCO2(e)
Direct Emissions Category-1 (scope 1)	143367
Indirect Emissions from Imported Energy Category-2 (scope 2) - Location Based	88681
Indirect GHG emissions from transportation Category-3 (Scope 3)	68894
Total Emissions	300942
Off setts purchased	Nil

Biomass_ JK Tyre & Industries Ltd.	tCO2(e)
Total Emissions from Biomass	78428

Cavendish Industries Ltd.	tCO2(e)
Direct Emissions Category-1 (scope 1)	145540
Indirect Emissions from Imported Energy Category-2 (scope 2) - Location Based	83926
Indirect GHG emissions from transportation Category-3 (Scope 3)	19429
Total Emissions	248895
Off setts purchased	Nil

Biomass Cavendish Industries Ltd.	tCO2(e)
Total Emissions from Biomass	8869

Appendix A

1. Kankroli Tyre Plant, Rajasthan.
2. Banmore Tyre Plant, Madhya Pradesh.
3. Chennai Tyre Plant, Chennai.
4. Vikrant Tyre Plant, Mysore.
5. Cavendish Industries Ltd., Haridwar.
6. PDC centre, Mysuru.
7. Administrative Office, Delhi.

Industry memberships and associations

JK Tyre's associations with top industry bodies as well as government bodies enable the Company to voice the concerns of the industry as well as help initiate necessary changes.

Dr. Raghupati Singhania Chairman and Managing Director of JK Tyre & Industries is associated with various leading Apex chambers and government bodies and Academic Institutions of repute of India as listed below:

- Confederation of Indian Industry (CII) as Member of National Council for over 15 years
- PHD Chamber of Commerce & Industry, Senior Member of Managing Committee and past President for over 30 years
- Asia-New Zealand Foundation (Asia-NZ Foundation), New Zealand, as Honorary Advisor, representing India for over 20 years
- Chairman of Automotive Tyre Manufacturers Association – three times
- Member of Board of Governors, Xavier Institute of Management (XIM), Bhubaneswar
- Member of Board of Governors, Indian Institute of Technology (IIT) Chennai
- Member, Rubber Board Kottayam
- President of Indian Rubber Manufacturers Research Association (IRMRA) – A Ministry of Commerce & Industry, Govt. of India Body
- Member of Asia Business Council
- Member of YPO
- Member of Expert Committee on Natural Rubber Policy
- Chairman of Auto Tyres & Tubes Panel, Chemical & Allied Products Export Promotion Council (CAPEXIL), Government of India
- Young President Organization (YPO)

- Chairman, Indian Wire Rope Manufacturers Association (IWRMA) (early 1970s)
- Indo-American Chamber of Commerce (IACC) – Past President of North India Council, and Member – Executive Council
- Deputy President, Associated Chamber of Commerce and Industry (ASSOCHAM)

He has also headed various Apex bilateral bodies of the Indian and international business community in the 1990s as Chairman.

These bodies are:

- India-Argentina Joint Business Council
- India-Brazil Joint Business Council
- India-Cuba Joint Business Council
- India-Columbia Joint Business Council
- India-South Africa Joint Business Council

He has also led several delegations to number of countries, including those of 'PHD Chamber of Commerce and Industry' and 'Indo American Chamber of Commerce' to various European countries.

JK TYRE & INDUSTRIES LTD is a member of

1. CII,
2. ATMA
3. PHDCCI
4. Centre for Tire Research (CenTiRe), USA.
5. Indian Rubber Manufacturers Research Association (IRMRA)





GRI 2021 Content Index

Aligning with Global Standards

In an evolving landscape, opportunities and risks abound. JK Tyre identifies and mitigates potential risks, enabling the Company to proactively address any unforeseen adverse events and improve its business.

GRI 1: Foundation

Statement of use	The following table provides the mapping of JK Tyre's disclosures for FY 2022-23 against the GRI standard 2021
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	
		Section	Page No.
GRI 2: General Disclosures 2021			
The organisation and its reporting practices	2-1 Organisational details	Corporate Portrait, BRSR	12-15, 170-174
	2-2 Entities included in the organization's sustainability reporting	About the Report, BRSR	4-5, 172-173
	2-3 Reporting period, frequency and contact point	About the Report	4-5
	2-5 External assurance	About the Report, Annexures	5, 117-124
	Activities and workers	2-6 Activities, value chain and other business relationships	Corporate Portrait, Product Portfolio, BRSR
2-7 Employees		Human Capital, BRSR	69, 171-172
2-8 Workers who are not employees		Human Capital, BRSR	69, 171-172
Governance	2-9 Governance structure and composition	Governance at JK Tyre, CGR	24, 157-161
	2-10 Nomination and selection of the highest governance body	CGR	159-161
	2-11 Chair of the highest governance body	CGR	157-159
	2-14 Role of the highest governance body in sustainability reporting	About the Report	4
	2-15 Conflicts of interest	CGR	158
	2-16 Communication of critical concerns	CGR	160
	2-18 Evaluation of the performance of the highest governance body	CGR	159
	2-19 Remuneration policies	CGR	161-162
	2-20 Process to determine remuneration	CGR	161-162
	2-21 Annual total compensation ratio	BRSR	190
	Strategy, policies and practices	2-22 Statement on sustainable development strategy	Chairman's Communiqué, From the Managing Director's Desk
2-23 Policy commitments		CGR	163-164
2-24 Embedding policy commitments		CGR	163-164
2-25 Processes to remediate negative impacts		BRSR	173
2-26 Mechanisms for seeking advice and raising concerns		BRSR	173

GRI Standard	Disclosure	Location	
		Section	Page No.
	2-27 Compliance with laws and regulations	BRSR	175
	2-28 Membership associations	Annexures, BRSR	125, 199
	Stakeholder engagement	2-29 Approach to stakeholder engagement	Materiality, BRSR
2-30 Collective bargaining agreements		BRSR	182
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality	40
	3-2 List of material topics	Materiality	41
	3-3 Management of material topics	Creating Shared Value, Materiality	8-9, 41
Economic			
GRI 201: Economic Performance 2016	3-3 Management of material topics	Financial Capital	76-83
	201-1 Direct economic value generated and distributed	Financial Capital	82-83
	201-2 Financial implications and other risks and opportunities due to climate change	Creating Shared Value	8
GRI 203: Indirect Economic Impacts 2016	3-3 Management of material topics	Social and Relationship Capital	92
	203-1 Infrastructure investments and services supported	Social and Relationship Capital	92-98
	203-2 Significant indirect economic impacts	Social and Relationship Capital	93-98
GRI 204: Procurement Practices 2016	3-3 Management of material topics	Natural Capital	110-111
	Disclosure 204-1 Proportion of spending on local suppliers	Natural Capital	110
GRI 205: Anti-corruption 2016	3-3 Management of material topics	Governance at JK Tyre	25
	205-3 Confirmed incidents of corruption and actions taken	Governance at JK Tyre	25
GRI 207: Tax 2019	3-3 Management of material topics	Financial Capital	80
	207-1 Approach to tax	Financial Capital	80
Environmental			
GRI 301: Materials 2016	3-3 Management of material topics	Natural Capital	104-111
	301-1 Materials used by weight or volume	Natural Capital	104-105
	301-2 Recycled input materials used	Natural Capital	104-105
GRI 302: Energy 2016	3-3 Management of material topics	Natural Capital	104
	302-1 Energy consumption within the organization	Natural Capital, BRSR	104, 192, 195
	302-3 Energy intensity	Natural Capital, BRSR	101, 192
	302-4 Reduction of energy consumption	Progressing against the 5P platform, Natural Capital, BRSR	47, 104, 192, 195
	302-5 Reductions in energy requirements of products and services	Natural Capital, BRSR	104, 192,195



GRI Standard	Disclosure	Location	
		Section	Page No.
GRI 303: Water and Effluents 2018	3-3 Management of material topics	Natural Capital	108-109
	303-2 Management of water discharge-related impacts	Natural Capital, BRSR	108, 192, 196-197
	303-3 Water withdrawal	Natural Capital, BRSR	109, 196
	303-4 Water discharge	BRSR	196
	303-5 Water consumption	Natural Capital, BRSR	109
GRI 304: Biodiversity 2016	3-3 Management of material topics	Natural Capital	111
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital	111
GRI 305: Emissions 2016	3-3 Management of material topics	Natural Capital	102-103
	305-1 Direct (Scope 1) GHG emissions	Natural Capital, BRSR	102,196
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital, BRSR	102,196
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital, BRSR	102, 197
	305-4 GHG emissions intensity	Natural Capital, BRSR	101, 196-197
	305-5 Reduction of GHG emissions	Natural Capital, BRSR	103, 196-197
GRI 306: Waste 2020	3-3 Management of material topics	Natural Capital	107-108
	306-3 Waste generated	Natural Capital	108
	306-4 Waste diverted from disposal	Natural Capital	108
	306-5 Waste directed to disposal	Natural Capital	107
	GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics	Natural Capital
	308-1 New suppliers that were screened using environmental criteria	Natural Capital	110
People			
GRI 401: Employment 2016	3-3 Management of material topics	Human Capital	68-71
	401-1 New employee hires and employee turnover	Human Capital	69
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics	Human Capital	74-75
	403-1 Occupational health and safety management system	Human Capital, BRSR	74, 183-184
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital, BRSR	74, 184-185
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital, BRSR	74, 184-186
	403-5 Worker training on occupational health and safety	Human Capital, BRSR	74, 184
	403-6 Promotion of worker health	Human Capital, BRSR	74, 184-186
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital, BRSR	74, 187
	403-9 Work-related injuries	Human Capital, BRSR	74, 185

GRI Standard	Disclosure	Location	
		Section	Page No.
GRI 404: Training and Education 2016	3-3 Management of material topics	Human Capital	72-73
	404-1 Average hours of training per year per employee	Human Capital	73
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	73
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	Human Capital	72
	405-1 Diversity of governance bodies and employees	Human Capital	72
GRI 406: Non-discrimination 2016	3-3 Management of material topics	Human Capital	68
	406-1 Incidents of discrimination and corrective actions taken	Human Capital	68
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topics	Social and Relationship Capital	68
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and Relationship Capital	68
GRI 410: Security Practices 2016	3-3 Management of material topics		68
	410-1 Security personnel trained in human rights policies or procedures	Human Capital	68
GRI 411: Rights of Indigenous Peoples 2016	3-3 Management of material topics	Social and Relationship Capital	92
	411-1 Incidents of violations involving rights of indigenous peoples	Social and Relationship Capital	92
GRI 413: Local Communities 2016	3-3 Management of material topics	Social Capital	92-97
	413-1 Operations with local community engagement, impact assessments, and development programs	Social Capital	92-97
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics	Natural Capital	110-111
	414-1 New suppliers that were screened using social criteria	Natural Capital	110-111
GRI 416: Customer Health and Safety 2016	3-3 Management of material topics	Product Portfolio	18-19
	416-1 Assessment of the health and safety impacts of product and service categories	Product Portfolio	19
GRI 417: Marketing and Labeling 2016	3-3 Management of material topics	Social and Relationship Capital	88-91
	417-1 Requirements for product and service information and labeling	Social and Relationship Capital	89
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital	89
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital	89



Board's Report

To the Members

Your Directors are pleased to present the Annual Report of your Company, along with Audited Financial Statements for the financial year ended 31st March, 2023.

Financial Performance

	₹ in crore			
	Year Ended		Year Ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Standalone		Consolidated	
Sales	9,538	7,918	14,520	11,853
Other Operating Income	80	114	125	130
Revenue from Operations	9,618	8,032	14,645	11,983
Operating Profit (EBITDA excluding Other Income)	775	701	1,297	1,072
Other Income	32	30	37	37
Less: Finance Costs	258	230	454	419
Less: Depreciation and Amortisation Expense	243	241	407	385
Profit before Exceptional Items and Tax	306	260	473	305
Add: Exceptional Items	(36)	4	(62)	4
Profit before Tax	270	264	411	309
Less: Provision for Tax	86	81	146	109
Profit after Tax	184	183	265	200
Add: Share in Profit / (Loss) of Associates	-	-	(2)	1
Profit for the year	184	183	263	201

Your Directors are pleased to report a year of highly successful operations. JK Tyre's, both top line and bottom line continued on growth trajectory, despite high input costs during the first half of the year. Focus on sales growth enabled a jump of 22% resulting in the highest ever turnover of ₹ 14,681 crores by JK Tyre. Strategic interventions, higher operating efficiencies and good performance of subsidiaries helped operating profit increase by 21% and a higher net profit, which grew by 32%.

Operations

Post Covid-19 pandemic, world economies started recovering fast. However, unfortunate geopolitical developments impacted the recovery and the world economies hit inflationary conditions, resulting in tightening of money supply. To check this, interest rates were raised across the globe, which curbed consumer spending. This impacted global trade, thereby lowering the economic growth forecast. However, there was respite in the second half of 2022, as commodity prices stabilised and indications of softening were noticed.

The Indian economy withstood the turbulence well and remained as one of the fastest growing economies in the world.

The Indian Tyre Industry too, was affected by the volatile business environment. However a nimble footed approach, implementation of well thought out business strategies across all functions coupled

with prudent situational management, enabled JK Tyre to emerge stronger and remained one of the fastest growing tyre companies in India while sustaining its green ethos.

JK Tyre launched several innovative products, Fuel Saver TBR Tyres - JUH XF & JDH XF in the truck/bus radial range and Ultra high Performance passenger radials more particularly for high end cars, to meet the growing needs for EV tyre, the range was vastly expanded across various categories. Strategic market penetration supported by efficient supply chain, revamped fleet management programme with focused customer centric approach, higher participation in the OEMs also helped to achieve robust growth. Prudent financial management on the one hand and improved plant efficiencies on the other hand, helped to attain higher profitability.

Key Highlights - FY 2022-23

During the year, the Company crossed several new milestones, a few of which are given hereunder:

1. Highest ever revenue ₹ 14,681 crores, a growth of 22% on a consolidated basis.
2. JK Tornel, Mexico and Cavendish Industries Ltd. (subsidiaries), also achieved highest turnover individually.
3. Secured \$30 Million (₹ 240 crores) funding from the International Finance Corporation (IFC), a member of the World Bank

Group and the largest global development institution, by way of Compulsorily Convertible Debentures, further improved leveraging.

4. ESG Rating - In recognition of its superior environment, social and governance practices, JK Tyre has been rated as the best among peers, in the industry category of tyre by CareEdge.
5. All plants operated at capacity utilization of ~90%.
6. Channel expansion resulting in increased market reach and penetration.
7. Lead player in Green Manufacturing - enhanced the share of power through renewable sources to 55% and use of biomass in place of coal to 28%.
8. Lowest in the tyre industry globally for water consumption & amongst top 3 tyre companies, in lowest energy consumption among the global manufacturers.
9. Over a million people have benefitted over the years from multiple CSR initiatives targeted towards improvement of health and sanitation, skill development, education, livelihood and environment as also water conservation.
10. Completed 25 years of acquisition of Vikrant Tyre Plants, Mysuru by JK Tyre and turned it into a state-of-the-art facility backed by world class research, innovation and technology.

Subsidiaries

JK Tornel

JK Tornel, Mexico's performance during 2022-23 was at an all-time high and yielded satisfying results. It recorded its highest ever sales of 6,546 Million Pesos in 2022-23 which is a growth of 13% over previous year, despite challenging markets in USA and Latam. Operational efficiencies were enhanced by consolidating production lines and conversion of dollar loans to Peso loan from Mexican banks. JK Tornel received "Best Supplier Award" from both Walmart & Soriana, largest Mass Merchandise Outlets in Mexico, recognized out of > 300 Suppliers in "Home & Essentials" Category. In addition, JK Tornel achieved the status of being highest seller of Tyres on "Online Platform" with a share of over 50%. JK Tornel continued to enjoy the highest Market Share in Passenger Car Radials in Mexico. It also provided value added services to farm OEM clients in USA.

Cavendish Industries Ltd.

It was yet another year of achieving all-round growth recording highest Turnover of ₹ 3,869 crores, an increase of 29% over last year. Production was also at its all-time high across product categories. The Company enhanced its presence in EV 2/3 wheeler market by launching several new products, which were well received in the market.

The Company received several accolades during the year.

It is indeed a matter of great satisfaction that acquisition of Cavendish has resulted in synergistic benefits for JK Tyre, besides strengthening and complementing its product portfolio as well as its financials. With capacity utilization at high levels and with significant improvement in efficiencies backed by stable raw material prices, Cavendish delivered satisfactory performance during the year.

Raw Material

The year 2022-23 started with very high commodity prices, leading to higher raw material cost, which prevailed throughout the first half of the year. The prices started softening during the second half of the year due to shrinkage in global demand. Also, the international sea freight saw some correction in H2.

Technological Excellence

Keeping in view the customer centric ethos of your Company, wide range of new products have been developed across the categories and segments, both for domestic as well as international markets. These are value added products and are future ready to cater to the new generation of vehicles.

The TBR & LTR product range of tyres are certified for meeting stringent AIS142 stage-2 requirements in domestic market. The tyres were extensively tested by Indian test agencies (ARAI, ICAT) for rolling resistance (RRC) & wet grip.

Our fuel efficient tubeless tyre - JETWAY JUM XM has been certified for 4-star rating by Bureau of Energy Efficiency. The new tyre labelling system is envisaged to bring a better informed decision making process for the customer while purchasing the new tyres.

New OEM approvals have been secured across all categories of tyres - be it commercial, passenger and light truck or Off High Way Tyres. Focused efforts were made on enhancing the EV tyre range and developing ultra low RRC tyres.

This has been made possible by continuous pioneering work and journey of innovation at the Company's global R&D and Tech centre the "Raghupati Singhania Centre of Excellence" located at Mysuru.

The emphasis on Technology and R&D has lead to many break through achievements which have enabled the Company to stay ahead of the curve in the rapidly evolving customer and regulatory requirements for domestic as well as global markets.

Quality Management Systems

JK Tyre has always believed process based Quality Management. The Company is working TQM journey for Business excellence. There is a continuous drive across the organisation which has enabled significant gains improvement in the domain of Productivity, Quality,



Cost & Delivery. Sustainable business growth coupled with consistent product performance has enhanced the confidence and engagement of all our stakeholders. Our business partners have also benefitted in several improvement activities by way of joint projects.

JK Tyre – The Green Tyre Company

India like other major economies today have two major challenges: the need to create a sustainable growth-oriented economy and the need to be competitive in the global market. Sustainability has become a critical concern in all industries and tyre industry being no exception.

JK Tyre has adopted a 'Cradle-to-grave' approach to deal with sustainability challenges. Keeping this in mind, the Company is focusing on four key areas: sustainable material usage, sustainable manufacturing practices, In-use tyre performance (low rolling resistance and high wear resistance) and 6R Strategy (Reduce, Reuse, Recycle, Renew, Redesign and Remanufacture).

The Company's R&D efforts are to prioritize sustainability to reduce the impact on the environment. JK Tyre has taken a target to reduce carbon emission intensity to 50% by 2030.

Extensive usage of various digital predictive tools is also helping us to achieve our target. The benefit of these tools is realised in terms of reduction in new product development time as also prototype making and testing.

The Company is a strong believer in a collaborative approach by harnessing domain expertise available in the complete rubber value chain. Towards this, we are working with various stakeholders, such as raw material suppliers, machine & equipment manufacturers, OEMs, defence, testing agencies, academic institutions and Government agencies.

JK Tyre has always been a frontrunner in the promotion of green manufacturing in the country and greatly focuses on the use of green and clean energy, resulting in the reduction of emission of greenhouse gases and dependence on fossil fuels.

During the financial year 2022-23, the Company achieved a total energy benchmark level of 8.50 GJ/Ton of production which ranks among the best companies in the sector worldwide. Reduction of 61.45% in GHG Emission (Scope 1 & 2) has been achieved over the base year.

JK Tyre is recognized today as a global leader for the lowest water uses per kg of tyre manufactured. During the financial year 2022-23, 1.62

liters per kg at JK Tyre is the lowest in the global tyre industry. Efforts are being made to become a water positive Company.

The Company continues to remain "Zero waste to landfill" in all the plants, ensuring that no waste went to the landfills and also remains single use plastic free.

The Company's endeavours on ESG have been captured in a Databook which forms a part of our Integrated Annual report for the first time ever. This is a best in class practice and an Industry first in India, another milestone in JK Tyre's journey of sustainability.

Awards

JK Tyre is proud to be recognised with numerous accolades including the:

- "CII National Award" for Excellence in Water Management 2022
- "National Energy Award" for Excellence in Energy Management 2022 by CII
- "RoSPA Bronze Award" for Health and Safety for 2022 from the Royal Society for the Prevention of Accidents, U.K.
- "Global Sustainability Leadership Award 2022" by World Sustainability
- "Most Iconic Manufacturing Industry 2022" from World Manufacturing Congress
- "Social Impact Award" by Indian Chamber of Commerce
- "UCCI Excellence CSR Award" in the Large Business Category by Udaipur Chambers of Commerce & Industry
- Recognised as "Superbrand" for 9th consecutive time
- "ET Iconic Brand" of India
- "JK Tyre's Puncture Guard - Editor's Choice Innovative Auto Solution" by BBC Top Gear India
- "Motorsport Award" of the Year by Car-BiKe

Preferential Allotment of Compulsorily Convertible Debentures

During the financial year under review, the Company has raised \$ 30 Million (₹ 240 crores) approximately by issue and allotment of 24,000 fully paid compulsorily convertible debentures (carrying an interest of 6% per annum compounded cumulatively on a quarterly basis) of the

face value of ₹ 1,00,000/- each (CCDs), by way of a preferential issue on a private placement basis, to International Finance Corporation, part of the World Bank Group and a Qualified Institutional Buyer. These CCDs shall be convertible into equity shares of ₹ 2 each of the Company, within a period up to 18 months from the date of allotment, at a conversion price of ₹ 180.50 for each equity share. The allotment of CCDs was completed on 20th March 2023. The proceeds of this issue will be utilized for financing expansion of capacities. There are no deviation(s) or variation(s) in the use of proceeds of the preferential issue from the specified objects of the issue.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 2.00 per equity share of ₹ 2 each (i.e., 100%) on the equity share capital of ₹ 49.25 crores for the financial year ended 31st March 2023. The dividend outgo will be ₹ 49.25 crores. The Dividend is subject to approval of the members at the ensuing Annual General Meeting and also subject to deduction of tax at source, as may be applicable.

Appropriations

The amount available for appropriation, including surplus from the previous year, stood at ₹ 1,246 crores and the same has been carried forward to Balance Sheet.

Annual Return

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

Related Party Transactions

All the related party transactions entered into during the financial year ended 31st March 2023 were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), as applicable.

Further, particulars of contracts or arrangements or transactions with related parties during the financial year ended 31st March 2023 that could be considered material in accordance with the policy of the Company on materiality of related party transactions, are disclosed

in the prescribed format FORM AOC-2 which is annexed to this Report as Annexure 'A' and forms a part of it.

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

Shri Arvind Singh Mewar ceased to be a Director upon completion of his second term as an Independent Director of the Company with effect from 25th September 2022. Shri Mewar joined the Board of the Company in the year 1975 when the Company was in the midst of setting up its first tyre plant in the backward area of Kankroli, Rajasthan. The Board places on record its deep appreciation for the valuable services rendered by Shri Mewar during his long tenure as a Director.

The Board appointed Shri Subhrakant Panda as an Additional Director of the Company, effective 2nd November 2022, pursuant to Section 161 of the Companies Act, 2013, which was subsequently, approved by the members of the Company by means of a special resolution passed through postal ballot on 30th January 2023. Shri Subhrakant Panda has been appointed as a director liable to retire by rotation and also as an Independent Director for a term of five consecutive years effective 2nd November 2022.

Shri Anshuman Singhania retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting (AGM). The Board recommends re-appointment of Shri Anshuman Singhania.

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

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



Conservation of Energy, etc.

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

Consolidated Financial Statements

The consolidated financial statements of your Company for the financial year ended 31st March 2023 have been prepared in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and the Accounting Standards. The audited consolidated financial statements, together with the Auditors' Report, form a part of the Annual Report. A report on each of the subsidiaries and associates together with highlights of their performances and financial positions including highlights of their contribution to the overall performance of the Company, is presented in a separate section in the Annual Report. Please refer to AOC-1 annexed to the financial statements in the Annual Report and the notes to the consolidated financial statements.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 the financial statements, the consolidated financial statements, along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

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

Deposits

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

The particulars with respect to deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2023 are:

- accepted during the year - ₹ 44.94 crores;
- remained unpaid or unclaimed as at the end of the year - ₹ 1.17 crores;
- default in repayment of deposits or payment of interest thereon at the beginning of the year, maximum during the year and at the end of the year - NIL; and
- details of deposits which are not in compliance with the requirements of Chapter V of the said Act - NIL.

Auditors

(a) Statutory Auditors and their Report

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

Chartered Accountants, were re-appointed Auditors of the Company to hold office from the conclusion of the 67th Annual General Meeting (AGM) held on 22nd September 2020 until the conclusion of the 72nd AGM to be held in the year 2025. The observations of the auditors in their report on accounts and the financial statements read with the relevant notes are self-explanatory. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. Further, no fraud has been reported by the Auditors to the Audit Committee or the Board.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the secretarial audit of the Company for the FY 2022-23. The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as Annexure 'C.1'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Company has one material unlisted subsidiary incorporated in India, namely - Cavendish Industries Ltd. (CIL). The Secretarial Audit Report of Shri Namu Narain Agarwal, the Secretarial Auditor, for the FY 2022-23 of CIL in the prescribed format is annexed as Annexure 'C.2'.

(c) Cost Auditor and Cost Audit Report

The Company is required to maintain the cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. The Cost Audit for the financial year ended 31st March 2022 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 2023 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, adult literacy, livelihood enhancement, environment conservation, rural development, renewable energy, among others - ever since it commenced operations i.e., even before Corporate Social Responsibility (CSR) was mandated by law.

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

The CSR Policy of the Company, the Projects approved by the Board, the composition of the CSR Committee and other relevant details are disclosed on the website of the Company.

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

Internal Financial Controls

With a view to have a robust Internal Financial Control system, the Company has put in place budgetary controls, internal reporting policies and procedures. The key financial controls to the extent possible have been documented for respective business processes. These systems, policies, procedures and key financial controls are reviewed from time to time for necessary updation. 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 the 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 year.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals

The Competition Commission of India ("CCI") on 2nd February 2022 published an Order dated 31st August 2018 for alleged contravention of Section 3 of the Competition Act, 2002 against the Company and certain other domestic tyre manufacturing companies and had imposed a penalty of ₹ 309.95 crores on the Company. The Company filed an Appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT) against the said CCI Order. Shri Arun K. Bajoria, Director & President - International and one executive (former Sales

Marketing Head) of the Company, also filed appeal(s) before the said Tribunal since they had also been imposed a penalty of ₹16.45 Lakh and ₹ 4.65 Lakh, respectively by CCI vide its said Order dated 31st August 2018.

The NCLAT, through an Order dated 1st December 2022, has disposed of the aforementioned appeals, after taking note of the multiple errors in the said CCI Order dated 31st August 2018 and remanded the matter back to the CCI, to re-examine the matter on merits and also to consider reviewing the penalty (if violation is established) in accordance with the provisions of the Competition Act. The Company understands that the CCI has filed an appeal against the NCLAT Order dated 1st December 2022, however, no notice has been received by the Company till date. Based on legal advice, the Company continues to believe that it has a strong case and accordingly, no provision has been made in the accounts. It is strongly reiterated that there has been no wrongdoing on the part of the Company and that the Company never indulged in or was part of any cartel or undertook any anti-competitive practices.

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.

General

During the year under review – (i) there was no change in the nature of business; (ii) there was no instance of onetime settlement with any bank or financial institution; and (iii) no application has been made nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

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.

Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report of the Company for the financial year ended 31st March 2023 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 SEBI Listing



Regulations, a Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report as Annexures - 'E' & 'F'.

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

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

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 operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are 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 and all value chain partners. We are grateful to our esteemed customers for their trust and patronage.

Your Directors record their appreciation for the dedication and hard work put in by Teams - JK Tyre, CIL & JK Tornel in challenging business conditions, which has enabled the Company to continue to grow stronger.

On behalf of the Board of Directors

17th May, 2023
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

Annexure A to the Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl.No	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	: Cavendish Industries Ltd. (CIL) is an unlisted subsidiary of the Company. The Company is promoter of CIL and holds 87.48% equity shares directly and through its wholly owned subsidiary.
(b)	Nature of contracts/ arrangements/transactions	: Purchase of tyres, sale/purchase of raw material as well as other miscellaneous items, availment /rendering of services, etc.
(c)	Duration of the contracts /arrangements/transactions	: FY 2022-23 to FY 2024-25 (continual in nature)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	: On arms' length basis and in the ordinary course of business (at market rates): ₹ 1,169.48 crores (FY 2022-23)
(e)	Date(s) of approval by the Board, if any	: Since above Related Party Transactions (RPTs) are in the ordinary course of business and on arm's length basis, approval of the Board is not applicable. However, it was approved and reviewed by the Audit Committee from time to time. The said material RPTs were also approved by the members of the Company at the Annual General Meeting held on 26 th August 2022, in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as recommended by the Board at its meeting held on 20 th May 2022.
(f)	Amount paid as advances, if any	: None

On behalf of the Board of Directors

Place: New Delhi
Date: 17th May 2023

Dr. Raghupati Singhania
Chairman & Managing Director



Annexure B to the Board's Report

Conservation of Energy, etc.

A. Conservation of Energy

JK Tyre has always been a frontrunner in the promotion of Green manufacturing in the country. The Company isn't just a pioneer in radial technology in the country but amongst the global leaders in the area of green manufacturing. JK Tyre as a Company conscious about the environment and has pledged to conserve it for our future generation. In its commitment to being a green and clean Company driven by the philosophy of – Reduce Recycle Reuse; the Company has showcased some of the best practices in the world for sustainable manufacturing.

JK Tyre places focus on the use of green and clean energy, resulting in the reduction of greenhouse gases and dependence on fossil fuels. This focus on energy and resource conservation has enabled the Company to further reduce its dependence on conventional sources and invested in renewable sources with the objective to increase the renewable energy share by 2-5% annually.

With rigorous efforts and initiatives towards conserving energy, JK Tyre is one of the lowest in the industry in energy consumption. We are very pleased to record that in FY-2022-23, the Company achieved a total energy benchmark level of 8.50 GJ/Ton of production and ranks among the best 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 61.45% reduction in emission over base year. Monitoring carbon footprint is part of our commitment to the society for better & safer environment of our future generation.

JK Tyre is recognized today as a global leader for the lowest water use per kg of tyre manufactured. Over the years, the organization has contributed to the society with its technical capabilities to bring down water consumption at its plant. In FY-2022-23, 1.62 liters per kg at the JK Tyre is the lowest in the global tyre industry. Effective and systematic plan for past 5 years has made the Company to stand at such a recognized benchmark level. Efforts in this regard are ongoing to make JK Tyre a water positive Company.

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

B. Technology Absorption

a) Research & Development

Areas of R&D activities

The key to sustainable tyre R&D lies in reducing the environmental impact of the entire lifecycle of a tyre, from raw

material extraction to disposal. This can be achieved through several strategies that include use of Sustainable Materials, Alternative Manufacturing Processes Development, Design for Increased Durability, Development of Tyre Recycling Technologies and Use of Digital Technology. Our Research & Development team is fully aligned with these strategies and working in the following areas:

- Replacement of petro based materials with sustainable bio attributed materials.
- Use of recycled / regenerated / renewable materials.
- Use of Advanced Materials (polymer & filler) for improved tyre performance and increased safety & durability.
- Development of Artificial Intelligence (AI) / Machine Learning (ML) based Predictive Tools.
- De-vulcanisation process development for recycling end-of-life tyres.
- Development of Smart Elastomer.
- Use of latex-carbon black master batch for process and product improvement.
- Development of Ultra Low Rolling Resistance Tyre.
- Exploiting Nano-material technology.
- Multi scale (nanometre to meter scale) simulation tool development for virtual product development and design cycle time compression.
- Smart Tyre Development employing transducers/sensors to effectively improve safety & vehicle dynamic performance.
- Continuous improvement in Manufacturing/Process Technology to improve overall productivity, quality and performance while reducing the cost, waste and scrap.
- Non-standard test method development for simulating field conditions.

b) Expenditure on R&D

The expenditure on R&D during the year was ₹ 116.05 crores, which was 1.20 % of the turnover.

c) Technology, Absorption and Innovation

i) Efforts towards Technology Absorption, Adaption and Innovation

To be able to continuously compete with the Global giants and match the product performance, your Company's Global Tech Centre at Mysuru is keenly pursuing Technology Sustenance through the concept of collaborative approach. To achieve this, the R&D team jointly worked with different universities and institutes of national importance (IIT Kharagpur, IIT Madras, IIT Delhi, University of Calcutta, Hari Shankar Singhania Elastomer & Tyre Research Institute) including some foreign universities and research institutes (CenTire-USA, IPF Dresden, Germany) in the field of advanced material, nanotechnology, advanced

tyre Mechanics, vehicle dynamics, ride and handling and tyre-road-vehicle interaction. We are also participating in different Govt. sponsored R&D and consultancy projects along with different universities/institutes of national importance including engaging global experts in this field to support our R&D endeavour.

Driven by the technological expertise of producing high-performance tyres suited for Indian conditions, your Company, aims to revolutionize the industry with Puncture Guard tyres for new-generation cars available in the market. The Puncture Guard tyre technology, with a specially engineered self-sealing elastomer inner coat, through an automated process, seals the punctures. Tyres with this technology can self-repair the multiple punctures in the tread area, due to nails or other sharp objects up to 6.0 mm in diameter instantly. Puncture Guard tyre offers a hassle free ride throughout the life of the tyre without air loss. This technology offers a high level of safety and convenience to vehicle owners.

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

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.

TBR

OEM Approvals/Activities:

Technical approvals received from key OEMs viz. TML, Ashok Leyland, DICV, VECV in TBR/All steel LTR segment. It is a testimony to the Company's focus on creating best-in-class products accepted by multiple OEMs. Some of the products approved are -

- Tube type fuel efficient tyres – JETWAY JUH XF & JETSTEEL JDE XF in 295/90R20 size for all the haulage vehicle models after thorough field validation. These tyres provide best in class mileage & fuel efficiency.
- New EV tyre – 245/70R17.5 JUX e for 9m EV bus.
- New EV range of tyres – 255/70R22.5 & 295/80R22.5 JUX e for 9m & 12m EV buses respectively.
- Specially developed 12.00R20 tyre for Electric tipper vehicle.
- 12.00R20 tyre for Rapid Intervention Vehicles for Defence application has been approved.

New Product Development:

- 24 new products released for Domestic & Export market in TBR/all steel LTR segment which will further enhance revenue and market presence.
- Developed a range of EV-specific Smart radial tires for all categories of EV bus & LCV EV trucks. These tyres cater to the special needs of EVs, ensuring ultra-low rolling resistance, lower noise, improved wet and dry traction and higher casing durability. SKUs developed in both 22.5" & 17.5" sizes developed in TBR/all steel LTR category.
- Launched the Next Generation Fuel efficient tube type tyres in 295/90R20 – JETWAY JUH XF & JETSTEEL JDE XF for after-market to provide best in class mileage & fuel efficiency for long haul application. These products have established a robust market presence and garnered superior performance feedback. This also helps in our journey towards reducing the carbon footprint and consumption of natural resources.
- Premium pattern extension of all wheel semi lug pattern – JETWAY JUC XM brand in 11.00R20 & 295/80R22.5 sizes to extend the benefits of even-wear performance and higher durability to the end customers.
- Developed the new tyre size - 335/80R20 for specialised Defence requirements.

Key technology improvements:

- Next generation steel reinforcement package implemented in all domestic SKU's across all the plants to enhance the structural durability and retreadability of the tyres.
- With the help of simulation, we have achieved Curing optimization in key TBR SKU's to improve the productivity and product performance resulting to improved tyre life.
- New process in the manufacturing line has been introduced to enhance casing strength and tyre durability for overload segment tyres in 11.00R20 size.

New regulation:

- Our TBR & LTR product range of tyres are certified for meeting stringent AIS142 stage-2 requirements in domestic market. The tyres were extensively tested by Indian test agencies (ARAI, ICAT) for Rolling resistance, wet grip & pass by noise.
- Our fuel efficient tubeless tyre – JETWAY JUM XM has been certified for 4-star rating by Bureau of Energy Efficiency. The new tyre labelling system is envisaged to bring a better informed decision making process for the customer while purchasing the new tyres.

Passenger & Light Truck (PLT):

- 36 No of new products launched for Domestic & Export 8 OEM Approvals.



- Ultra-Low RRc tyre developed for EV vehicles (215/60R16 Ranger HPE- 6.3N/Kn & 255/65 R18 :6.1N/Kn).
- LEVITAS ULTRA: UHP 7 Sizes released for Domestic market for high end cars.
- 13 Sizes BEE Energy label approval received, With 4 Star (6 Sizes) and 5 Star (7 Sizes) rating.
- 7.50R16 JUH STEEL New Pattern developed for Exports.
- Ranger HPE / RANGER XAT New tyres released for Domestic market.
- 3 wheelers radial tyre approved by Bajaj.

TBB:

Market introduction / Commercial Release:

- Total 13 SKUs commercially released in TBB, LCV and SCV segments having enhanced performance with respect to mileage, durability, load carrying capacity, structural rigidity, re-treadability, etc.

Domestic Market - SKUs for Underground Mining, Surface mining, Defence & Haulage application

- Launched in 11.00-20ML & 10.00-20ML for Surface mining application with unique selling proposition viz. extra high mileage, enhanced durability and load carrying capacity.
- Introduced in 9.00-20 for Under-Ground Mining specific tyres with high cut and chip resistance premium compound and design.
- Developed in 14.00-20 Tubeless for Defence application.
- Introduced heavy-duty lug range in TBB segment in 10.00-20 (1 SKU) with enhanced load carrying capacity, durability and mileage.
- Launched Industry's highest NSD Rib product in TBB segment 295/95D20 that provides premium mileage, enhanced durability and load carrying capacity.
- In TBB Lug for Haulage / overload segment under the pattern name POWER LUG+. launched in domestic market.

Export Market – New brand introduction

- Many SKUs commercially released for Export market in TBB and LCV segment ASEAN countries and Bangladesh.

OEM Approvals:

- 2 SKUs (Rib & Lug) in 295/95D20 sizes.

Low Rolling Resistance tyres for OEMs

Low rolling resistance tires designed and offered to commercial vehicle manufacturers.

Pre-Cured Tread Rubber:

- **Fuel Efficient Re-treads - "XF's" series** developed and released for radial re-treads. An excellent range of products

with best in class fuel saving potential. Introduced two SKUs - JETWAY JUL2 220 XFs and JETWAY JUL 215 XFs to the range of products.

2/3 Wheeler tyres:

Market introduction/Commercial release & OEM approvals

- Many new products launched for Domestic Replacement market - & Export market -all of which are having enhanced performance with respect to mileage and ride & handling.
- High speed stability H" rated tyres (6 sizes) were launched which are capable of running upto 210 kmph to cater to the superior performance motorcycle segment.
- High performance tyres were developed specifically for On/Off road application in BLAZE RYDR A/T series which can stand as an icon in the ever growing Adventure motorcycle series.
- Premium scooter pattern (BA25) with big and broad center blocks was developed in 3 sizes which can deliver superior grip and high cornering stability.

OEM approvals

- In total 8 OEM approvals were acquired in Scooter EV segment in addition to the existing 15 EV manufacturers.

Racing

- New superior pattern (BF46 & BR46) with variable groove widths was developed exclusively for Royal Enfield Continental GT cup racing.
- Extensive Computer simulation (FEA) has been used for ensuring Superior grip and high cornering stability during Racing. The Tyre construction has been specially designed for High Speed application.
- Approved for Suzuki Endurance cup with JK BLAZE RYDR SERIES tyres.

