IMPORTANT NOTICE

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THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing. The following applies to the pre-numbered placement document of JK Tyre & Industries Limited (the "**Company**") dated December 22, 2023 in relation to the qualified institutions placement of equity shares of ₹ 2 each ("**Equity Shares**") by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the "**Placement Document**") attached to this e-mail, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Placement Document. In accessing the Placement Document, you acknowledge and agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Placement Document is confidential and subject to updation, completion, revision, verification, amendment and change without notice. None of Emkay Global Financial Services Limited (the "**Lead Manager**") or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

THE EQUITY SHARES OFFERED IN THE ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS IN THE UNITED STATES, AND UNLESS SO REGISTERED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. YOU UNDERSTAND THAT THE EQUITY SHARES OFFERED IN THE ISSUE ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT ("REGULATION S") AND YOU REPRESENT THAT YOU WERE OUTSIDE THE UNITED STATES WHEN THE OFFER TO PURCHASE THE EQUITY SHARES WAS MADE TO YOU AND YOU ARE CURRENTLY OUTSIDE THE UNITED STATES AND THAT YOU ARE NOT ACQUIRING OR SUBSCRIBING FOR THE EQUITY SHARES AS A RESULT OF ANY "DIRECTED SELLING EFFORTS" (AS DEFINED IN REGULATION S).

FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE EQUITY SHARES OF THE COMPANY AND DISTRIBUTION OF THE PLACEMENT DOCUMENT, SEE "SELLING RESTRICTIONS", "NOTICE TO INVESTORS", AND "TRANSFER RESTRICTIONS". THE ATTACHED PRE-NUMBERED PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S.

PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT.

This Issue and the distribution of the Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013, each as amended and the rules framed thereunder. The Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

Confirmation of your Representation: You are accessing the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the Lead Manager that: (1) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S; (2) the securities offered hereby have not been registered under the Securities Act; (3) you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission; (4) you are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (5) you are aware that your name will be included in the Placement Document as proposed allottees along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post issue shareholding in the Company and you consent to such disclosure; (6) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure; (7) you are aware that if you are circulated the Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, Rajasthan at Jaipur and you consent to such disclosures; and (8) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto and the final placement document for the Issue by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Lead Manager to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a "general solicitation" or "general advertising" (each as defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Lead Manager or any affiliate of the Lead Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Manager or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under the Companies Act, 2013, or any other applicable law, by or on behalf of either the Company or the Lead Manager to subscribe for or purchase any of the equity shares described in the attached Placement Document. The attached Placement Document has not been and will not be filed as a prospectus with any registrar of companies in India and is not and should not be construed as an offer document under the SEBI ICDR Regulations or any other applicable law. The attached Placement Document has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India. The attached Placement Document is not and should not be construed as an invitation, offer or sale of any securities to the public in India.

The Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Lead Manager or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Placement Document distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Placement Document is strictly prohibited. If you have received the attached Placement Document in error, please immediately notify the sender or the Lead Manager by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of any Book Running Lead Manager named herein, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any of the equity shares described in the attached pre-numbered Placement Document by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PLACEMENT DOCUMENT TO ANY OTHER PERSON OR (2) REPRODUCE IN WHOLE OR PART THE ATTACHED PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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Capital terms used but not defined herein shall have the meaning ascribed to such terms in the Placement Document attached hereto.

Placement Document
Not for circulation
Private and confidential
Serial No. ___

JK TYRE & INDUSTRIES LIMITED

JK Tyre & Industries Limited ("**Company**") was originally incorporated under the provisions of the Indian Companies Act, 1913, as amended, as "J.K. Industries Private Limited", a private limited company pursuant to which a certificate of incorporation dated February 14, 1951 was issued by the Registrar of Companies, West Bengal. Thereafter, our Company was converted into a public limited company pursuant to resolution passed by our shareholders on April 18, 1974 and consequently the name of our Company was changed to "J.K. Industries Limited" and a fresh certificate of incorporation dated May 24, 1974 was issued by the Registrar of Companies, West Bengal. Pursuant to resolutions passed by our Board and shareholders on January 30, 2007 and March 28, 2007, respectively, the name of our Company was subsequently changed to "JK Tyre & Industries Limited" and a fresh certificate of incorporation dated April 2, 2007 was issued by the Registrar of Companies, West Bengal. Subsequently, our registered office was shifted from West Bengal to Rajasthan pursuant to a resolution passed by our shareholders on March 14, 2014 and consequently a certificate of registration for Regional Director order for change of state dated July 28, 2014 was issued by the Registrar of Companies, Rajasthan at Jaipur ("**RoC**"). See "***General Information***" on page 341.