OHT Category

New Products developed

- 40 New products developed for international & domestic market for both replacement & leading OEMs.

New Category Introduction

- Entry into New Turf segment with "JTL99" pattern suitable for **all Lawn & Garden Application**.

New Pattern(s) Introduction

- "**Loader Champ**" product developed in 26.5-25 size with Extra deep tread depth for exceptional service life in Loader & Earthmover application.
- A New Non-Directional Tread Pattern "**GTL Champ**" developed in 14.00-24 tyre size with "High Centre mass for better mileage" in Grader Application.

- "**Hard Rock Champion**" high depth premium pattern developed in 10.00-20, 11.00-20 & 12.00-24 to perform in Extreme Rock Mining application.

Product Highlight

- **Ultra large tyre** developed for Wheel Loader Application (45/65-45 VEM 63 58PR L5 TL).
- Product developed is ~ **9 feet high & 3.8 feet wide**, weighing ~**2.4 MT**.

TQM : TQM Activity at Product Development Centre is becoming a practice on all new product developments to derive extensive benefits of collaboration and customer first approach.

VEPIP : An ongoing dynamic system in JK Tyre is VEPIP (VALUE ENGINEERING & PRODUCT IMPROVEMENTS PROJECTS) which have yielded significant cost savings.

Process Technology

Agility to adapt with fast changing geo-political situations coupled with quick adaptation of best-in-class manufacturing processes and forward-thinking approach helped in staying ahead in New Product industrialisation and Manufacturing excellence.

Adopting TQM practices as way of life for daily work management, advanced problem solving and proactive improvement initiatives helped to achieve steady improvement in uniformity yield, elimination of non value added processes, improved first-time-quality and reduced process waste.

Through new process introduction, process upgradations, control of "critical to quality" parameters with focus on emerging global trends, performance enhancement of current products were constantly maintained. The enhanced focus on digital technologies enabled streamlining complex processes to increase reliability, end-to-end traceability, consistency and productivity improvements. Development and upgradation of processes to stay updated with evolving product requirements of sustainable material usage, low rolling resistance, noise/vibration and durability was another crucial area where substantial progress has been achieved. Industrialisation of advanced process such as Butt splicing Technology for textile fabric, advanced extrusion process, Cure media optimisation etc. helped to keep Process and Product excellence.

Challenges of raw material availability and increase in performance demand in the prevailing global situation were adequately addressed with improved agility, proactive approach and fast track approval cycles of new materials. This helped in mitigating the risks effectively for uninterrupted plant operation with increased delivery and procurement flexibility. Industrialisation of advanced materials and products were further strengthened to gear-up to current and emerging customer requirements.

Value engineering efforts were continued in optimising Raw material consumption, alternate sourcing, alternate material development, process cycle time reduction and energy conservation, which ensures cost competitiveness.

Quality Management Systems

The Company is continuing its focus on the world class Quality Management systems (QMS). We ensure superior quality & performance by way of conforming to standards e.g. IATF 16949, ISO 14001, ISO 45001, ISO 50001, ISO 27001, ISO 17025, SA 8000, ISO 9001 and ISO 22301. Further, as a part of its Sustainability journey, significant achievements have been made on Carbon footprint verification, Water assurance, Zero Liquid discharge and Zero waste to landfill. It has also raised the bar on Safety standards by winning the prestigious award - Globe of Honour from British safety council - UK for Best Practices on Safety for Kankroli, Chennai and Vikrant Tyre Plants besides various initiatives in products and processes for sustainability. Our plants are certified as Single Use Plastic Free Plants.

The Company is releasing annual Sustainability report based on GRI standards. Our Kankroli plant has been rated Platinum level in GreenCo rating system by CII and now targeting for platinum plus. The Company is now regular in disclosing its performance on Global platform of Carbon disclosure projects for Climate change and Water Security. It has got Carbon Neutral Website certificate for 5 years. Going forward, the Quality Certification journey will also include Assessment of food safety of canteen with HACCP criteria, ISO 9001 for JK mobility solution quality management and SBTi target setting for emission targets.

The Company is now under consolidation phase of TQM journey for Business excellence. The hectic activity led by continuous improvement drive across the organisation has helped in conspicuous improvement in the domain of Productivity, Quality, Cost & Delivery. Sustainable business growth coupled with consistent product performance has boosted the confidence of all our stakeholders. Our business partners also have been benefitted due to their engagement in several improvement activities by way of joint projects thereby further strengthening the mutual cooperation.

C. Export, Foreign Exchange Earnings and Outgo

	₹ in crore	
	2022-23	2021-22
Export, Foreign Exchange Earnings	1,420.43	1,560.26
Foreign Exchange Outgo	2,501.82	2,248.19

On behalf of the Board of Directors

17th May, 2023
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director



Annexure C.1 to the Board's Report

MR 3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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. (CIN: L67120RJ1951PLC045966) (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, 2023** (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, 2023 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 and Sweat Equity) Regulations, 2021 - (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - (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, 2021 - (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buy-back 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 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. The Company has allotted 24,000 fully paid Compulsorily Convertible Debentures of the face value of ₹ 1,00,000/- each (CCDs), by way of a preferential issue on a private placement basis, to International Finance Corporation, a Qualified Institutional Buyer and raised an amount aggregating to ₹ 240

crores. These CCDs shall be convertible into equity shares of ₹ 2 each of the Company, within a period up to 18 months from the date of allotment, at a conversion price of ₹ 180.50 for each equity share.

2. New Articles of Association were adopted by the Company by passing a special resolution at its Annual General Meeting held on 26th August, 2022 in substitution of the existing Articles of Association of the Company.

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

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

Namo Narain Agarwal

Secretarial Auditor

Place: New Delhi

Date: 1st May, 2023

CP No. 3331, FCS 234

UDIN: F000234E000233236



Annexure C.2 to the Board's Report

MR 3

Secretarial Audit Report of Cavendish Industries Ltd. (a material unlisted subsidiary)

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To,
The Members,
Cavendish Industries Ltd.
7, Council House Street,
Kolkata – 700 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cavendish Industries Ltd. (CIN: U74900WB2015PLC204899) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

- (v) Management has identified and confirmed the following laws as being specifically applicable to the Company and which have been complied with:-

- (a) Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control) Order, 2009
- (b) Bureau of Indian Standards Act, 2016 and the Rules made thereunder as applicable to Tyre Industry
- (c) Rubber Act, 1947 and Rubber Rules, 1955

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

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

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were also sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

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

I further report that, during the audit period, there was the following specific major event-

Company launched a Radial Tyres Expansion Project at the cost of about ₹ 260 crores enhancing capacity by 3.42 lakhs to 17.44 lakhs per annum.

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.

Place: New Delhi
Date : 8th May 2023

Namo Narain Agarwal
Secretarial Auditor
CP No.3331, FCS No.234
UDIN: F000234E000267921



Annexure D to the Board's Report

Annual Report on the CSR activities undertaken by the Company during the financial year ended 31st March 2023

1. Brief outline on CSR Policy of the Company:

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

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

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

2. Composition of CSR Committee:

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

@ Ceased to be a member of the Committee effective 25th September 2022, upon completion of his term as an Independent Director of the Company.

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company	: http://www.jktyre.com/CSRPolicy.pdf
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	: Not Applicable
5.	(a) Average net profit of the Company as per sub-section (5) of section 135	: ₹ 254.29 crores
	(b) Two percent of average net profit of the Company as per sub-section (5) of section 135	: ₹ 5.09 crores
	(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	: Nil
	(d) Amount required to be set-off for the financial year, if any	: Nil
	(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	: ₹ 5.09 crores
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	: ₹ 4.94 crores
	(b) Amount spent in Administrative Overheads	: ₹ 0.23 crore
	(c) Amount spent on Impact Assessment, if applicable	: Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	: ₹ 5.17 crores
	(e) CSR amount spent or unspent for the Financial Year :	

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5.17			Not Applicable		

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	₹ 5.09 crores
(ii)	Total amount spent for the Financial Year	₹ 5.17 crores
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 0.08 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	₹ 0.08 crore

* Amount available for set-off in respect of financial year 2021-22 - ₹ 0.0 crore (₹ 0.10 lakh) and in respect of financial year 2020-21 - ₹ 0.01 crore.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section 5 of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer	
Not Applicable							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 :

(Arun K. Bajoria)
Director & President-International

(Dr. Raghupati Singhania)
Chairman, CSR Committee

Date: 17th May 2023



Annexure E to the Board's Report

Management Discussion and Analysis

Economic & Business Environment

The Global Economy has been facing persistent shocks for the last 2 years. Post the pandemic recovery, the geo political turmoil caused tectonic changes, snowballing into a global economic crisis, with soaring commodity prices and skyrocketing inflation. The countermeasures put in place were no less painful, leaving countries to battle through a unique set of challenges. For India, the year 2022 was special. It marked the 75th year of India's Independence. With the nominal GDP of India touching US\$ 3.5 trillion, clocking a growth of nearly 7 percent (EST) for financial year 2022-23, India remained one of the fastest growing economies in the world. The resilience of the Indian economy was evident. The rebound in consumption was engineered by the normalisation of work environment that lifted consumer sentiments and also facilitated people's return to work sites across the country. The Central Government, committed large spends on infrastructure which gave major impetus to the economy, boosting production activity and resulting in an increase in capacity utilization across sectors.

India, too, was affected by sharp inflation, which, however, slowed considerably in the latter half of the year after policy interventions. Facing global headwinds, export of goods and services slowed down, especially towards the end of the financial year. Foreign exchange reserve levels, however, were comfortable. GST collections grew at a healthy 22.7% in financial year 2022-23.

Riding on a good monsoon, the agricultural growth is projected to touch a level of 3.5%. The overall index of industrial production indicated single digit growth. The fundamentals of the Indian economy remained sound as it entered its **Amrit Kaal**, the 25-year journey towards its centenary as a modern, developed democracy policies pursued carefully and consciously have ensured that the recovery is robust and sustainable. While clouds remain on the horizon, the India Growth story remains intact with the financial year 2023-24 growth outlook remaining positive around 6%.

Automotive Industry

Financial year 2022-23 was the first normal year post pandemic and factors such as new model launches, infrastructure growth and rebound in demand led to robust double digit sales growth both in domestic & exports by 20% during the year. The industry took supply chain disruptions in its stride with efficient management and better availability of commodities, especially electronic items. Input costs, though a concern, moderated over the year. The growth in the economy translated to MHCV sale growing by close to 40% and LCVs sales growing by 23%. In the personal mobility sector, passenger vehicles sales jumped by 25% with UV segment registering nearly 33% growth. 2/3W sales, however, grew by 8% and has yet to touch pre-pandemic levels. Tractor Sales have grown by 10% during the year.

The Industry sustained the focus on green mobility with rapid growth in Electric Vehicle Sales across categories, aided by the improvement in EV infrastructure and superior performance.

The outlook for the sector remains positive with the Government announcing various policy initiatives. The Indian market is expected to be the third largest in the world by volume by 2030 and contributes significantly to the GDP and overall employment. This development augurs well for the tyre industry.

The Tyre Industry

The Tyre Industry is not only capital intensive but equally material intensive process industry where input costs contribute approximately 70% to its cost of production. During the year the sector faced lot of headwinds in the first half, with the prime issues being raw material availability as well as high input costs. As the year progressed the commodity prices stabilised providing much needed relief. The rebound in the economy and growth in the OEMs provided the tailwinds. The after market too recorded healthy growth. Overall exports slowed especially during the last quarter. Radialisation reached a level of 60% in the commercial sector.

The industry is extensively working and collaborating with the auto industry on developing tyres for Electric Vehicles. The Extended Producer responsibility for waste tyres is a major regulatory requirement for the industry.

JK Tyre - An Overview

JK Tyre continued on its growth path and recorded its highest ever turnover. We took the volatile business environment in our stride and stayed ahead of the curve. The continued challenges ranged from demand swings to supply constraints and overall economic uncertainty. Intelligent anticipation and adaptability to the evolving scenario enabled robust growth. At the heart of our endeavours was meeting customer expectations with a high level of engagement.

Focus was on driving business initiatives that enhanced channel reach, revamped Fleet Management program - 2.0 and a greater emphasis on micro planning. Channel partner capability building backed by digital enablers ensured superior delivery of JK Tyre Products and Services. New product launches across categories and aggressive brand building, including the launch of Puncture Guard and Ultra High Performance (UHP) Levitas Ultra, ensured brand vibrancy. OEM business grew, which was supported by enlarged participation in new vehicle models. Price increases had to be periodically undertaken to partially offset higher cost inputs. JK Tyre is geared to meet the needs of the transforming mobility landscape of the country.

Brand JK Tyre

"Customer Centricity" was at the core of the brand initiatives during this financial year. This called for a differentiated approach to the marketing initiatives as well as communications. There was thrust on strategic presence across media, including print, radio and TV, for a greater mind share of the customers as well as stronger connect through various events and ground activations. Smart Tyre campaign

was sustained over the year. Another major campaign centered around "Puncture Guard" – a revolutionary puncture protection technology for Car Tyres; high impact media assets were tapped into to drive high visibility among the key demographics across the country using a vernacular approach. Influencers with large social media following were also leveraged to drive awareness, to widen audience reach, as well as create a premium brand association. The drive to brand premiumization was further enhanced with the launch of UHP "Levitas Ultra" – a powerhouse innovation for the high-end car segment. Further product innovation was incorporated in the commercial category, with offerings designed to support the ambitions of the customers i.e. fuel efficiency and higher mileage amidst price fluctuations and rising fuel costs.

Out Of Home advertising particularly was leveraged to create a differentiated brand imagery and awareness of our key SKUs. Customer connect was further enhanced through customer interaction programmes, both through virtual and on-ground initiatives. JK Tyre's winning streak with brand & marketing continued this year as well. The various marketing campaigns were much lauded and won major brand and marketing awards over the year. Along with the Superbrand and ET Iconic Brand of India titles, JK Tyre's Puncture Guard also won the prestigious BBC Top Gear India Editor's Choice Innovative Auto Solution. The Puncture Guard radio campaign also won handsomely at the much admired e4m Golden Mike awards.

Digital Marketing

Digital continued to be a strong pillar for JK Tyre's brand building initiatives and central to our visibility and engagement strategy. The digital campaigns were based on rich media innovation and promoted to a highly curated audience, thus improving our visibility across key target groups. The campaign for Puncture Guard was largely driven through digital marketing, with the TVC achieving a landmark 120+ Mn views on digital platforms. New age marketing initiatives also assisted in drawing awareness to the product benefits. Popular influencers were leveraged to drive communication and promotions for the campaigns on social media.

Cross promotion of the brand on partner sites such as Tyreplex & CarDekho also garnered visibility among highly curated audiences.

Digital platforms (Google My Business & Google Adwords) were also used to enhance online visibility and imagery for our channel partners, reaching out to nearly 50 million audiences across India. Digital initiatives undertaken were lauded through many awards and accolades.

Puncture Guard

JK Puncture Guard Tyre was launched with much fanfare and won plaudits for the innovative solution across the market. The product's key benefit – of safe driving with a "puncture safe" tread – were extensively highlighted across platforms.

The aggressive multichannel marketing, was led by a light-hearted slice-of-life visual communication and high retail presence. Regular training and development programs additionally were conducted to educate the end customers and channels.

Smart Tyre

After the overwhelming response last year, Smart Tyre campaign continued its journey with a differentiated communication, which was promoted aggressively through digital, retail channels and print mediums. The product's key benefit – which offers embedded temperature and pressure monitoring device along with superior comfort and safety enhancement at an affordable value – were extensively highlighted across platforms. Continued promotions at strategic out-of-home advertising locations, including Delhi Airport T-3 and other high impact locations were instrumental in driving high awareness and brand recall, influencing growing sales in the category.

Levitas Ultra

The Q4 financial year 2022-23 saw JK Tyre take another step towards brand premiumization, with the launch of Levitas Ultra – an ultra high-performance tyre, meant for dream machines. Perfected for top-end luxury cars, Levitas Ultra is the entrant product for JK Tyre in the luxury segment. The product, tested extensively and perfected on European soil, was launched in key cities across the country through exclusive media and dealer events. The product launch was also supported through a blitz digital media campaign.

Commercial – Truck, LCV & SCV

Truck

Premiumization in **Truck & Bus Radial and Truck & Bus Bias** categories was the key highlight. Next Generation Premium SKUs like Jetsteel JDC-XD, Jetsteel JDH-XM and Jetway JUC-XM gained traction among the consumers. Overall Radialization in M&HCV segment crossed the 50% mark in replacement market, with radialization crossing 80% in the OEM Segment. With BS-VI phase II emission norms kicking-in and rising fuel prices, the transporter community was finding it difficult to manage their operation cost. Understanding the needs of our transport fraternity and being pioneers in the technology, JK Tyre once again demonstrated the technological leadership by bringing a new range of fuel efficient tyres with low-RRc, Jetway JUH-XF & Jetsteel JDE-XF to the market. Jet Xtra XLM continued to gain further traction in the market.

We continued our drive to educate transporter community with the concept of "Application to Fit" under initiative "Jaisa Vyapaar Vaisa Tyre" campaign. We were able to touch base with more than 5000 transporters and educated them on our premium products specific to their needs. The Company was able to onboard more than 12000 Small Fleet owners to its digital platform under this program. Further to instill customer confidence in JK Premium range of product a special product assurance program called "JK Assure" was launched to provide complete peace of mind to the customers.



Light & Small Commercial

Premium and application-based SKUs primarily drove the performance of the LCV & SCV categories. The LCV Bias range shifted completely to the Jet Xtra XLM pattern owing to its high acceptance for the universal application for both load and mileage. LCV/SCV digital connect programs were carried for end users in focus markets. In the Pick-up Bias category, a premium product Jumbo King + HD was introduced in four high demand sizes. JK Tyre's leadership in the Pick-up segment was sustained. 'Back To School' campaign as designed for the Schools for promoting our best in class LCV Range Bias and Radial. Engagement campaigns with students saw high participation and brand recall.

At the ground level, eye check-up camps for individual LCV/SCV owners and drivers under "JK Jyoti Kiran" program were conducted pan India.

Passenger Vehicles

Car Radial

During the year, Ultra High Performance tyres Levitas Ultra was launched, with the marketing theme being "Made for Dream Machines". Foray in this ultra-premium segment clearly defines our vision to excel in this high premium category of tyres. This product has been rigorously tested on Indian roads as well as the best drivers in Germany, to ensure it delivers an Ultra Experience to these high-end consumers. The design and technical engineers at JK Tyre have worked tirelessly to develop this UHP range of tyres that can handle the increased speeds, torque and G-forces produced by the extra horsepower, enhanced braking and sports-tuned suspension of the vehicle.

Additionally, in our endeavour to drive brand premiumisation in the Passenger Car Radial category and to stand out as a brand which has a complete product portfolio for all kinds of application, the Ranger Series added a new feather in its cap with the launch of RANGER HPe, meant for Electric Vehicles. This new product is developed with a specialized Polymer compound and Anti-Drag Dimples (ADD) technology which ensures Higher Range (i.e., More Km/Charge), Low Rolling Resistance and Noise levels for the EV segment.

With an eye at the new and emerging segment of All Terrain (A/T) tyres, JK Tyre has introduced RANGER X-A/T, an Xtreme All-Terrain SUV Tyre with a new and aggressive sidewall design to uplift the overall aesthetics of SUVs and Traction Saw Rib Design (TRSD) to deliver exceptional control and comfort in all conditions.

Two /Three-Wheeler

With a goal to continuously expand & improve its product offering, over the course of FY22-23, JK Tyre came out with many new products in scooter, motorcycle & 3-wheeler segments. Our volume sales in the scooter segment grew by over a third and 3-wheeler & EV segments

together witnessed a double-digit growth. The presence in multi-brand outlets significantly increased during the year.

This year, JK Tyre co-partnered with xBhp for India's biggest road trip, **#ROADTRIPUNITED2022**, that featured 12,000+ riders from across India, covering 10,000+ kms over a course of 45 days. Key premium biking clubs around the country, along with exclusive coverage grabbed over 19 Million eyeballs. **#ROADTRIPUNITED2022** campaign with xBhp focussed extensively on promoting our premium-most segment of tyres, the "Blaze RYDR".

Electrification of 2 wheeler vehicles in India have gained pace in creating a new high-growth segment. JK Tyre is catering to this segment through a new range of speciality products "E-BLAZE" focusing on Low Rolling Resistance and high load capacity.

In terms of OEM partnerships, "Blaze RYDR", our flagship sub-brand, is the preferred OEM choice in TVS Apache and TVS N-torq. We also have presence in the economy & executive range of bikes & scooters for Hero, TVS & Bajaj.

Farm

Growth in tractor sales in India, along with support from the government for the farmers, enabled handsome growth for the Farm Tyre segment, with strong support from JK Tyre Xpress Wheels around the country.

To make Indian farmers future-ready for Sustainable Agriculture & adoption of new technologies, JK Tyre has always taken the lead. JK Tyre has taken several steps to gain market share in the segment i.e. row Crop & Puddling tyre offerings to farmers for special farming application.

Continuous customer engagement programme "Kisan Mitra" and regular ground work by the field team has helped JK Tyre to penetrate deep in rural areas in country. With digitalization gaining prominence in the Agri-sector, JK Tyre has also capitalized in the digital space. Collaborations with leading tractor aggregator platforms to promote the premium range of products has strengthened the brand reach.

Off The Road

Our domestic Off-the-Road tyre business has experienced healthy growth in the last financial year. With a focus on increasing JK Tyre OTR foot print, we have expanded our retail network in the OTR category. JK Tyre has participated in OTR segment targeted trade fairs such as Excon- Bangalore & Bauma Conexpo - Greater Noida. Many New Tyres were launched at these platforms such as 45/65-45 VEM 63 58PR L5 for Large Wheel loader, 16.00-25 VEM 045 44PR E3 & 12.00-24 Hard Rock Champion 20PR E4 for Mining Tipper Truck & 14.00-24 GTL Champ 16PR G3 for Motor Grader, 26.5-25 Loader Champ 28PR E4/L4 TL for Wheel Loader, 23X8.50-12 JET TRAX ULTIMA 6PR TL and 23X5.7-12 JET TRAX SUPER II 4PR TL for Skid Steer Loader categories. With this, JK Tyre has strengthened its range and ensured its footing in this niche market.

The new OTR tyre range is developed with advanced technology and is designed to deliver increased mileage and exceptional traction in the most demanding situations. Business with leading OEMs has seen healthy growth which has helped to increase engagement with both retail & corporate customers through brand recognition.

With the focus on infrastructure development and looking into the aspirations of the domestic mining, infra & manufacturing sector, the "Off-The-Road" tyre business is expected to grow further in the medium to long term.

Retread Business

JK Tyre completed well over a decade in the Retread business which grew by 30% year on year basis. Brand name of "JK Treads" is now well established as premium brand in retreading industry.

Keeping in view of the JK Tyre's Customer centric approach & commitment to deliver best in class, JK-Treads introduced a premium range (XFS-Series) having superior low-rolling resistance compound enabling customers to save on Fuel yet get more mileage. Keeping the motto of providing "360° Solution to its Customers", the network of JK Retread Centers (JKRC) was increased to 69, which extends from Jammu in North to Kanyakumari in South & Imphal in East to Gandhi Dham (Kandla-Port) in West. JKRC's are Equipped with ultra-modern Retreading machinery and follow JK Tyre - recommended repair and Retread procedures for Retreading all category of Tyres including Tubeless Radials. JKRC provide comprehensive solutions to Fleets, mobility customers and OEMs to help them to reduce their operation cost.

Service - A Brand Differentiator

Digitalization has enabled organizations to provide faster, more efficient and personalized customer service, resulting in higher customer satisfaction and winning loyalty. This was no different for us when we launched our Digital Claim model way back in 2020. Since then, we have been building up and continue to provide "First Visit Resolution" to our end customers within minutes, which earlier in offline mode used to take days. During financial year 2022-23, more than 96% complaints were processed through digital mode involving around 3200 channel partners every month.

Adoption of TQM way of working is another lever which has provided us a framework for continuous improvement, reinforced a customer-focused culture, empowered employees and supported data-driven decision making. We are confident TQM will help us in identifying and reducing irritants in customer experience journey with brand JK Tyre.

"JK Assure" – a customer friendly warranty policy was well received in the market.

We remain committed to providing exceptional customer service and we look forward to continuing to build strong relationships with our valued customers.

Business & Sales Capability Building

All round efforts were made in a sustained and structured manner to enhance knowledge and capability of our front line as well channel partners thus empowering them with superior customer handling skills. New partners underwent a formal onboarding process. The launch of new products was amplified by exhaustive training programs for our channel partners and team members.

Channel Support

JK Tyre continued its efforts to increase its channel presence both quantitatively and qualitatively. JK Tyre has a strong channel footprint of 6500 partners including dealers and distributors. Further, the Brand shop network grew exponentially with an addition of more than 100 outlets covering different formats- Steel Wheels, Xpress Wheels and Truck Wheels. There are currently more than 650 brand shops providing super customer experience and quality service to customers.

Fleet & Mobility Management

Fleet & Mobility Management continued to drive JK Tyre's competitive edge in the market. Nearly 250 fleet accounts were added under the fleet management program for direct sales & services from the Company. New Truck Wheel Centres (TWC) opened during the year at key locations on highway, for rendering the best in class tyre maintenance service. This has taken the total count of such TWCs to 79, which is the widest network by any Tyre manufacturer. With digital support, over 200 JK Tyre Pit Stops were made operational on key routes to extend the first-hand services like puncture repairs, air top up etc. to fleets on cashless basis.

It is heartening to note that Leading fleets in the industry joined the JK Tyre Mobility Solutions programme.

Motorsport

2022 was special for JK Tyre as the Company celebrated the 25th year of its National Racing Championship. Four successful rounds of the **JK Tyre-FMCSI National Racing Championship** were held at the race track in Coimbatore and the national champions were felicitated in a gala ceremony.

As part of our ongoing endeavor to promote motorsport in the North East, we hosted the eighth edition of the **JK Tyre Orange 4x4 Fury** — one of India's foremost off-roading events. The off-roading spectacle was the flagship event of the world-famous "Orange Festival of Adventure and Music" in Dambuk, Arunachal Pradesh.

The JK Tyre flag flew high along with those of G-20 nations when the **9th edition of the JK Tyre Himalayan Drive** was strategically added in the **G20 festivities in West Bengal and was endorsed by the Govt of India**. It was hosted alongside the meeting of 2nd Tourism Working Group (TWG) under India's G20 presidency which was inaugurated in Siliguri, West Bengal was flagged off by Hon'ble



Minister of Tourism Shri G Kishan Reddy, Ambassadors of ten G20 nations and representatives of 29 countries. The rally has been able to showcase North Bengal as a premier destination for Adventure Sports in the country which was also the theme of the G20 discussions that highlighted the best practices, success stories, prospects, in the field of Adventure tourism. The three-day rally put both driving and navigation skills to a very tough test as the competitors waded their way through rocky river beds, beautiful tea gardens, dirt and gravel tracks and were a part of the G20 celebrations in Sikkim. The rally post the flag-in in Darjeeling moved in a convoy carrying G20 flags. Present at the prize distribution ceremony that was hosted at The Mall in Darjeeling was Chief Co-ordinator of the G20 Secretariat, Shri Harsh Vardhan Shringla as the Chief Guest.

Our **Brand Ambassador and Arjuna Awardee, Gaurav Gill** kept the Indian flag flying high at the **World Rally Championship (WRC)** with his exceptional performance.

As an active supporter of Women in Motorsport, JK Tyre along with WIAA successfully hosted the **Women's Rally to Valley** event, witnessing a participation of over 200. The JK Tyre Times Women's Drive from Delhi to Agra was also successfully conducted, witnessing over 350 participants. As a strategic move to enhance the brand journey towards premiumization, we ventured into **Drag Racing**, a format of motorsport popular amongst Super Cars and Super Bikes. The event held in Hosur, Bangalore witnessed over 800 participants.

JK Tyre continued spearheading the development of young talent in the country, with new additions to the growing repertoire of JK Tyre Motorsport family, with our stalwarts performing admirably in the domestic and international championships.

As a result of ongoing efforts JK Tyre Motorsport was recognized with "The Motorsport Award of the year" by "Car - BiKe"

Road Safety

JK Tyre continues to be a torchbearer in terms of promoting road safety awareness for the past three decades and is recognised as a stakeholder by authorities. Of the 4 Es in road safety JK Tyre focus was on education and continued its drive to spread awareness on road safety starting with particular emphasis on tyre safety with various interventions for drivers and training for police personnel. At the highest level JK Tyre emphasised on safe driving by successfully organizing the 8th edition of the **JK Tyre Constitution Club of India Car Rally for Parliamentarians 2023** in New Delhi. The event had Hon'ble Speaker of Lok Sabha Shri Om Birla as the chief guest for flag-off as well as Union Ministers Shri Anurag Thakur (Minister of Sports), Mrs. Nirmala Sitharaman (Minister of Finance), Dr. Harshvardhan (Member of Lok Sabha) amongst others. The cause was further supported by the Hon'ble Minister of Road Transport & Highways Shri Nitin Gadkari who graced the prize distribution ceremony as the Chief guest along with many parliamentarians.

International Sales

Exports at JK Tyre

The export business of our Company continued to remain robust and witnessed growth in the first 3 quarters of financial year 2022-23. With the increasingly challenging Geo Political scenario & economic headwinds, distributors across markets focused on rationalizing the level of inventory they were carrying thereby impacting exports in the last quarter of financial year 2022-23. We however noticed revival of demand from the end of financial year 2022-23 and given our strategy of constantly introducing technologically advanced products and improving our service to ensure customer delight, we continue to gain immense traction. In addition, we are strengthening our presence in focus markets like Middle East and the Americas where "Brand JK Tyre" enjoys a high level of acceptance.

We are confident of exports continuing to make a positive contribution to the Company's overall performance.

Manufacturing Excellence At JK Tyre

At JK Tyre "Manufacturing Excellence" is, continuous improvement of operations to reduce waste, increase product profitability and gain a winning edge with quality and safety innovation. At JK Tyre, excellence has been at the core of our thinking, innovation, operations and business practices for many decades. We have been a committed proponent of sustainable practices ever since we came into the business. In addition to fixing targets directed at excellence, we place an equal emphasis on commitment to deliver quality and consistent product to the customer. This is what we profess, practice and propagate - through ground level initiatives. Efforts involved to excel in the manufacturing process at all locations have been recognized at different forum by several institutions. Some of them are:

- "FAME International Environment Commitment Initiative award" under Platinum category
- "Grow Care Safety award" for best practices in OHS
- "CII National Award" for Excellence in Water Management 2022.
- "Manufacturing Today" - CSR Award under Large Category
- "National Energy Award" for Excellence in Energy Management 2022 by CII
- "SEEM National Energy Management Award 2021 (SNEMA 2021)" under Platinum Category
- "RoSPA Bronze Award" for Health and Safety for 2022 from the Royal Society for the Prevention of Accidents, U.K.
- "Global Sustainability Leadership Award 2022" by World Sustainability
- "Most Iconic Manufacturing Industry 2022" from World Manufacturing Congress

The Company has been committed for the past many years to energy conservation, waste reduction & water conservation. The commitment is transformed into a great initiative of being Green and Clean Company with sustainable use of energy. JK Tyre as a Company is also committed to our goal of Energy- Reduce Recycle Reuse and becoming the 1st Green & Clean tyre Company of India. Our efforts are showing some encouraging results. We, at JK Tyre, are very proud to share that our specific water consumption is at world benchmark in the industries and still efforts are pushing in this journey to reach new milestones.

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

Financial Performance

	₹ in crore			
	Year Ended		Year Ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Standalone		Consolidated	
Sales	9,538	7,918	14,520	11,853
Other Operating Income	80	114	125	130
Revenue from Operations	9,618	8,032	14,645	11,983
Operating Profit (EBITDA excluding Other Income)	775	701	1,297	1,072
Other Income	32	30	37	37
Less: Finance Costs	258	230	454	419
Less: Depreciation and Amortisation Expense	243	241	407	385
Profit before Exceptional Items and Tax	306	260	473	305
Add: Exceptional Items	(36)	4	(62)	4
Profit before Tax	270	264	411	309
Less: Provision for Tax	86	81	146	109
Profit after Tax	184	183	265	200
Add: Share in Profit / (Loss) of Associates	-	-	(2)	1
Profit for the year	184	183	263	201

Your Directors are pleased to report a year of highly successful operations. JK Tyre's, both topline and bottom line continued on growth trajectory, despite high input costs during the first half of the year. Focus on sales growth enabled a jump of 22% resulting in the highest ever Turnover of ₹ 14,681 crores by JK Tyre. Strategic interventions, higher operating efficiencies and good performance of subsidiaries helped Operating Profit increase by 21% and a higher net profit which grew by 32%.

JK Tornel

JK Tornel, Mexico recorded an all time high turnover which is 6546 Millions Pesos a growth of 13% over previous year inspite of the

challenging market situation in the Americas. Operational efficiencies were enhanced by consolidating production lines. Further more the conversion of dollar loans to peso loan from local Mexican banks will help reduce financial costs. In addition, innovative marketing efforts resulted in higher market presence both offline and online which was also well recognized. JK Tornel continued to dominate the Passenger Car Radial market and is poised for higher growth.

Cavendish Industries Ltd.

Cavendish continued to significantly contribute to the overall performance results and recorded all-round growth with highest ever Turnover of ₹ 3,869 crores, an increase of 29% over the last year. Production was also at its all-time high across product categories. On the energy front significant drop in power and steam consumption were recorded. Many new sizes were taken up for production for both domestic as well as export markets. Good capacity utilization, with better operational efficiencies and stable raw material prices, augur well for the future.

R&D and Technology

The thrust on R&D and technology enabled JK Tyre to travel on the path of innovation, productivity, process improvement, sustainability, global competitiveness, material substitution, cost optimization, regulatory requirements and green manufacturing across all our facilities. We continued with our 'Cradle-to-grave' approach to deal with sustainability challenges and providing end to end solutions to our customers.

Our sustainable material research is focused on two major categories: Bio-sourced and Recycled / Renewable/Regenerated material. Our constant endeavour is to use more and more bio-based material that includes rubber, filler, processing aids, etc. We are at the forefront of deploying recycled / renewable/regenerated material, without compromising tyre performance. Improvements in various energy intensive manufacturing processes not only helped to reduce energy consumption but also improve product quality & performance owing to the homogeneous distribution of filler particles in the rubber matrix.

The ever-increasing requirement for improvement in vehicle fuel efficiency that leads to continuous reduction in tyre rolling resistance is a major challenge. Further, improvement in tyre wear resistance (mileage) is also required to be met from the viewpoint of minimizing resource usage. We are utilizing new generation materials such as Carbon Nano Tubes, Graphene, Nano Clay etc. that enabled us to achieve our target for various performance parameters to address the sustainability requirement.

We continue to incessantly work towards establishing the 6R strategy through various in-house research projects. We have successfully implemented use of different recycled materials in our commercial products. Various design measures have also been taken to improve tyre retreadability.



The ongoing dynamic system of Value Engineering & Product Improvements continued to yield significant cost savings. The underlying thrust on digital technologies enabled streamlining complex processes to increase reliability, end-to-end traceability, consistency and productivity improvements.

Raw Material

Financial year 2022-23 has been a year of both opportunities and challenges. In financial year 2022-23, the demand not only recovered from the pandemic set-back, but also, surged beyond the industry's expectations. Restricted availability has been a concern for several years now, largely caused by sudden surges in demand, leading to price increases and affecting profitability of the tyre manufacturers.

Adding to the problems, the shipping situation has been highly volatile on both cost & delivery front. The congestion at ports and the resulting backlog, is rendering carriers unable to meet their delivery commitments, making it difficult for the manufacturers to get materials on time. Further more Substantial dependence on imports, adds risk to the business.

Enhancing both efficiency & effectiveness of the chain, while maintaining the sustainability standards was thus a focus area.

Dedicated programmes were adopted to addressing the emerging challenges, which started with a structured Risk Mitigation drive for reducing dependency on single source & single site, suppliers which involved spreading the sourcing base to different geographies. Closer collaboration with suppliers enabled superior efficiencies.

We also conduct a series of supplier engagement events, which includes training on skill-development, yield-improvement, lean six-sigma principles and a common platform for co-sharing & co-learning on best practices for material-safe keeping and TQM principles like Poka-yoke.

In addition, there were various initiatives on de-risking the logistics volatility & containing the cost of operations. Initiatives like switching from seaports to discharge at ICD, helped in dodging over the impact of congestion at main sea ports, while, initiatives like switch from conventional roadways to multimodal transportation on long-domestic routes, helped in cost savings.

With continuous & synergized efforts, we were able to prevent shortages of inputs, while containing costs.

Human Resource - Management & Development

For JK Tyre, people are central to driving the Company's competitiveness as they are integral to our sustainable business growth. JK Tyre has consistently focused on recruiting and onboarding the best talent from industry with the objective to

generate superior performance. In line with our core value, "Caring for People," the Company continued to nurture a supportive and a safe working environment.

The Company firmly believes that talented and engaged employees are critical differentiators as they provide competitive advantage for sustaining and growing the business. Our consistent focus has been to hire the best-in-class talent from various campuses as well across industries. Our Learning and Development Philosophy is to prepare our organisation for future challenges. Accordingly our talent is nurtured and through well structured programs including curated MDPs at leading business schools. These enhance the competencies of our employees thus empowering them on their journey of growth.

Based on periodic feedback and surveys employee friendly policies have been put in place to ensure greater employee satisfaction.

High level of Employee engagement is maintained through various programs, many of them which entail a high level of involvement with the families. No wonder JK Tyre continues to be a 'Great place to Work' and is well recognised not only within J.K. Organisation but at various industry fora.

Corporate Social Responsibility

JK Tyre has always been committed to nurturing the surrounding environment to create sustainable societal value in addition to generating wealth for its shareholders.

The empowerment of communities plays the most significant role in their development and therefore the Company has initiated many projects for empowering people through skill development, livelihood enhancement, improved agriculture, livestock development, water conservation, etc. While planning a CSR project or selecting beneficiaries, emphasis is given to poor and marginal people, vulnerable sections of society, women, old age people and children. We feel pleased to mention that through our diverse CSR initiatives, we have impacted lives of around 11 lakhs people till date.

JK Tyre CSR initiatives were recognized at Indian Chamber of Commerce Social Impact Awards 2023 for Eradicating Hunger & Poverty through Livestock Development at Morena, MP & Mysuru, Karnataka.

Risks and Concerns

JK Tyre recognizes the importance of effective risk management while achieving our business objectives and ensuring sustainable growth. We have implemented a robust risk management framework that encompasses identifying, assessing, mitigating and monitoring risks across all aspects of our operations. Our risk management strategy is aligned with the Company's overall objectives and ensures that we maintain a proactive approach to risk management.

The Company has identified various risks under the domain of financial, operational, sectoral, ESG, IT & cyber security. We have put in place measures to mitigate these risks including investments in technology and cyber security. Quantification of the severity of these risks are being done based on probability of their occurrence and the likely impact on the business.

Furthermore, we continuously monitor the effectiveness of our risk management strategies and make necessary changes as required.

Risk management is being driven in the Company with strong well-established structure in place with internal risk management committee and Board level risk committee.

Key Business Risks

Uncertain Global Economic Scenario

We recognize that changes in the global economic environment, such as currency fluctuations, trade restrictions and geopolitical tensions, can significantly impact our exports and overall business performance. To mitigate the risks associated with these factors, we have adopted a proactive approach to manage our exports. We have diversified our export markets and product portfolio, reducing our reliance on a single market or product category. We also work closely with our customers to understand their requirements and anticipate changes in demand. We also monitor the global economic environment closely and make necessary adjustments to our operations and strategy.

Foreign Currency Risk

The Company recognizes foreign currency risk as a significant risk that can impact our business performance especially when the fluctuation in global currency market is quite high. We are exposed to foreign currency risk due to our exports and operations in different countries, and overall international business.

To mitigate the impact of foreign currency risk, we have implemented a comprehensive risk management strategy. This includes the use of financial instruments, such as hedge against currency fluctuations through forwards/ options after considering natural hedge available to the Company with the mix of exports and imports, as and when the requirement arises. We also closely monitor exchange rates including consulting regularly with forex advisors and banker on the matter and adjust our hedging strategy accordingly.

Regulatory Changes (End of Life Tyre)

The Company recognizes the potential risk associated with regulatory changes in the end-of-life tyres (ELT) market. The ELT market is subject to regulations that govern the disposal, recycling and reuse of end-of-life tyres. Any changes in these regulations can significantly impact our operations and profitability.

To mitigate this risk, we have implemented a proactive approach to monitor and assess regulatory developments in the ELT market. We work closely with industry associations and regulatory bodies to stay informed of any changes to regulations and assess their potential impact on our operations.

We are working technologically to reduce the ELT impact through increased use of regenerated material in our manufacturing including reclaimed raw material. Our proactive approach to risk management of possible regulatory changes in the ELT market has allowed us to minimize the impact of any potential regulatory changes on our operations and profitability. We remain committed to maintaining high standards of risk management and adapting to future challenges.

Supply Chain Risk

Tyre industry is highly dependent on the supply chain to ensure timely delivery of raw material, components and finished goods as well. The said risk has reduced significantly compared to previous few pandemic hit years. Availability of containers has improved and the freight cost has also normalized. However, Company is conscious of these risks and has implemented measures to mitigate them, including supplier diversification, inventory management and contingency planning. These actions have helped the Company minimize any negative impact due to supply interruptions. Company is also investing in digital technologies to enhance supply chain visibility and agility, enabling it to respond quickly to any disruptions. We have implemented transport management system to enable complete tracking of real time logistics of outbound material. This provides us opportunity to analyze and take timely corrective actions to improve supply chain and reduce cost. Regular network optimization also helps us redesign our supply chain.

Cyber Security

As companies are increasingly adopting digital technologies, they are becoming more vulnerable to cyber security risks. JK Tyre is also increasingly adopting digital technologies in its operations and reaping benefits. In order to mitigate the risk related to cyber security, Company has implemented robust security measures, vulnerability assessments, best practices being adopted across the industries. Back up of critical data and regular reviews of disaster recovery center is being conducted. Company has adopted XDR platforms (Extended Detection and Response) and MDR services (Managed Detection and Remediation) to improve mitigation capability in companies digital systems.

Internal Control Systems

The Company has since its inception, laid down a system of internal control, which is commensurate with the size and nature of the



Annexure F to the Board's Report

Corporate Governance Report

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 was carried out throughout the year based on a systematic plan covering all functions and aspects of the business. The internal audit reports were reviewed by the senior management and were placed before the Audit Committee of the Board of Directors along with the actions taken. The Audit Committee undertook a detailed review of the audit observations and actions in order to ensure that the internal audit system was functioning effectively. The recommended actions by the audit team were monitored and improvements were implemented that were 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. In addition, continuous business projects are periodically undertaken.

Cautionary Statement

The Management Discussion and Analysis report contains forward looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that addresses expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

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

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:

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust
- Commitment to Excellence

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 2023, of which three are Executive Directors and nine are Non-Executive Directors(NED); out of nine NED, seven are Independent Directors(IND). Four Board Meetings were held during the twelve months period from 1st April 2022 to 31st March 2023 i.e., on 20th May 2022, 8th August 2022, 1st November 2022 and 3rd February 2023. Attendance and other details as on 31st March 2023 are as given below:-

Sl. No*	Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/Chairmanships held in other companies		
					Directorships §	Committee Memberships **	Committee Chairmanships **
1	Dr. Raghupati Singhania, Chairman & Managing Director	Executive	4	Yes	7	4	2
2	Shri Bakul Jain Δ	IND	4	Yes	4	4	2
3	Shri Shreekant Somany Δ	IND	4	Yes	4	2	1
4	Smt. Sunanda Singhania	NED	4	No	-	-	-
5	Smt. Meera Shankar Δ	IND	4	No	3	1	-
6	Shri Subhrakant Panda Δ #	IND	1	N.A.	4	-	-
7	Shri Vimal Bhandari Δ	IND	4	Yes	8	7	2
8	Shri Kalpataru Tripathy Δ	IND	4	Yes	5	5	2
9	Dr. Wolfgang Holzbach Δ	IND	4	No	-	-	-
10	Shri Bharat Hari Singhania	NED	4	No	4	1	-
11	Shri Anshuman Singhania, Managing Director	Executive	4	Yes	-	-	-
12	Shri Arun K. Bajoria, Director & President-International	Executive	4	Yes	2	-	-
13	Shri Arvind Singh Mewar ^	IND	-	No	N.A.	N.A.	N.A.

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

Appointed as an Additional Director in the category of Independent Director for a tenure of five consecutive years w.e.f. 2nd November 2022. The shareholders' approved his appointment by means of a Special Resolution passed on 30th January 2023 through Postal Ballot. In the opinion of the Board, Shri Subhrakant Panda satisfies the criteria of integrity, expertise and experience/proficiency.

^ Ceased to be a Director of the Company effective 25th September 2022, upon completion of his term as an Independent Director.

* DIN of the above named directors in seriatim: 1 - 00036129; 2 - 00380256; 3 - 00021423; 4 - 02356376; 5 - 06374957; 6 - 00171845; 7 - 00001318; 8 - 00865794; 9 - 06422833; 10 - 00041156; 11 - 02356566; 12 - 00026540 and 13 - 00008244. The names of the Directors wherever appearing, in the Board's Report, including Annexures thereto, and Financial Statements shall be read with the respective Director Identification Numbers mentioned herein before.

§ Excluding private limited companies and companies under Section 8 of the Act. 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)
Smt. Meera Shankar: ITC Ltd. (IND), Pidilite Industries Ltd. (IND) and Adani Transmission Ltd. (IND)
Shri Subhrakant Panda: Goa Carbon Ltd. (IND), Paradeep Phosphates Ltd. (IND) and Indian Metals & Ferro Alloys Ltd. (Executive, Managing Director)
Shri Vimal Bhandari: DCM Shriram Ltd. (IND), Bharat Forge Ltd.(IND), RBL Bank Ltd.(NED), Kalpataru Power Transmission Ltd. (IND) and Escorts Kubota Ltd. (IND).
Shri Kalpataru Tripathy: Avadh Sugar & Energy Ltd.(IND)
Shri Bharat Hari Singhania: JK Lakshmi Cement Ltd.(NED), 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.

Based on the declarations received from the Independent Directors, 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 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 Bharat Hari Singhania - industrialist and entrepreneur; Shri Bakul Jain - industrialist, business philosophy & commercial; Shri Shreekant Somany - industrialist, business philosophy, commercial & marketing, risk management and human resource; Smt. Sunanda Singhania - community service, sustainability & corporate social responsibility; Smt. Meera Shankar - former ambassador, global business strategy & community service; Shri Subhrakant Panda - business philosophy, entrepreneurship,

community service, finance, operations management and technology; Shri Vimal Bhandari - financial expertise; Shri Kalpataru Tripathy - legal & regulatory and risk management; Dr. Wolfgang Holzbach - technology, quality, manufacturing & safety; and Shri Arvind Singh Mewar (Director up to 24th September 2022) - entrepreneur, business philosophy & 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 2023 are: Shri Bharat Hari Singhania - 10,94,723 Shares, Shri Bakul Jain - 4,000 Shares, Shri Shreekant Somany - 13,750 Shares, Smt. Sunanda Singhania - 6,27,500 Shares, Smt. Meera Shankar - Nil, Shri Subhrakant Panda - Nil, Shri Kalpataru Tripathy - Nil,

Shri Vimal Bhandari - Nil, Dr. Wolfgang Holzbach - Nil and Shri Arvind Singh Mewar (Director up to 24th September 2022) - Nil. None of the Non-executive Directors holds any convertible instruments issued by the Company.

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 3rd February 2023 and all the Independent Directors of the Company were present at the meeting.

4. Familiarisation Programme for Independent Directors:

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is http://www.jktyre.com/Familiarisation_Prog_IND.pdf

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 three Directors, out of which two are Non-executive Independent Directors and one is Executive Director.

Four meetings of the Audit Committee were held during the financial year ended 31st March 2023.

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

Date of the Meeting	Number of Members attended
19 th May 2022	3
8 th August 2022	3
1 st November 2022	3
3 rd February 2023	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Bakul Jain	Chairman	4
Shri Shreekant Somany	Member	4
Shri Arun K. Bajoria	Member	4
Shri A.S. Mewar*	Member	-

* Ceased to be a member of the Committee effective 25th September 2022.

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



7. Stakeholders' Relationship Committee:

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

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

Date of the Meeting	Number of Members attended
8 th August 2022	3
3 rd February 2023	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Bakul Jain	Chairman	2
Shri Shreekant Somany	Member	2
Shri Arun K. Bajoria	Member	2

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2023, the Company has received two complaints from the shareholders and the same have since been resolved to the satisfaction of the shareholders. Also, there are no complaints pending in respect of the previous period.

The Board of Directors has delegated the power of transfer/transmission of shares and related matters to a 'Share Transfer Committee'. During the financial year ended 31st March 2023, all the investor service requests have been processed within statutory time limits, in compliance with the SEBI mandate, as applicable. During the said period, eight meetings of the 'Share Transfer Committee' were held.

8. Nomination and Remuneration Committee:

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

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

Date of the Meeting	Number of Members attended
4 th July 2022	2
8 th August 2022	2
1 st November 2022	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Shreekant Somany*	Chairman	1
Shri Vimal Bhandari	Member	3
Shri Kalpataru Tripathy	Member	3
Shri Arvind Singh Mewar*	Chairman	-

*Shri Arvind Singh Mewar ceased to be a Member/Chairman of the Committee, effective 25th September 2022. Shri Shreekant Somany was appointed as a Member/Chairman of the Committee effective 25th September 2022.

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 has a 'Risk Management Committee'. The Committee consists of four Directors (out of which two are Non-executive Independent Directors and two are Executive Directors) and two senior executives of the Company. 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, *inter alia*, performance of functions specified in Regulation 21 of the Listing Regulations and specifically covering 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 Committee has, *inter alia*, formulated a detailed Risk Management Policy as prescribed under the Listing Regulations. The Company Secretary acts as the Secretary of the Committee.

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

Date of the Meeting	Number of Members attended
29 th July 2022	5
21 st January 2023	4

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Shreekant Somany	Chairman	1
Shri Kalpataru Tripathy	Member	2
Shri Anshuman Singhania	Member	2
Shri Arun K. Bajoria	Member	2
Shri Anuj Kathuria,*	Member	Not Applicable
President (India)		
Shri Sanjeev Aggarwal	Member	2
Chief Financial Officer		

* Shri Anuj Kathuria, President (India) has been appointed as a Member of the Committee w.e.f. 3rd February 2023.

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:

- 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 proposed appointee should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. (e) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- 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.

- 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.
- 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.
- 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:

- Executive Directors: The remuneration for the financial year ended 31st March 2023 to the Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director: Salary - ₹ 9.78 crores, Perquisites - ₹ 0.51 crore and retirement benefits, such as contribution to Provident Fund, etc. - ₹ 0.07 crore aggregating to ₹ 10.36 crores plus ₹ 4.03 crores payable as Commission; Shri Anshuman Singhania, Managing Director: Salary - ₹ 6.31 crores, Perquisites - ₹ 0.35 crore and retirement benefits,



such as contribution to Provident Fund, etc. - ₹ 0.07 crore aggregating to ₹ 6.73 crores plus ₹ 4.00 crores payable as Commission and Shri Arun K. Bajoria, Director & President – International: Salary - ₹ 4.93 crores, Perquisites - ₹ 0.40 lakh and retirement benefits, such as contribution to Provident Fund, etc. - ₹ 0.08 crore aggregating to ₹ 5.01 crores plus ₹ 0.45 crore payable as Commission. Payment of Commission varies from year to year, depending upon the profitability of the Company and approval of the Board of Directors. The Company does not have any Stock Option Scheme.

The tenure of office of the Chairman & Managing Director, the Managing Director is five years from the respective dates of their appointments and three years from the date of appointment in case of Director & President - International. In the case of all Executive Directors, notice period is six months. Severance Fees for the Chairman & Managing Director and the Managing Director is equivalent to the remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

During the financial year ended 31st March 2023, Dr. Raghupati Singhania, Chairman & Managing Director received commission of ₹ 10 Lakh and sitting fee of ₹ 1.88 Lakh from Bengal & Assam Company Ltd., holding company and sitting fee of ₹ 1.60 Lakh from Cavendish Industries Ltd, a subsidiary company.

- (ii) Non-executive Directors: The Company has paid sitting fees for attending the meetings of the Board and/or Committees thereof, to all Non-executive Directors, namely - Shri Bakul Jain - ₹ 5.50 Lakh, Shri Shreekanth Somany - ₹ 6.00 Lakh, Smt. Meera Shankar - ₹ 3.50 Lakh, Smt. Sunanda Singhania - ₹ 2.40 Lakh, Shri Subhrakant Panda - ₹ 1.20 Lakh, Shri Vimal Bhandari - ₹ 3.75 Lakh, Shri Kalpataru Tripathy - ₹ 5.00 Lakh, Dr. Wolfgang Holzbach - ₹ 3.00 Lakh, Shri Bharat Hari Singhania - ₹ 3.65 Lakh and Shri Arvind Singh Mewar (Director up to 24th September 2022)- Nil, aggregating to ₹ 34.00 Lakh. In addition to sitting fees, commission was also payable to the Non-executive Directors amounting to ₹ 16.00 Lakh each, ₹ 155.00 Lakh to Shri Bharat Hari Singhania and ₹ 7.75 lakh to Shri Arvind Singh Mewar and ₹ 6.57 lakh to Shri Subhrakant Panda (proportionate to the tenures of Shri Mewar and Shri Panda during the financial year ended 31st March, 2023), aggregating to ₹ 281.32 Lakh, in accordance with the Special Resolution passed by the members of the Company at the Annual General

Meeting held on 25th September 2014. In accordance with the Special Resolution passed by the members of the Company at the Annual General Meeting held on 27th August 2021, Shri Bharat Hari Singhania, has also been paid a remuneration of ₹ 4.02 crores who is continuing as a Non-executive Director w.e.f. 1st October 2021.

Non-executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

12. General Body Meetings:

Location and time for the last three Annual General Meetings (AGM) of the Company were:

Financial Year	Location	Date	Time (IST)
2019-20	Held through Video Conferencing, deemed venue is the Registered Office of the Company, as mentioned below	22.9.2020	12:15 P.M.
2020-21	Same as for the financial year 2019-20	27.8.2021	12:15 P.M.
2021-22	At the Registered Office at Jaykaygram, PO- Tyre Factory, Kankroli – 313 342 (Rajasthan)	26.8.2022	11:30 A.M.

Details of the Special Resolution(SR) passed: One SR was passed at the AGM held in the year 2020; four SRs were passed at the AGM held in the year 2021 and two SRs were passed at the AGM held in the year 2022. One Special Resolution was also passed at the Extraordinary General Meeting of the Company held on 6th March 2023 through Video Conferencing/Other Audio Visual Means.

One SR was required to be put through postal ballot during the financial year ended 31st March 2023. The Company extended e-voting facility through Central Depository Services (India) Ltd. (CDSL), as an alternate for its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Smt. Preeti Grover of M/s PG & Associates, Company Secretaries (Certificate of Practice Number: 6065), was appointed as Scrutinizer for conducting the postal ballot/e-voting process. After receiving the Scrutinizer's Report, it was announced that the Special Resolution was passed with requisite majority on 30th January 2023, for approving appointment of Shri Subhrakant Panda as a Director liable to retire by rotation and also as an Independent Director of the Company for a term

of five consecutive years w.e.f. 2nd November, 2022. The voting pattern on the said resolution is as under:

- % of total valid votes cast in favour of the Resolution: 99.71%
- % of total valid votes cast against the Resolution: 0.29%

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 has formulated Vigil Mechanism/Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

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

- (iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the said Act at its work places to redress the complaints of women employees.

During the financial year ended 31st March 2023, 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 2023.

- (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 or qualified institutions placement as specified under Regulation 32 (7A):** The Company has allotted 24,000 fully paid Compulsorily Convertible Debentures (carrying an interest at the rate of 6% per annum, compounded cumulatively on a quarterly basis) of the face value of ₹ 1,00,000/- each (CCDs) for an amount aggregating up to ₹ 240 crores to International Finance Corporation, a Qualified Institutional Buyer, by way of a preferential issue on a private placement basis on 20th March, 2023. Funds utilized up to 31st March 2023 – NIL. However, as per Objects of the Issue, the funds for the time being have been parked in Cash Credit Accounts of the Company, maintained with consortium bank of the Company.

During the financial year, the Company has not raised any funds through Qualified Institutions Placement.

- (vii) **Certificate:** The Company has received a certificate dated 2nd May 2023 from Shri Namo Narain Agarwal, Company Secretary in Practice (FCS 234, CP No. 3331) that none of the Directors on the Board of JK Tyre & Industries Ltd. has been debarred or disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.



(viii) **Subsidiary Companies:** The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of Board Meetings of the unlisted subsidiary companies are placed at the Board Meetings of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

The Company has formulated a Policy for determining material subsidiary. The Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/pdms.pdf>

(ix) **Corporate Social Responsibility Committee:** The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises 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 2023 i.e., on 19th May 2022 and on 3rd February 2023. Dr. Raghupati Singhania (Chairman of the Committee), Smt. Meera Shankar and Shri Arun K. Bajoria (Members) attended all the Meetings held during the said financial year. Shri Arvind Singh Mewar who ceased to be a member of the Committee effective 25th September 2022, did not attend the meeting held on 19th May 2022.

(x) **Dividend Distribution Policy:** The Board at its meeting held on 9th February 2017 has formulated Dividend Distribution Policy as per the requirements of the Listing Regulations. The Policy is available on the website of the Company and the weblink for the same is <https://jktyre.com/DividendDistribution.pdf>

(xi) There were no instances where the Board had not accepted any recommendation of any Committee of the Board during the financial year ended 31st March 2023.

(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 2023, the Company

has paid total fees for various services including statutory audit, amounting to ₹ 46 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.

(xiii) **Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':** NIL

(xiv) **Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** The Company has three material subsidiaries, namely – Cavendish Industries Ltd. (CIL), JK Tornel, S.A. de C.V. (JKTSA) and Compania Hulera Tornel, S.A. de C.V. (CHT). CIL was incorporated on 12th January 2015 in the State of West Bengal. M/s Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company on 9th September 2016. JKTSA was established on 16th April 2008 in Mexico city. Despacho Duran Silva Samano was appointed as the Statutory Auditors of JKTSA on 28th July 2022. CHT was established on 9th November 1951 in Mexico city. Despacho Duran Silva Samano was appointed as the Statutory Auditors of CHT on 28th July 2022.

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). Normally, the results are published in The Economic Times, Business Standard and Dainik Bhaskar, Udaipur, besides in certain other leading newspapers. 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.

The official news/press release are also furnished to the Stock Exchanges and 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 Shareholders Information:

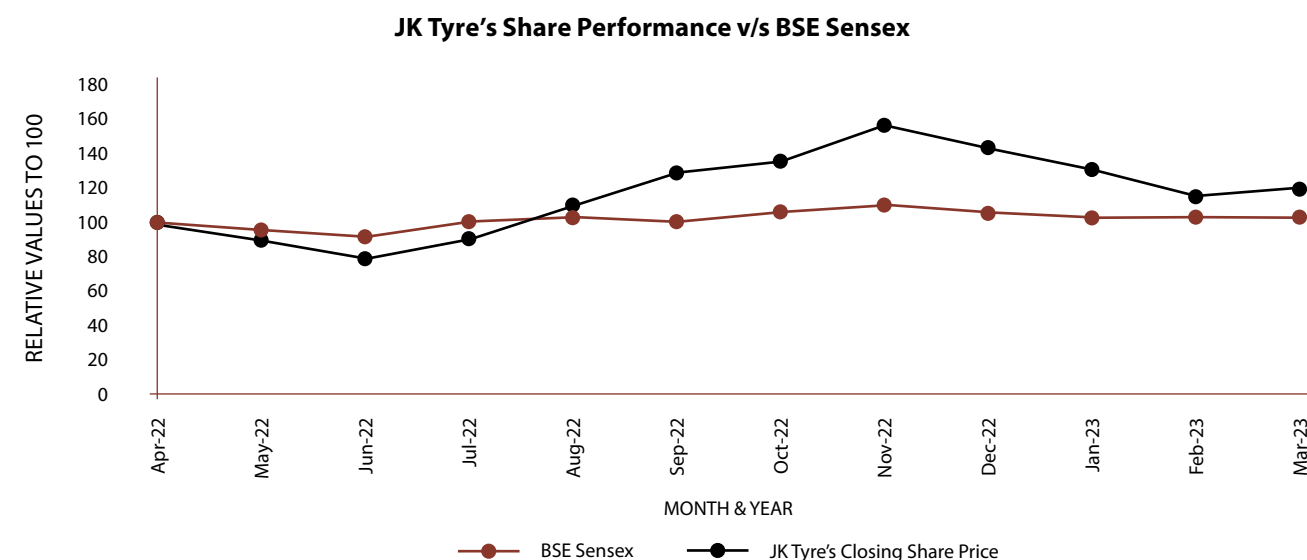
(i) Registered Office :	Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) Phone No: 02952-233400/233000
(ii) Annual General Meeting (AGM) for FY 2022-23:	
(a) Date, Time & Venue:	3 rd August, 2023 at the Registered Office of the Company at 3.30 P.M.
(b) A brief resume and other particulars of Director(s) 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)	April 1 - March 31
Financial Reporting:	
• 1 st Quarter ending June 30, 2023	} Within 45 days of the end of the quarter or within such time limits as may be permissible
• 2 nd Quarter ending September 30, 2023	
• 3 rd Quarter ending December 31, 2023	
• Annual and 4 th Quarter ending March 31, 2024	Within 60 days of the end of the 4 th quarter or within such time limits as may be permissible
• Annual General Meeting for the financial year 2023-24	Between July and September 2024
(iv) Dividend Payment Date:	Dividend Payment is planned within two weeks of conclusion of AGM.
(v) Date of Book Closure/Record Date:	28 th July, 2023 to 3 rd August, 2023 (both days inclusive).
(vi) Names and addresses of Stock Exchanges where equity shares of the Company are listed:	The Equity Shares of the Company are listed on the following Stock Exchanges: (a) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (b) National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 The annual listing fee for the financial year 2023-24 have been paid to both the aforesaid Stock Exchanges. The securities of the Company are not suspended from trading.
(vii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN:	BSE – 530007 NSE – JKTYRE ISIN – INE573A01042

(viii) Stock Market Price Data

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2022	140.55	116.95	140.70	116.90
May-2022	128.40	108.25	128.55	108.20
June-2022	117.00	96.40	116.80	95.45
July-2022	121.95	100.60	121.95	100.60
August-2022	145.80	118.00	145.80	118.25
September-2022	197.50	136.00	197.45	136.00
October-2022	183.35	159.00	183.50	159.00
November-2022	203.95	165.10	204.00	165.50
December-2022	213.50	165.65	213.55	166.45
January-2023	201.00	157.25	201.00	157.20
February-2023	172.90	143.15	172.90	143.25
March-2023	170.00	141.65	170.20	141.65



JK Tyre & Industries Ltd.'s (JK Tyre's) Share Performance v/s BSE Sensex (April 2022 – March 2023)

(ix) Distribution of Shareholding (as on 31st March, 2023)

No. of Equity Shares Held (of ₹ 2/- each)	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	85,38,781	3.47	1,66,072	86.65
251-500	50,68,797	2.06	13,100	6.84
501-1000	52,29,744	2.12	6,680	3.49
1001-5000	1,00,90,282	4.10	4,722	2.46
5001-10000	39,70,095	1.61	535	0.28
10001 & above	21,33,33,181	86.64	544	0.28
Total	24,62,30,880	100.00	1,91,653	100.00

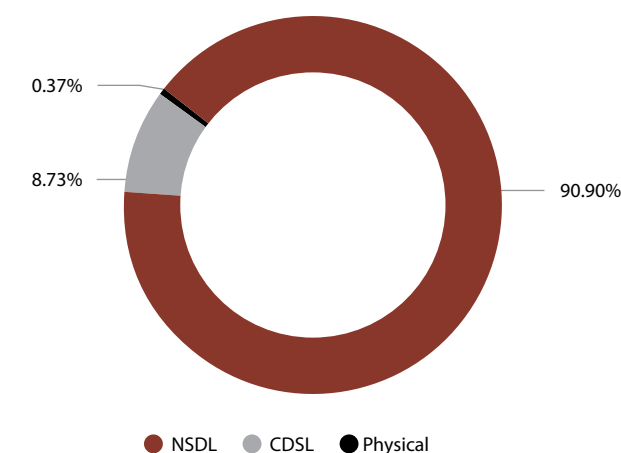
(x) Share Transfer System

SEBI has mandated that securities of listed companies can be transferred/traded only in dematerialised form. Further, SEBI vide its circular dated 25th January, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/consolidation of certificate, transmission and transposition be also processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e www.jktyre.com.

In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited(NSDL)/Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

(xi) Dematerialization of Shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may dematerialise their holdings with any one of the Depositories – namely, NSDL and CDSL. The Equity Shares of the Company are actively traded on BSE and NSE. In respect of shares held in demat form, all the requests for nomination, change of address and rematerialisation, etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Shares held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2023

As on 31st March 2023, 99.63% of the Equity Shares are held in dematerialized form.

(xii) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has allotted 24,000 fully paid Compulsorily Convertible Debentures (carrying an interest at the rate of 6% per annum, compounded cumulatively on a quarterly basis) of the face value of ₹ 1,00,000/- each (CCDs) for an amount aggregating up to ₹ 240 crores to International Finance Corporation, a Qualified Institutional Buyer, by way of a preferential issue on a private placement basis on 20th March 2023. The CCDs shall be convertible into Equity Shares of ₹ 2 each of the Company, within a period up to 18 months from the date of allotment, at a conversion price of ₹ 180.50 for each Equity Share and the total number of Equity Shares of the Company to be issued upon conversion of the CCDs and the interest amount, taken cumulatively, shall not exceed 1,45,44,745 Equity Shares of ₹ 2/- each.

There are no outstanding GDRs/ADRs/Warrants.

(xiii) Commodity price risk or foreign exchange risk and hedging activities:

During the financial year ended 31st March 2023, the Company has managed the foreign exchange risk and hedged to the extent considered prudent and necessary. For hedging foreign exchange exposures against imports and exports, the Company enters into forward contracts considering market conditions.

The Company identifies and implement plans for mitigating the risks through a well laid out Risk Management framework. The risks as well as plans to mitigate these risks are reviewed regularly and are updated as may be required. The Company has also identified various risks involved in respect of key raw material and has drawn risk mitigation plans for the same. Rubber is considered a material commodity, as its consumption in comparison to the overall cost of raw material consumed, is more than 30%. During the year ended 31st March 2023, the Company consumed 86,150 MT rubber, valuing ₹ 1,364 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- 68201262
Fax No. : 91-11-23322059
Email: investorjktyre@jkm.com
Website: www.jktyre.com
- Registrar & Share Transfer Agent
Alankit Assignments Ltd.
4E/2, Alankit House,
Jhandewalan Extension,
New Delhi-110 055 (India)
Phone No. : 91-11-42541234;
Contact Person: Shri J.K. Singla
Email: rta@alankit.com
Website: www.alankit.com



(xvi) List of all Credit Ratings obtained by the Company along with revisions thereto during the financial year ended 31st March 2023, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:

A) Ratings to various facilities of the Company by CARE Ratings Ltd. are: (a) Long term Bank Facilities – “CARE A” with Stable Outlook. Rating Action - Reaffirmed. (b) Short term Bank Facilities - “CARE A1”. Rating Action - Reaffirmed. (c) Long term / Short term Bank Facilities - “CARE A” with Stable Outlook / “CARE A1”. Rating Action - Reaffirmed. (d) Fixed Deposit - Long/Short term instruments - “CARE A” with Stable Outlook / “CARE A1”. Rating Action - Reaffirmed.

B) Ratings to various facilities of the Company by India Ratings & Research Pvt. Ltd. are: a) Long-term loans - “IND A” with Negative Outlook. Rating Action - Rating Affirmed, Outlook revised from Stable to Negative. b) Fund-based and non-fund based limits - “IND A” with Negative Outlook / “IND A1”. Rating Action - Rating Affirmed, Outlook revised from Stable to Negative. c) Term Deposit - “IND A” with Negative Outlook. Rating Action - Rating Affirmed, Outlook revised from Stable to Negative.

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2023 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 the Managing Director or the CEO: Dr. Raghupati Singhania is the Chairman & Managing Director of the Company; and (e) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the President (India). However, his Internal Audit Reports are placed before the Audit Committee.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xx) Bankers:

Bank of India	State Bank of India
Union Bank of India	The Federal Bank Ltd.
IDBI Bank Ltd.	HDFC Bank Ltd.
Indian Bank	Bank of Baroda
Punjab National Bank	

(xxi) (a) Transfer of Shares to IEPF Authority:

As on 1st April 2022, the Company had 8,72,163 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 1,12,614 Equity Shares to the demat account of the IEPF Authority, during the year. During the year, 3 shareholders have claimed back 1,105 Equity Shares from the IEPF Authority. As on 31st March 2023, there are 9,83,672 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 2022, the Company had 34,215 Equity Shares, which were unclaimed by 125 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company has transferred 12,545 Equity Shares, which remained unclaimed by 45 Equity Shareholders, to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 5 requests during the year, for dispatch of 2,375 Equity Shares, from the suspense account. These have since been despatched. Accordingly, as on 31st March 2023, the Company has 19,295 Equity Shares which remain unclaimed by 75 Equity Shareholders in the suspense account. The “Unclaimed Suspense Account” is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owners of such shares claim the same.

16. Declaration by the Chairman & Managing Director:

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the “Code of Conduct for Members of the Board and Senior Management of JK Tyre & Industries Ltd.” during the Financial Year ended 31st March 2023.

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 (CIN: L67120RJ1951PLC045966) (‘the Company’) for the financial year ended 31st March, 2023, 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.

Place: New Delhi
Date : 17th May 2023

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on 31st March, 2023.

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.

This certificate is issued solely for the purpose of complying with the aforesaid Regulations. This certificate should not be used for any other purpose.

Namo Narain Agarwal
Company Secretary
FCS 234, CP No. 3331
UDIN: F000234E000319135



Business Responsibility & Sustainability Report (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L67120RJ1951PLC045966
2. Name of the Listed Entity	JK Tyre & Industries Ltd.
3. Year of incorporation	1951
4. Registered office address	Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan)
5. Corporate address	3, Bahadur Shah Zafar Marg, New Delhi- 110 002
6. E-mail	investorjkyre@jkmail.com
7. Telephone	02952-233400/ 233000
8. Website	www.jktyre.com
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.
11. Paid-up Capital	₹49.25 Crores
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Arun K. Bajoria Director & President - International Tel. Number: +91 11 68201106 Email id: akbajoria@jkmail.com
13. Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing and Sale of Automotive Tyre, Tubes & Flaps and ancillary services	99.67%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Automotive Tyres, Tubes and Flaps	22111* * As per National Industrial Classification (2008)	99.67%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6 (at 4 locations)	181	187
International	3	3	6

* The company has 3 plants in Mexico through its subsidiary - JK Tornel, S.A. de C.V. Mexico

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	29 States/ PAN India
International (No. of Countries)	100+ Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports from India – ₹ 1,414.14 Crores

% to Total Turnover – 14.66 %

c. A brief on types of customers:

Company serves Automobile Original Equipment Manufacturers (OEMs), Truck fleets, Smart fleet buses including State Transport Undertakings, Cars- Private owned/fleets, Farm equipment, Earthmovers, Construction equipment, 2-3wheeler makers, Replacement markets and also Exports its products

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1963	1913	97.45 %	50	2.55 %
2.	Other than Permanent (E)	247	245	99.19 %	2	0.81 %
3.	Total employees (D + E)	2210	2158	97.65%	52	2.35%
WORKERS						
4.	Permanent (F)	3864	3859	99.87%	5	0.13%
5.	Other than Permanent (G)	5086	5023	98.76%	63	1.24%
6.	Total workers (F +G)	8950	8882	99.24%	68	0.76%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	2	2	100%	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	6	6	100%	-	-
5.	Other than Permanent (G)	2	2	100%	-	-
6.	Total differently abled workers (F + G)	8	8	100%	-	-



19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67%
Key Management Personnel *	5	0	NIL

* including three Executive Directors

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	258 (13.14%)	9 (0.46%)	267 (13.60%)	199 (9.4%)	7 (0.3%)	206 (9.71%)	172 (7.88%)	2 (0%)	174 (7.97%)
Permanent Workers	71 (1.84%)	-	71 (1.84%)	161 (4.38%)	-	161 (4.38%)	97 (2.53%)	-	97 (2.53%)

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity @	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bengal & Assam Company Ltd.	Holding	52.80%	NO
2	J.K. International Ltd.	Subsidiary	100%	These are foreign entities. Hence, they follow the laws of their respective countries/ regions.
3	J.K. Asia Pacific Ltd.	Subsidiary	100%	
4	J.K. Asia Pacific (S) Pte. Ltd.	Subsidiary	100%	
5	3D Innovations Pvt. Ltd.	Subsidiary	100%	NO
6	Cavendish Industries Ltd.	Subsidiary	87.48%	YES
7	Lankros Holdings Ltd.	Subsidiary	100%	These are foreign entities. Hence, they follow the laws of their respective countries/ regions.
8	Sarvi Holdings Switzerland AG	Subsidiary	100%	
9	JK Tornel, S.A. de C.V.	Subsidiary	99.98%	
10	Comercializadora América Universal, S.A. de C.V.	Subsidiary	99.98%	
11	Compañía Hulera Tacuba, S.A. de C.V.	Subsidiary	99.98%	
12	Compañía Hulera Tornel, S.A. de C.V.	Subsidiary	99.98%	
13	Compañía Inmobiliaria Norida, S.A. de C.V.	Subsidiary	99.98%	
14	General de Inmuebles Industriales, S.A. de C.V.	Subsidiary	99.98%	
15	Gintor Administración, S.A. de C.V.	Subsidiary	99.98%	
16	Hules Y Procesos Tornel S.A. de C.V.	Subsidiary	99.98%	
17	Valiant Pacific LLC	Associate	49%	
18	Western Tire Holdings, Inc.	Associate	40%	
19	Western Tires, Inc.	Associate	40%	

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity @	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
20	Hari Shankar Singhania Elastomer and Tyre Research Institute#	Associate	24%	YES
21	Dwarkesh Energy Ltd.	Associate	35% (OCCRPS -33.33% **)	NO
22	Treel Mobility Solutions Pvt. Ltd.	Associate	26%	YES

@ Percentage of shares held represents aggregate % of shares held by the Company and/or its subsidiaries, wherever applicable.

** OCCRPS - Optionally Convertible Cumulative Redeemable Preference Shares.

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

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes✓ / No)

(ii) Turnover (in ₹) – ₹ 9,649 Crores

(iii) Net worth (in ₹) - ₹ 2,889 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	Yes ** www.jktyre.com	2	NIL	**	4	NIL	**
Employees and workers	Yes #	NIL	NIL	-	NIL	NIL	NIL
Customers	Yes www.jktyre.com	1903	NIL	-	2397	NIL	-
Value Chain Partners	Yes www.jktyre.com	NIL	NIL	NIL	NIL	NIL	NIL
Other – Local Community	Yes www.jktyre.com	NIL	Regular connect with local communities through various need based CSR interventions.				

** The Company has a dedicated Manager level employee who regularly keeps a track of the complaints received from shareholders and promptly responds (say 2 to 3 days) to the complainant to ensure that the complaint is resolved immediately to the satisfaction of the shareholder without any delay. All the complaints of shareholders received during a quarter, if any and actions taken thereon are placed before a Board Level Committee, constituted under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

Each plant location has dedicated employee Grievance redressal mechanism with easy access upto worker level.

For Value chain channel partners – “Dealer complaint redressal system”- 9311289888 Email- Dealercomplaint@jkmail.com



24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate Positive or negative implications)
Refer the "Materiality Section" of the Integrated Annual report 2022-23					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949, SA 8000, ISO 22301	ISO 45001, ISO 14001, ISO 50001	ISO 45001, SA 8000, British Safety Council OHS system	IATF 16949	SA 8000	ISO 14001, Green Co Rating, British Safety Council FSES system	SA 8000, Reporting as per GRI Requirements	ISO 22301	IATF 16949
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	At JK Tyre, we prioritize setting annual goals and targets, along with periodically establishing specific commitments. As part of our commitment to sustainability, we have identified specific targets related to sustainability and are currently in the process of defining timelines to achieve carbon neutrality. JK Tyre has always believed process based Quality Management . The company is working TQM journey for Business excellence. There is a continuous drive across the organization which has enabled significant gains improvement in the domain of Productivity, Quality, Cost & Delivery. Sustainable business growth coupled with consistent product performance has enhanced the confidence and engagement of all our stakeholders.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Annual performance reviews for identified Key Performance Indicators (KPIs) are conducted by the Top Management during Business Review meetings. These reviews serve as a platform to assess organizational performance, identify areas for improvement, and provide guidance for enhancing performance. The process ensures alignment of strategic direction and the achievement of desired outcomes at JK Tyre.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements
Reply: We at JK Tyre are committed to inclusive growth objectives as targeted through UN Sustainable development goals. We as a responsible corporate citizen continue to strive for improving our performance towards environmental and social impacts while maintaining focus on economic development.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies)
 Shri Arun K. Bajoria
 Director & President – International
 DIN: 00026540

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.
 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
Smt. Meera Shankar, Member	06374957	Independent Director
Shri Arun K. Bajoria, Member	00026540	Director & President-International
Shri Arvind Singh Mewar, Member	00008244	Independent Director (ceased to be a Member, effective 25 th September 2022)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against Above policies and follow up action	Performance review of selected Key Performance Indicators are conducted by Director -Manufacturing at defined frequency.									Review frequency of all the KPIs are defined (IATF, ISO 14001, ISO 45001, ISO 50001 – Monthly) (Direct GHG emissions – Quarterly, Indirect GHG Emissions - Annually) (SA 8000 – Half yearly).								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances.	Compliance review of statutory requirements are being done by Top Management including rectification of Non-Compliances.									Monthly Report to Top Management by Plant Head for all statutory compliance.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
IATF & ISO 22301 by DNV & SA 8000 by BSI- India	ISO 45001 & ISO 14001 by DNV & ISO 14064 & ISO 50001 by BSI- India	SA 8000 by BSI-India & ISO 45001 by DNV	IATF 16949 by DNV & SA 8000 by BSI- India	SA 8000 by BSI- India	ISO 14001 by DNV, Green Co by CII & FSES System by British Safety Council	SA 8000 & Reporting as per GRI requirements by BSI- India	ISO 22301 by DNV	IATF 16949 by DNV



12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	5	<ul style="list-style-type: none"> • Technology *1 • New Product Development *2 • Social Investment *3 • Plant Visit *4 • Awareness Program - Interaction with Senior Management *5 	86.44%
Key Managerial Personnel	5	<ul style="list-style-type: none"> • Technology *1 • New Product Development *2 • Social Investment *3 • Plant Visit *4 • Awareness Program - Interaction with Senior Management *5 	100%
Employees other than BoD and KMPs	71	<ul style="list-style-type: none"> • Corporate ethics • Code of Conduct • Problem Solving • Leadership • SA 8000 	100%
Workers	135	<ul style="list-style-type: none"> • SA 8000 • Whistle blower • Self-Analysis & Development 	100%

*1. Sensitization for the need for technology for sustainable business.

*2. Update on new development in key products in a manner that is sustainable and safe.