Registered Office: Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India
Corporate Office: 3, Bahadur Shah Zafar Marg, New Delhi 110 002, Delhi, India
Tel No.: +91 11 66001112; **Website**: www.jktyre.com; **Email**: investorjktyre@jkmail.com;
Contact Person: Pawan Kumar Rustagi, Vice President (Legal), Company Secretary and Compliance Officer;
Corporate Identity Number: L67120RJ1951PLC045966

Issue of up to 1,44,92,749 equity shares of face value of ₹ 2 each ("**Equity Shares**") at a price of ₹ 345 per Equity Share ("**Issue Price**"), including a premium of ₹ 343 per Equity Share, aggregating up to ₹ 500.00 crore ("**Issue**"). See "***Summary of the Issue***" on page 31.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED ("COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on NSE and BSE as on December 21, 2023 were ₹ 382.30 and ₹ 382.65 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on December 19, 2023. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (*as defined hereinafter*) has been delivered to the Stock Exchanges and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules (*as defined hereinafter*). The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue has only been made pursuant to the Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see "***Issue Procedure***" on page 190. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company, or our Subsidiaries, as applicable, or any other website directly or indirectly linked to such websites, or the website of the Lead Manager (*as defined hereinafter*) or its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website for investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. See "***Selling Restrictions***" on page 204 for information about eligible offerees for the Issue and "***Transfer Restrictions***" on page 211 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Placement Document is dated December 22, 2023.

LEAD MANAGER
Emkay
Emkay Global Financial Services Limited

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to us and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. The information contained in this Placement Document has been provided by our Company and other sources identified herein.

This Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Distribution of this Placement Document to any person other than the Eligible QIBs specified by the Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The Lead Manager has not separately verified all the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Lead Manager nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Lead Manager or by any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and Placement Document or any other information supplied in connection with our Company, its Subsidiaries or this Issue or distribution of the Preliminary Placement Document and Placement Document. Each person receiving the Preliminary Placement Document and Placement Document acknowledges that such person has not relied on either the Lead Manager or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or the Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company only outside the United States, in 'offshore transactions', as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively.

Subscribers and purchasers of the Equity Shares offered in this Issue have made the representations, warranties, acknowledgments and agreements set forth in the sections "***Representations by Investors***" and "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 4, 204 and 211, respectively, of Preliminary Placement Document.

The distribution of this Placement Document and the offering of the Equity Shares may be restricted by applicable laws in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document or this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on page 204 and 211.

In making an investment decision, prospective investors must rely on their own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document or Placement Document as legal, tax, accounting or investment advice and should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Lead Manager is making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither the Company nor the Lead Manager undertakes to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

Our Company and the Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The information available on or through our Company's website (www.jktyre.com), or any website directly or indirectly linked to the website of our Company, Subsidiaries, or the website of the Lead Manager, or its affiliates, does not constitute or forms part of this Placement Document and prospective investors should not rely on the information contained in or available through any such websites. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective Bidder in the Issue. By Bidding and/ or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 204 and 211, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Lead Manager as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Placement Document;

2. You are a 'Qualified Institutional Buyer' as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations/making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

3. You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, have not been prohibited by SEBI, or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable laws, including the SEBI FPI Regulations, FEMA Rules, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws, in connection with the Issue;

5. You will provide the information as required under the Companies Act, 2013 and the PAS Rules and other applicable regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

6. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

7. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. For more information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively;

8. You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' within the meaning of Regulation S and in compliance with laws of all jurisdictions applicable to you and are not our Company's or the Lead Manager's affiliate or a person acting on behalf of such an affiliate;

9. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively;

10. You are aware that the Preliminary Placement Document and this Placement Document have not been

and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by SEBI, RBI, Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed, and this Placement Document has been filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

11. You are entitled to and have the necessary capacity to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents, approvals and authorizations, governmental and otherwise, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honor such obligations;

12. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company, will be credited as fully paid, and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;

13. Neither our Company, the Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Lead Manager. Neither the Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity in relation to you;

14. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Neither our Company, nor the Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

15. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than the Eligible QIBs, and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Lead Manager;

16. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out in this section and under sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively and you warrant that you will comply with such representations, warranties, acknowledgements and undertakings;

17. You have been provided serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 41;

18. In making your investment decision, you have (i) relied on your own examination of our Company and

its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company and its Subsidiaries and the terms of the Issue based solely on the information in the Preliminary Placement Document and this Placement Document and no other representation by us or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and its Subsidiaries and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

19. Neither our Company nor the Lead Manager or any of its shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to, the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Company, the Lead Manager or any of its shareholders, investors, directors, officers, employees, counsels, representatives, agents or other affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against us, the Lead Manager or any of its shareholders, investors, directors, officers, employees, counsels, representatives, agents, associates or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

20. You are a sophisticated and informed investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, associates agents or affiliates, for all or part of any such loss or losses that may be suffered, in connection with the Issue, including losses arising out of any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

21. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

22. You are not a 'promoter' of our Company (as defined under Section 2(69) of the Companies Act, 2013 and under Regulation 2(oo) of the SEBI ICDR Regulations), and are not a person related to the Promoter, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

23. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoter);

24. You will have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

25. You acknowledge that the Preliminary Placement Document does not, and this Placement Document

shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

26. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

27. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;

28. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

29. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    i. Eligible QIBs 'belonging to the same group' shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, among an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    ii. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

30. You are aware that final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

31. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

32. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;

33. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

34. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

35. You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company is required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges make the same available on their websites and you consent to such disclosures being made by our Company;

36. You are aware and understand that the Lead Manager has entered into a placement agreement with our Company, whereby the Lead Manager has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

37. The contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Lead Manager nor any person acting on its or their behalf nor any of its shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Lead Manager or our Company or any other person and neither the Lead Manager nor our Company or any of its shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Lead Manager nor any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents, associates or affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you may have obtained or received;