*3. Updates on Social Investments towards empowering Local communities.

*4. Sensitization towards providing value to the consumers in a responsible manner.

*5. Business should be conducted with integrity, and in a manner that is ethical, transparent and accountable.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine *	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	

* The Competition Commission of India ("CCI") on 2nd February 2022 had released an Order dated 31st August 2018 for alleged contravention of provisions of the Competition Act, 2002 against the Company, certain other Tyre manufacturers and Automotive Tyre Manufacturers Association. CCI had imposed a penalty of ₹ 309.95 crores on the Company. The Company had filed an Appeal before the Hon'ble National Company Law Appellate Tribunal against the said CCI Order. The NCLAT, through an order dated 1st December 2022, has disposed of the aforementioned appeal, after taking note of the multiple errors in the said CCI Order dated 31st August 2018, and remanded the matter back to the CCI, to re-examine the matter on merits and also to consider reviewing the penalty (if violation is established) in accordance with the provisions of the Competition Act. The Company understands that the CCI has filed an appeal against the NCLAT order dated 1st December 2022, however, no notice has been received by the Company till date. Based on legal advice, the Company continues to believe that it has a strong case, and accordingly, no provision has been made in the accounts. The Company strongly reiterates that there has been no wrongdoing on the part of the Company and reassures all the stakeholders that the Company has never indulged in or was part of any cartel or undertook any anti-competitive practices.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Please refer to the Note in the preceding Para no. 2	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Reply: Yes, we do have a policy. In addition, the required steps to ensure proper reporting of such incidents have been given in Vigil / Whistleblower policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL



6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.- **NIL****Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
Suppliers- 26	Principles 1 to 9	More than 50%
Channel partners/Dealers – 22	Principle 1, 2, 3, 4, 6, 9	More than 50%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes✓/ No) If Yes, provide details of the same.

Reply: Yes, we do have a process in place which is governed by the “Code of Conduct for Members of the Board and Senior Management” of JK Tyre & Industries Ltd. Web link to the same is: <http://www.jktyre.com/codeofconduct.aspx>

PRINCIPLE 2 Businesses should provide goods and services in manner that is sustainable and safe**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	46%	10%	Our material sustainability projects are addressing the “Effect of Tyres on Environment” which will help the environment as well as society in the following ways: 1. We have developed and promote products like “ Smart Tyres” which are sensor fitted Tyres which provide alerts to the vehicle driver in case of Tyre air pressure & heat variation. These alerts are preventive in nature and add to Road safety. Optimum Tyre pressure also facilitates low carbon emissions. 2. Our Puncture Guard product prevents punctures and thus aids vehicle safety. 3. Reduce petroleum based raw material consumption, which will help to save Mother Earth. 4. Increase use of recycled materials in Tyre manufacturing will help to reuse / recycle used Tyres and in turn will reduce environmental burden as Tyre is a non-biodegradable material. 5. Reduce CO2 emission in the environment, which will help reduce green-house gas emissions
Capex	21%	6%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Reply: Yes, we do we have a sustainable procurement policy & the same is available on our website.

b. If yes, what percentage of inputs were sourced sustainably?

Reply: 47.7% of our input material (by weight) & 44.5% (by value) is sustainable and all our procurement processes are 99% sustainable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Reply: We at JK Tyre, are certified by an Independent 3rd party (BIS) as Zero waste to landfill facilities. All the plastic waste, E-waste, hazardous waste and other wastes are disposed in accordance with Pollution Control Board (PCB) Guidelines. As a process, all waste generated at different locations at plants is aggregated at 1 central location, it is Inventorized and disposed according to State PCB guidelines.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Reply: Yes, EPR will be applicable to the entity's activities. EPR as a subject is being addressed in the country for End of Life Tyre (ELT), by Ministry of Environment, Forest & Climate Change , Govt of India (GOI).

JK Tyre, being a member of ATMA and ITTAC, which are represented in the forum for addressing EPR, is actively participating in the discussions with the Govt of India (GOI).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Reply: Yes, we have conducted “Life cycle assessment” of our products i.e. Tyres. As a mobility product and as a safety product, the assessment of various categories of our Tyres like Truck/Bus Radial, Truck/Bus Bias, PCR etc. are done for its efficacy and adequacy and a large number of sample reference Tyres are also evaluated for LCA on a regular basis.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
C22	10.00-20 16 PR Jet R Miles (LCA done in 2021)	2.90%	Cradle to Grave	YES	NO
C22	215/60 R17 UX Royale (LCA done in 2021)	2.20%	Cradle to Grave	YES	NO
C22	7.00R15 Steel King TT 12PR (LCA done in 2021)	4%	Cradle to Grave	YES	NO
C22	10.00-20_JET XTRA XLM_16PR_J_ TT (LCA done in 2022)	1.80%	Cradle to Grave	YES	NO
C22	10.00R20_JUH5_16PR_K_TT (LCA done in 2022)	2.80%	Cradle to Grave	YES	NO
C22	165/80R14 TAXIMAX 85 STL (LCA done in 2022)	0.4%	Cradle to Grave	YES	NO
C22	2.75-18 BLAZE BF32 TT (4PR-42P) (LCA done in 2022)	0.2%	Cradle to Grave	YES	NO



2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Tyre Tube and Flap	Wrong usage of Waste / End of Life Tyre (ELT)	Handling through Approved Vendors

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	2022-23 Current Financial Year	2021-22 Previous Financial Year
Reclaimed, Reprocessed, De-Vulcanized & Crumb Rubber	0.3% by Value 0.8% by Weight	0.3% by Value 0.9% by Weight

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	58.64	1455.6	-	101.07	958.6
E-waste	-	-	8.8	-	-	10.9
Hazardous waste	-	-	583.1	-	-	529.9
Other waste	-	-	9778.9	-	-	8510.9

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Commercial Tyres (Retread)	9.89%

JK Tyre is regd. under EPR policy which is under finalization by Govt of India.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

- 1 a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefit		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1913	1913	100%	1913	100%	-	-	-	-	-	-
Female	50	50	100%	50	100%	50	100%	-	-	-	-
Total	1963	1963	100%	1963	100%	50	100%	-	-	-	-

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefit		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent employees											
Male	245	-	-	245	100%	-	-	-	-	-	-
Female	2	-	-	2	100%	2	100%	-	-	-	-
Total	247	-	-	247	100%	2	100%	-	-	-	-

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefit		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	3859	-	-	3859	100%	-	-	-	-	-	-
Female	5	-	-	5	100%	5	100%	-	-	-	-
Total	3864	-	-	3864	100%	5	100%	-	-	-	-
Other than Permanent workers											
Male	5023	-	-	5023	100%	-	-	-	-	-	-
Female	63	-	-	63	100%	63	100%	-	-	-	-
Total	5086	-	-	5086	100%	63	100%	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	As Per Act	As Per Act	Yes	As Per Act	As Per Act	Yes
Others – please Specify	NA	N.A.	N.A.	N.A.	N.A.	N.A.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Reply: Yes, all the premises/offices are accessible in line with Disabilities Act 2016.



4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Reply: JK Tyre is committed to being an equal opportunity employer and ensures an inclusive workplace for all.
Web link: https://jktyre.com/PDF_Corporate_Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took Parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Reply: Yes, we do have the mechanisms in place the details of which are mentioned below:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	A detailed grievance handling procedure is in place. Different redressal committees like Safety committee, Canteen committee, PF committee, Benevolent Fund Committee, Cultural Committees, POSH Committee etc. are functioning regularly and addressing the issues immediately. In case of non-redressal, Union office bearers put up the issues before the management and same are resolved subject to merits of the issue.
Other than Permanent Workers	Badlis & Contract Workmen raise their grievances through their respective line managers, if not resolved, they can escalate the same to the HR Department through their respective contractors
Permanent Employees	As a part of our open and transparent culture, we follow open door policy. So, every employee can share their concerns to their functional heads or leaders at any point in time.
Other than Permanent Employees	They can directly approach the respective HOD's/ In charges and the same is addressed by the respective HODs/ in charges.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees /workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D /C)
Total Permanent Employees	N.A.					
- Male	N.A.					
- Female	N.A.					
Total Permanent Workers	3864	3121	80.77 %	3975	3265	82.14%
- Male	3859	3117	80.77%	3968	3259	82.13%
- Female	5	4	80%	7	7	100%

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No (B)	% (B/A)	No. (C)	% (C /A)		No (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Male	1913	1233	64.45%	1566	81.86%	1881	1615	85.86%	1789	95.11%
Female	50	46	92%	46	92%	39	39	100%	34	87.18%
Total	1963	1279	65.15%	1612	82.11%	1920	1654	86.14%	1823	94.95%
Workers										
Male	3859	3521	91.24%	3688	95.55%	3968	2704	68.14%	3156	79.53%
Female	5	5	100%	5	100%	7	7	100%	7	100%
Total	3864	3626	93.84%	3693	95.55%	3975	2710	68.17%	3162	79.54%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1913	1673	87.45%	1881	1759	93.51%
Female	50	27	54 %	39	34	87.18%
Total	1963	1700	86.60%	1920	1793	93.39%
Workers						
Male	3859	3667	95.02%	3968	3788	95.46%
Female	5	5	100%	7	7	100%
Total	3864	3672	95.03%	3975	3795	95.47%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Reply: Yes, the same has been implemented. Occupational Health & Safety Activities are as given below:

- Pre-employment and Periodical Medical assessments
- Health & Safety Training
- Safety Study
- Safety Audits
- Work Permit System
- Contractor Safety Management
- Occupational Health & Safety Communication
- Emergency Preparedness



- Incident Investigation
- COVID-19 safety awareness and vaccination programs

Employee Selection Process:

- The employee selection process begins with an intricately structured Job description that is defined as per the tasks involved and competency of the candidate. Depending on the Degree/level, there are defined panels to evaluate the potential candidates. The Functional experts evaluate the functional skills whereas HR checks the candidate's previous employment history. The shortlisted candidates are then taken through personality profiling through Psychometric tools which evaluates the behavioral/ attitudinal dimension of the candidate. Once the candidate fulfils all these requirements, an official offer is made.
- All the new entrants (Both Employees and Stake holders) shall undergo a Pre-employment Medical Examination to prove his/ her fitness to secure employment and to fulfil legal requirements. These reports are then verified by our Medical Officer.
- All the employees shall undergo a Safety Induction training beginning with Safety DOJO at Training Gallery and Class room trainings. All the trainings are evaluated for effectiveness.
- On successful completion of these requirements, candidate shall undergo "on the job training" before they deployed to work in the respective departments.
- All the employee's health conditions are monitored annually by the Medical Officer through Periodical Medical Examination.

Contractor Selection Process:- We have a well-defined process

- We have defined a procedure for Contract Safety Management which provides the process of Contractor Selection, Awarding the Contract, Training on Method Statements and Monitoring of their Safety Performance.
- Selection of contracting organization through a questionnaire to confirm their past performance with a criterion indicating Safety Performance, Qualification, Knowledge, Experience and Skills to perform the job safely.
- The Work Order communicates the requirement of Area Specific Statutory requirements, Organization/Location Safety requirements to the Contractor for complying. The Extended business partners shall undergo Pre-employment and Periodical Medical Examination to ensure his/her fitness to secure their job placement and fulfil the local legal requirements. This report is then verified by our Medical Officer and approved after verifying the medical examination report.
- All the Employees of Contractor shall undergo safety induction training (through Safety DOJO) before they are engaged for the contractual job.
- All the contractors Health conditions are monitored by the Medical Officer through Pre-employment and Periodical Medical examination.

- b. What are the processes used to identify work-related hazards and assess risks on routine and non-routine basis by the entity?

Reply: Routine activities are monitored through adherence to Job Safety Analysis, Hazard Identification & Risk Assessment (HIRA), Standard operating procedure and Operational Control Procedure.

HIRA Format- Non-routine activities are monitored through 6 types of Work Permit system to ensure the Health and safety of Men, Machines and Materials which are:

- | | | |
|------------------------|--------------------------------|------------------------|
| 1) Hot work permit | 2) Confined space entry permit | 3) Height work permit |
| 4) General work permit | 5) Electrical work permit | 6) Lifting work permit |

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (YES✓/ No)

Reply: Yes, we are monitoring and rectifying the work-related hazards through various forums. Also, the feedback is received from workers. The below mentioned forums are used for receiving inputs and monitoring:

1. Safety Patrol
2. Work place Inspections (Like Mill Safety, PPE, Safety Devices, etc.)
3. Safety Audits (like Walk-through audit, Inter-departmental audit, Monthly theme wise Audit etc.)
4. On the job "know your machine" trainings at the Shop Floor
5. Safety Committee meetings
6. Mock Drills
7. Feedback received form the outcome of risk assessment, suggestions, Investigation process, behavior based safety observations, audit outcomes etc. are recorded and monitored as part of continual improvement

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes✓/No)

Reply: Yes, we are operating full-fledged 24 X 7 Occupational Health Centers (OHCs).

1. We have deployed qualified Doctors with Associate Fellowship and Industrial Hygiene (AFIH) degrees
2. Qualified male and female nurses
3. Ambulance drivers having valid license for driving the Ambulance.
4. Also, our OHCs are equipped with necessary medical equipment's as per the Factories Act Norms.

At our Occupational Health Centre at plant locations, we also treat non-occupational Illness cases like fever, cold, tooth pain, etc. and provide them with first aid and necessary medical care under appropriate medical advice.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	0.07	0.09
Total Recordable work-related injuries	Employees	NIL	NIL
	Workers	2	2
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Reply: We are monitoring the health and safety results through various mechanisms to find out any deviation in the health and safety management system.

Following are the mechanism being used for monitoring our workplaces:

- a) Plant Safety instructions display boards installed
- b) Proactive Monitoring such as safety tours, audits, workplace inspections, statutory Inspections, outcomes from risk assessment, survey, hygiene, OHS Objectives and management programs, outcomes of safety committee meetings, BBS observation, mock drill etc.
- c) Reactive Monitoring such as near miss, illness cases, Injuries, reportable & non-reportable accident etc.
- d) Feedback received as part of risk assessment, suggestions, investigation process, audit outcomes etc. are recorded and monitored as part of continual improvement



- e) Kaizen Awards for promoting good safety practices
- f) One-point lesion installed
- g) MSDS installed for chemical areas
- h) On the job safety trainings
- i) Reviewing the no. of accidents is the priority agenda item for Top Management's review.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	NIL	N.A.	1	NIL	N.A.
Health & Safety	76	6	N.A.	14	4	N.A.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Reply: To address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety, we have a structured root cause analysis format for detailed investigation and corrective action plans procedure at all locations.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
Reply: Yes, for both employees and workers.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
Reply: Monthly tracking mechanism for monitoring statute compliance every month. Periodical internal as well as external audits are conducted to ensure 100% compliance
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No✓)

Reply: No, the entity does not offer any such assistance program.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We conduct audits at leading suppliers as per our standard audit procedure.
Working Conditions	As mentioned above for Health and safety practices

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Reply: No significant risk identified in the above audits.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Reply: The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth and therefore, it is mandatory to clearly identify and map all concerned internal and external stakeholders. The Company has put in place systems and processes to identify, prioritize and address the needs and concerns of its stakeholders across all plant locations and other areas of its presence.

The Company has various mechanisms in place for engagement with these stakeholders such as employee engagement study, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. There is also a dedicated email id for all stakeholders to engage with the Company.

This helped the Company in developing strong relationships with a large number of stakeholders. The lasting partnerships built with local communities and various other stakeholders have created a win-win situation for the Company and its stakeholders mutually contributing and supporting the growth and development of each other.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors	-	Business Meetings, Supplier Engagement Events, Industry Conferences, Surveys, etc.	Fortnightly, Monthly, Half-yearly, Annually & Need based	Sustainability, Awareness campaigns, training programs, skill development workshops, knowledge-sharing series, etc.
Shareholders	No	Email, Meetings, Newspaper, Company website, Stock exchanges, other Statutory Authority	Regularly through Company's website and website of stock exchanges, through Annual General Meetings	Disseminating and sharing of information with the shareholders with a view to update and also to seek their approval, etc. as may be required.
Institutional Investors	No	Meetings, Stock exchanges	Quarterly	Sharing the working and challenges
Investors other than Shareholders	No	Email, Newspaper, company website	Regularly	-



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Feedback surveys, customer meets, fitment surveys, 1 on 1 interactions	Need based, Periodically	Complaints handling and new product development communication
Statutory body	No	Interactions, Industry forum meets	Need based	Compliance, Industry concerns, Govt. expectations
Employees	No	V connect, displays, trainings, SAMVAD, app-based learning, focused group discussions	Daily, weekly, monthly, need based, annually	Industry scenario, challenges/ issues, employee well-being, Grievance handling, career development
Community	Yes	Community meetings with local people. Leaders, NGOs, Govt. Departments, etc.	Annually and need based (Direct connect through CSR)	Education, community health, livelihood & water based CSR interventions.
Channel partners	No	Dealer meets, audits, Training JK Tyre dealer clubs, 1-1 interactions	Weekly, Monthly, Annually, Need based	Customer relationship, product knowledge.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Reply: Please refer to the stakeholder engagement section of the Integrated Annual Report FY 22-23

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Reply: Please refer to the stakeholder engagement section of the Integrated Annual Report FY 22-23

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Reply: JK Tyre always consciously acts as a responsible organization and engages with the marginalized and vulnerable sections of society. Our major engagement channels are with local communities and other stakeholders like drivers and transporters benefitting through our CSR interventions. We engage with them frequently through need assessment and other participatory methods to understand their needs and impact of our interventions.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy (policies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	1963	887	45.18%	1920	350	18.23%
Other than permanent	247	0	-	241	0	-
Total Employees	2210	887	40.13%	2161	350	18.23%
Workers						
Permanent	3864	2600	67.64%	3975	1954	49.16%
Other than permanent	5086	3749	73.71%	5189	2554	49.22%
Total Workers	8950	6349	70.94%	9164	4508	49.19%

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wages		More than Minimum Wage		Total (D)	Equal to Minimum Wages		More than Minimum Wage	
		No. (B)	% (B / A)	No (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1963	-	-	1963	100%	1920	-	-	1920	100%
Male	1913	-	-	1913	100%	1881	-	-	1881	100%
Female	50	-	-	50	100%	39	-	-	39	100%
Other than Permanent	247	-	-	247	100%	241	-	-	241	100%
Male	245	-	-	245	100%	239	-	-	239	100%
Female	2	-	-	2	100%	2	-	-	2	100%
Workers										
Permanent	3864	-	-	3864	100 %	3975	-	-	3975	100%
Male	3859	-	-	3859	100%	3968	-	-	3968	100%
Female	5	-	-	5	100%	7	-	-	7	100%
Other than Permanent	5086	3582	70.43%	1504	29.57%	5189	5119	98.65%	70	1.35%
Male	5023	3519	70.06%	1504	29.94%	5125	5055	98.63%	70	1.37%
Female	63	63	100%	-	-	64	64	100%	-	-



3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) - Executive Directors (ED)	3	10,73,37,270	0	-
BOD - Non-Executive Directors (NED)*	7	16,00,000	2	16,00,000
Key Managerial Personnel *	5	2,11,79,876	0	-
Employees other than BoD and KMP	1908	9,42,307	50	8,51,054
Workers	3859	5,21,692	5	8,86,314

*The remuneration of two Non-Executive Directors (NEDs), one who relinquished his office w.e.f. from 25.09.2022 and another who was appointed w.e.f. 01.11.2022, is not considered in median calculation as their remuneration is only for the part of year.

** The median remuneration of 3 Executive Directors (included in KMPs) is covered as a part of Board of Directors therefore their remuneration is not included in the median remuneration paid to KMPs.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes✓/ No)

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Reply: We have a grievance committee and a harassment committee which addresses such human right issues.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Reply: Yes, we do have a mechanism in place to deal with the same, particulars of which are mentioned as below:

- 1) We have structured training and education programs on harassment and code of conduct for all the employees at all levels.
- 2) We have harassment policy in place to avoid such incidents.

8. Do human rights requirements form part of your business agreements and contracts? (Yes✓/No)

Reply: Yes, the same has been made a part of our agreements and contracts.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	NIL
Forced/involuntary Labor	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Reply: Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. **N.A.**
2. Details of the scope and coverage of any Human rights due-diligence conducted- **N.A.**
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? **Yes**
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	N.A.
Discrimination at workplace	N.A.
Child Labour	N.A.
Forced Labour/Involuntary Labour	N.A.
Wages	N.A.
Others – please specify	N.A.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Reply: Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total electricity consumption (A)	9,20,254 G.J.	8,99,706 G.J.
Total fuel consumption (B)	18,74,691 G.J.	19,14,579 G.J.
Energy consumption through other sources (c)	-	-
Total energy consumption (A+B+C)	27,94,945 G.J.	28,14,285 G.J.
Energy intensity per crore rupee of turnover (Total energy consumption/turnover in Cr rupees)	289.66	349.07
Energy intensity (optional) – the relevant metric may be selected by the entity	8.53 GJ/Ton of Finished product	8.83 GJ/Ton of Finished product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Yes, in 2022-23, such assessment is carried out by the Independent agency-BSI, India

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Reply: N.A.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	3,83,498	3,97,875
(ii) Groundwater	30,780	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others- Rain water harvesting and TTRO	1,19,876	1,52,790
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,34,154	5,50,665
Total volume of water consumption (in kilolitres)	5,34,154	5,50,665
Water intensity per Crore rupee of turnover (Water consumed / turnover in Cr rupees)	55.36	68.30
Water intensity (optional) – the relevant metric may be selected by the entity	1.62 Ltr/Kg of output	1.72 Ltr/Kg of output

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: This data is verified by BSI India for Annual Integrated Reporting

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Reply: We, at JK Tyre have implemented Zero Effluent Discharge (ZED) according to Pollution Control Board guidelines of the states. Most of our plants have implemented ZLD through the Multi effect evaporators technology (MEET) and ZLD is complied. Our Chennai Tyre Plant (Tamil Nadu), Kankroli Tyre Plant (Rajasthan) and Radial (Vikrant) Tyre plant (Mysuru) are Certified by 3rd party by BSI and certification for Banmore Tyre Plant (MP) is in progress.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NOx	µg/M ³	Max up to 43.85	Max up to 45.28
Sox	µg/M ³	Max up to 16.59	Max up to 15.54
Particulate matter (PM)	mg//NM ³	Max up to 81.99	Max up to 94.6
Persistent organic pollutants (POP)		N.A.	N.A.
Volatile organic compounds (VOC)	µg/M ³	Max up to 148	Max up to 153
Hazardous air pollutants (HAP)		N.A.	N.A.
Others – please specify		N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Reply: Yes, Independent assessments have been carried out by external agency(s) plant wise details of which are given as below:

NOx, SOx, PM, VOC are tested by following external agencies:

1. Kankroli Tyre Plant - Apex enviro laboratory
2. Banmore Tyre Plant - Advanced Environmental Testing and Research Lab Pvt. Ltd.
3. Chennai Tyre Plant - Eco care engineering Pvt. Ltd.
4. Vikrant Tyre Plant - Ganesh Consultancy & Analytical service

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,43,367.20	1,56,036.80
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	88,680.59	93,055.85
Total Scope 1 and Scope 2 emissions	Metric tonnes of CO ₂ equivalent	2,32,047.79	2,49,092.64
Production	Metric tonnes	3,28,056	3,18,733.63
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e/MT	0.7073 per ton of Finished product	0.7815 per ton of Finished product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Yes, the verification is done by third party BSI India.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Reply: Each year JKTIL is investing on Energy conservation projects and we are able to reduce Green House Gas emission. Some of the Energy Conservation Projects Implemented in FY 2021-22 include:

- Replacement of Conventional Pumps with Energy Efficient Pump on Cooling Towers
- Reduction in Compressed Air by PCI Air Recovery
- Insulation on High Temperature application



- VFD on Dust Collector & Fume Extractor Fans & Pumps etc.
- Replacement of Conventional Blower with Energy Efficient Blower in AHU's
- Replacement of conventional Motors with Energy Efficient Blowers in Process application.
- Energy Saving by Uses of Alternate Energy for TCU application
- Power Saving by provision of VFD's on Mill Application

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,455.6	958.62
E-waste (B)	8.8	10.94
Bio-medical waste (C)	0.03	0.31
Construction and demolition waste (D)	0	0
Battery waste (E)	8.1	15.83
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	574.9	514.1
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	9,778.9	8,510.90
Total (A+B + C + D + E + F + G+ H)	11,826.3	10,010.7
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	58.64	101.07
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	58.64	101.07
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	11,826.3	10,010.7
Total	11,826.3	10,010.7

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Yes, this data is verified by BSI India for Annual Integrated Reporting.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Reply: JK Tyre has already been certified by 3rd party on Zero waste to Landfill. This demonstrates our commitment to Environmental sustainability and being Green in sync with our Mission. Continuous Monitoring of waste generation at Plant locations is done and day to day corrections are continuously made to ensure reduction in waste generation. Cross Functional Teams including workers are trained on problem solving techniques to improve the employee involvement in awareness and reducing waste generation through Kaizen and other improvements done on continuous basis. Waste generated during the process at all the locations is aggregated and segregated at one location for proper disposal according to the guidelines issued by the State Pollution control boards (SPCBs)

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of Project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results Communicated in public Domain (Yes / No)	Relevant Web link
Environmental Impact Assessment for JK Tyre & Industries Ltd. - Banmore Plant	Environmental Impact Notification S.O.1533 (E), Dt. 14 th September 2006 issued under Environment (Protection) Act 1986	14-04-2022	Yes	No	N.A.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	5,36,318 G.J.	4,75,757 G.J.
Total fuel consumption (B)	4,70,272 G.J.	3,55,283 G.J.
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	10,06,590 G.J.	8,31,040 G.J.
From non-renewable sources		
Total electricity consumption (D)	3,83,936 G.J.	4,23,949 G.J.
Total fuel consumption (E)	14,04,419 G.J.	15,59,295 G.J.
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	17,88,355 G.J.	19,83,244 G.J.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Verified by BSI India for Annual Integrated Report as per GRI requirement



2. Provide the following details related to water discharged:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others*	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	1,22,160 KL	2,31,754 KL
Total water discharged (in kilolitres)	1,22,160 KL	2,31,754 KL

* Horticulture

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Verified by BSI India for Annual Integrated Report as per GRI requirement

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area- Kankroli Tyre Plant (KTP)
- Nature of operations- Manufacturing
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	33,322	48,225
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	13,777	7,425
Total volume of water withdrawal (in kilolitres)	47,099 KL	55,650 KL
Total volume of water consumption (in kilolitres)	47,099 KL	55,650 KL

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water intensity per rupee of turnover (Water consumed / turnover in Cr rupees)	4.88	6.90
Water intensity (optional) – the relevant metric may be selected by the Entity	0.78 KL per ton of Finished product	0.84 KL per ton of Finished product
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
*With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
*With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
*With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
*With treatment – please specify level of treatment	0 KL	73,539 KL
Total water discharged (in kilolitres)	0 KL	73,539 KL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Verified by BSI India for Annual Integrated Report as per GRI requirement.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	68,893.89	63,965.45
Total Scope 3 emissions per Crore rupee of turnover		7.14	7.94
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0.21 eCO ₂ /ton of finished product	0.20 eCO ₂ /ton of finished product

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Reply: Yes, verified by BSI India as per ISO 14064 : 2018

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Reply: No Manufacturing unit of JK TIL is located in/nearby ecologically sensitive areas. However, JK Tyre has given high priority around its green belt in conserving existing natural areas and promotes biodiversity in its factory premises.



JK Tyre has conducted Ecological and Biodiversity Impact Assessment by third party for its all manufacturing locations in last 2 years to identify any impacts of the company operations on the nearby biodiversity and the ecosystems. JK Tyre also have corporate Biodiversity protection policy focusing on minimizing the biodiversity risks in the business operations, encouraging relevant stakeholders to support better biodiversity management and establishing a system for monitoring and reporting of progressive steps taken towards the protection of biodiversity. This policy is shared with respective stakeholders and also available in public domain.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Zero Liquid Discharge	At 4 of the manufacturing units of JK Tyre, Zero Liquid Discharge (ZLD) is achieved via the recycling of water and increasing its resource efficiency by using technology/ modifying or installing new processes.	03 plants are certified as Zero Liquid Discharge plants and one more plant is under process.
2.	To reduce impact due to emission	Company has started the verification of GHG Emission as per ISO 14064 from FY 2013-14. The major contributor for the reduction of Scope 1 emission is Biomass. In last year, the company has used 28% of energy in boiler from biomass and Company is continuously working on increasing the use of it. The major contributor for the reduction of Scope 2 emission is the usage of renewable energy. In FY 2022-23, total 58% of electrical power came from renewable sources.	The company has reduced 9.50% of emission per MT of production in FY 22-23 viz a viz FY 21-22 Note: These figures are duly verified and audited by external agency

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Reply: We have developed Business continuity and disaster management plan for all our locations individually which are periodically reviewed. These plans cover all elements of environment, safety and sustainability and list more than 30 scenarios such as bulk oil Leakage, carbon dust emissions, acid spillage, ESP, boiler failures etc.

The structure and contents of the on-site Emergency Plan (also sometimes referred as Disaster or Crisis Management Plan- CMP/ DMP) have been developed after taking in to consideration the regulatory guidelines, other applicable documents and good industry practices/principles formulated as a result of lessons learned in actual exigencies requiring extensive emergency response.

The objectives of Disaster Management Plan is :

- Rapid control and containment of hazardous situation.
- Minimizing the risk and impact of event / incident as well as on environment.
- Effective rehabilitation of the affected people potentially effected including emergency services and prevention of damage to property.

This manual covers the activities carried out at the factory site and identified potential hazards. It also covers the Emergency Response Procedures for handling emergencies at the factory site. This manual gives guidelines for four basic activities such as Mitigation, Preparedness, Response and Recovery in the identified emergency situations.

On-site Emergency Preparedness and Response Plan aims at the reduction of the consequences of major accidents on-site & off-site.

As far as possible, to ensure that No person suffers an injury as a result of a fire, natural calamity, hazards associated with manufacturing activities at site where JK Tyres & Industries Limited is carrying out its business activities, each workplace in the factory is required to implement the on-site Emergency Plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Reply: Best possible sustainable practices are followed.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Reply: N.A.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- Number of affiliations with trade and industry chambers/ associations- 5
- List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of Trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Automotive Tyre manufacturer's association	National
3	PHD Chamber of Commerce and Industry	National
4	Center for Tire research (CenTire), USA	International
5	Indian Rubber Manufacturers Research Association (IRMRA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
The same has been answered above. Please Refer Principle 1 – Question No. 2		

Leadership Indicators

- Details of public policy positions advocated by the entity:

Reply: JK Tyre's approach to achieving the Government, policy and community objectives focuses on engaging ecosystems at the national, regional and local levels. JK Tyre focuses on developing and maintaining partnerships with relevant government agencies, Business organizations like ASSOCHAM, CII, FICCI, PHD chamber of commerce & Industry, Tyre Industry associations like ATMA, Indian Rubber Manufacturers Research Association (IRMRA) and community organizations for the purpose of developing partnership towards community development.

Some of the public policies advocated by JK Tyre are:

- Support proposed framework for End of the Life Tyre policy (ELT)
- Support existing legislations on FAME norms/ CAFE norms and Vehicle scrappage policy.
- JK Tyre has been continually promoting Road safety awareness at company as well as Industry level for the past 3 decades, with focus on Tyre safety. During the year, the Company conducted various educational programs for end users including Drivers, Mechanics, Students and Police personnel at different fora.
- We advocate Road safety and conduct various programs in association with stakeholders including parliamentarians and Safe driving awareness programs have been conducted for motorsport participants including a special drive in the Northeastern states.



PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. However, as a responsible corporate, we keep on assessing the impact of our CSR initiatives over target population. We also capture the case studies to assess the qualitative impact over the local communities.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable.						

3. Describe the mechanisms to receive and redress grievances of the community.

Reply: We have a robust community feedback mechanism to receive and redress community grievances. At all the plant locations, there are CSR teams and they are well equipped to capture community grievances. Under CSR, we follow a very methodical approach and all of our CSR activities are planned and implemented in participatory way following:

- Need assessment survey
- Planning of CSR projects based on local needs
- Participatory project implementation
- Participatory monitoring and Third-party monitoring/ impact assessment.

Society satisfaction and feedback surveys are conducted regularly to understand the ground reality, short term and long-term impacts of social interventions on the community. Based on the findings of these studies further improvement in CSR interventions are planned. Individual case studies are also recorded by the team to explore how a CSR project has been instrumental in increasing their overall income/ employment, inculcated health seeking behavior, water conservation for ecological sustenance, etc.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	JK Tyre has PAN India presence in strategic locations across the country in which we ensure to source as much input material as we can source locally wherever feasible. During FY2022-23 and FY2021-22, the company has procured sizeable material from Local and Small suppliers like general consumables and equipment spares etc.	
Sourced directly from within the district and neighboring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NOT APPLICABLE, though as a socially responsible corporate, we regularly communicate with Local communities and capture their needs & aspirations and plan out our CSR initiatives towards helping them.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (In INR)
1	N.A.	N.A.	N.A.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No✓)

Reply: No, we don't have any preferential procurement policy, which gives preference to any supplier. Procurement allocation is purely based on parameters like quality, cost & delivery. The idea is to give an equal opportunity to all suppliers. However, we develop suppliers through awareness campaigns, training programmes & skill development workshops.

- (b) From which marginalized /vulnerable groups do you procure?

Reply: Farmers (through aggregators) & MSMEs

- (c) What percentage of total procurement (by value) does it constitute?

20%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NOT APPLICABLE				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NOT APPLICABLE		

6. Details of beneficiaries of CSR Projects for the Financial Year:

Sr. No	CSR Project	No. of persons benefitted from CSR Projects % of beneficiaries from vulnerable and marginalized groups	Reach of trade and industry chambers/ associations (State/National)
1	Health Based CSR Projects	25,067	More than 50%
2	Livelihood Based CSR Projects	27,336	More than 50%
3	Education Based CSR Projects	24,437	More than 50%
4	Water/ Natural Resource Management Based CSR Projects	15,440	More than 50%
TOTAL		92,280	

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Reply: We have a dedicated team which focuses on catering to the various requirements of our customers for a seamless experience.



2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

As a percentage to total turnover	
Environmental and social parameters relevant to the product	All necessary information as per regulatory Requirements are disclosed on all our Products.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber-security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential Services	NIL	NIL	NIL	NIL	NIL	NIL
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	-
Forced recalls	NIL	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Reply: Yes, we are ISMS – ISO 27001 certified since 2016 and a complete ISMS manual is available but web link is not there.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Reply: We keep on upgrading to the latest provisions as per ISMS standards. No instance for complaints regarding cyber security and data privacy of customers have occurred.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Reply: Our Website - www.jktyre.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Reply: Tyre care and usage information is regularly and periodically shared with end users and channel partners through various interactive programs throughout the year.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Reply: Our Website www.jktyre.com

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

Reply- Product Information: Yes, the Company's products conform to the Bureau of Indian Standards (BIS) specifications, as well as the standards of countries where our products are exported as may be required. The Company also adheres to various stringent world class processes and quality standards.

The Company displays all the requisite product information on Tread and on the sidewall of the 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 also displays additional information related to tyre usage and maintenance like Visual Alignment Indicator (VAI), Uniform Tyre quality grading (UTQG) safety warning for Tyre fitment and service operating conditions etc. JK Tyre has also introduced product like SMART TYRE which notify vehicle users about tyre temperature /pressure thus enabling greater safety and superior tyre life. This product enables higher vehicle fuel efficiency, and is environment friendly by reducing vehicle emissions. The Company has enhanced and sustained customer interaction and education in digital/ virtual mode as well as physical mode. Education has been imparted on Tyre selection, care and maintenance as per customer application and usage needs, especially at the grass root level with vehicle operators, tyre fitters, mechanics, mine operators, school bus drivers, defense personnel to name a few. Various customer care initiatives have been taken in partnership with OEMs for consumers and OEM dealership staff. We also share road safety and Tyre care information on our digital and social media platforms for the benefit of customers at large and at various public fora.

Customer Satisfaction survey: At JK Tyre, customer centricity drives customer satisfaction. While there is no end to consumer delight, we have always leveraged opportunities that came our way, to redefine customer engagement and centricity thus improving our value proposition.

Company tracks consumer satisfaction and behavior very closely. Company has undertaken various customer surveys, both in-house and through 3rd party, including Customer Satisfaction Study, which was redrawn in line with the Company's journey towards Total Quality Management (TQM). Interactions with customers at various forums also acts as a source of feedback.

In addition to the above in-house surveys (using online platform), contact centers are extensively used for capturing real time feedback and enhance satisfaction, both amongst channel partners and truck fleets operators.

Voice of consumer is used for formulating company's strategic business plan, develop new Products and services and improve operational / processes efficiency, thus creating enhanced customer value propositions

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact- **NIL**
- Percentage of data breaches involving personally identifiable information of customers- **NIL**



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, 2023, 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	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, 2023, the Company's Statement of Profit & Loss included Sales of ₹9538.39 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 to accounting policies Note No. 1.3 (xiv) and Note No. 26 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. 26 of the Standalone financial statements.

Independent Auditor's Report

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



Independent Auditor's Report

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

- As required by the Companies (Auditor's Report) Order, 2020 ("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.

- As required by Section 143(3) of the Act, based on our audit, we report that:

- 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.
- 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.
- 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.
- 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.
- On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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.
- 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:

- The Company has disclosed the impact of pending litigations as on 31st March, 2023 in its financial position in its standalone financial statements. Refer Note No. 33, 34 & 39 to the standalone financial statements.
- 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.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding

Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- As stated in Note No. 53 to the standalone financial statements

- The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

- The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm's Registration Number: 000756N

VIJAY KUMAR
Partner

Membership Number: 092671

New Delhi, the 17th May, 2023



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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right-of-use assets have been physically verified by the management according to the program 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 Property, Plant and Equipment. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial

statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

- (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
- (e) Based on the information and explanation provided to us, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) 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. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.
- (b) According to the information and explanations given to us, the company has been sanctioned working capital limits against security of current assets in excess of five crore rupees, in aggregate, from banks or financial institutions. Based upon the audit procedure performed by us, the quarterly returns or statements filed by the company with such banks or financial institutions are materially in agreement with the books of account of the Company.

Annexure 'A' to the Independent Auditor's Report

- iii. (a) According to the information and explanations given to us and based on our examination of records, the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to guarantee and security are as follows:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
				₹ in Crores
Aggregate amount granted/ provided during the year				
(i) Subsidiaries	-	-	-	-
(ii) Joint Ventures	-	-	-	-
(iii) Associates	-	-	-	-
(iv) Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
(i) Subsidiaries	-	512.46	-	-
(ii) Joint Ventures	-	-	-	-
(iii) Associates	-	-	-	-
(iv) Others	-	-	-	-

- (b) In our opinion, the investments made, Guarantee Provided and security given by the company during the year are prima facie not prejudicial to the Company's interest.
- (c) The company has not granted any loan and advances in the nature of loans during the year. Hence, reporting under clause 3(iii)(c),(d), (e) & (f) of the Order is not applicable.
- 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 been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident fund, employees' state insurance, income 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, 2023.