38. Neither the Lead Manager nor its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach or alleged breach of any representations and warranties by our Company, whether to you or otherwise;

39. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

40. You agree that any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Delhi, India only, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

41. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company (i.e. up to 100% under the automatic route). In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up equity share capital of our Company on a fully diluted basis; and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

42. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (where in each

case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

43. You are aware that no offer or invitation of any securities can be made to a body corporate incorporated in, or a national of, a country which shares a land border with India, unless such body corporate or the national, as the case may be, has obtained Government approval under the FEMA Rules and attached the same with the Application Form;

44. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Lead Manager;

45. You confirm that, either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations; (a) you understand and acknowledge that the Lead Manager may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Manager have advised you not to rely in any way on any such information that was provided to you at such meetings or Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information relating to our Company and the Issue that was not publicly available;

46. Your represent that you are not an affiliate of our Company or the Lead Manager or a person acting on behalf of such affiliate;

47. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and commencement of trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Lead Manager and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

48. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in the Preliminary Placement Document and this Placement Document;

49. Our Company, the Lead Manager, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Lead Manager on their own behalf and on behalf of our Company and are irrevocable. You agree that the terms and provisions of the foregoing representations, warranties, acknowledgements and undertakings, shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Lead Manager and our Company, their respective permitted assigns, and the terms and provisions hereof shall be binding on our permitted assigns and permitted transferees.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, Eligible FPIs (including affiliates of the Lead Manager) who are registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, such P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document or this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, without limitation, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors ("**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying Indian company.

Further, in accordance with the Consolidated FDI Policy read along with the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, and the related amendments to the FEMA Rules, investments made by an entity of a country, which shares land border with India, or investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Lead Manager and does not constitute any obligations of or claims on the Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Also please see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 204 and 211, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document or this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you,' 'your', 'offeree', 'bidder', 'purchaser,' 'subscriber,' 'recipient,' 'investors,' 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Issue, references to 'JK Tyre', the 'Company', 'our Company', the 'Issuer' are to JK Tyre & Industries Limited, on a standalone basis, and references to 'we', 'our' or 'us' are to JK Tyre & Industries Limited, together with its Subsidiaries and Associates on a consolidated basis, unless the context otherwise indicates or implies or unless otherwise specified.

In this Placement Document, all references to:

- "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India;
- "U.S. Dollars" or "$" or "USD" are to United States Dollars, the official currency of the United States of America; and
- "Mex$" or "MXN" are to Mexican Peso, the official currency of the Mexico.

Further, all references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in "crore" units. One crore represents 1,00,00,000. Our Company reports its financial statements in Indian Rupees.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial and Other Information

In this Placement Document we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standard notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act, 2013 ("**Ind AS**"): (i) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2021 read along with the notes thereto ("**Fiscal 2021 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements for as of and for the Fiscal ended March 31, 2022 read along with the notes thereto ("**Fiscal 2022 Audited Consolidated Financial Statements**"); and (iii) the audited consolidated financial statements as of and for the Fiscal ended March 31, 2023 read along with the notes thereto ("**Fiscal 2023 Audited Consolidated Financial Statements**", and collectively with Fiscal 2021 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and (iv) the unaudited consolidated financial results as of and for the six months ended September 30, 2023, read along with the management notes thereto ("**Unaudited Consolidated Financial Results**") which has been adopted pursuant to the meeting of our Board on November 1, 2023, and filed with the Stock Exchanges on November 1, 2023.

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the respective review report. Our Unaudited Consolidated Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Audited Consolidated Financial Statements were audited and our Unaudited Consolidated Financial Results were reviewed by S S Kothari Mehta & Co., Chartered Accountants, our Statutory Auditors.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International

Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the Audited Consolidated Financial Statements, as included in this Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 84.

All numerical and financial information as set out and presented in this Placement Document, except for the information in the section "***Industry Overview***", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ crore. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve months period ended on March 31 of that year.

Non-GAAP financial measures

Certain non-GAAP Measures and certain other statistical information relating to our operations and financial performance including EBITDA, EBITDA margin, PAT margin, ROE, ROCE, Debt-Equity, Fixed Asset turnover, Finished Goods Inventory, Raw material Inventory, Receivable days, Payable days have been included in this Placement Document. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "***Financial Information***" starting on page 238.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, and industry publications, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*CRISIL MI&A – Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico dated November 2023*" dated November, 2023 ("**CRISIL Report**"), prepared by CRISIL Limited ("**CRISIL**"), which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated November 2, 2023, in connection with the Issue.

This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by and paid for by us for the purpose of the Issue.***" on page 55. Further, neither our Company nor the Lead Manager has independently verified this data and make any representation regarding the correctness, accuracy and completeness of such data. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decisions, on such information.

Disclaimer of the CRISIL Report

CRISIL Report dated November 2023 is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. JK Tyre & Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'goal', 'anticipate', 'believe', 'continue', 'could', 'can', 'estimate', 'expect', 'intend', 'likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Important factors that could cause actual results to differ materially from any of the forward looking statements include, among others:

- Dependence on a limited number of suppliers of raw materials;
- Dependence on our automotive original equipment manufacturer customers;
- Dependence on our manufacturing facilities;
- Failure to effectively implement our production schedules;
- Claims and costs incurred because of product recalls;
- Dependence on dealers and distributors for the sale and distribution of our products;
- Under-utilization of our manufacturing capacities; and
- Significant indebtedness, and our inability to comply with repayment and other covenants in our financing agreements.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" on pages 41, 84, 110 and 146, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document. Our Company and the Lead Manager expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise in our Company's expectations with regard thereto.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Other than Dr. Jorg Nohl, all of our other Directors, Key Managerial Personnel and Senior Management named herein are residents of India. A significant portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**").

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. Dollar (in ₹ per US$) and the Mexican Peso (in ₹ per MXN) based on the reference rates released by FBIL, which are available on the website of FBIL.

1. U.S.$

(₹ per US$)

Period	Period End(1) US$	Average(2) US$	High(3) US$	Low(4) US$
Fiscal				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.27	76.81	72.29
Month Ended				
November 2023	83.37	83.29	83.37	83.13
October 2023	83.27	83.23	83.27	83.15
September 2023	83.06	83.05	83.26	82.66
August 2023	82.68	82.79	83.13	82.28
July 2023	82.25	82.15	82.68	81.81
June 2023	82.04	82.23	82.64	81.88

Source: www.rbi.org.in,www.fbil.org.in

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly period
(2) Average of the official rate for each working day of the relevant period
(3) Maximum of the official rate for each working day of the relevant period
(4) Minimum of the official rate for each working day of the relevant period

2. MXN

(₹ per MXN)

Period	Period End(1) MXN	Average(2) MXN	High(3) MXN	Low(4) MXN
Fiscal				
2023	4.55	4.10	4.57	3.74
2022	3.80	3.67	3.81	3.43
2021	3.58	3.45	3.73	3.06
Month Ended				
November 2023	4.79	4.79	4.87	4.67
October 2023	4.62	4.60	4.69	4.54
September 2023	4.78	4.80	4.88	4.72
August 2023	4.95	4.88	4.95	4.78
July 2023	4.92	4.86	4.93	4.77
June 2023	4.81	4.77	4.81	4.71

Source: Bloomberg

Notes:

(1) The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly period
(2) Average of the rate for each working day of the relevant period
(3) Maximum of the rate for each working day of the relevant period
(4) Minimum of the rate for each working day of the relevant period

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein.

Unless the context otherwise indicates, all references to "**the Company**", and "**our Company**", are references to JK Tyre & Industries Limited, a public limited company incorporated in India under the Indian Companies Act, 1913, as amended, on a standalone basis, having its registered office at Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India. Furthermore, all references to the terms "**we**", "**us**" and "**our**" are to our Company, our Subsidiaries (*as defined below*) and our Associates (*as defined below*) on a consolidated basis unless the context otherwise indicates or implies or unless otherwise specified.

The terms defined in this Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments, rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Industry Overview***", "***Taxation***", "***Legal Proceedings***" and "***Financial Information***" on pages 110, 221, 229 and 238, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
JK Tyre or our Company or the Company or the Issuer	Unless the context otherwise requires, refers to JK Tyre & Industries Limited, a public limited company incorporated under the Indian Companies Act, 1913, as amended, having its registered office at Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India
Articles/Articles of Association	Articles of Association of our Company, as amended
Associates	Collectively, Hari Shankar Singhania Elastomer and Tyre Research Institute, Valiant Pacific LLC, Treel Mobility Solutions Private Limited, Western Tire Holdings, Inc., Western Tires, Inc. and Dwarkesh Energy Limited
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Audited Consolidated Financial Statements	Collectively, Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Auditors/Statutory Auditors	The current statutory auditors of our Company, namely, S S Kothari Mehta & Co., Chartered Accountants
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
Chairman and Managing Director	The chairman and managing director of our Company namely, Dr. Raghupati Singhania
Corporate Office	3, Bahadur Shah Zafar Marg, New Delhi 110 002, Delhi, India
Corporate Social Responsibility and Sustainability Committee/CSR Committee	The corporate social responsibility and sustainability committee of our Board of Directors. For details, see "***Board of Directors and Senior Management***" on page 161
Director(s)	The director(s) on the Board of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 2 each
Executive Director(s)	The executive director(s) of our Company. For details, see "***Board of Directors and Senior Management***" on page 161
Fiscal 2021 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2021, comprising the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2021, read along with the notes thereto
Fiscal 2022 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2022, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2022, read along with the notes thereto