Annexure 'A' to the Independent Auditor's Report

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2023 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Years	31st March, 2023, Amount in ₹ Crore
Sales Tax Act	Sales Tax	Additional Commissioner (Appeals)	2010-2014	1.09
		Deputy Commissioner/ Deputy Commissioner (Appeals)/ Sr. Joint Commissioner	2003-2017	0.79
		Revision Board	2005-2006	0.15
		Tribunal	2005-2009	0.47
Central Excise Act	Excise Duty	CESTAT	1981-2017	1.86
		Principal Commissioner-GST and Excise	December 2016 - March 2017	13.40
		Directorate General of GST Tax Intelligence	April 2013 - March 2017	0.35
Custom Act	Custom Duty	High Court	2013-2014	3.13
		Directorate of Revenue Intelligence	2019-2020	58.99
Finance Act	Service Tax	Directorate General of GST Tax Intelligence	2017-2018	0.35
		CESTAT	2005-2006	0.04
		Assistant Commissioner	2006-2017	1.04
		Additional/Joint Commissioner-Audit	2018-2019	0.13
		Assistant/ Deputy Commissioner	2017-2018	0.13
		Assistant commissioner of GST and Central Excise	2017-2018	0.63
	Goods & Service Tax	Principal Commissioner- CGST and Central Excise	2017-18 to 2021-22	11.80
		Superintendent- CGST	15.11.2017 to 10.01.2019	0.04
		Deputy commissioner	2017-18 to 2019-20	0.88
		Directorate General of GST Intelligence	2017-19	81.90
		Jt. Commissioner GST	2020-21	0.55
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	Commissioner	2008-2011	1.09
Labour Law	Employee's State Insurance of Corporation	ESIC Court	2011-2013	1.16
Total 31.03.2023				179.97

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender.

(b) According to the information and explanations given to us and based on our examination of records, the company has not been declared wilful defaulter by any bank or financial institution or other lender government or any government authority.

(c) According to the information and explanation given to us and based on our examination of records, the company has utilized the term loan for the purpose it was taken.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanation given to us and based on our examination of records, the company has not raised loans during the year on the pledge of securities held in its Subsidiaries, joint ventures or associate companies.

x. (a) According to the information and explanation given to us and based on our examination of records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has made preferential allotment of compulsory convertible debenture during the year and according to the information and explanation given to us and based on our examination of records, the Company has complied with the requirement of section 42 and section 62 of the Companies Act 2013. The amount raised that remains unutilized during the year has been parked in a cash credit account maintained with Consortium banks of the Company.

xi. (a) According to the information and explanation given to us and based on our examination of records, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of audit report.

(c) According to the information and explanation given to us and based on our examination of records, no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. According to the information and explanation given to us and based on our examination of records, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanation given to us and based on our examination of records, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, therefore provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) According to the information and explanation given to us and based on our examination of records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a) of the Order is not applicable.

(b) According to the information and explanation given to us and based on our examination of records, the company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(c) According to the information and explanation given to us and based on our examination of records, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi) (b) of the Order is not applicable.

(d) According to the information and explanation given to us and based on our examination of records, there are two core investment companies within the Group (as defined in



the Core Investment Companies (Reserve Bank) Directions, 2016).

- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as

to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm's Registration Number: 000756N

VIJAY KUMAR
Partner
Membership Number: 092671

New Delhi, the 17th May, 2023

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, 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
ICAI Firm's Registration Number: 000756N

VIJAY KUMAR
Partner
Membership Number: 092671

New Delhi, the 17th May, 2023

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, 2023 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.



Balance Sheet

as at 31st March, 2023

₹ in Crores (10 Million)			
	Note No.	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	3362.08	3340.89
(b) Capital Work-in-progress		100.44	73.33
(c) Investment Property	3	5.53	5.63
(d) Other Intangible Assets	4	7.04	2.68
(e) Intangible Assets under development		4.36	5.67
(f) Financial Assets			
- Investments	5	786.67	791.11
- Other Financial Assets	6	48.65	121.20
(g) Other Non-current Assets	7	48.28	16.79
		4363.05	4357.30
(2) Current Assets			
(a) Inventories	8	1291.67	1532.84
(b) Financial Assets			
- Investments	9	11.17	-
- Trade Receivables	10	1774.20	1667.38
- Cash and Cash Equivalents	11	50.23	53.16
- Other Bank Balances	12	28.54	23.11
- Other Financial Assets	13	138.71	190.25
(c) Current Tax Assets (Net)	14	27.07	26.98
(d) Other Current Assets	15	321.38	293.80
		3642.97	3787.52
TOTAL ASSETS		8006.02	8144.82
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	16	49.25	49.25
(b) Other Equity		2839.97	2476.85
		2889.22	2526.10
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	17	849.03	972.06
- Lease Liabilities		47.04	58.70
- Other Financial Liabilities	18	593.74	506.82
(b) Provisions	19	32.99	30.80
(c) Deferred Tax Liabilities (Net)	20	369.77	342.76
		1892.57	1911.14
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	21	1698.28	1848.87
- Lease Liabilities		40.34	37.62
- Trade Payables	22		
Micro & Small Enterprises		40.77	33.60
Others		996.09	1346.92
- Other Financial Liabilities	23	278.20	276.31
(b) Other Current Liabilities	24	159.79	158.00
(c) Provisions	25	10.76	6.26
		3224.23	3707.58
TOTAL EQUITY AND LIABILITIES		8006.02	8144.82
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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors

Statement of Profit and Loss

for the year ended 31st March, 2023

₹ in Crores (10 Million)				
	Note No.	2022-2023	2021-2022	
I.	Revenue from Operations	26	9617.92	8032.06
II.	Other Income	27	31.52	30.20
III.	Total Income (I+II)		9649.44	8062.26
IV.	Expenses			
	Cost of Materials Consumed		5707.01	5099.09
	Purchases of Stock-in-trade		1074.34	612.17
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	28	(19.60)	(170.27)
	Employee Benefits Expense	29	707.54	607.40
	Finance Costs	30	257.51	229.61
	Depreciation and Amortization Expense		242.58	240.74
	Other Expenses	31	1373.82	1183.17
	Total Expenses (IV)		9343.20	7801.91
V.	Profit before Interest, Depreciation & Tax (PBITD)		806.33	730.70
VI.	Profit / (Loss) before Exceptional Items and Tax (III-IV)		306.24	260.35
VII.	Exceptional Items	46	(36.17)	3.95
VIII.	Profit / (Loss) before Tax (VI+VII)		270.07	264.30
IX.	Tax Expense			
	(1) Current Tax		72.41	96.41
	(2) Deferred Tax		13.89	(15.15)
X.	Profit / (Loss) for the Year (VIII-IX)		183.77	183.04
XI.	Other Comprehensive Income			
	Items that will not be reclassified to Profit or Loss :			
	- Re-measurement Losses on Defined Benefit Plans		(15.76)	(9.34)
	- Income Tax relating to Items that will not be reclassified to Profit or Loss		5.51	3.26
	Total Other Comprehensive Income		(10.25)	(6.08)
XII.	Total Comprehensive Income for the Year (X+XI)		173.52	176.96
XIII.	Earnings per Equity Share of ₹2 each			
	Basic / Diluted (₹)	47	7.45	7.43

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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
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Shreekant Somany (DIN: 00021423)
Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors



Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2023

I. Equity Share Capital

(1) Current reporting period

₹ in Crores (10 Million)

As at 01.04.2022	Change due to prior period errors	Restated Balance as at 01.04.2022	Change during the Current Year	As at 31.03.2023
49.25	-	49.25	-	49.25

(2) Previous reporting period

As at 01.04.2021	Change due to prior period errors	Restated Balance as at 01.04.2021	Change during the Previous Year	As at 31.03.2022
49.25	-	49.25	-	49.25

II. Other Equity

(1) Current reporting period

₹ in Crores (10 Million)

Particulars	Equity Component of CCDs	Reserves & Surplus					Total Other Equity
		Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
					Surplus in P/L Statement	Other Comprehensive Income*	
As at 1 st April, 2022		456.70	7.00	903.46	1167.08	(57.39)	2476.85
Profit for the year					183.77		183.77
Other Comprehensive Income (Net of Taxes)						(10.25)	(10.25)
Cash Dividend					(36.93)		(36.93)
Issue of Compulsorily Convertible Debentures (CCDs) (Net of Transaction cost and Deferred Tax adjustment)	226.53						226.53
As at 31st March, 2023	226.53	456.70	7.00	903.46	1313.92	(67.64)	2839.97

(2) Previous reporting period

₹ in Crores (10 Million)

Particulars	Equity Component of CCDs	Reserves & Surplus					Total Other Equity
		Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
					Surplus in P/L Statement	Other Comprehensive Income*	
As at 1 st April, 2021	-	456.70	7.00	903.46	1033.29	(51.31)	2349.14
Profit for the year					183.04		183.04
Other Comprehensive Income (Net of Taxes)						(6.08)	(6.08)
Cash Dividend					(49.25)		(49.25)
As at 31st March, 2022	-	456.70	7.00	903.46	1167.08	(57.39)	2476.85

* Represents Re-measurement Losses on Defined Benefit Plans.

Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2023

Component of equity	Nature and Purpose
Equity Component of CCDs	During the year, the Company has issued and allotted 24,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹1,00,000 each to International Finance Corporation ("IFC") on preferential allotment basis on 20 th March, 2023. The CCDs carry a coupon rate of 6% p.a. compounded quarterly. The CCDs shall be convertible into Equity Shares of ₹2 each of the Company, within a period up to 18 months from the date of allotment, at a conversion price of ₹180.50 for each Equity Share, which includes premium of ₹178.50 per Equity Share. The interest at the rate of 6% p.a. compounded cumulatively on a quarterly basis on CCDs shall be converted into Equity Shares at the conversion price of ₹180.50 for each Equity Share. If such interest on CCDs cannot be converted into Equity Shares at the conversion price, then such interest is to be paid either: (a) in cash; or (b) in combination of Equity Shares and cash, as accepted by IFC. These CCDs are unsecured and do not carry any voting rights. The equity shares to be allotted on conversion of the CCDs shall rank pari-passu with the then existing fully paid up equity shares of the company with respect to dividends and voting rights. The CCDs being Compound Financial Instruments have to be bifurcated into Equity and Liability components. For Liability Component, please refer Note No. 17.
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

VIJAY KUMAR
Partner

Membership No. - 092671

New Delhi, the 17th May, 2023

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Chairman & Managing Director
Managing Director

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)

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Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Directors

P. K. RUSTAGI
Company Secretary



Notes to the Standalone Financial Statements

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 sells its Tyres to vehicle manufacturers for fitment in original equipment and in replacement markets worldwide. The company has six manufacturing plants located in Rajasthan, Madhya Pradesh, Tamil Nadu and three plants in Karnataka.

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 17th May, 2023.

1.2 Basis of preparation and measurement of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013. All accounting policies and applicable IND AS have been applied consistently for all periods presented.

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgements, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

1.3 Significant accounting policies:

(i) Property, plant and equipment:

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective property, plant and equipment on completion of construction / erection.

- b) Depreciation on property, plant and equipment (including Continuous Process Plants considered on technical evaluation) has been provided using Straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 15 to 35 years for plant and machinery and 15 to 70 years for buildings. Accelerated depreciation in respect of a production accessory is provided over 6 years.

The carrying amount is eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

(ii) Investment property:

Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on Investment property has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

(iii) Intangible assets:

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits using straight line method. Such intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

Expenditure incurred on intangible asset which are under development is included under Intangible Assets under Development.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

(iv) Lease:

- a) The Company, as a lessee, at the inception of contract, assesses whether the contract is a lease or not. If yes, the contract conveys in favour of the Company, the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially 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. In the Balance Sheet, Right-of-use Asset are presented under respective items of Property, Plant and Equipment or Investment Property, as the case may be. 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 addition, the carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine

such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- b) Depreciation on Right-of-use Asset has been provided using Straight line method over their useful lives or lease period, whichever is lower. Interest Expense on Lease Liabilities are provided using discount rate used to determine Lease Liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.
- c) For short-term leases and leases for which, the underlying asset value is low, right-of-use assets and lease liabilities are not recognised. The lease payments associated with these leases are recognised as expense over the lease term.
- d) The Company, as a lessor, recognises lease payments from operating leases as income on straight-line basis over the lease term. The Company has recognised costs, including depreciation, incurred in earning the lease income as an expense.

(v) Foreign currency transactions and translation:

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement. Non-Monetary Foreign Currency items are stated at cost.

(vi) Inventories:

Inventories are valued at lower of cost and net realisable value. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weighted average basis. Finished Goods, Traded Goods and Process Stock include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Slow-moving and obsolete items based upon technical evaluation are provided for.

(vii) Borrowing cost:

Borrowing Cost is charged to Statement of Profit and Loss except meant for acquisition of qualifying assets, which is



Notes to the Standalone Financial Statements

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.

(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.

Notes to the Standalone Financial Statements

(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. However, trade receivables that do not contain a significant financing component are measured at transaction price. The 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 loss or gain and foreign exchange loss or gain 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:



Notes to the Standalone Financial Statements

- Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the Statement of Profit or Loss.
- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held for trading. Fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains / loss are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability derecognised and the sum of consideration paid and payable is recognised in Statement of Profit and Loss as other income or finance costs/ other expenses.

(xii) Derivative financial instruments:

Derivative instruments such as forward currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xiii) Compulsorily Convertible Debentures – Compound Financial Instruments:

Compulsorily Convertible Debentures (CCDs) are treated as compound financial instruments and these are separated into liability and equity components based on the terms of the contract. At the inception of the CCDs, the following two elements are separated: (a) a liability component arising from the interest payments, if any; and (b) an equity component representing the delivery of fixed number of

equity shares in future. On issuance of the CCDs, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible debt. This amount is recorded as a liability on an amortised cost basis, till its conversion into equity or payment, whichever is earlier. The remainder of the proceeds is attributable to the equity portion of the compound instrument and is not subsequently remeasured. In addition, the component classified as equity shall remain in equity till its conversion. Transaction costs are apportioned between the liability and equity components of the CCDs based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(xiv) 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 consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle, the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue, when or as the entity satisfies a performance obligation.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

Sale of Goods:

Revenue from the sale of goods is recognised at the point in time, when control is transferred to the customer.

Interest Income:

Interest income is recognized on time proportion basis using the effective interest method.

Dividend income:

Dividend income is recognized when the right to receive payment is established, which becomes certain after shareholders' approval.

Notes to the Standalone Financial Statements

(xv) 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.

(xvi) 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.

(xvii) 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.

(xviii) 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 31.03.2022	Additions / Adjustments [^]	Sales / Adjustments	As at 31.03.2023	Upto 31.03.2022	For the year	Sales / Adjustments	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land:										
- Freehold	66.68	-	5.43	61.25	-	-	-	-	61.25	66.68
	(66.68)	-	-	(66.68)	-	-	-	-	(66.68)	(66.68)
- Leasehold-Right of Use \$	10.96	-	-	10.96	2.64	0.12	-	2.76	8.20	8.32
	(10.96)	-	-	(10.96)	(2.52)	(0.12)	-	(2.64)	(8.32)	(8.44)
Buildings										
- Owned*	809.25	4.78	2.05	811.98	210.87	13.56	2.05	222.38	589.60	598.38
	(804.23)	(5.02)	-	(809.25)	(197.41)	(13.46)	-	(210.87)	(598.38)	(606.82)
- On Lease- Right of Use \$	66.84	34.39	5.23	96.00	30.66	14.55	3.22	41.99	54.01	36.18
	(62.63)	(8.44)	(4.23)	(66.84)	(22.69)	(11.11)	(3.14)	(30.66)	(36.18)	(39.94)
Plant & Equipment:										
- Owned	4915.09	230.31	27.17	5118.23	2359.37	180.96	17.62	2522.71	2595.52	2555.72
	(4698.45)	(236.22)	(19.58)	(4915.09)	(2209.12)	(166.51)	(16.26)	(2359.37)	(2555.72)	(2489.33)
- On Lease- Right of Use \$	131.04	-	0.38	130.66	80.21	26.83	-	107.04	23.62	50.83
	(178.21)	-	(47.17)	(131.04)	(84.73)	(42.65)	(47.17)	(80.21)	(50.83)	(93.48)
Furniture and Fixtures										
	18.89	1.54	0.86	19.57	14.73	0.81	0.78	14.76	4.81	4.16
	(18.82)	(0.21)	(0.14)	(18.89)	(13.96)	(0.90)	(0.13)	(14.73)	(4.16)	(4.86)
Office Equipments										
	23.16	2.33	1.03	24.46	19.24	1.10	0.98	19.36	5.10	3.92
	(22.23)	(1.18)	(0.25)	(23.16)	(18.35)	(1.13)	(0.24)	(19.24)	(3.92)	(3.88)
Vehicles										
	32.17	8.14	4.91	35.40	15.47	3.41	3.45	15.43	19.97	16.70
	(31.12)	(5.47)	(4.42)	(32.17)	(14.81)	(3.34)	(2.68)	(15.47)	(16.70)	(16.31)
Total	6074.08	281.49	47.06	6308.51	2733.19	241.34	28.10	2946.43	3362.08	3340.89
Previous year	(5893.33)	(256.54)	(75.79)	(6074.08)	(2563.59)	(239.22)	(69.62)	(2733.19)	(3340.89)	(3329.74)

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.

Unamortised forex reinstatement as on 31.03.2023 ₹97.00 crores (Previous year: ₹103.02 crores)

* Buildings include 32 shares held in co-operative housing societies.

\$ Refer Note No. - 38.

The Company has not revalued any Property, Plant & Equipment during the year.

Notes to the Standalone Financial Statements

For security against borrowings - Refer Note No. 17.

Note - 3 Investment Property

₹ in Crores (10 Million)

Particulars	Gross Value			Depreciation			Net Value			
	As at 31.03.2022	Additions / Adjustments	Sales / Adjustments	As at 31.03.2023	Upto 31.03.2022	For the year	Sales / Adjustments	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Building	6.53	-	-	6.53	0.90	0.10	-	1.00	5.53	5.63
	(6.53)	-	-	(6.53)	(0.80)	(0.10)	-	(0.90)	(5.63)	(5.73)

Figures in brackets represent amounts pertaining to previous year.

Rental Income: ₹0.26 crore (Previous Year: ₹0.12 crore). No material expenses were incurred for maintenance.

Note - 4 Other Intangible Assets

₹ in Crores (10 Million)

Particulars	Gross Value			Amortisation			Net Value			
	As at 31.03.2022	Additions / Adjustments	Sales / Adjustments	As at 31.03.2023	Upto 31.03.2022	For the year	Sales / Adjustments	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software[#]	20.01	5.50	-	25.51	17.33	1.14	-	18.47	7.04	2.68
	(17.84)	(2.17)	-	(20.01)	(15.91)	(1.42)	-	(17.33)	(2.68)	(1.93)

Figures in brackets represent amounts pertaining to previous year.

[#] Being amortised over a period of 5 years.

Note - 5 Investments [Non-Current (Other than Trade)]

₹ in Crores (10 Million)

	As at 31.03.2023		As at 31.03.2022	
	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	-	1,35,000	-
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	-	15,00,000	1.50
Cavendish Industries Ltd. (₹10 each) ^	4,44,60,965	637.22	4,44,60,965	637.22
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	3,737	6.30
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35



Notes to the Standalone Financial Statements

	As at 31.03.2023		As at 31.03.2022	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Others (at fair value through P&L):				
HDFC Bank Ltd. (₹1 each)	10,000	1.61	10,000	1.47
Bengal & Assam Company Ltd. (BACL) (₹10 each) [§]	11,641	4.26	11,641	2.74
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	7.76	49,400	6.30
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	15,700	0.24	15,700	0.21
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	42,000	0.05	42,000	0.05
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	14.89	11,00,000	13.42
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	45,00,000	38.20	45,00,000	45.71
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.96	2,50,000	1.01
		786.67		791.11
Aggregate amount of quoted Investments / market value thereof		6.83		5.22
Aggregate amount of unquoted Investments		779.84		785.89
**Aggregate provision for impairment in value of Investments		2.11		0.61

* Pledge with bank for loans availed by certain foreign subsidiaries is being released, as loans since repaid.

^ Pledge with banks -51% shareholding out of 74.14% (Previous Year: 74.14%) held.

§ Acquired before becoming subsidiary of BACL.

Note - 6 Other Financial Assets [Non-Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Deferred Receivable	-	73.39
Security Deposits	42.78	47.00
Bank Deposits*	5.87	0.81
	48.65	121.20

* Represent bank deposits having more than 12 months maturity for Deposit Repayment Reserve Account ₹3.50 crores (Previous year: Nil) and margin money under lien with banks against bank guarantees ₹2.37 crores (Previous year: ₹0.81 crore).

Notes to the Standalone Financial Statements

Note - 7 Other Non-Current Assets

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Advances - Project Related	42.37	9.74
Deferred Expenditure for financial instruments	5.91	7.05
	48.28	16.79

Note - 8 Inventories (Valued at lower of cost or net realisable value)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Raw Materials*	409.13	681.84
Work-in-progress	56.93	54.26
Finished Goods**	713.31	693.57
Stock-in-trade	35.99	38.80
Stores and Spares	76.31	64.37
	1291.67	1532.84

* Includes raw materials in transit ₹111.95 crores (Previous year: ₹256.21 crores)

** Includes finished goods in transit ₹8.73 crores (Previous year: ₹7.04 crores)

Provision for write down / (written back) of inventories - (-) ₹0.34 crore (Previous year - ₹2.86 crores)

Note - 9 Current Investments

	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in Crores (10 Million)	No. of Shares	₹ in Crores (10 Million)
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	45,00,000	11.17	-	-
		11.17		-
Aggregate amount of quoted Investments/ market value thereof		-		-
Aggregate amount of unquoted Investments		11.17		-
Aggregate provision for impairment in value of Investments		-		-

Note - 10 Trade Receivables [Current] (Unsecured)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Considered Good [§]	1774.20	1667.38
Credit Impaired	28.63	21.13
Less : Allowance for Bad and Doubtful debts	(28.63)	(21.13)
	1774.20	1667.38

[§] Refer Note No. 51 for Trade Receivables from related parties.



Notes to the Standalone Financial Statements

Ageing of Trade Receivables as at 31.03.2023 and 31.03.2022:

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment					TOTAL
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable:							
(i) considered good	1084.10	599.93	24.89	2.66	1.80	8.18	1721.56
(ii) credit impaired	-	-	0.25	0.29	0.32	7.87	8.73
Disputed Trade Receivable:							
(i) considered good	-	0.07	0.08	0.62	0.81	51.06	52.64
(ii) credit impaired	-	-	-	0.07	0.14	19.69	19.90
TOTAL	1084.10	600.00	25.22	3.64	3.07	86.80	1802.83

Particulars	Not Due as on 31.03.2022	Outstanding as at 31.03.2022 for following periods from due date of payment					TOTAL
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable:							
(i) considered good	948.89	571.57	76.59	2.59	7.89	5.45	1612.98
(ii) credit impaired	-	-	0.81	0.30	1.48	7.39	9.98
Disputed Trade Receivable:							
(i) considered good	-	-	0.02	0.26	5.17	48.95	54.40
(ii) credit impaired	-	-	-	-	-	11.15	11.15
TOTAL	948.89	571.57	77.42	3.15	14.54	72.94	1688.51

Note - 11 Cash and Cash Equivalents

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Balances with Banks in Current Accounts	31.62	44.16
Remittances in transit and Cheques on hand	18.55	8.91
Cash on hand	0.06	0.09
TOTAL	50.23	53.16

Note - 12 Other Bank Balances

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Unclaimed Dividend Accounts	1.61	1.75
Deposit Accounts*	26.93	21.36
TOTAL	28.54	23.11

* Represent Deposit Repayment Reserve Account ₹9.20 crores (Previous year: ₹11.27 crores) and margin money under lien with banks against bank guarantees ₹17.73 crores (Previous year: ₹10.09 crores).

Notes to the Standalone Financial Statements

Note - 13 Other Financial Assets [Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
<i>Unsecured, Considered Good:</i>		
Interest Recoverable	4.82	4.46
Balances with Government Authorities	45.72	148.64
Deferred Receivable	78.09	21.66
Advances to Employees	10.08	7.90
Derivative Instruments measured at fair value	-	7.59
TOTAL	138.71	190.25

Note - 14 Current Tax Assets / (Liabilities) (Net)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Current Tax Assets / (Liabilities) (Net)	27.07	26.98
TOTAL	27.07	26.98

Note - 15 Other Current Assets

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Balances with Government Authorities	98.75	217.10
Prepaid Expenses	22.82	29.15
Advances to Related Parties (Refer Note No. 51)	157.90	17.17
Advances to Suppliers	20.06	20.88
Deferred Expenditure for financial instruments	1.79	1.79
Others	20.06	7.71
TOTAL	321.38	293.80

Note - 16 Equity Share Capital

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
a. Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,00,000 of ₹100 each	55.00	55.00
TOTAL	180.00	180.00
b. Issued, Subscribed and fully paid up:		
Equity Shares - 24,62,30,880 of ₹2 each	49.25	49.25



Notes to the Standalone Financial Statements

	As at 31.03.2023	As at 31.03.2022
c. Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	24,62,30,880	24,62,30,880
Change during the year	-	-
Shares outstanding as at the end of the year	24,62,30,880	24,62,30,880

d. Rights and preferences attached to Equity Shares:

- The Company has only one class of Equity Shares having face value of ₹2 each and each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

e. Details of each shareholder holding more than 5% shares:

Name of Shareholder	No. of shares held	No. of shares held
Bengal & Assam Company Limited	13,00,03,250	13,00,03,250

f. Details of shares held by the Holding Company (including NIL shares held by its Subsidiaries and Associates):

Name of Shareholder	No. of shares held	No. of shares held
Bengal & Assam Company Limited	13,00,03,250	13,00,03,250

g. Shareholding of Promoters:

Shares held by promoters at the end of 31.03.2023				% Change during FY 2022-2023
S. No.	Promoter Name*	No. of Shares	% of total shares	
1	Bengal & Assam Company Ltd.	13,00,03,250	52.80	-

* In addition, as on 31st March 2023, there are 19 entities holding 85,21,805 Equity Shares (3.46%), who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, including Shri Bharat Hari Singhania and Dr. Raghupati Singhania who now form part of Promoter Group.

Shares held by promoters at the end of 31.03.2022				% Change during FY 2021-2022
S. No.	Promoter Name*	No. of Shares	% of total shares	
1	Bengal & Assam Company Ltd.	13,00,03,250	52.80	-
2	Shri Bharat Hari Singhania	10,94,723	0.44	-
3	Dr. Raghupati Singhania	16,43,990	0.67	-
Total *		13,27,41,963	53.91	-

* In addition, as on 31st March 2022 and 31st March 2021, there are 17 entities holding 57,83,092 Equity Shares (2.35%) and 57,83,092 Equity Shares (2.35%), respectively, who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Notes to the Standalone Financial Statements

Note - 17 Borrowings [Non-Current]

₹ in Crores (10 Million)

	Non - Current		Current*	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured Loans				
Term Loans: **				
- Financial Institutions	103.92	135.92	43.64	56.49
- Bank	669.53	769.30	146.29	224.75
	773.45	905.22	189.93	281.24
Unsecured Loans				
Fixed Deposits	55.59	66.84	41.81	40.36
Liability component of Compulsorily convertible debentures ("CCD")	19.99	-	-	-
	75.58	66.84	41.81	40.36
TOTAL	849.03	972.06	231.74	321.60

* Amount payable during next 12 months is included under the head "Borrowings [Current]" (Note No. 21).

** Net of ₹2.34 crores (Previous year: ₹3.23 crores) for unamortised processing charges.

- Rupee Term Loan of ₹2.40 crores from a Bank and Foreign Currency Loan of ₹17.62 crores (including ₹6.63 crores due to forex reinstatement) from a Financial Institution aggregating to ₹20.02 crores, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 1 and 2 equal quarterly instalments respectively.
- Rupee Term Loan of ₹275.19 crores and ₹34.97 crores from Banks and Foreign Currency Loan of ₹130.10 crores (including ₹29.35 crores due to forex reinstatement) from a Financial Institution aggregating to ₹440.26 crores, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 42 quarterly instalments, 18 and 20 equal quarterly instalments respectively.
- Rupee Term Loan of ₹212.50 crores from a Bank, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future is repayable in 42 quarterly instalments.
- Foreign Currency Loan of ₹26.43 crores (including ₹6.08 crores due to forex reinstatement) from a Bank, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 5 equal quarterly instalments.
- Foreign Currency Loan of ₹101.01 crores (including ₹20.76 crores due to forex reinstatement) from a Bank, secured by first pari passu charge on movable fixed assets at Company's Plants at Rajasthan and Karnataka (excluding those specifically charged to other banks), both present and future. Loan of Tranche - I, ₹33.83 crores and Tranche - II, ₹67.18 crores are repayable in 5 and 8 quarterly instalments respectively.
- Rupee Term Loan of ₹87.09 crores from a Bank, secured by a first pari passu charge created on movable fixed assets at a Company's Plant in Madhya Pradesh (excluding those specifically charged to other banks), both present and future is repayable in 22 equal quarterly instalments.
- Rupee Term Loan of ₹50 crores from a Bank, secured by a first pari passu charge to be created on movable fixed assets at a Company's Plant in Karnataka (excluding those specifically charged to other banks), both present and future is repayable in 28 equal quarterly instalments commencing from April'2023.



Notes to the Standalone Financial Statements

- (viii) Term Loans carrying first pari passu charge on the movable and immovable assets, are subject to prior charge of banks on stocks and book debts for working capital borrowings.
- (ix) Rupee Term Loan of ₹18.04 crores from a Bank, secured by a first pari passu charge on movable fixed assets at a Company's Plant in Madhya Pradesh (excluding those specifically charged to other banks), both present and future is repayable in 8 equal quarterly instalments commencing from March'2025.
- (x) Rupee Term Loan of ₹10.37 crores from a Bank, secured by a first pari passu charge on stocks and book debts, of the Company, both present and future with second pari passu charge on movable and immovable assets of the Company's Plants in Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu (excluding those specifically charged to other banks) is repayable in 5 equal monthly instalments.
- (xi) Fixed Deposits of ₹41.81 crores, ₹27.65 crores and ₹27.94 crores (aggregating ₹97.40 crores) are due for repayment in 2023-24, 2024-25 and 2025-26 respectively.
- (xii) The Company has issued and allotted 24,000 Compulsorily Convertible Debentures ("CCDs") during the year. On issuance of the CCDs, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible debt, which is recorded as liability on amortised cost basis until its conversion into equity within 18 months from the date of allotment.

Note - 18 Other Financial Liabilities [Non-Current]

₹ in Crores (10 Million)		
	As at 31.03.2023	As at 31.03.2022
Trade Deposits and Others	593.74	506.82
	593.74	506.82

Note - 19 Provisions [Non-Current]

₹ in Crores (10 Million)		
	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits (Refer Note No. 49)	32.99	30.80
	32.99	30.80

Note - 20 Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)		
	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liability related to Property, Plant and Equipment	570.74	579.64
Deferred Tax Assets on		
- Expenses / Provisions Allowable	(78.00)	(88.08)
Deferred Tax Liabilities / (Assets) - Net	492.74	491.56
MAT Credit Entitlement	(122.97)	(148.80)
	369.77	342.76

Notes to the Standalone Financial Statements

NOTE - 21 Borrowings [Current]

₹ in Crores (10 Million)		
	As at 31.03.2023	As at 31.03.2022
Secured Loans		
Repayable on Demand from Banks*	786.73	1067.75
Buyers Credit *	195.40	93.20
Current maturities of long term borrowings	189.93	281.24
	1172.06	1442.19
Unsecured Loans		
Loans from:		
- Banks	472.76	354.43
Fixed Deposits	11.65	11.89
Current maturities of long term borrowings	41.81	40.36
	526.22	406.68
	1698.28	1848.87

* 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 - 22 Trade Payables [Current]

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Micro & Small	40.77	-	-	-	-	40.77
(ii) Others	816.31	63.73	-	-	-	880.04
(iii) Disputed dues - MSME - Micro & Small	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.30	0.62	0.50	1.42
Sub-total	857.08	63.73	0.30	0.62	0.50	922.23
Unbilled Dues						114.63
Total Trade Payables						1036.86

₹ in Crores (10 Million)						
Particulars	Not Due as on 31.03.2022	Outstanding as at 31.03.2022 for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Micro & Small	33.60	-	-	-	-	33.60
(ii) Others	1190.16	36.06	-	-	-	1226.22
(iii) Disputed dues - MSME - Micro & Small	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	1.80	0.61	0.54	2.95
Sub-total	1223.76	36.06	1.80	0.61	0.54	1262.77
Unbilled Dues						117.75
Total Trade Payables						1380.52



Notes to the Standalone Financial Statements

Note - 23 Other Financial Liabilities [Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Interest Accrued but not due on Borrowings	22.39	17.18
Unclaimed Dividends #	1.61	1.75
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	1.17	1.24
Liabilities for Expenses	247.01	256.14
Derivative Instrument measured at fair value	6.02	-
	278.20	276.31

Investor Education & Protection Fund will be credited, as and when due.

Note - 24 Other Current Liabilities

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Government and Other Statutory Dues	113.58	100.02
Recoveries under Company Schemes	24.64	30.97
Contract Liabilities	21.57	27.01
	159.79	158.00

NOTE - 25 PROVISIONS [CURRENT]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits (Refer Note No. 49)	10.76	6.26
	10.76	6.26

Note - 26 Revenue From Operations

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Sale of:		
- Products	9442.03	7824.59
- Services	96.36	93.85
Other operating revenues:		
Miscellaneous Income #	79.53	113.62
	9617.92	8032.06

Includes Government incentive of ₹54.73 crores (Previous Year: ₹90.01 crores)
Refer Note No. 50 For disclosure regarding Revenue recognised under contracts.

Notes to the Standalone Financial Statements

Note - 27 Other Income

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Income from Financial Assets valued at:		
- Amortised Cost	13.76	15.51
- Fair Value through Profit & Loss (FVTPL)	1.48	1.33
Other Interest Income	1.40	3.43
Dividend Income	0.48	0.60
Fair Value changes in investments valued at FVTPL	3.09	2.64
Profit on sale of Fixed Assets (Net)	5.83	-
Rent Income	2.83	2.57
Other Non-operating Income	2.65	4.12
	31.52	30.20

Note - 28 (Increase) / Decrease In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Opening Stock		
Finished Goods	693.57	543.55
Work-in-progress	54.26	41.35
Stock -in-trade	38.80	31.46
	786.63	616.36
Closing Stock		
Finished Goods	713.31	693.57
Work-in-progress	56.93	54.26
Stock -in-trade	35.99	38.80
	806.23	786.63
Net (Increase) / Decrease in Stocks	(19.60)	(170.27)

Note - 29 Employee Benefits Expenses

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Salaries and Wages	514.35	432.21
Contribution to Provident and other Funds	44.32	39.39
Employees' Welfare and other Benefits	148.87	135.80
	707.54	607.40

Note - 30 Finance Costs

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Interest on Borrowings & Others	244.37	215.90
Interest on Lease Liabilities	9.65	11.64
Other Borrowing Costs	3.49	2.07
	257.51	229.61



Notes to the Standalone Financial Statements

Note - 31 Other Expenses

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Consumption of Stores and Spares	98.25	90.14
Power and Fuel	325.70	290.74
Freight and Transportation	322.79	281.60
Advertisement and Sales Promotion	119.79	124.45
Provision for diminution in investments	1.50	-
Conversion Charges	66.49	56.06
Tyre Servicing & Retreading Expenses	31.69	17.64
Legal & Professional Services	57.29	58.66
Repair & Maintenance Expenses	38.11	32.42
Insurance	9.46	10.83
Lease Rent	11.31	13.71
Loss on sale of Fixed Assets (Net)	-	0.08
Allowance for Doubtful Debts / Advances	7.50	8.00
Corporate Social Responsibility Expenses	5.17	5.04
Miscellaneous Expenses	278.77	193.80
	1373.82	1183.17

Note - 32

Estimated amounts of contracts remaining to be executed on capital account ₹412.78 crores (Previous year: ₹175.50 crores).

Note - 33

The Company imported certain equipment under Export Promotion Capital Goods (EPCG) Scheme at a concessional custom duty resulting in cumulative savings of ₹32.89 crores (Previous year: ₹23.59 crores), against which export obligation fulfilled till 31st March, 2023 ₹5.63 crores (Previous year: Nil). Balance obligation yet to be fulfilled is ₹27.26 crores (Previous year: ₹23.59 crores).

Note - 34

Contingent liabilities in respect of claims not accepted and not provided for ₹247.36 crores (Previous year: ₹159.16 crores) pertaining to matters in appeal for Excise, Customs duty & GST ₹176.92 crores, Service tax ₹1.61 crores, Sales Tax matters ₹3.35 crores, Income tax matters ₹13.74 crores & others matters ₹51.74 crores (Previous year: ₹93.45 crores, ₹1.13 crores, ₹2.61 crores, ₹13.74 crores & ₹48.23 crores respectively).

Note - 35

The Competition Commission of India ("CCI") on 2nd February 2022 had released an Order dated 31st August 2018 for alleged contravention of provisions of the Competition Act, 2002 against the Company, certain other Tyre manufacturers and Automotive Tyre Manufacturers Association. CCI had imposed a penalty of ₹309.95 crores on the Company. The Company had filed an Appeal before the Hon'ble National Company Law Appellate Tribunal against the said CCI Order. The NCLAT, through an order dated 1st December 2022, has disposed of the aforementioned appeal, after taking note of the multiple errors in the said CCI Order dated 31st August 2018, and remanded the matter back to the CCI, to re-examine the matter on merits and also to consider reviewing the penalty (if violation is established) in accordance with the provisions of the Competition Act. The Company understands that the CCI has filed an appeal against the NCLAT order dated 1st December 2022, however, no notice has been received by the Company till date. Based on legal advice, the Company continues to believe that it has a strong case, and accordingly, no provision has been made in the accounts. The Company strongly reiterates that there has been no wrongdoing on the part of the Company and reassures all the stakeholders that the Company has never indulged in or was part of any cartel or undertook any anti-competitive practices.

Notes to the Standalone Financial Statements

Note - 36

a) Capital work in progress includes Machinery in stock / transit, construction / erection materials and the following pre-operative expenses pending allocation:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Raw Material Consumption	-	0.22
Stores & Spares	-	0.02
Employee Benefit Expenses	1.67	1.22
Power & Fuel Consumption	0.29	0.20
Miscellaneous Expenditure	1.09	0.63
Add: Expenditure upto previous year	0.69	0.01
	3.74	2.30
Less: Transferred to Property, Plant and Equipment	2.63	1.61
	1.11	0.69

b) Ageing of Capital work in progress and Intangible asset under development as on 31.03.2023 & 31.03.2022 is as follows:

Category	Particulars	Amount in Capital Work-in-Progress for a period of				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress	As at 31.03.2023					
	Projects in progress	100.44	-	-	-	100.44
	Projects temporarily suspended	-	-	-	-	-
	As at 31.03.2022					
Intangible asset under development	Projects in progress	73.33	-	-	-	73.33
	Projects temporarily suspended	-	-	-	-	-
	As at 31.03.2023					
	Projects in progress	3.48	0.88	-	-	4.36
Projects temporarily suspended	-	-	-	-	-	
	As at 31.03.2022					
	Projects in progress	2.59	3.08	-	-	5.67
	Projects temporarily suspended	-	-	-	-	-

No Project was temporarily suspended by the Company as at 31.03.2023 and 31.03.2022.

c) There were no capital-work-in progress and intangible assets under development, whose completion was overdue or has exceeded its cost compared to its original plan.

Note - 37

The title deeds of all immovable properties are held in the name of the Company. Accordingly, there are no Immovable Properties which were not held in name of the Company as on 31.03.2023 and 31.03.2022.



Notes to the Standalone Financial Statements

Note - 38

The Company has lease contracts for land, buildings and plant & equipment. These are recognised as Right of use assets with related lease liabilities in accordance with accounting policy of the Company as given in Note No. 1.3(iv).