Term	Description
Fiscal 2023 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements as of and for the Financial Year ended March 31, 2023, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow and the consolidated statement of changes in equity, for the year ended March 31, 2023, read along with the notes thereto
Independent Director(s)	Independent director(s) on our Board. For details, see "***Board of Directors and Senior Management***" on page 161
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, see "***Board of Directors and Senior Management***" on page 161
Managing Director	The managing director of our Company namely, Anshuman Singhania
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors. For details, see "***Board of Directors and Senior Management***" on page 161
Non-Executive Director(s)	The non-executive director(s) of our Company. For details, see "***Board of Directors and Senior Management***" on page 161
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoter	The promoter of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013, namely, Bengal & Assam Company Limited.
Registered Office	Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India
Registrar of Companies/ RoC	The Registrar of Companies, Rajasthan at Jaipur
Risk Management Committee	The risk management committee of our Board of Directors. For details, see "***Board of Directors and Senior Management***" on page 161
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see "***Board of Directors and Senior Management***" on page 161
Shareholders	The holders of the Equity Shares, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 161
Subsidiaries	Collectively, 3D Innovations Private Limited, Cavendish Industries Limited, Comercializadora América Universal, S.A. de C.V., Compañía Hulera Tacuba, S.A. de C.V., Compañía Hulera Tornel, S.A. de C.V., 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., J. K. Asia Pacific (S) Pte. Ltd., J. K. Asia Pacific Limited, J. K. International Limited, JK Tornel S.A. de C.V., Lankros Holdings Limited and Sarvi Holdings Switzerland AG.
Unaudited Consolidated Financial Results	The unaudited Consolidated Financial Results which comprise the consolidated balance sheet as at September 30, 2023, the consolidated statement of profit and loss (including other comprehensive income) for the six months ended September 30, 2023 and the consolidated statement of cash flows for the six months ended September 30, 2023 read along with the notes thereto
Whole-time Director	The whole-time director of our Company namely, Arun Kumar Bajoria

Issue Related Terms

Term	Description
Allocated/ Allocation	Allocation of Equity Shares in connection with the Issue, in consultation with the Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form or such amount transferred/ paid to the Escrow Bank Account, as application
Application Form	Form (including any revisions thereof) which has been submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly

Term	Description
Bidder	An Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about Friday, December 22, 2023
CRISIL	CRISIL Limited
CRISIL Report	Report titled "*CRISIL MI&A – Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico*" dated November 2023 prepared by CRISIL
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs which are eligible to participate in this Issue and which are (i) not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws. However, FVCIs are not permitted to participate in the Issue In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act are eligible to participate in this Issue
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "***JK Tyre & Industries Limited QIP Escrow Account***" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue has been deposited and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Agreement	Agreement dated December 19, 2023, entered into by and amongst our Company, the Escrow Bank and the Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	HDFC Bank Limited
Floor Price	Floor price of ₹ 358.96 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 3.89% on the Floor Price in accordance with the approval of the Shareholders at the EGM held on December 18, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	The offer, issue and Allotment of up to 1,44,92,749 Equity Shares at a price of ₹ 345 per Equity Share, including a premium of ₹ 343 per Equity Share, aggregating up to ₹ 500.00 crore to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	Friday, December 22, 2023, the date after which our Company (or the Lead Manager on behalf of our Company) ceased acceptance of Application Forms and the Application Amount
Issue Opening Date	Tuesday, December 19, 2023, the date on which our Company (or the Lead Manager on behalf of our Company) commenced acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 345
Issue Size	The issue of up to 1,44,92,749 Equity Shares aggregating up to ₹ 500.00 crore
Lead Manager or LM	Emkay Global Financial Services Limited
Monitoring Agency	India Ratings & Research Private Limited
Monitoring Agency Agreement	The agreement dated December 19, 2023 entered into between our Company and the Monitoring Agency
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated December 19, 2023 by and among our Company and the Lead Manager
Placement Document	This Placement document dated December 22, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form, dated December 19, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
QIB/ Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations

Term	Description
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts
Relevant Date	December 19, 2023 which is the date of the meeting in which the Board or any authorised committee of our Board decided to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term	Description
AGM/ Annual General Meeting	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPI	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CCI	Competition Commission of India
CSR	Corporate Social Responsibility
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
CIN	Corporate identification number
Companies Act, 2013	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID–19	A public health emergency of international concern as declared by World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
EBITDA	EBITDA is calculated as net profit after tax, plus finance cost, depreciation, amortization and impairment expenses and tax expenses, and less other income
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992

Term	Description
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI	The Government of India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind As Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official currency of the Republic of India
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
MoU	Memorandum of understanding
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable.
NAV	Net Asset Value
NEAT	National Exchange for Automated Trading
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
SCR (SECC) Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SDD	System Driven Disclosures
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STT	Securities Transaction Tax
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
UPSI	Unpublished price sensitive information
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Term	Description
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

Industry related definitions

Term	Description
AI	Artificial Intelligence
BR	Butadiene rubber
BTKM	Billion-ton-kilometer
CIBIL	Credit Information Bureau (India) Ltd
CNIH	Camara Nacional de la Industria Hulera
DC	Direct current
ERP	Enterprise resource planning
EVs	Electric vehicles
FAME	Faster Adoption and Manufacturing of Hybrid and Electric
GDP	Gross domestic product
ICV	Intermediate commercial vehicle
IoT	Internet of Things
LCV	Light commercial vehicle
M&HCV/MHCV	Medium and heavy commercial vehicle
MAV	Multi-axle vehicle
MUV	Multi utility vehicle
NTCF	Nylon Tyre Cord Fabrics
PBR	Poly-Butadiene Rubber
PCR	Passenger car radial
SBR	Synthetic Butadiene Rubber
TBR	Truck and bus radial
USMCA	United States-Mexico-Canada Agreement

SUMMARY OF BUSINESS

Overview

We are one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, light commercial vehicles ("**LCV**"), passenger cars, multi-utility vehicles ("**MUV**"), and tractors. (*Source: CRISIL Report*) We have grown to be one of the largest manufacturers of passenger car tyres ("**PCT**") in India as of Fiscal 2023 and one of the few Indian companies to have developed passenger car radial ("**PCR**") tyre with high sustainable, recycled and renewable material. (*Source: CRISIL Report*) Our diversified product portfolio comprises truck and bus radial ("**TBR**") tyres, truck and bus bias ("**TBB**") tyres, bias and radial tyres for LCVs and small commercial vehicles ("**SCVs**"), PCR tyres, two and three wheeler tyres, tyres for farm vehicles and off-road vehicles ("**ORVs**"), and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in electric vehicles ("**EVs**"). In April 2016, we acquired Cavendish Industries Limited ("**CIL**"). CIL is one of the leading manufacturers of branded two and three-wheeler tyres in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*)

We are also present in North and Latin America, Middle East, Africa, Australia, Southeast Asia and Europe, including through one of our Subsidiaries, JK Tornel S.A. de C.V. in Mexico and through our Associate, Western Tire, Inc., in the United Stated of America. In 2022, we were ranked 19 among the top tyre manufacturing companies in world, based on turnover (*Source: 2022 Global Tire Rankings by Tire Business, August 2023*). In India, we market and sell our tyres under the "JK Tyre" and "Vikrant" brands and are present across a range of price points (which we categorize under "premium" and "value for money" ranges). In global markets, we market our products under the "JK Tyre", "Tornel", "Challenger" and "Vikrant" brands. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*).

We sell our products to automotive original equipment manufacturers ("**OEMs**") for fitment in vehicles, as well as in the replacement market, with certain products also used in defense vehicles in India. In addition, we also sell modified TBB and TBR tyres for use in trucks participating in racing events in India. We have a strong network of over 6,000 dealers and 700 dedicated brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*).

We have 12 globally benchmarked 'sustainable' manufacturing facilities - nine in India and three in Mexico (*Source: CRISIL Report*) with a total installed manufacturing capacity of approximately 34 million tyres annually. As of September 30, 2023, we had one manufacturing facility each in Kankroli, Rajasthan, Chennai, Tamil Nadu and Banmore, Madhya Pradesh, and three manufacturing facilities each in Mysore, Karnataka and Haridwar, Uttarakhand. As of September 30, 2023, each of our manufacturing facilities in India are IATF 16949:2016 certified for their quality management systems. Our manufacturing facilities at Chennai, Tamil Nadu, Kankroli, Rajasthan and Haridwar, Uttarakhand are ISO 14001:2015 certified for environmental management systems and ISO 45001:2018 certified for occupational health and safety management. The manufacturing facilities in Mexico located at Tultitlan and Hidalgo are each IATF 16949:2016 certified for their quality management.

As of September 30, 2023, we have a dedicated research and development ("**R&D**") campus in Mysore, Karnataka and R&D centers located at each of our manufacturing facilities in India. Our R&D efforts are conducted partly in association with Hari Shankar Singhania Elastomer and Tyre Research Institute ("**HASETRI**") and other academic institutions in India. In 2022, HASETRI was awarded the "Professor SK Joshi Laboratory Excellence Award" by the Quality Council of India. HASETRI has also been recognized as a Scientific and Industrial Research Organization by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India since 1993.

Our Strengths

Leading tyre manufacturing company in India with established global brand presence

We are one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, LCV, passenger cars, MUV and tractors. (*Source: CRISIL Report*) We have grown to be one of the largest manufacturers of PCT in India as of Fiscal 2023 and one of the few Indian companies to have developed PCR tyre with high sustainable, recycled and renewable material. (*Source: CRISIL Report*) In 2022, we were ranked 19 among the top tyre manufacturing companies in world, based on turnover (*Source: 2022 Global Tire Rankings by Tire Business, August 2023*).

We are one of the pioneers of radials in India and one of the leading players in truck and bus radial tyres in India. (*Source: CRISIL Report*) We have an established presence in the automotive OEM segment, across product categories, and have been associated with leading domestic and global automotive OEMs in India. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*). We have an established network of over 6,000 dealers and 700 dedicated brand shops, under the names, "Steel Wheels" and "Xpress Wheels". (*Source: CRISIL Report*).

We started manufacturing from our manufacturing facility at Kankroli, Rajasthan in 1977 which provided us with an early mover advantage in the tyre industry. We started sale of "Challenger" and "Blaze" branded two wheeler tyres and three wheeler tyres in 2016, pursuant to the acquisition of CIL. CIL is one of the leading manufacturers of branded two wheeler and three wheeler tyres in India in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*) Pursuant to our acquisition of CIL, we have expanded our presence as a full range tyre company in terms of products as well as customer segments, which has further contributed to our market position in India. The Economic Times Iconic Brand of India has recognized us as an "Icon of Indigenous Excellence" in 2018 and 2022, and also recognized us for "Trailblazing Iconicity" in 2021. We were also recognized as a "Prestigious Brand" by BARC Herald Global in the automotive – tyre category in 2023. We were also recognized as a "Super Brand" by the Super Brand Council of India in 2012, 2013, 2014, 2015 and 2022.

Diversified product portfolio

Our product portfolio includes tyres for diverse vehicle types, customer segments and applications and comprises on TBR tyres, TBB tyres, bias and radial tyres for LCV and SCVs, PCR tyres, two three wheeler tyres, tyres for farm vehicles and ORVs and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in EVs. Further, we entered the two three wheeler tyre segment in India pursuant to the acquisition of CIL in 2016, enabling our evolution into a full-range tyre company, present across different price points. The availability of products at different price points allows us to cater to a varied range of customers and markets.