- a) The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.
- b) The movement in lease liabilities included in Other Financial Liabilities during the year is as follows:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
As at beginning of the year	96.32	137.35
Additions	34.21	8.44
Accretion of Interest	9.65	11.64
Less: Payments	(50.08)	(59.77)
Less: Discount Received	(0.03)	(0.09)
Less: Leases Terminated	(2.69)	(1.25)
Balance at the end of the year	87.38	96.32
Current	40.34	37.62
Non-Current	47.04	58.70

- c) The amounts recognised in profit and loss during the year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Depreciation expenses of right of use assets	41.50	53.88
Interest expense on Lease liabilities	9.65	11.64
Lease Rent recognised as expenses for short term leases	6.99	9.51
Lease Rent recognised as expenses for low value asset leases	4.32	4.20
	62.46	79.23

- d) Cash outflows in regard to Lease contracts, as Lessee:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Operating activities		
Short term / low value assets Lease payments	11.31	13.71
Financing activities		
Repayment of Principal portion of Lease Liabilities	40.46	48.22
Repayment of Interest portion of Lease Liabilities	9.65	11.64

Notes to the Standalone Financial Statements

- e) The contractual maturities of lease liabilities as at year 31st March, 2023 and 31st March, 2022 on undiscounted basis are given below:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Not later than one year	46.70	45.17
Later than one year and not later than five years	54.12	61.14
Later than five years	1.11	5.09

- f) The company has given certain equipment on sub-lease, from which rental income recognised during the year is ₹0.77 crore (Previous year: ₹0.77 crore).

Note - 39

Debts / Advances include ₹72.54 crores (Previous year ₹65.55 crores) for which legal and other necessary action has been taken.

Note - 40

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 - 41

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 31.03.2023: 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 31.03.2023: Nil (Previous year: Nil).

Note - 42

The Company has borrowings from Banks and Financial Institutions on the basis of securities of Current Assets. It has also filed the quarterly statements of current assets with all consortium banks and Financial Institutions during the year and these statements agree with the salient relevant items of books of account of the Company.

Note - 43

- a) The Company has utilised the borrowings received from banks and financial institutions for the purpose for which it was taken during the year.
- b) During the year, out of ₹240 crores raised from issuance and allotment of 24,000 CCDs at Face Value of ₹1,00,000 each on preferential allotment basis is parked in Cash Credit accounts maintained with consortium Bank of the Company.

Note - 44 Expenditure on Research and Development (R&D) Activities during the Year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
i) Revenue Expenditure*:		
1. Employee Cost	26.50	24.43
2. Cost of Materials and Testing Charges	52.04	48.86
3. Other R&D Expenses	27.14	13.33
Subtotal (i)	105.68	86.62
ii) Capital Expenditure	10.37	1.72
Total (i+ii)	116.05	88.34

* Included in respective revenue accounts.



Notes to the Standalone Financial Statements

Note - 45 Amount Paid to Auditors

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
i) Statutory Auditors		
a) Audit Fee	0.35	0.35
b) Taxation	0.03	0.03
c) Certificates / other services	0.07	0.04
d) Reimbursement of expenses:(Previous year: ₹41500)	0.01	
ii) Cost Auditors		
a) Audit Fee	0.02	0.03
b) Certificates / other services: (Previous year: ₹49800)	0.01	

Note - 46

Exceptional items include net impact of unfavorable foreign exchange rate fluctuation ₹33.83 crores (Previous Year: favorable 14.30 crores) and expenditure on VRS for the employees ₹2.34 crores (Previous year: ₹10.35 crores).

Note - 47 Earnings Per Share (EPS)

A) Basic EPS

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
a. Profit for the year attributable to Equity Shareholders	183.77	183.04
b. Weighted average number of Equity Shares allotted and to be allotted on CCDs	24,66,68,022	24,62,30,880
c. Earnings per share of ₹2 each - Basic (₹)	7.45	7.43

B) Diluted EPS

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
a. Profit for the year attributable to Equity Shareholders	183.77	183.04
b. Add: Interest expense on CCD (Net of Tax)	0.03	-
c. Adjusted Profit after tax attributable to Equity Shareholders	183.80	183.04
d. Weighted average number of Equity Shares for basic EPS	24,66,68,022	24,62,30,880
Add: Weighted average number of potential shares of Interest on CCDs	41,042	-
Weighted average number of Equity Shares (with potential conversion of CCDs) for Diluted EPS	24,67,09,064	24,62,30,880
e. Earnings per share of ₹2 each - Diluted (₹)	7.45	7.43

Notes to the Standalone Financial Statements

Note - 48 Financial Ratio

Sl. No.	Description	Units	2022-2023	2021-2022	Change in Ratio (%)	Explanation
1	Current Ratio (Current Assets / Current Liabilities excluding current maturities of Long-Term Borrowings)	Times	1.22	1.12	8.83	
2	Debt-Equity Ratio (Total Debt / Equity)	Times	0.88	1.12	-21.05	
3	Debt Service Coverage Ratio (Earnings before Interest, Depreciation and Tax / (Interest + Principal repayments))	Times	1.28	1.12	14.94	
4	Return on Equity Ratio (Net Profits / Average Equity)	%	6.79	7.43	-8.70	
5	Inventory turnover ratio (Sale of Products / Average Inventory)	Times	6.69	5.74	16.52	
6	Trade Receivables turnover ratio (Revenue from Operations / Average Accounts Receivables)	Times	5.59	5.29	5.59	
7	Trade payables turnover ratio (Purchases / Average Trade Payables)	Times	5.47	4.64	17.99	
8	Net capital turnover ratio (Revenue from Operations / Working Capital)	Times	14.79	20.00	-26.08	Refer Note No. A
9	Net profit ratio (Net Profit / Total Income)	%	1.90	2.27	-16.12	
10	Return on Capital employed (Earnings before interest and taxes / Average Capital Employed)	%	10.00	9.26	8.05	
11	Return on investment (Income on Investment / Average Investments including Fixed Deposits (excluding Investment in Subsidiaries and associates valued at cost))	%	8.48	8.25	2.79	

Note A: Due to increase in working capital.



Notes to the Standalone Financial Statements

Note - 49

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)				
	Leave Encashment		Gratuity	
	(Non-Funded)		(Funded)	
	2022-2023	2021-2022	2022-2023	2021-2022
I Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	35.53	33.94	137.16	142.49
2) Current Service Cost	10.31	5.05	8.25	8.41
3) Past Service Cost	0.17	-	-	-
4) Interest Expense or Cost	2.32	2.21	8.74	8.42
5) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	(0.96)	(1.25)	(3.06)	(3.82)
- experience variance (i.e. actual experience vs assumptions)	1.21	8.25	15.32	7.52
6) Benefit Paid	(10.64)	(12.67)	(20.94)	(25.86)
7) Present Value of Obligation as at the end	37.94	35.53	145.47	137.16
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	147.97	147.12
2) Investment Income	-	-	9.75	9.24
3) Employer's Contribution	-	-	7.71	16.11
4) Benefits Paid	-	-	(20.94)	(25.86)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(3.25)	1.36
6) Fair value of Plan Assets as at the end	-	-	141.24	147.97
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	10.31	5.05	8.25	8.41
2) Past Service Cost	0.17	-	-	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.32	2.21	(1.01)	(0.82)
4) Expenses recognised in the Income Statement	12.80	7.26	7.24	7.59
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	(0.96)	(1.25)	(3.06)	(3.82)
- experience variance (i.e. actual experience vs assumptions)	1.21	8.25	15.32	7.52
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	3.25	(1.36)
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	0.25	7.00	15.51	2.34

Notes to the Standalone Financial Statements

₹ in Crores (10 Million)

	Leave Encashment		Gratuity	
	(Non-Funded)		(Funded)	
	2022-2023	2021-2022	2022-2023	2021-2022
V Actuarial Assumptions:				
1) Discount Rate	7.20%	6.90%	7.20%	6.90%
2) Expected rate of return on Plan Assets	-	-	7.20%	6.90%
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. 29.

(ii)

₹ in Crores (10 Million)										
	Leave Encashment					Gratuity				
	2022-23	2021-22	2020-21	2019-20	2018-19	2022-23	2021-22	2020-21	2019-20	2018-19
Present Value of Defined Benefit Obligation	37.94	35.53	33.94	36.50	33.09	145.47	137.16	142.49	140.06	134.17
Fair Value of Plan Assets	-	-	-	-	-	141.24	147.97	147.12	130.18	136.61
Surplus / (Deficit)	(37.94)	(35.53)	(33.94)	(36.50)	(33.09)	(4.23)	10.81	4.63	(9.88)	2.44
Experience adjustment on Plan Liabilities (Gain) / Loss	1.21	8.25	7.84	7.23	6.30	15.32	7.52	0.41	2.45	8.19
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	3.25	(1.36)	(5.65)	2.90	(0.18)

(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)

	Leave Encashment				Gratuity			
	31 st March 2023		31 st March 2022		31 st March 2023		31 st March 2022	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	41.34	35.04	38.82	32.73	156.22	136.15	147.14	128.49
Salary Growth Rate (- / + 1%)	34.97	41.36	32.67	38.84	136.38	155.62	128.69	146.63
Attrition Rate (- / + 1%)	37.40	38.40	35.10	35.90	143.93	146.83	136.01	138.17
Mortality Rate (- / + 10% of mortality rates)	37.92	37.95	35.51	35.54	145.42	145.53	137.12	137.20

(iv) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

(v) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) Employer's Contribution to PF (trust) during the 12 months ended 31st March, 2023 of ₹12.13 crores (Previous year: ₹8.95 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 29)



Notes to the Standalone Financial Statements

(vii) Maturity Profile of Defined Benefit Obligation:

	₹ in Crores (10 Million)			
	Leave Encashment		Gratuity	
	2022-2023	2021-2022	2022-2023	2021-2022
Within next 1 Year	5.11	4.88	14.32	14.12
Between 2 - 5 Years	15.51	13.72	71.65	66.20
Between 6 - 10 Years	18.98	17.52	82.48	78.40
More than 10 Years	30.78	27.46	151.35	135.17

(b) Defined Contribution Plans:

Employer's Contribution to Provident and other Funds charged off during the 12 months ended 31st March, 2023 of ₹24.95 crores (Previous year: ₹22.85 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 29).

Note - 50 Revenue Recognised Under Contracts

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Category-wise:		
<i>Revenue recognised at the point of time:</i>		
Tyres, Tubes & Flaps	9160.70	7590.74
Other goods	281.33	233.85
<i>Revenue recognised over the period of time:</i>		
Services	96.36	93.85
	9538.39	7918.44
Geography-wise:		
Within India	8106.09	6335.22
Outside India	1432.30	1583.22
	9538.39	7918.44

b) Revenue-related receivables and contract liabilities at the year end:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Trade receivables (Refer Note No.10)	1774.20	1667.38
Contract liabilities (Refer Note No. 24)	21.57	27.01

Notes to the Standalone Financial Statements

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Revenue as per contracted price	9904.58	8191.45
Reductions towards variable consideration components*	(366.19)	(273.01)
Revenue from contracts with customers	9538.39	7918.44

* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.

d) Impairment in Trade Receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹28.63 crores (Previous year: ₹21.13 crores).

Note - 51 Related Parties

a) Holding Company:

Bengal & Assam Company Ltd. (BACL-H)

b) Subsidiaries:

J. K. International Ltd.

J. K. Asia Pacific Ltd. (JKAPL)

J. K. Asia Pacific (S) Pte. Ltd. (JKAPPL - Subs. of JKAPL)

Lankros Holdings Ltd. (LANKROS)

Sarvi Holdings Switzerland AG. (SARVI - Subs. of LANKROS)

JK Tornel S.A. de C.V. (JKTSA - Subs. of SARVI)

Comercializadora América Universal, S.A. de C.V.*

Compañía Hulera Tacuba, S.A. de C.V.*

Compañía Hulera Tornel, S.A. de C.V. (CHT)*

Compañía Inmobiliaria Norida, S.A. de C.V.*

General de Inmuebles Industriales, S.A. de C.V.*

Gintor Administración, S.A. de C.V.*

Hules y Procesos Tornel, S.A. de C.V.*

3DInnovations Pvt. Ltd. (3DIPL)

Cavendish Industries Ltd. (CIL)

* Subsidiary of JK TSA

c) Fellow Subsidiaries (with which, the Company has transactions):

JK Agri Genetics Ltd. (JKAGL)

J.K. Fenner (India) Ltd. (JKFIL)

d) Associates (with which, the Company has transactions):

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL - Associate of JKAPPL)

JK Lakshmi Cement Ltd (JKLCL - Associate of BACL-H)

JK Paper Ltd. (JKPL - Associate of BACL-H)

Treel Mobility Solutions Private Limited (TREEL)



Notes to the Standalone Financial Statements

Notes to the Standalone Financial Statements

Western Tire Holdings Inc. (WTHI - Associate of CHT)	
Western Tires, Inc. (WTI – Subs. of WTHI - Associate of CHT)	
e) Key Management Personnel (KMP) (with which, the Company has transactions):	
(i) Dr. Raghupati Singhania	Chairman & Managing Director
(ii) Shri Bharat Hari Singhania	Non-Executive Non-Independent Director [Managing Director (till 30 th Sept. 2021)]
(iii) Shri Anshuman Singhania	Managing Director
(iv) Shri Arun Kumar Bajoria	Director & President – International Operations
(v) Smt. Sunanda Singhania	Non-Executive Non- Independent Director
(vi) Shri Arvind Singh Mewar	Independent Director (ceased to be director w.e.f 25 th Sept.2022)
(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
(xiii) Shri Subhrakant Panda	Independent Director (w.e.f 2 nd Nov. 2022)
(xiv) Shri Sanjeev Aggarwal	Chief Financial Officer
(xv) Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xvi) Shri Ashok Kumar Kinra	Non-Executive Director of BACL-H
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 Parties (with which, the Company has transactions):	
Niyojit Properties Pvt. Ltd. (NPPL - controlled by KMP of BACL-H)	
CMDS (One Person Company controlled by Dr. Wolfgang Holzbach)	

(l) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)						
Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to CHT-323.40, VPL-286.23, WTI-151.62, WTHI-3.57, JKLC		323.40		441.49		764.89
Sale of Tyres to CHT-401.53, VPL-266.42, WTI-139.04, JKLC		(401.53)		(405.50)		(807.03)
Sale of Goods to CIL, TREEL		159.04		0.26		159.30
Sale of Goods to CIL, TREEL		(124.84)		(0.13)		(124.97)

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Capital Items to CIL		8.18				8.18
Sale of Capital Items to CIL		(1.55)				(1.55)
Purchase of Goods from CIL, JKFIL, TREEL-6.90, JKLC		923.94	0.10	6.94		930.98
Purchase of Goods from CIL, JKFIL, TREEL-8.84, JKLC		(502.72)	(0.02)	(8.94)		(511.68)
Purchase of Capital Items from CIL		25.60				25.60
Purchase of Capital Items from CIL		(1.42)				(1.42)
Sharing of Expenses received from BACL-H, CIL, JKFIL - 0.78, JKAGL, HASETRI - 4.52, JKPL - 0.80, JKLC	0.02	0.01	0.88	6.06		6.97
Sharing of Expenses received from BACL-H, CIL, JKFIL - 0.88, JKAGL, HASETRI - 4.18, JKPL - 0.91, JKLC	(0.02)	(0.04)	(0.97)	(5.89)		(6.92)
Sharing of Expenses paid to BACL-H, CIL, JKFIL, JKPL-0.63, JKLC-0.59, TREEL, NPPL	0.99	0.04	0.06	1.23	0.83	3.15
Sharing of Expenses paid to BACL-H, JKPL-0.10, JKLC-0.38, TREEL(₹46349), NPPL	(0.76)			(0.48)	(0.54)	(1.78)
Services Availed –JKAPPL, JKFIL, HASETRI – 28.24, VPL		0.72	15.64	28.46		44.82
Services Availed –JKAPPL-0.61, JKFIL, HASETRI – 28.46, VPL, CMDS		(0.61)	(16.36)	(28.66)	(0.03)	(45.66)
Services rendered to CIL – 52.67, JKTS		71.76				71.76
Services rendered to CIL – 89.02, JKTS		(106.61)				(106.61)
Subscription towards CIL's Right Issue		(74.21)				(74.21)
Redemption of JKFIL's Preference Shares			(28.63)			(28.63)
Contribution to HASETRI				21.00		21.00
Contribution to HASETRI				(10.00)		(10.00)
Interest Income from JKFIL			2.19			2.19
Interest Income from JKFIL			(2.94)			(2.94)
Dividend from JKFIL			0.45			0.45
Dividend from JKFIL			(0.60)			(0.60)
Contribution to Trusts- JKEPFK- 7.80, JKOSFK- 0.31, JKEGFK- 12.78, JKEPFV – 25.23, JKOSFV- 0.20, JKEGFV					56.30	56.30
Contribution to Trusts- JKEPFK- 8.20, JKOSFK- 0.50, JKEGFK- 9.05, JKEPFV - 26.49, JKOSFV- 0.22, JKEGFV					(45.34)	(45.34)
Outstanding as at year end:						
Advances to CIL-131.44, HASETRI – 19.41, TREEL – 7.05		131.44		26.46		157.90
Advances to HASETRI – 13.49, TREEL – 3.68				(17.17)		(17.17)
Trade Receivables:				230.20		230.20
CHT-153.32, CIL-122.36, JKTS-17.39, VPL- 187.31, WTI- 41.88, WTHI-1.01		293.07				293.07
CHT-240.60, CIL-102.09, JKTS-20.04, VPL- 216.05, WTI- 32.10		(362.73)		(248.15)		(610.88)



Notes to the Standalone Financial Statements

Nature of Transactions	₹ in Crores (10 Million)					TOTAL
	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties	
Other Receivables:						
-BACL-H-0.84, JKFIL-17.90, HASETRI-0.01, NPPL-0.72	0.84		17.90	0.01	0.72	19.47
-BACL-H-0.66, JKFIL-26.09, JKPL-0.24, HASETRI-₹41897, JKEGFV-5.96, JKEGFK-4.85, NPPL-0.54	(0.66)		(26.09)	(0.24)	(11.35)	(38.34)
Payables:						
-JKAPPL-0.72, CHT-2.35, VPL-0.36, JKEGFK-4.01, JKEGFV-0.22, JKOSFV-0.01		3.07		0.36	4.24	7.67
-CIL-10.17, JKTS-0.34, VPL-1.53, JKEPFV-0.19		(10.51)		(1.53)	(0.19)	(12.23)

Figures in brackets represent amounts pertaining to previous year.

(II)

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Remuneration paid to Key Managerial Personnel		
Short-term Employee Benefits	38.01	36.50
Post-employment Benefits*	0.42	0.46
Other Payments	7.17	3.98

* Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

Note - 52 Other statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has not been declared wilful defaulter by any Banks or any other Financial Institution at any time during the financial year.
- The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.
- The Company did not have any material transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the financial year and previous year.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961.
- The Company has not made any Loans or Advances to any promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment.

Note - 53 Dividends

The following dividends were declared and paid by the company during the year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
For the year ended 31 st March, 2022 - 75% i.e. ₹1.50 per equity share, (31 st March, 2021 - 100% i.e. ₹2.00)	36.93	49.25

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:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
For the year ended 31 st March, 2023 - 100% i.e. ₹2.00 per equity share (31 st March, 2022 - 75% i.e. ₹1.50)	49.25	36.93

Note - 54 Income Tax

(A) Amounts recognized in Statement of Profit and Loss

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Current Tax	72.41	96.41
Deferred Tax		
- Relating to origination and Reversal of Temporary Difference	13.89	(15.15)
Total Deferred Tax	13.89	(15.15)
Income Tax Expense reported in the Statement of Profit and Loss	86.30	81.26

(B) Income Tax recognized in Other Comprehensive Income

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Deferred Tax on Re-measurement Losses on Defined Benefit Plans	(5.51)	(3.26)



Notes to the Standalone Financial Statements

(C) Income Tax recognized in Other Equity

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Deferred Tax Assets on Compulsory Convertibles Debenture	(7.20)	-

(D) Reconciliation of Effective Tax Rate

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Accounting Profit before Income Tax	270.07	264.30
At applicable Statutory Income Tax Rate @ 34.944%	94.37	92.36
Difference in Tax Rate	(10.72)	(15.83)
Others	2.65	4.73
Income Tax Expense	86.30	81.26
Effective Tax Rate	31.95%	30.75%

(E) Reconciliation of Deferred Tax Liabilities (Net)

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Opening Balance	342.76	311.43
Deferred Tax Expense recognized in:		
Statement of Profit and Loss	13.89	(15.15)
Other Comprehensive Income	(5.51)	(3.26)
Equity	(7.20)	-
Deferred Tax Liabilities/ (Assets) – Net	343.94	293.02
MAT Credit Utilisation	25.83	49.74
Deferred Tax Liabilities (Net)	369.77	342.76

Note - 55 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	29.77	29.77	25.20	25.20
- Others	-	-	7.59	7.59
(b) At Amortised Cost				
- Investments	49.37	49.37	45.71	45.71
- Trade Receivables	1774.20	1774.20	1667.38	1667.38
- Others	266.13	266.13	380.13	380.13
Total	2119.47	2119.47	2126.01	2126.01

Notes to the Standalone Financial Statements

₹ in Crores (10 Million)

	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss				
- Forward Contract	6.02	6.02	-	-
(b) At Amortised Cost				
- Borrowings	2547.31	2547.31	2820.93	2820.93
- Lease Liabilities	87.38	87.38	96.32	96.32
- Trade Payables	1036.86	1038.37	1380.52	1380.52
- Others	865.92	865.92	783.13	783.13
Total	4543.49	4545.00	5080.90	5080.90

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
- Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
- Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy:

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 – Quoted prices in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 – Inputs that are not based on observable market data.



Notes to the Standalone 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, 2023 and 31st March, 2022:

	₹ in Crores (10 Million)		
	Level 1	Level 2	Level 3
31st March, 2023			
Financial Assets			
- Quoted Equity Shares	5.87	-	-
- Unquoted Equity Shares	-	-	8.05
- Unquoted Preference Shares	-	-	14.89
- Mutual Funds	0.96	-	-
Financial Liabilities			
Forward Contract	-	2.34	-
Swaps	-	3.68	-
31st March, 2022			
Financial Assets			
- Quoted Equity Shares	4.21	-	-
- Unquoted Equity Shares	-	-	6.56
- Unquoted Preference Shares	-	-	13.42
- Mutual Funds	1.01	-	-
- Forward Contracts	-	7.59	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2023.

Note - 56

The fair value of Investment property as per registered valuer report as at 31st March, 2023 is ₹13.75 crores (Previous year: ₹13.07 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 - 57 Financial Risk Management Objectives and Policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
 - 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 cognizance 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:

Notes to the Standalone Financial Statements

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Change in USD	+ ₹1	+ ₹1
Effect on Profit before Tax	(7.33)	(11.10)
Change in USD	- ₹1	- ₹1
Effect on Profit before Tax	7.33	11.10

Forward Contracts for hedging Receivables: ₹338.00 crores - US \$ 41.11 Million (Previous year: ₹394.20 crores - US \$ 52 Million) and for hedging Payables: ₹559.98 crores - US \$ 68.11 Million (Previous year: ₹252.74 crores - US \$ 33.34 Million) are outstanding as at 31.03.2023. Currency Swap for Long-term rupee loans: ₹90.12 crores - US \$ 10.96 Million & ₹50.57 crores - EUR 5.64 Million (Previous year: Nil).

Foreign currency exposure unhedged net payable is ₹602.43 crores - US \$73.27 Million (Previous year: ₹841.11 crores - US \$ 110.97 Million) as at 31.03.2023.

- 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:

	As at 31.03.2023	As at 31.03.2022
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(6.37)	(7.05)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	6.37	7.05

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.



Notes to the Standalone Financial Statements

- **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

- o **Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2023 and 31st March, 2022:

₹ in Crores (10 Million)		
	As at 31.03.2023	As at 31.03.2022
Balance at the beginning	21.13	13.13
Add: Provision created during the Year	7.50	8.00
Balance at the End	28.63	21.13

- 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)		
	Upto 5 years	> 5 years
As at 31st March 2023		
Borrowings*	2191.33	355.98
Trade and Other Payables	1036.86	-
Lease Liabilities	83.01	4.37
Other Financial Liabilities	278.20	593.74
Total	3589.40	954.09
As at 31st March 2022		
Borrowings*	2399.29	421.64
Trade and Other Payables	1380.52	-
Lease Liabilities	91.81	4.51
Other Financial Liabilities	276.31	506.82
Total	4097.53	940.16

* Including working capital facility from consortium banks renewed every year.

Notes to the Standalone Financial Statements

Note - 58 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)		
	As at 31.03.2023	As at 31.03.2022
Borrowings	2547.31	2820.93
Less: Cash and Cash Equivalents	50.23	53.16
Net Debt	2497.08	2767.77
Equity Share Capital	49.25	49.25
Other Equity	2839.97	2476.85
Total Capital	2889.22	2526.10
Capital and Net Debt	5386.30	5293.87
Gearing Ratio	46.36%	52.28%

Note - 59

The amount required to be spent as Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 for the year ended 31st March 2023 is ₹5.09 crores (Previous Year: ₹5.04 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 ₹5.17 crores on CSR Projects / initiatives during the year (Previous year: ₹5.04 crores), which are summarized as under:

₹ in Crores (10 Million)		
	Amount spent	
	2022-2023	2021-2022
1	0.07	0.05
2	0.31	0.15
3	0.69	0.75
4	2.19	1.62
5	1.23	1.18
6	0.32	0.18
7	-	0.71
8	0.12	0.16
9	0.24	0.24
Total	5.17	5.04

In terms of disclosure requirement vide Notification No. 158 dated 24th March, 2021 effective from 1st April 2021, there is no shortfall of CSR expenditure.

In terms of Ind AS 24, the Company has not made any contribution for CSR expenditure to any related party during the year.



Notes to the Standalone Financial Statements

Note - 60

Figures less than ₹50000 have been shown at actual in brackets.

Note - 61

Previous year figures have been reclassified/ regrouped wherever necessary.

As per our report of even date

	Dr. Raghupati Singhania (DIN: 00036129) Anshuman Singhania (DIN: 02356566)	<i>Chairman & Managing Director Managing Director</i>
For S S KOTHARI MEHTA & COMPANY Chartered Accountants Firm Registration No. - 000756N	SANJEEV AGGARWAL Chief Financial Officer	} <i>Directors</i>
VIJAY KUMAR Partner Membership No. - 092671 New Delhi, the 17 th May, 2023	Bharat Hari Singhania (DIN: 00041156) Smt. Sunanda Singhania (DIN: 02356376) Vimal Bhandari (DIN: 00001318) Shreekant Somany (DIN: 00021423) Kalpataru Tripathy (DIN: 00865794) Subhrakant Panda (DIN: 00171845) Arun K. Bajoria (DIN: 00026540)	
	P. K. RUSTAGI Company Secretary	

Cash Flow Statement

for the year ended 31st March, 2023

₹ in Crores (10 Million)

	2022-2023	2021-2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	270.07	264.30
Adjustment for:		
Depreciation and Amortisation expense	242.58	240.74
Finance Costs	257.51	229.61
(Profit) / Loss on sale of Property, Plant and Equipment	(5.83)	0.08
Provision for Diminution of Investment	1.50	-
Fair Value Changes in Non-Current Investments	(3.09)	(2.64)
Unrealised Foreign Exchange Fluctuation	19.29	(11.34)
Interest / Dividend Received	(17.12)	(20.88)
Allowance for Doubtful Debts / Advances and Bad Debts written off	7.50	8.00
Operating Profit before Working Capital changes	772.41	707.87
(Increase) / Decrease in Trade and Other Receivables	(8.45)	(435.60)
(Increase) / Decrease in Inventories	241.17	(338.26)
Increase / (Decrease) in Trade and Other Payables	(281.61)	197.27
Cash generated from Operations	723.52	131.28
Direct Taxes (Net)	(46.67)	(57.96)
Net Cash from Operating Activities	676.85	73.32
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(307.68)	(192.28)
Sale of Property, Plant and Equipment	39.06	20.61
Investment in Subsidiary	-	(74.21)
Redemption of Investments	-	25.00
Deposit Accounts with Banks	(10.63)	(2.04)
Interest Received	10.63	19.62
Dividend Received	0.48	0.60
Net Cash used in Investing Activities	(268.14)	(202.70)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds/ (Utilisation) from Short-term Borrowings (Net)	(59.84)	773.83
Proceeds from Long-term Borrowings	108.17	418.45
Repayment of Long-term Borrowings	(370.61)	(724.64)
Issue of Compulsorily Convertible Debentures (Net of Expenses)	239.26	-
Payment of Lease Liabilities	(40.46)	(48.22)
Finance Costs paid	(251.23)	(228.74)
Dividend paid (including dividend tax)	(36.93)	(49.25)
Net Cash from / (used in) Financing Activities	(411.64)	141.43



Cash Flow Statement

for the year ended 31st March, 2023

₹ in Crores (10 Million)

	2022-2023	2021-2022
Net increase / (decrease) in Cash and Cash Equivalents	(2.93)	12.05
Cash and Cash Equivalents as at the beginning of the year	53.16	41.11
Cash and Cash Equivalents as at the end of the year	50.23	53.16
Notes:		
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	18.61	9.00
- Balances with Banks	31.62	44.16
Total	50.23	53.16

2. Non-Cash Changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

	As At 31.03.2022	Cash Flows	Non- Cash Changes		As At 31.03.2023
			Foreign Exchange Movement	Others	
Short-term Borrowings	1527.27	(59.84)	(0.89)	-	1466.54
	(748.25)	(773.83)	(5.19)	-	(1527.27)
Long-term Borrowings	1293.66	(262.44)	28.55	21.00	1080.77
	(1585.82)	(-306.19)	(12.95)	(1.08)	(1293.66)
Lease Liabilities	96.32	(40.46)	-	31.52	87.38
	(137.35)	(-48.22)	-	(7.19)	(96.32)
Total Liabilities from Financing Activities	2917.25	(362.74)	27.66	52.52	2634.69
Previous Year	(2471.42)	(419.42)	(18.14)	(8.27)	(2917.25)

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

VIJAY KUMAR

Partner

Membership No. - 092671

New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
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Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors

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 on 31st March, 2023, 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, 2023, the consolidated profit,

consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Recognition of Revenue</p> <p>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.</p> <p>For the year ended 31st March, 2023, the Group's Statement of Profit & Loss included Sales of ₹14520.03 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. 29 of the Consolidated 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 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. 29 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 & Sustainability 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.

Independent Auditor's Report

- 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 entity or business activities within the Group and its associates of which we are the independent auditors and whose financials information we have audited, 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 entity 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

- We did not audit the financial statements of 14 subsidiaries (including 12 subsidiaries incorporated outside India) whose financial statements reflect total assets of ₹6408.53 crores as at 31st March, 2023, and total revenue of ₹7853.18 crores, total profit after tax of ₹87.30 crores, total comprehensive income of ₹100.80 crores and net cash inflow of ₹89.60 crores for the year ended on that date, as considered in the Consolidated financial statements. The Consolidated financial statements also include the Group's share of net profit/(loss) after tax of ₹(3.21) crores and total comprehensive income/(loss) of ₹(3.22) crores for the year ended 31st March, 2023, as considered in the Consolidated financial statements, in respect of 3 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.
- We did not audit the financial statements of a subsidiary incorporated outside India whose financial statements reflect total assets of ₹0.01 crore as at 31st March, 2023, and total revenue of ₹0.01 crore, total net profit after tax of ₹0.01 crore, total comprehensive income of ₹0.01 crore and net cash flow of ₹Nil for the year ended on that date, 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



Independent Auditor's Report

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's share of net profit after tax of ₹3.49 crores and total comprehensive income of ₹3.11 crores for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of an associate whose financial statements have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by the 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. 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.
- (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

- With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and other auditors of companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
- As required by Section 143(3) of the Act, we report that:
 - 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.

- 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.
- 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.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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.
- 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.

- 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:
 - The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note No. 36, 37 and 41 to the consolidated financial statements.
 - 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.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and its associates incorporated in India.
 - (a) The respective managements of the Holding Company and its subsidiaries and Associates, incorporated within India, have represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds)

by the holding company and its subsidiaries and associates to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding company and its subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- The respective management of the Holding Company and its Subsidiaries and Associates, incorporated within India, has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its subsidiaries and associates from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiaries and Associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that causes us to believe that the representations under sub-clause (i) and (ii) of



- Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note No. 49 to the consolidated financial statements and based on review of the reports of other auditors:
- (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Holding company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- The subsidiaries and associates have neither declared nor paid any dividend during the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1st April, 2023 to the Company, and its subsidiaries and its associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
- For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm's Registration Number: 000756N
- VIJAY KUMAR
Partner
Membership Number: 092671
- New Delhi, the 17th May, 2023

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, 2023, 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 associate 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 subsidiary Companies and its associates which are companies incorporated in India, are responsible for establishing and

maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the

"Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary Companies and its associate Companies, which are incorporated in India, have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2023, 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 in so far as it relates to 2 subsidiaries and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm's Registration Number: 000756N

VIJAY KUMAR
Partner
Membership Number: 092671

New Delhi, the 17th May, 2023



Consolidated Balance Sheet

as at 31st March, 2023

		₹ in Crores (10 Million)	
		As at	As at
		31.03.2023	31.03.2022
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	6208.81	6197.97
(b) Capital Work-in-progress		190.61	100.56
(c) Investment Property	3	5.53	5.63
(d) Other Intangible Assets	4	252.77	225.40
(e) Intangible Assets under Development		4.36	5.67
(f) Financial Assets			
- Investments accounted using Equity Method	5	64.82	61.84
- Other Investments	6	67.97	70.91
- Other Financial Assets	7	69.12	137.62
(g) Deferred Tax Assets (Net)	8	109.52	86.92
(h) Other Non-current Assets	9	63.54	21.26
		7037.05	6913.78
(2) Current Assets			
(a) Inventories	10	2170.53	2432.62
(b) Financial Assets			
- Investments	11	11.17	-
- Trade Receivables	12	2283.22	1979.86
- Cash and Cash Equivalents	13	173.15	94.05
- Other Bank Balances	14	92.65	81.60
- Other Financial Assets	15	171.94	208.84
(c) Current Tax Assets (Net)	16	110.00	79.93
(d) Other Current Assets	17	398.85	456.97
		5411.51	5333.87
TOTAL ASSETS		12448.56	12247.65
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	49.25	49.25
(b) Other Equity		3346.91	2799.06
Equity Attributable to Owners of the Parent		3396.16	2848.31
(c) Non-controlling Interest		99.72	99.16
		3495.88	2947.47
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	19	2360.36	2475.93
- Lease Liabilities		55.26	65.00
- Other Financial Liabilities	20	746.04	636.38
(b) Provisions	21	99.57	119.85
(c) Deferred Tax Liabilities (Net)	22	430.58	405.12
		3691.81	3702.28
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	23	2423.18	2639.27
- Lease Liabilities		43.55	40.18
- Trade Payables			
Micro & Small Enterprises	24	48.19	49.00
Others	24	1771.44	2139.52
- Other Financial Liabilities	25	459.44	396.40
(b) Other Current Liabilities	26	400.87	279.31
(c) Provisions	27	52.66	17.42
(d) Current Tax Liabilities (Net)	28	61.54	36.80
		5260.87	5597.90
TOTAL EQUITY AND LIABILITIES		12448.56	12247.65
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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Chairman & Managing Director
Managing Director

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Directors

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

		₹ in Crores (10 Million)	
		2022-2023	2021-2022
I.	Revenue from Operations	14644.94	11982.96
II.	Other Income	36.52	36.56
III.	Total Income (I+II)	14681.46	12019.52
IV. Expenses			
	Cost of Materials Consumed	9600.31	8169.60
	Purchases of Stock-in-Trade	471.45	220.64
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(60.82)	(350.95)
	Employee Benefits Expense	1218.02	1065.35
	Finance Costs	454.50	419.09
	Depreciation and Amortisation Expense	407.06	385.36
	Other Expenses	2118.17	1805.02
	Total Expenses (IV)	14208.69	11714.11
V.	Profit before Interest, Depreciation & Tax (PBIDT)	1334.33	1109.86
VI.	Profit/(loss) before Exceptional Items and Tax (III-IV)	472.77	305.41
VII.	Exceptional Items	(61.52)	3.60
VIII.	Profit/(Loss) before Tax (VI+VII)	411.25	309.01
IX.	Tax Expense		
	(1) Current Tax	159.82	160.21
	(2) Deferred Tax	(13.31)	(51.50)
X.	Profit/(Loss) after Tax (VIII-IX)	264.74	200.30
XI.	Share in Profit/(Loss) of Associates	(1.69)	0.94
XII.	Profit/(Loss) for the year (X+XI)	263.05	201.24
XIII. Profit/(loss) for the year attributable to:			
	Owners of the Parent	262.48	210.02
	Non-controlling Interest	0.57	(8.78)
XIV. Other Comprehensive Income			
(A)	Items that will not be reclassified to Profit or Loss:		
	Re-measurement losses on Defined Benefit Plans	3.52	(6.23)
	Share of Other Comprehensive Income in Associates	(0.01)	-
	Income Tax Relating to Items that will not be reclassified to Profit or Loss	(0.27)	2.33
(B)	Items that will be reclassified to Profit or Loss:		
	Exchange Differences on Translating the Financial Statements of Foreign Operations	86.15	18.27
	Total Other Comprehensive Income	89.39	14.37
XV.	Total Comprehensive Income for the year (XII+XIV)	352.44	215.61
XVI. Other Comprehensive Income for the year attributable to:			
	Owners of the Parent	89.40	14.36
	Non-controlling Interest	(0.01)	0.01
XVII. Total Comprehensive Income for the year attributable to:			
	Owners of the Parent	351.88	224.38
	Non-controlling Interest	0.56	(8.77)
XVIII. Earnings per equity share of ₹2 each			
	Basic / Diluted (₹)	10.64	8.53

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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors



Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2023

I. Equity Share Capital

(1) Current reporting period

₹ in Crores (10 Million)

As at 01.04.2022	Change due to prior period errors	Restated Balance as at 01.04.2022	Change during the Current Year	As at 31.03.2023
49.25	-	49.25	-	49.25

(2) Previous reporting period

As at 01.04.2021	Change due to prior period errors	Restated Balance as at 01.04.2021	Change during the Previous Year	As at 31.3.2022
49.25	-	49.25	-	49.25

II. Other Equity

(1) Current reporting period

₹ in Crores (10 Million)

	Equity Component of CCDs	Retained Earnings							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	Surplus in P/L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations				
As at 1 st April, 2022	-	455.92	32.12	7.00	9.82	893.69	1490.34	(92.87)	3.04	2799.06	99.16	2898.22	
Profit for the year							262.48			262.48	0.57	263.05	
Other Comprehensive Income (Net of Taxes)								3.25	86.15	89.40	(0.01)	89.39	
Cash Dividends							(36.93)			(36.93)		(36.93)	
Reinstatement Gain / (Loss) of Reserve on Consolidation			6.37							6.37		6.37	
Issue of Compulsorily Convertible Debentures (CCDs) (Net of Transaction cost and Deferred Tax adjustment)	226.53									226.53		226.53	
As at 31st March, 2023	226.53	455.92	38.49	7.00	9.82	893.69	1715.89	(89.62)	89.19	3346.91	99.72	3446.63	

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2023

(2) Previous reporting period

₹ in Crores (10 Million)

	Equity Component of CCDs	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings		Other Comprehensive Income		Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
							Surplus in P/L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations				
As at 1 st April, 2021	-	455.92	30.19	7.00	9.82	895.18	1329.57	(88.96)	(15.23)	2623.49	106.29	2729.78	
Profit for the year							210.02			210.02	(8.78)	201.24	
Other Comprehensive Income (Net of Taxes)								(3.91)	18.27	14.36	0.01	14.37	
Cash Dividends							(49.25)			(49.25)		(49.25)	
Reinstatement Gain / (Loss) of Reserve on Consolidation			1.93							1.93		1.93	
Changes in NCI consequent upon increase in Parent's Holding						(1.49)				(1.49)	1.64	0.15	
As at 31st March, 2022	-	455.92	32.12	7.00	9.82	893.69	1490.34	(92.87)	3.04	2799.06	99.16	2898.22	



Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2023

Component of equity	Nature and Purpose
Equity Component of CCDs	<p>During the year, the Company has issued and allotted 24,000 Compulsorily Convertible Debentures ("CCDs") having face value of ₹1,00,000 each to International Finance Corporation ("IFC") on preferential allotment basis on 20th March, 2023. The CCDs carry a coupon rate of 6% p.a. compounded quarterly. The CCDs shall be convertible into Equity Shares of ₹2 each of the Company, within a period up to 18 months from the date of allotment, at a conversion price of ₹180.50 for each Equity Share, which includes premium of ₹178.50 per Equity Share. The interest at the rate of 6% p.a. compounded cumulatively on a quarterly basis on CCDs shall be converted into Equity Shares at the conversion price of ₹180.50 for each Equity Share. If such interest on CCDs cannot be converted into Equity Shares at the conversion price, then such interest is to be paid either: (a) in cash; or (b) in combination of Equity Shares and cash, as accepted by IFC. These CCDs are unsecured and do not carry any voting rights.</p> <p>The equity shares to be allotted on conversion of the CCDs shall rank pari-passu with the then existing fully paid up equity shares of the company with respect to dividends and voting rights.</p> <p>The CCDs being Compound Financial Instruments have to be bifurcated into Equity and Liability components. For Liability Component, please refer Note No. 19.</p>
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

	Dr. Raghupati Singhania (DIN: 00036129)	Chairman & Managing Director
	Anshuman Singhania (DIN: 02356566)	Managing Director
For S S KOTHARI MEHTA & COMPANY Chartered Accountants Firm Registration No. - 000756N	SANJEEV AGGARWAL Chief Financial Officer	} Directors
	Bharat Hari Singhania (DIN: 00041156)	
	Smt. Sunanda Singhania (DIN: 02356376)	
	Vimal Bhandari (DIN: 00001318)	
	Shreekant Somany (DIN: 00021423)	
VIJAY KUMAR Partner Membership No. - 092671 New Delhi, the 17 th May, 2023	P. K. RUSTAGI Company Secretary	
	Kalpataru Tripathy (DIN: 00865794)	
	Subhrakant Panda (DIN: 00171845)	
	Arun K. Bajoria (DIN: 00026540)	

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 17th May, 2023.