Our end markets include a mix of replacement and automotive OEMs in each of our geographic markets, with replacement sales representing 59.13%, 57.59%, 56.55% and 65.14% of our total revenues from operations in the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, respectively. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*). In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we generated a significant portion of our revenue from overseas sales of our products in Asia, Middle East, Africa, North and Latin America.

In the six months ended September 30, 2023 and the last three Fiscals, we have also launched certain new products for the domestic and export market which include EVs specific range of tyres.

We have developed smart tyres by integrating sensors and communication systems to provide real-time data on various aspects of tyre performance. These sensors monitor a variety of crucial parameters including tyre pressure and temperature. These tyres are equipped with wireless communication technologies such as bluetooth and radio frequency identification to transmit data to the vehicle's on-board computer and, in some cases, to external applications, to provide real-time monitoring and early warnings.

We rely on our multi-national business operations spread across product segments to insulate us to an extent from disruptions in any one product category or geography, allowing us to efficiently manage and maintain our operations. The availability of products at different price points allows us to cater to a varied range of customers and markets. We diversify our product portfolio such that our products are customized for the technology, parameters, features and scale for each of the geographies we serve.

Extensive and growing distribution network

We have a widespread distribution network in India, which we attribute in part to our continuing relationships with our channel partners. We have a strong network of over 6,000 dealers and 700 dedicated Brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*) We rely on the depth of our network for the growth of our sales, particularly in the replacement market.

For sales in India, we engage with multi-brand and exclusive dealerships for sale of our products. We also engage with distributors in India for sale of our two three wheeler tyres. In addition, we directly sell our products to automotive OEMs in India as well.

To further grow and cater to our network in North American and Latin American countries, we acquired JK Tornel, S.A. de C.V in 2008, and currently operate the entity as a subsidiary, with distinct distribution channels across the regions of North and Latin America.

Established manufacturer of tyres with continuing relationship with both Indian and global automotive original equipment manufacturers

We have a presence in the automotive OEM segment, which has significantly contributed to our growth. Sales to automotive OEMs represented 23.52%, 23.97%, 20.83% and 19.02% of our total sales in the six months ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively. As of September 30, 2023 we were associated with global and domestic automotive brands including VE Commercial Vehicles Limited, Captain Tractors Private Limited, Maruti Suzuki India Limited, SML Isuzu Limited and Force Motors Limited. We have also been associated with national defense services and certain state transport undertakings, for supply of our TBR and TBB tyres. The presence of automotive OEMs in the PCT category helps generate replacement demand, gives access to latest technological development and learning in the industry. Automotive OEM customers benefit from a faster turnaround time on account of our in-house design and prototyping capabilities. In addition, our manufacturing facilities are located at strategic locations across India in proximity to key automotive OEM customers, enabling us enhanced customer interaction and responsiveness.

We attribute our continuing relationships with automotive OEM customers in part to our focus on timely delivery, quality consciousness, cost efficiency, design and technological capabilities. We engage with our automotive OEM customers from the stage of conceptualizing products to understand their requirements and the end-use of our products, in order to develop products that meet these requirements while adhering to quality specifications.

Robust research and development and demonstrated product development capabilities

Our R&D activities are aimed at growing our market share by seeking to continually offer technologically advanced products to our customers, while improving operational efficiencies to derive higher margins. As of September 30, 2023, we have a dedicated research and development ("**R&D**") campus in Mysore, Karnataka and R&D centers located at each of our manufacturing facilities in India. Our R&D efforts are conducted partly in association with Hari Shankar Singhania Elastomer and Tyre Research Institute ("**HASETRI**") and other academic institutions in India. In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we spent ₹ 61.23 crore, ₹ 117.24 crore, ₹ 89.31 crore and ₹ 87.96 crore towards R&D expenses which represents 0.80%, 0.80%, 0.75% and 0.97% of our total revenue from operations, respectively, and we intend to continue to invest in R&D. As of September 30, 2023, we have over 200 scientists and engineer associated with our Company and HASETRI.

Our R&D centers support our growth through their development of technologies and products, including in collaboration with academic institutions. We have relied on our experience in India to guide our R&D initiatives. Our R&D initiatives cater to the requirements of our customers in terms of customizing solutions and products for the end user. In addition, our R&D activities are focused on enhancing product performance, accelerating use of new and sustainable material.

We have developed the XF series tyres have been tuned for lower rolling noise without any compromise on the life of the tyre and have been developed by utilizing a variant of steel tyre cord for optimal wet and dry traction and new tread patterns. The XF series tyres are compliant with the AIS 142 regulations.

Our R&D efforts have been instrumental in driving our manufacturing processes towards a more sustainable model, in terms of limiting greenhouse gas emission, improving use of thermal energy, monitoring consumption of water and energy at each of our manufacturing facilities by installing rooftop solar panels and using solar and wind power to meet captive electricity requirements. Such initiatives at our manufacturing facility in Chennai, Tamil Nadu has also been credited with the National Award for Excellence in Energy Management by from the Confederation of Indian Industry in 2023. Our R&D efforts have also resulted in various registered patents. As of September 30, 2023, we have been granted seven patents in India.