1.2. Basis of preparation and measurement of Consolidated financial statements:

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 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 Consolidated 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 Consolidated financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these Consolidated 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. Principles of Consolidation:

a) The Consolidated Financial Statements comprise of the financial statements of JK Tyre & Industries Limited (Parent Company) and the following as on 31.03.2023:

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 31.03.2023 and 31.03.2022
J. K. International Ltd., U.K.	100.00%
J. K. Asia Pacific Ltd., Hong Kong	100.00%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100.00%
Lankros Holdings Ltd., Cyprus	100.00%
Sarvi Holdings Switzerland AG., Switzerland	100.00%
JK Tornel S.A. de C.V., Mexico (JKTSA)	99.98%
Comercializadora América Universal, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tornel, S.A. de C.V., Mexico (CHT)	99.98%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.98%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.98%
Gintor Administración, S.A. de C.V., Mexico	99.98%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.98%
3DInnovations Pvt. Ltd.	100.00%
Cavendish Industries Ltd., India (CIL)	87.48%

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:



Notes to the Consolidated Financial Statements

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	Audited	26.00%
Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)*	Audited	24.00%

* Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

- b) The Financial Statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – “Consolidated Financial Statements”. The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent’s shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-controlling Interest is not considered.
- d) The changes in the Company’s interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity attributed to owners of the Parent.
- e) In case of associates, where the Company holds directly or indirectly through subsidiaries 20% or more equity or/and exercises significant influence, Investments are accounted

for by using equity method in accordance with Ind AS 28 – “Investments in Associates and Joint Ventures”.

- f) Post-acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- g) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments.
- h) The accounts of J. K. International Ltd. and Western Tire Holdings, Inc. are exempt from Audit.
- i) The Accounting Policies of the parent company, its subsidiaries and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements.
- j) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are recognised as Other Comprehensive Income/ (Loss) and disclosed accordingly.
- k) Significant Accounting Policies and Notes accompanying to the financial statements of the Company and its subsidiaries are set out in their respective Financial Statements.

1.4. Significant accounting policies:

(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

Notes to the Consolidated Financial Statements

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 laws of respective countries. 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 laws of respective countries.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

(iii) Intangible assets:

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The same are amortised over the expected duration of benefits using straight line method. Such intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

Expenditure incurred on intangible asset which are under development is included under Intangible Assets under Development.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the Statement of Profit and Loss.

(iv) Lease:

- a) The Company, as a lessee, at the inception of contract, assesses whether the contract is a lease or not. If yes, the contract conveys in favour of the Company, the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use assets are initially 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. In the Balance Sheet, Right-of-use Asset are presented under respective items of Property, Plant and Equipment or Investment Property, as the case may be. 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 addition, the carrying amount of lease liabilities and right-of-use assets are re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- b) Depreciation on Right-of-use Asset has been provided using Straight line method over their useful lives or lease period, whichever is lower. Interest Expense on Lease Liabilities are provided using discount rate used to determine Lease Liabilities. Depreciation and Interest expenses are recognised in the Statement of Profit and Loss.
- c) For short-term leases and leases for which, the underlying asset value is low, right-of-use assets and lease liabilities are not recognised. The lease payments associated with these leases are recognised as expense over the lease term.
- d) The Company, as a lessor, recognises lease payments from operating leases as income on straight-line basis



Notes to the Consolidated Financial Statements

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. Non-Monetary Foreign Currency items are stated at cost.

(vi) Inventories:

Inventories are valued at lower of cost and net realisable value. However, materials and other supplies held for use in production of inventories are not written down below cost, if the finished goods are expected to be sold at or above cost. The cost is computed on weighted average basis. Finished Goods, Traded Goods and Process Stock include cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Slow-moving and obsolete items based upon technical evaluation are provided for.

(vii) Borrowing cost:

Borrowing Cost is charged to Statement of Profit and Loss except meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

(viii) Employee benefit:

Employee benefits include wages & salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences, etc.

(a) Defined-contribution plans

Contributions to the employees' regional provident fund, superannuation fund, Employees' Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(b) Defined-benefit plans

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit

plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952, wherever applicable. 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 applicable laws of different countries.

(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.

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

Notes to the Consolidated Financial Statements

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.

(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.

(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. However, trade receivables that do not contain a significant financing component are measured at transaction price. The 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 loss or gain and foreign exchange loss or gain 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



Notes to the Consolidated Financial Statements

disclosed separately in the Statement of Profit & Loss.

Investment in Equity shares of associates are valued using Equity method as stated in clause 1.3(e).

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. Upon derecognition the difference between the carrying amount of a financial asset derecognised and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that entity expects to receive (i.e. all cash shortfalls) discounted at original effective interest rate. Impairment loss allowance (or reversal) for the period is recognised in the Statement of Profit and Loss.

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the Statement of Profit or Loss.

- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held for trading. Fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains / losses 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) Compulsorily Convertible Debentures – Compound Financial Instruments:

Compulsorily Convertible Debentures (CCDs) are treated as compound financial instruments and these are separated into liability and equity components based on the terms of the contract. At the inception of the CCDs, the following two elements are separated: (a) a liability component arising from the interest payments, if any; and (b) an equity component representing the delivery of fixed number of equity shares in future. On issuance of the CCDs, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible debt. This amount is recorded as a liability on an amortised cost basis, till its conversion into equity or payment, whichever is earlier. The remainder of the proceeds is attributable to the equity portion of the compound instrument and is not subsequently remeasured. In addition, the component classified as equity shall remain in equity till its conversion. Transaction costs are apportioned between

Notes to the Consolidated Financial Statements

the liability and equity components of the CCDs based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(xiv) 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 consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle, the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue, when or as the entity satisfies a performance obligation.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

Sale of Goods:

Revenue from the sale of goods is recognised at the point in time, when control is transferred to the customer.

Interest Income:

Interest income is recognized on time proportion basis using the effective interest method.

Dividend income:

Dividend income is recognized when the right to receive payment is established, which becomes certain after shareholders' approval.

(xv) 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.

(xvi) 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.

(xvii) 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.

(xviii) 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.

(xix) 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.



Notes to the Consolidated Financial Statements

Note - 2 Property, Plant And Equipment

Particulars	₹ in Crores (10 Million)											
	Gross Value				Depreciation / Amortisation				Net Value			
	As at 31.03.2022	Additions / Adjustments [^]	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2023	Upto 31.03.2022	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land:												
- Freehold #	585.27	-	5.43	(25.60)	605.44	-	-	-	-	605.44	585.27	
	(577.49)	-	-	(-7.78)	(585.27)	-	-	-	-	(585.27)	(577.49)	
- Leasehold -Right of use\$	10.96	-	-	-	10.96	2.64	0.12	-	-	2.76	8.32	8.32
	(10.96)	-	-	-	(10.96)	(2.52)	(0.12)	-	-	(2.64)	(8.32)	(8.44)
Buildings:												
- Owned*	1214.79	4.78	2.05	(26.36)	1243.88	350.26	23.93	2.05	(20.03)	392.17	851.71	864.53
	(1201.78)	(5.02)	-	(-7.99)	(1214.79)	(321.01)	(23.51)	-	(-5.74)	(350.26)	(864.53)	(880.77)
- On Lease-Right of Use\$	76.68	39.73	5.23	(0.11)	111.29	33.95	17.42	3.22	(0.08)	48.23	63.06	42.73
	(70.17)	(10.73)	(4.23)	(-0.01)	(76.68)	(24.07)	(13.02)	(3.14)	-	(33.95)	(42.73)	(46.10)
Plant & Equipments:												
- Owned	8068.51	326.33	60.80	(126.54)	8460.58	3459.31	309.97	26.13	(104.52)	3847.67	4612.91	4609.20
	(7547.67)	(506.90)	(22.80)	(-36.74)	(8068.51)	(3166.49)	(280.49)	(17.90)	(-30.23)	(3459.31)	(4609.20)	(4381.18)
- On Lease-Right of Use\$	133.32	-	0.38	-	132.94	80.63	27.42	-	-	108.05	24.89	52.69
	(178.21)	(2.28)	(47.17)	-	(133.32)	(84.73)	(43.07)	(47.17)	-	(80.63)	(52.69)	(93.48)
Furniture and Fixtures	33.84	2.05	0.86	(1.90)	36.93	24.90	1.69	0.78	(1.28)	27.09	9.84	8.94
	(30.85)	(2.63)	(0.14)	(-0.50)	(33.84)	(23.23)	(1.42)	(0.13)	(-0.38)	(24.90)	(8.94)	(7.62)
Office Equipment	40.20	4.90	1.03	(3.56)	47.63	32.67	2.34	0.98	(2.72)	36.75	10.88	7.53
	(35.37)	(4.15)	(0.25)	(-0.93)	(40.20)	(30.70)	(1.43)	(0.24)	(-0.78)	(32.67)	(7.53)	(4.67)
Vehicles:												
- Owned	40.46	8.64	4.91	(1.12)	45.31	21.70	4.24	3.45	(0.94)	23.43	21.88	18.76
	(39.08)	(5.47)	(4.42)	(-0.33)	(40.46)	(20.21)	(3.91)	(2.68)	(-0.26)	(21.70)	(18.76)	(18.87)
- On Lease-Right of Use\$	0.54	-	0.58	(0.04)	-	0.54	-	0.58	(0.04)	0.00	(0.00)	-
	(0.50)	-	-	(-0.04)	(0.54)	(0.18)	(0.33)	-	(-0.03)	(0.54)	-	(0.32)
TOTAL	10204.57	386.43	81.27	(185.23)	10694.96	4006.60	387.13	37.19	(129.61)	4486.15	6208.81	6197.97
Previous Year	(9692.08)	(537.18)	(79.01)	(-54.32)	(10204.57)	(3673.14)	(367.30)	(71.26)	(-37.42)	(4006.60)	(6197.97)	(6018.94)

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.

[^] Unamortised forex reinstatement as on 31.03.2023: ₹97.00 crores (Previous Year: ₹103.02 crores).

[@] Represents translation adjustments arising on consolidation of foreign subsidiaries.

[#] As at 31st March 2023, 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.

\$ Refer Note No. 39.

The Company has not revalued any Property, Plant & Equipment during the year.

For security against borrowings - refer Note No. 19.

Notes to the Consolidated Financial Statements

Note - 3 Investment Property

Particulars	₹ in Crores (10 Million)											
	Gross Value				Depreciation				Net Value			
	As at 31.03.2022	Additions / Adjustments	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2023	Upto 31.03.2022	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Building	6.53	-	-	-	6.53	0.90	0.10	-	-	1.00	5.53	5.63
	(6.53)	-	-	-	(6.53)	(0.80)	(0.10)	-	-	(0.90)	(5.63)	(5.73)

Figures in brackets represent amounts pertaining to previous year.

Rental Income: ₹0.26 crore (Previous Year: ₹0.12 crore). No material expenses were incurred for maintenance.

Note - 4 Other Intangible Assets

Particulars	₹ in Crores (10 Million)											
	Gross Value				Amortisation				Net Value			
	As at 31.03.2022	Additions / Adjustments	Sales / Adjustments	Translation Adjustment [@]	As at 31.03.2023	Upto 31.03.2022	Additions	Sales / Adjustments	Translation Adjustment [@]	Upto 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software #	34.86	5.50	-	(2.05)	42.41	24.76	4.91	-	(1.05)	30.72	11.69	10.10
	(22.30)	(12.19)	-	(-0.37)	(34.86)	(20.07)	(4.57)	-	(-0.12)	(24.76)	(10.10)	(2.23)
Industrial Commercial Benefit *	277.80	-	-	(54.72)	332.52	62.50	14.92	-	(14.02)	91.44	241.08	215.30
	(261.19)	-	-	(-16.61)	(277.80)	(45.71)	(13.39)	-	(-3.40)	(62.50)	(215.30)	(215.48)
TOTAL	312.66	5.50	-	(56.77)	374.93	87.26	19.83	-	(15.07)	122.16	252.77	225.40
Previous Year	(283.49)	(12.19)	-	(-16.98)	(312.66)	(65.78)	(17.96)	-	(-3.52)	(87.26)	(225.40)	(217.71)

Figures in brackets represent amounts pertaining to previous year.

[@] Represents translation adjustments arising on consolidation of foreign subsidiaries.

[#] Being amortised over a period of 3 or 5 years.

* Being amortised over a period of 20 years.

Note - 5 Investments Accounted Using Equity Method [Non-Current]

Associate Companies:	₹ in Crores (10 Million)			
	As at 31.03.2023		As at 31.03.2022	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Dwarkesh Energy Ltd.				
- Equity Investment - At Cost (₹10 each)	3,50,000	0.35	3,50,000	0.35
- Share in Net Assets		0.05		0.03
Valiant Pacific LLC				
- Equity Investment - At Cost (AED 1000 each)	147	0.21	147	0.21
- Share in Net Assets		56.73		55.09
Western Tire Holdings, Inc*				



Notes to the Consolidated Financial Statements

	₹ in Crores (10 Million)			
	As at 31.03.2023		As at 31.03.2022	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
- Equity Investment - At Cost (USD 1 each): (₹26204; Previous year: ₹26204)	400		400	
- Share in Net Assets: (Previous year: ₹(-) 26204)		2.14		
Treel Mobility Solutions Pvt. Ltd.**				
- Equity Investment - At Cost (₹10 each)	3,737	6.30	3,737	6.30
- Share in Net Assets		(0.96)		(0.14)
		64.82		61.84

* Carrying amount of investment in associates includes ₹0.27 crore (Previous year: ₹0.27 crore) towards Goodwill.

** Carrying amount of investment in associates includes ₹4.81 crores (Previous year: ₹4.81 crores) towards Goodwill.

Note - 6 Other Investments

	₹ in Crores (10 Million)			
	As at 31.03.2023		As at 31.03.2022	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Equity Shares:				
Associate Companies (at Cost):				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; Previous year: ₹2400)	24		24	
Others (at fair value through P&L):				
HDFC Bank Ltd. (₹1 each)	10,000	1.61	10,000	1.47
Bengal & Assam Company Ltd. (₹10 each)*	11,641	4.26	11,641	2.74
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	7.76	49,400	6.30
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	15,700	0.24	15,700	0.21
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	42,000	0.05	42,000	0.05
Preference Shares (at fair value through P&L):				
Associate Company:				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Share) (₹100 each)	11,00,000	14.89	11,00,000	13.42
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] bearing Cumulative Redeemable Preference Shares) (₹100 each)	45,00,000	38.20	45,00,000	45.71
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.96	2,50,000	1.01
		67.97		70.91
Aggregate amount of quoted Investments/ market value thereof		6.83		5.22
Aggregate amount of unquoted Investments		61.14		65.69
Aggregate provision for impairment in value of Investments		-		-

* Acquired before becoming subsidiary of BACL.

Notes to the Consolidated Financial Statements

Note - 7 Other Financial Assets [Non-Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Deferred Receivable	-	73.39
Security Deposits	53.46	54.89
Bank Deposits*	15.66	9.34
	69.12	137.62

* Represent fixed deposits having maturity more than 12 months as DSRA ₹9.78 crores, Deposit Repayment Reserve Account ₹3.50 crores, deposits with banks under lien towards margin money ₹2.37 crores and security deposit with Sales Tax department ₹0.01 crore (Previous Year: ₹8.52 crores, Nil, ₹0.81 crore and ₹0.01 crore, respectively).

Note - 8 Deferred Tax Asset (Net)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Deferred tax Asset are as under:		
Deferred Tax Assets		
- Expenses / Provision Allowable	107.70	80.56
- Unabsorbed depreciation / Loss	266.73	252.00
Deferred Tax Liability related to Property, Plant & Equipment	(264.91)	(245.64)
	109.52	86.92

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Note - 9 Other Non-Current Assets

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Advances - Project related	52.88	13.16
Deferred Expenditure for financial instruments	5.91	7.05
Others	4.75	1.05
	63.54	21.26

Note - 10 Inventories (Valued at lower of cost or net realisable value)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Raw Materials*	667.32	1044.51
Work-in-progress	107.75	127.11
Finished Goods**	1148.82	1072.63
Stock-in-trade	118.83	79.64
Stores and Spares	127.81	108.73
	2170.53	2432.62

* Includes raw materials in transit ₹164.76 crores (Previous year: ₹307.06 crores)

** Includes finished goods in transit ₹27.21 crores (Previous year: ₹22.01 crores)

Provision for write down / (written back) of inventories - (-) ₹0.34 crore (Previous year - ₹2.86 crores)



Notes to the Consolidated Financial Statements

Note - 11 Investments [Current]

	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in Crores (10 Million)	No. of Shares	₹ in Crores (10 Million)
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% [4% IRR] Cumulative Redeemable Preference Shares) (₹100 each)	45,00,000	11.17	-	-
		11.17		-
Aggregate amount of quoted Investments/ market value thereof		-		-
Aggregate amount of unquoted Investments		11.17		-
Aggregate provision for impairment in value of Investments		-		-

Note - 12 Trade Receivables [Current] (Unsecured)

	As at 31.03.2023	As at 31.03.2022
Considered Good [§]	2283.22	1979.86
Credit Impaired	35.99	30.63
Less : Allowance for Bad and Doubtful debts	(35.99)	(30.63)
TOTAL	2283.22	1979.86

[§] Refer Note No. 47 for Trade Receivables from related parties.

Ageing of Trade Receivables as at 31.03.2023 and 31.03.2022:

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment					TOTAL
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable:							
(i) considered good	1581.23	575.16	30.79	6.47	3.31	9.59	2206.55
(ii) credit impaired	-	-	0.25	0.29	0.32	8.16	9.02
Disputed Trade Receivable:							
(i) considered good	-	0.07	0.09	1.25	23.04	52.22	76.67
(ii) credit impaired	-	-	-	0.07	0.14	26.76	26.97
TOTAL	1581.23	575.23	31.13	8.08	26.81	96.73	2319.21

Particulars	Not Due as on 31.03.2022	Outstanding as at 31.03.2022 for following periods from due date of payment					TOTAL
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivable:							
(i) considered good	1413.12	396.02	72.62	13.53	13.30	6.11	1914.70
(ii) credit impaired	-	-	0.81	0.30	1.48	7.68	10.27
Disputed Trade Receivable:							
(i) considered good	-	-	0.03	0.54	15.38	49.21	65.16
(ii) credit impaired	-	-	-	-	-	20.36	20.36
TOTAL	1413.12	396.02	73.46	14.37	30.16	83.36	2010.49

Notes to the Consolidated Financial Statements

Note - 13 Cash and Cash Equivalents

	As at 31.03.2023	As at 31.03.2022
Balances with Banks		
- Current Accounts	142.80	68.48
- Deposit Accounts	0.15	0.14
Remittances in transit and Cheques on hand	30.11	25.32
Cash on hand	0.09	0.11
TOTAL	173.15	94.05

Note - 14 Other Bank Balances

	As at 31.03.2023	As at 31.03.2022
Unclaimed Dividend Accounts	1.61	1.75
Deposit Accounts*	91.04	79.85
TOTAL	92.65	81.60

* Include DSRA ₹59.17 crores, Deposit Repayment Reserve Account ₹9.20 crores, security deposit with Sales Tax department Nil, deposits with banks under lien towards margin money against bank guarantee ₹18.71 crores and against Letter of Credit ₹3.62 crores (Previous year: ₹53.76 crores, ₹11.27 crores, (₹10000), ₹11.02 crores and ₹3.48 crores, respectively).

Note - 15 Other Financial Assets [Current]

	As at 31.03.2023	As at 31.03.2022
<i>Unsecured, Considered Good:</i>		
Interest Recoverable	6.93	5.87
Due from Related Parties (Refer Note No. 47)	1.29	0.77
Balance with Government Authorities	45.72	148.64
Deferred Receivable	78.09	21.66
Advances to Employees	13.08	11.00
Derivative Instruments measured at fair value	22.28	19.47
Others	4.55	1.43
TOTAL	171.94	208.84

Note - 16 Current Tax Assets (Net)

	As at 31.03.2023	As at 31.03.2022
Current Tax Assets (Net)	110.00	79.93
TOTAL	110.00	79.93



Notes to the Consolidated Financial Statements

Note - 17 Other Current Assets

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Balances with Government Authorities	288.23	368.98
Prepaid Expenses	26.42	32.79
Advances to Related Parties (Refer Note No.47)	26.46	17.17
Advances to Suppliers	35.28	26.72
Deferred Expenditure for financial instruments	1.79	1.79
Others	20.67	9.52
	398.85	456.97

Note - 18 Equity Share Capital

a. Shareholding of Promoters:

Shares held by promoters at the end of 31.03.2023				% Change during FY 2022-2023
S. No.	Promoter Name*	No. of Shares	% of total shares	
1	Bengal & Assam Company Ltd.	13,00,03,250	52.80	-

* In addition, as on 31st March 2023, there are 19 entities holding 85,21,805 Equity Shares (3.46%), who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, including Shri Bharat Hari Singhania and Dr. Raghupati Singhania who now form part of Promoter Group.

Shares held by promoters at the end of 31.03.2022				% Change during FY 2021-2022
S. No.	Promoter Name*	No. of Shares	% of total shares	
1	Bengal & Assam Company Ltd.	13,00,03,250	52.80	-
2	Shri Bharat Hari Singhania	10,94,723	0.44	-
3	Dr. Raghupati Singhania	16,43,990	0.67	-
	Total *	13,27,41,963	53.91	-

* In addition, as on 31st March 2022 and 31st March 2021, there are 17 entities holding 57,83,092 Equity Shares (2.35%) and 57,08,092 Equity Shares (2.32%), respectively, who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Note - 19 Borrowings [Non-Current]

	₹ in Crores (10 Million)			
	Non - Current		Current*	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured Loans				
Term Loans: **				
- Financial Institutions	487.25	567.84	129.01	135.20
- Bank	1720.19	1810.84	311.31	404.29
	2207.44	2378.68	440.32	539.49

Notes to the Consolidated Financial Statements

	₹ in Crores (10 Million)			
	Non - Current		Current*	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Unsecured Loans				
Loan from Bank	77.34	30.41	-	15.20
Fixed Deposits	55.59	66.84	41.81	40.36
Liability component of Compulsorily convertible debentures ("CCD")	19.99	-	-	-
	152.92	97.25	41.81	55.56
TOTAL	2360.36	2475.93	482.13	595.05

* Amount payable during next 12 months is included under the head "Borrowings [Current]" (Note No. 23).

** Net of ₹20.75 crores (As at 31.03.2022: ₹24.22 crores) for unamortised processing charges.

- (i) Rupee Term Loan of ₹2.40 crores from a Bank and Foreign Currency Loan of ₹17.62 crores (including ₹6.63 crores due to forex reinstatement) from a Financial Institution aggregating to ₹20.02 crores, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 1 and 2 equal quarterly instalments respectively.
- (ii) Rupee Term Loan of ₹275.19 crores and ₹34.97 crores from Banks and Foreign Currency Loan of ₹130.10 crores (including ₹29.35 crores due to forex reinstatement) from a Financial Institution aggregating to ₹440.26 crores, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 42 quarterly instalments, 18 and 20 equal quarterly instalments respectively.
- (iii) Rupee Term Loan of ₹212.50 crores from a Bank, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future is repayable in 42 quarterly instalments.
- (iv) Foreign Currency Loan of ₹26.43 crores (including ₹6.08 crores due to forex reinstatement) from a Bank, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 5 equal quarterly instalments.
- (v) Foreign Currency Loan of ₹101.01 crores (including ₹20.76 crores due to forex reinstatement) from a Bank, secured by first pari passu charge on movable fixed assets at Company's Plants at Rajasthan and Karnataka (excluding those specifically charged to other banks), both present and future. Loan of Tranche - I, ₹33.83 crores and Tranche - II, ₹67.18 crores are repayable in 5 and 8 quarterly instalments respectively.
- (vi) Rupee Term Loan of ₹87.09 crores from a Bank, secured by a first pari passu charge created on movable fixed assets at a Company's Plant in Madhya Pradesh (excluding those specifically charged to other banks), both present and future is repayable in 22 equal quarterly instalments.
- (vii) Rupee Term Loan of ₹50 crores from a Bank, secured by a first pari passu charge to be created on movable fixed assets at a Company's Plant in Karnataka (excluding those specifically charged to other banks), both present and future is repayable in 28 equal quarterly instalments commencing from April'2023.
- (viii) Term Loans carrying first pari passu charge on the movable and immovable assets, are subject to prior charge of banks on stocks and book debts for working capital borrowings.
- (ix) Rupee Term Loan of ₹18.04 crores from a Bank, secured by a first pari passu charge on movable fixed assets at a Company's Plant in Madhya Pradesh (excluding those specifically charged to other banks), both present and future is repayable in 8 equal quarterly instalments commencing from March'2025.



Notes to the Consolidated Financial Statements

- (x) Rupee Term Loan of ₹10.37 crores from a Bank, secured by a first pari passu charge on stocks and book debts, of the Company, both present and future with second pari passu charge on movable and immovable assets of the Company's Plants in Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu (excluding those specifically charged to other banks) is repayable in 5 equal monthly instalments.
- (xi) Fixed Deposits of ₹41.81 crores, ₹27.65 crores and ₹27.94 crores (aggregating ₹97.40 crores) are due for repayment in 2023-24, 2024-25 and 2025-26 respectively.
- (xii) The Company has issued and allotted 24,000 Compulsorily Convertible Debentures ("CCDs") during the year. On issuance of the CCDs, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible debt, which is recorded as liability on amortised cost basis until its conversion into equity within 18 months from the date of allotment.
- (xiii) Term Loans aggregating ₹1471.71 crores are secured with first pari passu charge on movable and immovable assets of its plants at Laksar, Uttarakhand, both present & future; pledge of 51% shareholding held by the Holding Company on pari passu basis; exclusive charge on Debt Service Reserve Account (DSRA); and second pari passu charge on all the current assets of CIL, both present & future.

Foreign Currency Term Loan from a Financial Institution amounting to ₹469.53 crores (including forex reinstatement of ₹90.31 crores) is repayable in 22 equal quarterly instalments; Rupee Term Loans from Banks aggregating to ₹917.07 crores are repayable in 30 to 43 unequal quarterly instalments; Rupee term loan amounting to ₹29.50 crores from a bank is repayable in 42 equal quarterly instalments; and Buyer's credit of ₹55.61 crores (net of ₹4.80 crores on account of forex reinstatement) availed from other bank, which will be substituted by term loan, is repayable in 48 equal quarterly instalments.

- (xiv) Term Loan of ₹110.81 crores from banks are secured by subservient charge created on current assets and movable fixed assets of CIL, both present and future. Further, one loan from bank is repayable in 3 unequal quarterly instalments and from another bank is repayable in 4 & 7 bi-annual equal instalments.
- (xv) Term Loan of ₹120.47 crores from a bank availed by certain foreign subsidiary companies are secured by first charge on all movable and immovable assets at plants in Mexico except assets of certain plants, both present and future on pari-passu basis; first charge on all current assets, both present and future on pari-passu basis and pledge of shares of said subsidiary companies and shares of all intermediate holding companies on pari-passu basis except shares held by ultimate holding company. Pledged shares are under process of release, as loan in this relation has been paid in full.

Note - 20 Other Financial Liabilities [Non-Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Trade Deposits and Others	746.04	636.38
	746.04	636.38

Note - 21 Provisions [Non-Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits	99.57	119.85
	99.57	119.85

Notes to the Consolidated Financial Statements

Note - 22 Deferred Tax Liabilities (Net)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Deferred Tax Liability related to Property, Plant and Equipment	635.17	642.90
Deferred Tax Assets on		
- Expenses / Provisions Allowable	(81.62)	(88.98)
Deferred Tax Liabilities / (Assets) - Net	553.55	553.92
MAT Credit Entitlement	(122.97)	(148.80)
	430.58	405.12

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Note - 23 Borrowings [Current]

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Secured Loans		
Repayable on Demand from Banks*	1037.82	1476.09
Buyers Credit *	195.40	93.20
Current maturities of long term borrowings	440.32	539.49
	1673.54	2108.78
Unsecured Loans		
Fixed Deposits	11.65	11.89
Loan from Banks	696.18	463.04
Current maturities of long term borrowings	41.81	55.56
	749.64	530.49
	2423.18	2639.27

* Represent Working Capital borrowings of ₹1233.22 crores 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, Tamil Nadu and Uttarakhand.

Note - 24 Trade Payables [Current]

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Micro & Small	48.19	-	-	-	-	48.19
(ii) Others	1526.91	64.72	-	-	-	1591.63
(iii) Disputed dues - MSME - Micro & Small	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.30	0.62	0.50	1.42
Unbilled Dues						178.39
Total Trade Payables						1819.63



Notes to the Consolidated Financial Statements

₹ in Crores (10 Million)

Particulars	Not Due as on 31.03.2022	Outstanding as at 31.03.2022 for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME - Micro & Small	49.00	-	-	-	-	49.00
(ii) Others	1930.46	34.90	-	-	-	1965.36
(iii) Disputed dues - MSME - Micro & Small	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	1.83	0.61	0.54	2.98
Unbilled Dues						171.18
Total Trade Payables						2188.52

Note - 25 Other Financial Liabilities [Current]

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Interest Accrued but not due on Borrowings	25.86	18.21
Unclaimed Dividends #	1.61	1.75
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	1.17	1.24
Liabilities for Expenses	422.49	375.20
Derivative Instrument measured at fair value	8.31	-
	459.44	396.40

Investor Education & Protection Fund will be credited, as and when due.

Note - 26 Other Current Liabilities

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Government and Other Statutory Dues	347.56	213.63
Recoveries under Company Schemes	24.64	30.97
Contract Liabilities	28.17	34.21
Others	0.50	0.50
	400.87	279.31

Note - 27 Provisions [Current]

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Provision for Employee Benefits	52.66	17.42
	52.66	17.42

Note - 28 Current Tax Liabilities (Net)

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Current Tax Liabilities (Net)	61.54	36.80
	61.54	36.80

Notes to the Consolidated Financial Statements

Note - 29 Revenue From Operations

₹ in Crores (10 Million)

	2022-2023	2021-2022
Sale of:		
- Products	14465.89	11809.88
- Services	54.14	43.02
Other operating revenues:		
Miscellaneous Income #	124.91	130.06
	14644.94	11982.96

Includes Government Incentive of ₹59.46 crores (Previous Year: ₹91.27 crores)

Refer Note No. 46 for disclosure regarding Revenue recognised under contracts.

Note - 30 Other Income

₹ in Crores (10 Million)

	2022-2023	2021-2022
Income from Financial Assets valued at:		
- Amortised Cost	18.14	19.75
- Fair Value through Profit & Loss (FVTPL)	1.48	1.33
Other Interest Income	2.15	6.24
Dividend Income	0.48	0.60
Fair Value changes in investments valued at FVTPL	3.09	2.64
Profit on sale of Fixed Assets (Net)	6.31	-
Rent Income	2.06	1.79
Other Non-operating Income	2.81	4.21
	36.52	36.56

Note - 31 Employee Benefits Expenses

₹ in Crores (10 Million)

	2022-2023	2021-2022
Salaries and Wages	909.14	797.66
Contribution to Provident and other Funds	107.95	61.64
Employees' Welfare and other Benefits	200.93	206.05
	1218.02	1065.35

Note - 32 Finance Costs

₹ in Crores (10 Million)

	2022-2023	2021-2022
Interest on Borrowings & Others	438.02	400.51
Interest on Lease Liabilities	10.50	12.57
Other Borrowing Costs	5.98	6.01
	454.50	419.09



Notes to the Consolidated Financial Statements

Note - 33 Other Expenses

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Consumption of Stores and spares	169.87	149.47
Power and Fuel	575.52	493.97
Freight and Transportation	560.61	482.33
Advertisement and Sales Promotion	130.64	132.89
Conversion Charges	68.97	56.98
Tyre Servicing & Retreading Charges	31.69	17.64
Legal & Professional Charges	84.05	84.68
Repair & Maintenance Expenses	66.29	56.51
Insurance	30.57	25.26
Lease Rent	20.68	18.69
Loss on Sale of Fixed Assets (Net)	-	0.06
Allowance for Doubtful Debts / Advances	7.50	8.00
Corporate Social Responsibility Expenses	5.20	5.04
Miscellaneous Expenses	366.58	273.50
	2118.17	1805.02

Note - 34

Estimated amount of contracts remaining to be executed on capital account ₹565.81 crores (Previous year: ₹270.92 crores).

Note - 35

The Company imported certain equipment under Export Promotion Capital Goods (EPCG) Scheme at a concessional custom duty resulting in cumulative savings of ₹32.89 crores (Previous year: ₹23.59 crores), against which export obligation fulfilled till 31st March'2023 ₹5.63 crores (Previous year: Nil). Balance obligation yet to be fulfilled is ₹27.26 crores (Previous year: ₹23.59 crores).

Note - 36

Contingent liabilities in respect of claims not accepted and not provided for ₹454.32 crores (Previous year: ₹199.01 crores), pertaining to matters in appeal for Excise & Customs duty ₹176.92 crores, Service Tax ₹1.61 crore, Sales Tax ₹3.46 crores, Income Tax ₹171.58 crores & others ₹100.75 crores (Previous year: ₹93.45 crores, ₹1.13 crore, ₹2.61 crores, ₹13.74 crores & ₹88.08 crores respectively).

Note - 37

The Competition Commission of India ("CCI") on 2nd February 2022 had released an Order dated 31st August 2018 for alleged contravention of provisions of the Competition Act, 2002 against the Company, certain other Tyre manufacturers and Automotive Tyre Manufacturers Association. CCI had imposed a penalty of ₹309.95 crores on the Company. The Company had filed an Appeal before the Hon'ble National Company Law Appellate Tribunal against the said CCI Order. The NCLAT, through an order dated 1st December 2022, has disposed of the aforementioned appeal, after taking note of the multiple errors in the said CCI Order dated 31st August 2018, and remanded the matter back to the CCI, to re-examine the matter on merits and also to consider reviewing the penalty (if violation is established) in accordance with the provisions of the Competition Act. The Company understands that the CCI has filed an appeal against the NCLAT order dated 1st December 2022, however, no notice has been received by the Company till date. Based on legal advice, the Company continues to believe that it has a strong case, and accordingly, no provision has been made in the accounts. The Company strongly reiterates that there has been no wrongdoing on the part of the Company and reassures all the stakeholders that the Company has never indulged in or was part of any cartel or undertook any anti-competitive practices.

Notes to the Consolidated Financial Statements

Note - 38

a) Capital work in progress includes Machinery in stock / transit, construction / erection materials and the following pre-operative expenses pending allocation:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Raw Material Consumption	-	0.22
Stores & Spares	-	0.02
Employee Benefit Expenses	2.33	2.30
Power & Fuel Consumption	0.29	0.20
Miscellaneous Expenditure	1.55	0.90
	4.17	3.64
Add: Expenditure upto previous year	0.69	22.92
	4.86	26.56
Less: Transferred to Property, Plant and Equipment	2.63	25.87
	2.23	0.69

b) Ageing of Capital work in progress and Intangible asset under development as on 31.03.2023 & 31.03.2022 is as follows:

Category	Particulars	Amount in Capital Work-in-Progress for a period of				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress	As at 31.03.2023					
	Projects in progress	190.61	-	-	-	190.61
	As at 31.03.2022					
	Projects in progress	100.56				100.56
Intangible asset under development	As at 31.03.2023					
	Projects in progress	3.48	0.88	-	-	4.36
	As at 31.03.2022					
	Projects in progress	2.59	3.08	-	-	5.67

No Project was temporarily suspended by the Company as at 31.03.2023 and 31.03.2022.

c) There were no capital-work-in progress and intangible assets under development, whose completion was overdue or has exceeded its cost compared to its original plan.

Note - 39

The Company has lease contracts for various assets, land, buildings and plant & equipment. These are recognised as Right of use assets and lease liabilities, in accordance with accounting policy of the Company.

a) The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.



Notes to the Consolidated Financial Statements

b) The movement in lease liabilities included in Other Financial Liabilities during the year is as follows:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
As at beginning of the year	105.18	144.21
Additions	39.55	13.01
Accretion of Interest	10.50	12.57
Less: Payments	(53.74)	(63.28)
Less: Discount Received	(0.03)	(0.09)
Less: Leases Terminated	(2.69)	(1.25)
Add: Foreign Currency Translation Difference	0.04	0.01
Balance at the end of the year	98.81	105.18
Current	43.55	65.00
Non-current	55.26	40.18

c) The amounts recognised in profit and loss during the year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Depreciation expenses of right of use assets	44.96	56.54
Interest expense on Lease liabilities	10.50	12.57
Lease Rent recognised as expenses for short term leases	14.64	13.22
Lease Rent recognised as expenses for low value asset leases	6.04	5.47
	76.14	87.80

d) Cash outflows in regard to Lease contracts, as Lessee:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Operating activities		
Short term / low value assets Lease payments	20.68	18.69
Financing activities		
Repayment of Principal portion of Lease Liabilities	43.27	50.80
Repayment of Interest portion of Lease Liabilities	10.50	12.57

e) The contractual maturities of lease liabilities as at year 31st March, 2023 and 31st March, 2022 on undiscounted basis are given below:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Not later than one year	49.93	48.14
Later than one year and not later than five years	62.29	67.02
Later than five years	1.17	5.61

Notes to the Consolidated Financial Statements

Note - 40

Debts /Advances include ₹103.64 crores (Previous year: ₹85.52 crores) for which legal and other necessary action has been taken.

Note - 41

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 - 42 Expenditure on Research and Development (R&D) Activities during the Year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
i) Revenue Expenditure*:		
1. Employee Cost	26.69	24.61
2. Cost of Materials and Testing Charges	53.04	49.65
3. Other R&D Expenses	27.14	13.33
Subtotal (i)	106.87	87.59
ii) Capital Expenditure	10.37	1.72
Total (i+ii)	117.24	89.31

* Included in respective revenue accounts.

Note - 43

Exceptional items include net impact of unfavourable foreign exchange fluctuation ₹59.18 crores (Previous year: favourable ₹13.95 crores) and expenditure on VRS for the employees ₹2.34 crores (Previous Year: ₹10.35 crores).

Note - 44 Earnings Per Share (EPS):

A) Basic EPS

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
a. Profit for the year attributable to Equity Shareholders	262.48	210.02
b. Weighted average number of Equity Shares allotted and to be allotted on CCDs	24,66,68,022	24,62,30,880
c. Earnings per share of ₹2 each		
- Basic (₹)	10.64	8.53

B) Diluted EPS

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
a. Profit for the year attributable to Equity Shareholders	262.48	210.02
b. Add: Interest expense on CCD (net of taxes)	0.03	-
c. Adjusted Profit after tax attributable to Equity Shareholders	262.51	210.02
d. Weighted average number of Equity Shares for basic EPS	24,66,68,022	24,62,30,880
Add: Weighted average number of potential shares of Interest on CCDs	41,042	-
Weighted average number of Equity Shares (with potential conversion of CCDs) for Diluted EPS	24,67,09,064	24,62,30,880
e. Earnings per share of ₹2 each		
- Diluted (₹)	10.64	8.53



Notes to the Consolidated Financial Statements

Note - 45

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 for Indian operations:

	₹ in Crores (10 Million)			
	Leave Encashment (Non-Funded)		Gratuity (Funded)	
	2022-2023	2021-2022	2022-2023	2021-2022
I Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	43.94	41.73	167.46	168.54
2) Current Service Cost	11.71	6.37	10.96	10.93
3) Past Service Cost	0.17	-	-	-
4) Interest Cost	2.90	2.71	10.93	10.10
5) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	(0.96)	(2.27)	(3.06)	(7.99)
- experience variance (i.e. actual experience vs assumptions)	0.76	8.54	15.16	12.22
6) Benefit Paid	(11.37)	(13.14)	(21.65)	(26.34)
7) Present Value of Obligation as at the end	47.15	43.94	179.80	167.46
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	164.98	161.74
2) Investment Income	-	-	11.05	10.24
3) Employer's Contribution	-	-	9.92	18.09
4) Benefits Paid	-	-	(21.65)	(26.34)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(3.93)	1.25
6) Fair value of Plan Assets as at the end	-	-	160.37	164.98
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	11.71	6.37	10.96	10.93
2) Past Service Cost	0.17	-	-	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.90	2.71	(0.12)	(0.14)
4) Expenses recognised in the Income Statement	14.78	9.08	10.84	10.79
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	(0.96)	(2.27)	(3.06)	(7.99)
- experience variance (i.e. actual experience vs assumptions)	0.76	8.54	15.16	12.22
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	3.93	(1.25)
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	(0.20)	6.27	16.03	2.98
V Actuarial Assumptions:				
1) Discount Rate	7.30% - 7.20%	7.30% - 6.90%	7.30%-7.20%	7.30%-6.90%
2) Expected rate of return on Plan Assets	-	-	7.30%-7.20%	7.30%-6.90%
3) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
4) Salary Escalation	5.00% - 5.50%	5.00% - 5.50%	5.00% - 5.50%	5.00% - 5.50%

* Included under the head Employee Benefits Expense – Refer Note No. 31.

Notes to the Consolidated Financial Statements

(ii)

	Leave Encashment					Gratuity				
	2022-23	2021-22	2020-21	2019-20	2018-19	2022-23	2021-22	2020-21	2019-20	2018-19
	₹ in Crores (10 Million)									
Present Value of Defined Benefit Obligation	47.15	43.94	41.73	43.10	38.26	179.80	167.46	168.54	162.42	151.09
Fair Value of Plan Assets	-	-	-	-	-	160.37	164.98	161.74	156.68	145.42
Surplus / (Deficit)	(47.15)	(43.94)	(41.73)	(43.10)	(38.26)	(19.43)	(2.48)	(6.80)	(5.74)	(5.67)
Experience adjustment on Plan Liabilities (Gain) / Loss	0.76	8.54	7.55	6.99	6.19	15.16	12.22	(0.04)	2.06	7.81
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	3.93	(1.25)	(5.93)	2.82	(0.17)

(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:-

	Leave Encashment				Gratuity			
	31 st March 2023		31 st March 2022		31 st March 2023		31 st March 2022	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	51.93	43.09	49.68	41.21	196.23	165.74	182.75	154.42
Salary Growth Rate (- / + 1%)	42.99	51.97	41.12	49.72	165.84	195.73	154.49	182.31
Attrition Rate (- / + 1%)	46.48	47.88	44.54	45.73	177.71	182.35	165.78	169.62
Mortality Rate (- / + 10% of mortality rates)	47.12	47.17	45.06	45.11	179.72	179.90	167.39	167.54

(iv) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

(v) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) Employer's Contribution to PF (trust) during the 12 months ended 31st March, 2023 of ₹12.13 crores (Previous year: ₹8.95 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 31)

(vii) Maturity Profile of Defined Benefit Obligation:

	Leave Encashment		Gratuity	
	2022-2023	2021-2022	2022-2023	2021-2022
	₹ in Crores (10 Million)			
Within next 1 Year	5.25	5.07	14.89	14.48
Between 2 - 5 Years	16.98	15.06	74.99	69.23
Between 6 - 10 Years	23.40	21.47	92.29	86.49
More than 10 Years	128.53	127.93	251.22	218.82



Notes to the Consolidated Financial Statements

(b) Defined Contribution Plans:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Gratuity (Non-Funded)		
I Change in the Present Value of Obligation		
1) Present Value of Defined Benefit Obligation at the beginning of the year	47.95	50.20
2) Current Service Cost	4.96	6.21
3) Past Service Cost	(1.21)	(6.23)
4) Interest Expense or Cost	2.67	3.51
5) Remeasurement (or actuarial) (gain) / loss arising from:		
- change in financial assumptions	2.24	(0.21)
- experience variance (i.e. actual experience vs assumptions)	(21.59)	(2.81)
6) Benefit Paid	(3.64)	(5.72)
7) Foreign Currency Translation Difference	7.55	3.00
8) Present Value of Obligation as at the end	38.93	47.95
II Expenses recognised in the Statement of Profit & Loss Account *		
1) Current Service Cost	4.96	6.21
2) Past Service Cost	(1.21)	(6.23)
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.67	3.51
4) Expenses recognised in the Income Statement	6.42	3.49
III Other Comprehensive Income		
1) Actuarial (Gains) / Losses		
- change in financial assumptions	2.24	(0.21)
- experience variance (i.e. actual experience vs assumptions)	(21.59)	(2.81)
2) Components of Defined Benefit Costs recognised in Other Comprehensive Income	(19.35)	(3.02)
IV Actuarial Assumptions:		
1) Discount Rate	7.60%	7.65%
2) Expected rate of return on Plan Assets	-	-
3) Mortality	Mexican Experience 2000	
4) Salary Escalation	5.80%	6.56%

* Included under the head Employee Benefits Expense – Refer Note No. 31.

Note - 46 Revenue Recognised Under Contracts

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Category-wise:		
<i>Revenue recognised at the point of time:</i>		
Tyres, Tubes & Flaps	14317.94	11666.16
Other goods	147.95	143.72

Notes to the Consolidated Financial Statements

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
<i>Revenue recognised over the period of time:</i>		
Services	54.14	43.02
	14520.03	11852.90
Geography-wise:		
Within India	10460.39	8332.81
Outside India	4059.64	3520.09
	14520.03	11852.90

b) Revenue-related receivables and contract liabilities at the year end:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Trade receivables (refer Note No. 12)	2283.22	1979.86
Contract liabilities (refer Note No. 26)	28.17	34.21

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Revenue as per contracted price	15176.05	12334.82
Reductions towards variable consideration components*	(656.02)	(481.92)
Revenue from contracts with customers	14520.03	11852.90

* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.

d) Impairment in Trade Receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹35.99 crores (Previous year: ₹30.63 crores).

Note - 47 Related Parties:

a) Holding Company:

Bengal & Assam Company Ltd. (BACL-H)

b) Fellow Subsidiaries (with which, the Company has transactions):

JK Agri Genetics Ltd. (JKAGL)

J.K. Fenner (India) Ltd. (JKFIL)

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. (TREEL)

JK Lakshmi Cement Ltd (JKLCL - Associate of BACL-H)

JK Paper Ltd. (JKPL - Associate of BACL-H)



Notes to the Consolidated Financial Statements

d) Key Management Personnel (KMP) (with which, the Company has transactions):

(i) Dr. Raghupati Singhania	Chairman & Managing Director
(ii) Shri Bharat Hari Singhania	Non-Executive Non-Independent Director [Managing Director (till 30 th Sept. 2021)]
(iii) Shri Anshuman Singhania	Managing Director
(iv) Shri Arun Kumar Bajoria	Director & President – International Operations
(v) Smt. Sunanda Singhania	Non-Executive Non- Independent Director
(vi) Shri Arvind Singh Mewar	Independent Director (ceased to be director w.e.f 25 th Sept.2022)
(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
(xiii) Shri Subhramant Panda	Independent Director (w.e.f 2 nd Nov. 2022)
(xiv) Shri Sanjeev Aggarwal	Chief Financial Officer
(xv) Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xvi) Shri Ashok Kumar Kinra	Non-Executive Director of BACL-H

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 Parties (with which, the Company has transactions):

Niyojit Properties Pvt. Ltd. (NPPL - controlled by KMP of BACL-H)
CMDS (One Person Company controlled by Dr. Wolfgang Holzbach)

(l) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)					
Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 345.03, WTI- 218.96, WTHI-3.57, JKLC			567.63		567.63
Sale of Tyres to VPL- 312.41, WTI- 167.76, JKLC			(480.21)		(480.21)
Sale of Goods to TREEL			0.26		0.26
Sale of Goods to TREEL			(0.13)		(0.13)
Purchase of Goods from JKFIL-0.13, VPL-148.81, TREEL-6.90, JKLC		0.13	155.92		156.05
Purchase of Goods from JKFIL, VPL-115.72, TREEL-8.84, JKLC		(0.03)	(124.71)		(124.74)

Notes to the Consolidated Financial Statements

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sharing of Expenses received from BACL-H, JKFIL-0.78, JKAGL, HASETRI-4.52, JKPL-0.80, JKLC	0.02	0.88	6.06		6.96
Sharing of Expenses received from BACL-H, JKFIL-0.88, JKAGL, HASETRI-4.18, JKPL-0.91, JKLC	(0.02)	(0.97)	(5.89)		(6.88)
Sharing of Expenses paid to BACL-H, JKFIL, JKLC-0.59, JKPL-0.63, TREEL, NPPL	0.99	0.06	1.23	0.83	3.11
Sharing of Expenses paid to BACL-H, JKLC-0.38, JKPL-0.10, TREEL, NPPL	(0.76)		(0.49)	(0.54)	(1.79)
Services Availed - JKFIL, HASETRI-28.46, VPL- 0.22, JKLC		15.77	28.70		44.47
Services Availed - JKFIL, HASETRI-28.56, VPL- 0.20, JKLC- (₹4600), CMDS		(16.46)	(28.76)	(0.03)	(45.25)
Services Rendered to VPL			(0.82)		(0.82)
Redemption of JKFIL's Preference Shares		(28.63)			(28.63)
Interest from JKFIL		2.19			2.19
Interest from JKFIL		(2.94)			(2.94)
Interest Paid to VPL			(0.01)		(0.01)
Dividend from JKFIL		0.45			0.45
Dividend from JKFIL		(0.60)			(0.60)
Contribution to HASETRI			21.00		21.00
Contribution to HASETRI			(10.00)		(10.00)
Contribution to Trusts- JKEPFK- 7.80, JKOSFK- 0.31, JKEGFK- 12.78, JKEPFV - 25.23, JKOSFV- 0.20, JKEGFV-9.98, CILEGF				60.42	60.42
Contribution to Trusts- JKEPFK- 8.20, JKOSFK- 0.50, JKEGFK- 9.05, JKEPFV - 26.49, JKOSFV- 0.22, JKEGFV-0.88, CILEGF				(49.18)	(49.18)
Outstanding as at year end:					
Due from WTHI - 1.29			1.29		1.29
Due from WTHI - 0.77			(0.77)		(0.77)
Advances to HASETRI - 19.41, TREEL - 7.05			26.46		26.46
Advances to HASETRI - 13.49, TREEL - 3.68			(17.17)		(17.17)
Trade Receivables:					
- VPL - 228.44, WTI - 46.33, WTHI - 1.01			275.78		275.78
- VPL - 253.63, WTI - 40.38			(294.01)		(294.01)
Other Receivables:					
- BACL-H - 0.84, JKFIL-17.90, HASETRI-0.01, NPPL-0.72	0.84	17.90	0.01	0.72	19.47
- BACL-H - 0.66, JKFIL-26.09, JKPL-0.24, HASETRI-(₹41897), JKEGFV-5.96, JKEGFK-4.85, NPPL-0.54	(0.66)	(26.09)	(0.24)	(11.35)	(38.24)
Other Payables:					
- VPL - 5.48, CILEGF - 15.20, JKEGFK-4.01, JKEGFV-0.22, JKOSFV-0.01			5.48	19.44	24.92
- VPL - 24.77, CILEGF - 13.29, JKOPFV - 0.19			(24.77)	(13.48)	(38.25)

Figures in brackets represent amounts pertaining to previous year.



Notes to the Consolidated Financial Statements

(II)

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Remuneration paid to Key Managerial Personnel		
Short-term Employee Benefits	38.16	36.65
Post-employment Benefits*	0.42	0.46
Other Payments	7.21	4.02
Subscription towards Right Issue of CIL	-	0.15

*Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

Note - 48 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.

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)							
	India		Mexico		Others		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
1. Revenue								
Total Sales	12375.95	10352.83	2672.69	2119.14	0.72	1.43	15049.36	12473.40
Inter Segment Sales	(403.70)	(489.83)	-	-	(0.72)	(0.61)	(404.42)	(490.44)
External Revenue from Operation	11972.25	9863.00	2672.69	2119.14	-	0.82	14644.94	11982.96
Other Income	35.77	35.34	0.74	1.17	0.01	0.05	36.52	36.56
Total Revenue	12008.02	9898.34	2673.43	2120.31	0.01	0.87	14681.46	12019.52
2. Result								
Segment Result (PBIT) before Exceptional Items	767.49	582.44	160.80	142.06	(1.02)	-	927.27	724.50
Less: Finance Costs	426.96	401.22	27.53	17.85	0.01	0.02	454.50	419.09
Profit/ (Loss) before Exceptional Items	340.53	181.22	133.27	124.21	(1.03)	(0.02)	472.77	305.41
Exceptional Items	(68.15)	(3.41)	6.59	6.95	0.04	0.06	(61.52)	3.60
Profit/ (Loss) before Tax	272.38	177.81	139.86	131.16	(0.99)	0.04	411.25	309.01
Less: Income Taxes	85.77	59.63	60.61	49.07	0.13	0.01	146.51	108.71

Notes to the Consolidated Financial Statements

₹ in Crores (10 Million)

	India		Mexico		Others		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Profit/ (Loss) after Tax	186.61	118.18	79.25	82.09	(1.12)	0.03	264.74	200.30
Share of Profit in Associates	(0.79)	(0.27)	2.23	0.68	(3.13)	0.53	(1.69)	0.94
Less: Non-controlling Interest	0.57	(8.78)	-	-	-	-	0.57	(8.78)
Net Profit	185.25	126.69	81.48	82.77	(4.25)	0.56	262.48	210.02
3. Other Information								
Segment Assets	10668.24	10772.08	1719.65	1415.89	60.67	59.68	12448.56	12247.65
Segment Assets include:								
- Investments accounted for using Equity Method	5.74	6.54	2.14	-	56.94	55.30	64.82	61.84
Capital Expenditure	405.15	307.25	35.78	36.22	0.01	-	440.94	343.47
Depreciation & Amortisation	352.18	339.80	54.20	44.92	0.68	0.64	407.06	385.36
Segment Liabilities	7882.60	8458.89	1068.98	840.82	1.10	0.47	8952.68	9300.18

c. Major Customer:

Revenue from one customer of the group is ₹1108.43 crores (Previous Year: ₹839.27 crores), which is more than 10 percent of the Company's total revenue and belongs to Business Unit – India.

Note - 49 Dividends

The following dividends were declared and paid by the company during the year:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
For the year ended 31 st March, 2022 - 75% i.e. ₹1.50 per equity share, (31 st March, 2021 - 100% i.e. ₹2.00)	36.93	49.25

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:

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
For the year ended 31 st March, 2023 - 100% i.e. ₹2.00 per equity share (31 st March, 2022 - 75% i.e. ₹1.50)	49.25	36.93

Note - 50 Income Tax:**(A) Amounts recognized in Statement of Profit and Loss**

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Current Tax	159.82	160.21
Deferred Tax		
- Relating to origination and Reversal of Temporary	(13.31)	(51.50)
Total Deferred Tax	(13.31)	(51.50)
Income Tax Expense reported in the Statement of Profit and Loss	146.51	108.71



Notes to the Consolidated Financial Statements

(B) Income Tax recognized in Other Comprehensive Income

₹ in Crores (10 Million)

	2022-2023	2021-2022
Deferred Tax on Re-measurement Losses on Defined Benefit Plans	0.27	(2.33)

(C) Income Tax recognized in Other Equity

₹ in Crores (10 Million)

	2022-2023	2021-2022
Deferred Tax Assets on Compulsory Convertibles Debenture	(7.20)	-

(D) Reconciliation of Effective Tax Rate

₹ in Crores (10 Million)

	2022-2023	2021-2022
Accounting Profit before Income Tax	411.25	309.01
At applicable Statutory Income Tax Rate @ 34.944%	143.71	107.98
Difference in Tax Rate	(18.82)	(13.88)
Others	21.62	14.61
Income Tax Expense	146.51	108.71
Effective Tax Rate	35.63%	35.18%

(E) Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

	2022-2023	2021-2022
Opening Balance	318.20	322.06
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	(13.31)	(51.50)
Other Comprehensive Income	0.27	(2.33)
Other Equity	(7.20)	-
Foreign Currency Translation Difference	(2.73)	0.23
Deferred Tax Liabilities/(Assets)	295.23	268.46
MAT Credit Utilisation	25.83	49.74
Deferred Tax Liabilities (Net)	321.06	318.20

Notes to the Consolidated Financial Statements

Note - 51 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)

	As at 31.03.2023		As at 31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	29.77	29.77	25.20	25.20
- Others	22.28	22.28	19.47	19.47
(b) At Amortised Cost				
- Investments	49.37	49.37	45.71	45.71
- Trade Receivables	2283.22	2283.22	1979.86	1979.86
- Others	484.58	484.58	502.64	502.64
Total	2869.22	2869.22	2572.88	2572.88
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss	8.31	8.31	-	-
(b) At Amortised Cost				
- Borrowings	4783.54	4783.54	5115.20	5115.20
- Trade Payables	1819.63	1819.63	2188.52	2188.52
- Others	1295.98	1295.98	1137.96	1137.96
Total	7907.46	7907.46	8441.68	8441.68

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.



Notes to the Consolidated Financial Statements

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, 2023 and 31st March 2022:

	₹ in Crores (10 Million)		
	Level 1	Level 2	Level 3
31st March, 2023			
Financial Assets			
- Quoted Equity Shares	5.87	-	-
- Unquoted Equity Shares	-	-	8.05
- Unquoted Preference Shares	-	-	14.89
- Mutual Funds	0.96	-	-
- Option Contracts	-	22.28	-
Financial Liabilities			
- Forward Contract	-	4.63	-
- Currency Swaps	-	3.68	-
31st March, 2022			
Financial Assets			
- Quoted Equity Shares	4.21	-	-
- Unquoted Equity Shares	-	-	6.56
- Unquoted Preference Shares	-	-	13.42
- Mutual Funds	1.01	-	-
- Forward Contracts	-	7.59	-
- Option Contracts	-	11.88	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2023.

Note - 52

The fair value of Investment property as per registered valuer report as at 31st March, 2023 is ₹13.75 crores (as at 31st March, 2022: ₹13.07 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 - 53 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.

Notes to the Consolidated Financial Statements

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
 - **Foreign Currency risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

After taking cognisance the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on the Company's profit before tax due to changes in the foreign exchange rate is as follows:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Change in USD	+ ₹1.00	+ ₹1.00
Effect on Profit before Tax	(11.03)	(18.07)
Change in USD	- ₹1.00	- ₹1.00
Effect on Profit before Tax	11.03	18.07

Forward Contracts for hedging Receivables: ₹379.08 crores - US \$ 46.11 Million (Previous year: ₹450.89 crores - US \$ 59.50 Million) and for hedging Payables: ₹712.84 crores - US \$ 86.70 Million (Previous year: ₹252.74 crores - US \$ 33.34 Million) are outstanding as at 31.03.2023. Option Contracts for hedging Payables ₹426.85 crores - US \$ 51.92 Million (Previous year: ₹472.29 crores - US \$ 62.30 million). Currency Swap for Long-term rupee loans: ₹90.11 crores - US \$ 10.96 Million & ₹50.57 crores - EUR 5.64 Million (Previous year: Nil).

Foreign currency exposure unhedged net payable is ₹907.07 crores - US \$110.34 Million (Previous year: ₹841.11 crores - US \$ 110.97 Million) as at 31.03.2023

- **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)	
	As at 31.03.2023	As at 31.03.2022
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(11.96)	(12.79)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	11.96	12.79

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.



Notes to the Consolidated Financial Statements

- Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, bead wire rubber chemicals etc., To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).
- Trade Receivables:** Customer credit risk is managed based on the Company's established policy, procedures and controls. The Company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to 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.

Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2023 and 31st March, 2022:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Balance at the beginning	30.63	22.08
Add: Provision created during the Year	7.50	8.00
Less: Utilised during the year	(3.55)	-
Foreign Currency Translation Difference	1.41	0.55
Balance at the End	35.99	30.63

- 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)	
	Upto 5 years	> 5 years
As at 31st March 2023		
Borrowings*	3886.76	896.78
Trade and Other Payables	1819.63	-
Lease Liabilities	94.38	4.43
Other Financial Liabilities	459.44	746.04
Total	6260.21	1647.25

Notes to the Consolidated Financial Statements

	₹ in Crores (10 Million)	
	Upto 5 years	> 5 years
As at 31st March 2022		
Borrowings*	3974.70	1140.50
Trade and Other Payables	2188.52	-
Lease Liabilities	100.15	5.03
Other Financial Liabilities	396.40	636.38
Total	6659.77	1781.91

* Including working capital facility from consortium banks renewed every year.

Note - 54 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)	
	As at 31.03.2023	As at 31.03.2022
Borrowings	4783.54	5115.20
Less: Cash and Cash Equivalents	173.15	94.05
Net Debt	4610.39	5021.15
Equity Share Capital	49.25	49.25
Other Equity	3346.91	2799.06
Total Capital	3396.16	2848.31
Capital and Net Debt	8006.55	7869.46
Gearing Ratio	57.58%	63.81%

Note - 55 Material Non-Controlling Interest in Subsidiary

Summarised financial information of Cavendish Industries Limited, which has material non-controlling interest:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Assets		
Non-current Assets	2627.00	2622.74
Current Assets	1200.55	1123.95
Liabilities		
Non-current Liabilities	1517.42	1631.51
Current Liabilities	1509.36	1323.40



Notes to the Consolidated Financial Statements

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Equity	800.77	791.78
Percentage of Ownership held by Non-controlling Interest	12.52%	12.52%
Accumulated Non-controlling interest	99.72	99.16

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Revenue	3869.15	2988.34
Net Profit/(Loss)	9.04	(64.61)
Other Comprehensive Income	(0.05)	0.07
Total Comprehensive Income	8.99	(64.54)
Total Comprehensive Income allocated to Non-controlling Interests	0.56	(8.77)

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Net Cash Inflow/(Outflow) from Operating Activities	402.17	125.63
Net Cash Inflow/(Outflow) from Investing Activities	(101.23)	(83.15)
Net Cash Inflow/(Outflow) from Financing Activities	(281.74)	(42.97)
Net Cash Inflow/(Outflow)	19.20	(0.49)

Note - 56 Interest in Associates

The summarised aggregate financial information of individually immaterial associates as follows:

	₹ in Crores (10 Million)	
	As at 31.03.2023	As at 31.03.2022
Carrying Amount of Interests in Associates	79.71	75.26
Share in Profit / (Loss)	(1.69)	0.94
Share in Total Comprehensive Income	(1.70)	0.94

Notes to the Consolidated Financial Statements

Note - 57 Consolidated Net Assets and Share in Consolidated Profit & Loss

FY2022-2023

		₹ 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 net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A Parent									
	JK Tyre & Industries Limited	51.56%	1750.69	68.41%	179.55	-11.47%	(10.25)	48.10%	169.30
B Subsidiaries									
(a) Indian									
1	3DInnovations Pvt. Ltd.	0.02%	0.70	0.01%	0.02	-	-	0.01%	0.02
2	Cavendish Industries Limited	30.49%	1,035.16	2.68%	7.04	-0.06%	(0.05)	1.99%	6.99
(b) Foreign									
1	J. K. International Ltd.	0.00%	0.01	0.00%	0.01	-0.01%	(0.01)	-	-
2	J. K. Asia Pacific Ltd.	0.08%	2.79	-0.32%	(0.85)	0.12%	0.11	-0.21%	(0.74)
3	J. K. Asia Pacific (S) Pte. Ltd.	0.01%	0.43	0.03%	0.09	0.06%	0.05	0.04%	0.14
4	Lankros Holdings Ltd.	-0.01%	(0.18)	-0.03%	(0.07)	0.08%	0.07	0.00%	-
5	Sarvi Holdings Switzerland AG.	-0.01%	(0.21)	-0.11%	(0.30)	-0.08%	(0.07)	-0.11%	(0.37)
6	JK Tornel SA de CV & its Subsidiaries	19.10%	648.53	30.19%	79.25	106.43%	95.15	49.56%	174.40
6.1	JK Tornel S.A. de C.V. (JKTSA)	-6.46%	(219.38)	-12.15%	(31.88)	1.09%	0.97	-8.78%	(30.91)
6.2	Comercializadora América Universal, S.A. de C.V.*	-	-	0.40%	1.06	-	-	0.30%	1.06
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.62%	55.04	3.75%	9.83	-	-	2.79%	9.83
6.4	Compañía Hulera Tornel, S.A. de C.V.*	21.27%	722.00	20.30%	53.28	103.34%	92.39	41.39%	145.67
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	2.28%	77.42	10.01%	26.28	-	-	7.47%	26.28
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.17%	5.94	2.88%	7.55	-	-	2.15%	7.55
6.7	Gintor Administración, S.A. de C.V.*	0.08%	2.65	4.05%	10.63	2.00%	1.79	3.53%	12.42
6.8	Hules y Procesos Tornel, S.A. de C.V.*	0.14%	4.86	0.95%	2.50	-	-	0.71%	2.50
	Less: Non-controlling Interest @	-2.94%	(99.72)	-0.22%	(0.57)	0.01%	0.01	-0.16%	(0.56)



Notes to the Consolidated Financial Statements

₹ 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 net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
C Associates (Investment as per the equity method)									
Indian									
1	Hari Shankar Singhania Elastomer & Tyre Research Institute \$	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited	-	0.05	0.01%	0.02	-	-	0.01%	-0.02
3	Treel Mobility Solutions Pvt. Ltd.	-0.03%	(0.96)	-0.31%	(0.81)	-0.01%	(0.01)	-0.23%	(0.82)
Foreign									
1	Valiant Pacific LLC	1.67%	56.73	-1.19	(3.13)	5.34%	4.77	0.47%	1.64
2	Western Tire Holdings, Inc.	0.06%	2.14	0.85%	2.23	-0.41%	(0.37)	0.53%	1.86
TOTAL		100.00%	3396.16	100.00%	262.48	100.00%	89.40	100.00%	351.88

FY2021-2022

₹ 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 net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A Parent									
	JK Tyre & Industries Limited	51.16%	1457.15	87.52%	183.83	-42.34%	(6.08)	79.21%	177.75
B Subsidiaries									
(a) Indian									
1	3DInnovations Pvt. Ltd.	0.02%	0.68	0.00%	0.01	-	-	0.00%	0.01
2	Cavendish Industries Limited	30.03%	855.47	-31.26%	(65.66)	0.49%	0.07	-29.23%	(65.59)
(b) Foreign									
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.12%	3.34	0.09%	0.18	0.21%	0.03	0.09%	0.21
3	J. K. Asia Pacific (S) Pte. Ltd.	0.04%	1.01	0.04%	0.08	0.07%	0.01	0.04%	0.09
4	Lankros Holdings Ltd.	0.00%	(0.10)	0.00%	(0.00)	-0.21%	(0.03)	-0.01%	(0.03)
5	Sarvi Holdings Switzerland AG.	0.00%	(0.14)	-0.11%	(0.23)	-0.14%	(0.02)	-0.11%	(0.25)
6	JK Tormel SA de CV & its Subsidiaries	20.19%	575.38	39.10%	82.09	130.64%	18.76	44.95%	100.85

Notes to the Consolidated Financial Statements

₹ 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 net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
6.1	JK Tormel S.A. de C.V. (JKTSA)	-8.60%	(245.06)	31.94%	67.07	-	-	29.89%	67.07
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	(0.06)	0.03%	0.06	-	-	0.03%	0.06
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.69%	48.25	1.25%	2.62	-	-	1.17%	2.62
6.4	Compañía Hulera Tormel, S.A. de C.V.*	24.33%	693.37	-1.09%	(2.29)	115.53%	16.59	6.37%	14.30
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	2.48%	70.65	1.31%	2.75	-	-	1.23%	2.75
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.22%	6.40	0.16%	0.33	-	-	0.15%	0.33
6.7	Gintor Administración, S.A. de C.V.*	-0.05%	(1.56)	5.06%	10.63	15.11%	2.17	5.70%	12.80
6.8	Hules y Procesos Tormel, S.A. de C.V.*	0.12%	3.39	0.44%	0.92	-	-	0.41%	0.92
	Less: Non-controlling Interest @	-3.48%	(99.16)	4.18%	8.78	-0.07%	(0.01)	3.91%	8.77
C Associates (Investment as per the equity method)									
Indian									
1	Hari Shankar Singhania Elastomer & Tyre Research Institute \$	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited	0.00%	0.03	-	-	-	-	-	-
3	Treel Mobility Solutions Pvt. Ltd.	0.00%	(0.14)	-0.13%	(0.27)	-	-	-0.12%	(0.27)
Foreign									
1	Valiant Pacific LLC	1.93%	55.09	0.25%	0.53	11.63%	1.67	0.98%	2.20
2	Western Tire Holdings, Inc.	-0.01%	(0.31)	0.32%	0.68	-0.28%	(0.04)	0.29%	0.64
TOTAL		100.00%	2848.31	100.00%	210.02	100.00%	14.36	100.00%	224.38

* 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 - 58

Figures less than ₹50000 have been shown at actual in bracket.

Note - 59

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

Note - 60

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

VIJAY KUMAR
Partner

Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	411.25	309.01
Adjustment for:		
Depreciation and Amortisation Expense	407.06	385.36
Finance Costs	454.50	419.09
(Profit) / Loss on sale of Property, Plant and Equipment	(6.31)	0.06
Fair Value Changes in Non-current Investments	(3.09)	(2.64)
Unrealised Foreign Exchange Fluctuation	62.39	(20.13)
Foreign Currency Translation gain / (loss) on Consolidation	4.98	(4.69)
Interest / Dividend Received	(22.25)	(27.92)
Allowance for Doubtful Debts / Advances and Bad debts written off	7.50	8.00
Operating Profit before Working Capital changes	1316.03	1066.14
(Increase) / Decrease in Trade and Other Receivables	(53.94)	(553.20)
(Increase) / Decrease in Inventories	322.02	(627.82)
Increase / (Decrease) in Trade and Other Payables	(223.13)	530.76
Cash generated from Operations	1360.98	415.88
Direct Taxes (net)	(136.79)	(69.83)
Net Cash from Operating Activities	1224.19	346.05
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(463.18)	(314.21)
Sale of Property, Plant and Equipment	64.66	22.21
Redemption of Investments	-	25.00
Deposit Accounts with Banks	(17.51)	(5.74)
Interest Received	15.09	26.86
Dividend Received	0.48	0.60
Net Cash used in Investing Activities	(400.46)	(245.28)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds / (Utilisation) from Short-term Borrowings (Net)	(120.52)	876.64
Proceeds from Long-term Borrowings	288.68	513.32
Repayment of Long-term Borrowings	(631.10)	(960.88)
Issue of Compulsorily Convertible Debentures (Net of Expenses)	239.26	-
Payment of Lease Liabilities	(43.27)	(50.80)
Finance Costs paid	(443.45)	(425.37)
Dividend paid	(36.93)	(49.25)
Transactions with Non-controlling Interest	-	0.15
Net Cash used in Financing Activities	(747.33)	(96.19)
Net increase / (decrease) in Cash and Cash Equivalents	76.40	4.58
Cash and Cash Equivalents as at the beginning of the year	94.05	88.66
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	2.70	0.81
Cash and Cash Equivalents as at the end of the year	173.15	94.05



Consolidated Cash Flow Statement

for the year ended 31st March, 2023

	₹ in Crores (10 Million)	
	2022-2023	2021-2022
Notes:		
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	30.20	25.43
- Balances with Banks	140.25	67.81
- Unrealised Translation gain / (loss) on Foreign Currency balances	2.70	0.81
Total	173.15	94.05

2. Non-Cash Changes in liabilities arising from financing activities:

	₹ in Crores (10 Million)				
	As At 31.03.2022	Cash Flows	Non-Cash Changes		As At 31.03.2023
			Foreign Exchange Movement	Others	
Short-term Borrowings	2044.22	(120.52)	(1.19)	18.54	1941.05
	(1155.57)	(876.64)	(0.04)	(11.97)	(2044.22)
Long-term Borrowings	3070.98	(342.42)	63.50	50.43	2842.49
	(3500.92)	(-447.56)	17.73	(-0.11)	(3070.98)
Lease Liabilities	105.18	(43.27)	-	36.90	98.81
	(144.21)	(-50.80)	(0.01)	(11.76)	(105.18)
Total Liabilities from Financing Activities	5220.38	(506.21)	62.31	105.87	4882.35
Previous Year	(4800.70)	(378.28)	(17.78)	(23.62)	(5220.38)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants

Firm Registration No. - 000756N

VIJAY KUMAR
Partner

Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
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Kalpataru Tripathy (DIN: 00865794)
Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Chairman & Managing Director
Managing Director

Directors

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of Shareholding
1	J. K. International Ltd.	N.A	Pound	101.6213	1.88	(1.87)	0.01	0.01	-	0.01	0.01	-	0.01	-	100.00
2	J. K. Asia Pacific Ltd.	N.A	HKD \$	10.4670	2.09	(0.62)	3.46	3.46	0.62	-	(0.87)	-	(0.87)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A	SGD \$	61.8089	0.80	0.59	2.07	2.07	0.46	0.72	0.05	-	0.05	-	100.00
4	3Dinnovations Pvt. Ltd.	N.A	INR	N.A	1.50	(0.80)	0.70	0.70	-	0.02	0.02	-	0.02	-	100.00
5	Cavendish Industries Ltd.	N.A	INR	N.A	59.97	740.80	3827.55	3827.55	-	3869.15	12.10	3.06	9.04	-	87.48
6	Lankros Holdings Ltd.	N.A	Euro	89.3772	38.39	48.84	87.76	87.76	86.01	0.03	(0.08)	-	(0.08)	-	100.00
7	Sarvi Holdings Switzerland AG.	N.A	CHF	89.8347	61.43	51.58	114.06	114.06	113.87	-	(0.19)	0.14	(0.33)	-	100.00
8	JK Tornel, S.A. de C.V.	N.A	MXN PESO	4.5494	84.76	(340.12)	608.29	608.29	256.88	1,588.65	49.01	87.56	(38.55)	-	99.98
9	Comercializadora América Universal, S.A. de C.V.	N.A	MXN PESO	4.5494	0.02	5.74	20.21	20.21	-	1.89	1.35	0.19	1.16	-	99.98
10	Compañía Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	4.5494	0.45	68.13	69.73	69.73	-	1802	15.23	4.28	10.95	-	99.98
11	Compañía Hulera Tornel, S.A. de C.V.	N.A	MXN PESO	4.5494	153.56	422.72	1,341.28	1,341.28	-	2730.63	21.60	(37.76)	59.35	-	99.98
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A	MXN PESO	4.5494	1.64	180.93	220.35	220.35	-	45.57	39.02	9.74	29.28	-	99.98
13	General de Inmuebles Industriales, S.A. de C.V.	N.A	MXN PESO	4.5494	0.05	54.87	65.71	65.71	-	11.91	9.54	1.13	8.41	-	99.98
14	Gintor Administración, S.A. de C.V.	N.A	MXN PESO	4.5494	0.01	77.41	83.71	83.71	-	36.27	13.62	1.76	11.86	-	99.98
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹2275)	N.A	MXN PESO	4.5494	*	18.95	21.00	21.00	-	4.34	3.47	0.68	2.79	-	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.



Notes to the Consolidated Financial Statements

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	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023*
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	HASETRI, 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	58.03	19.06@	0.40	0.54	4.36
6	Profit / (Loss) for the year					
	Considered in Consolidation	(2.42)	-	0.02	(0.81)	2.07
	Not Considered in Consolidation	(2.51)	(7.42)	0.04	(2.31)	3.09

* Exempt from audit.

@ Not Considered in Consolidation

- Name of Associates which are yet to commence operations - Dwarkesh Energy Limited is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.
- Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY

Chartered Accountants

Firm Registration No. - 000756N

VIJAY KUMAR

Partner

Membership No. - 092671

New Delhi, the 17th May, 2023

Dr. Raghupati Singhania (DIN: 00036129)
Anshuman Singhania (DIN: 02356566)

Chairman & Managing Director
Managing Director

Bharat Hari Singhania (DIN: 00041156)
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Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
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Subhrakant Panda (DIN: 00171845)
Arun K. Bajoria (DIN: 00026540)

Directors

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023, 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 Bakul Jain – 2.8, Smt. Sunanda Singhania – 2.8, Shri Kalpataru Tripathy – 2.8, Shri Vimal Bhandari – 2.8, Dr. Wolfgang Holzbach – 2.8, Shri Shreekant Somany – 2.8, Smt. Meera Shankar – 2.8, Shri Bharat Hari Singhania – 96.35, Shri Shubrakant Panda (w.e.f. 2nd November, 2022) – 1.1, Shri Arvind Singh Mewar (ceased to be director w.e.f. 25th September, 2022) – 1.3.

Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 248.9; Shri Anshuman Singhania, Managing Director – 185.7 and Shri Arun K. Bajoria, Director & President - International Operations – 94.4.

(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 Anshuman Singhania, Managing Director and Shri Arun K. Bajoria, Director & President - International Operations increased by 16%, 21% and 5.4% respectively. The remuneration of each non-executive directors, namely - Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy, Shri Shreekant Somany and Smt. Meera Shankar increased by 14.3%. Shri Bharat Hari Singhania was Managing Director upto 30th September, 2021 and thereafter, he was appointed as Non-executive director w.e.f. 1st October,

2021, therefore, his remuneration was not comparable with previous year. Further, Shri Arvind Singh Mewar was ceased to be a non-executive director w.e.f. 25th September, 2022 and Shri Shubrakant Panda was appointed as non-executive director w.e.f. 2nd November, 2022, therefore not comparable with previous year. The remuneration of Shri Sanjeev Agarwal, Chief Financial Officer increased by 19.1% and Shri P. K. Rustagi, Company Secretary increased by 7.7%.

(c) The percentage increase in the median remuneration of employees in the financial year: 13.15%

(d) The number of permanent employees on the rolls of the Company: 5,836

(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 2022-23, average increase in the salaries of employees other than the Managerial Personnel was 7.6% and increase for Managerial Personnel was 11.4%.

(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.

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A DRIVE FOR ROAD SAFETY

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