Professional board supported by qualified and experienced management

Our experienced Board of Directors, Key Managerial Personnel and members of Senior Management comprise professionals with knowledge, understanding and experience in the tyre industry and include Dr. Raghupati Singhania, our Chairman and Managing Director, who has been associated with us since 1967 and Mr. Anshuman Singhania, Managing Director, who has been associated with us since 2007.

We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business. Our management includes an experienced team of professionals and we also benefit from the experience and diversity of our key personnel and employees, many of whom have experience in various functions across the tyre industry.

Strategies

Premiumization of our product portfolio

We have historically followed a "dual brand strategy", focusing on both, the "JK Tyre" and the "Vikrant" brands. We have positioned the "JK Tyre" brand in the premium category, whereas the "Vikrant" brand allowed us to participate in all the addressable customer segments across varied price points. This strategy has helped us access a wide consumer base having varying product requirements in terms of technology and pricing.

We intend to increase focus on the premium segment, which has historically generated higher margins. Our premium products comprise (a) all products under the "JK Tyre" brand; (b) all tyres above 16 inch rim size in the PCR segment; and (c) commercial – truck, LCV and SCV. We aim to increase our market share in the premium segment in order to improve profitability. To this effect, we have launched Levitas Ultra, which is an ultra-high performance tyre for luxury cars, "RANGER Hpe" for EVs, "Blaze RYDR" in the two wheeler tyre three wheeler tyre category and various other new products in higher inch sizes.

Scale up our market position to capitalize on growing tyre demand in India by expanding and diversifying our offerings

Tyre demand is projected to increase at a healthy 5-7% CAGR over Fiscals 2023-32, driven by multiple factors such as economic expansion, increased consumer spending, infrastructure development, and changing consumer preferences. (*Source: CRISIL Report*) We intend to leverage to further strengthen our position in the Indian market:

TBR

The popularity of radial tyres increased towards the end of the last decade, as Indian transporters shifted towards lower priced Chinese TBR tyres. This has prompted domestic manufacturers to invest heavily in radial capacities in the TBR and PCR segments. With anticipated growth in sales of TBR tyres, utilisation of radial capacities has picked up from Fiscal 2023. (*Source: CRISIL Report*) Our market position, extensive distribution network and significant manufacturing capabilities position us to take advantage of the anticipated increase in such demand in the automotive OEM and replacement tyre markets. Our extensive domestic sales, marketing and distribution network provides us a degree of flexibility to divert certain portion of sales allocated for export to the domestic market, if the domestic market grows faster than estimated.

PCR

In order to strengthen our position in the PCR market, we intend to leverage our existing presence in the automotive OEM segment. In order to achieve this, we intend to continue participating in launches by automotive OEMs, entering into non-participating models and increasing our share of business in the current participating models. We also intend to regularly engage with automotive OEMs proposing to enter the Indian market. In order to be suitably equipped to meet the expected rise in demand, we are in the process of expanding the manufacturing capacities of our facilities at Banmore, Madhya Pradesh, where we currently manufacture PCR tyres.

Two Three Wheelers

We entered the two three wheelers business through the acquisition of CIL in 2016. CIL is one of the leading manufacturers of branded two three wheelers tyre in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*) We intend to expand our brand in the two three wheelers tyre segment to international markets. With an aim to increase participation in higher end motorcycles segment, we have launched a range of our two three wheeler tyre.

EV sector

With our existing portfolio of EV specific products, we are positioned to capture growth trends in the EV sector in India. As part of our strategy to strengthen our position in the EV market, we have leveraged our experience in the tyre industry and are working on developing new products for automotive OEMs with a focus on enabling them to achieve a further reduction in weight, enhanced performance and improved vehicle acceleration via high performance driveline products and improved efficiencies. For instance, we have launched the Ranger HPe tyres for EVs.

Expanding geographical footprint

We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*) We aim to grow our business in our operating markets as well as in new target markets primarily by expanding our sales and distribution network. We have established our presence in countries such as Mexico to cater to the markets in and adjacent to such geographies, which has enabled us to understand those markets and the customers in such markets and consequently, develop products suitable for such markets. Our presence in such geographies has also provided us enhanced brand visibility, allowing us to improve after sales service and help grow our marketing network. In addition, we have entered into distributor agreements with one of our Associate Company for sale of certain products in United States of America and Canada. We plan to continue our strategy of establishing subsidiaries or establishing sales and marketing offices in new markets to enhance our coverage area, in order to improve brand recall and our market position and allow access to a larger customer base. By focusing on key international markets, we also intend to increase our exports.

Expand production capacity

We intend to continue to expand our manufacturing capacity, particularly with respect to radial tyres. We are in the process of expanding the manufacturing capacities of our manufacturing facility at Banmore, Madhya Pradesh, where we currently manufacture PCR tyres. Consistent with past practice, we will continue to look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. Through our focused efforts to continue to expand manufacturing capacity, we aim to meet the emerging demand in the tyre market within India and our targeted global markets. Additionally, we intend to use the proceeds of the issue towards capital expenditure, which may include expansion and development of one or more of our manufacturing facilities.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "***Risk Factors***", "***Use of Proceeds***", "***Issue Procedure***", "***Placement and Lock-up***" and "***Description of the Equity Shares***" on pages 41, 76, 190, 203 and 217, respectively.

Issuer	JK Tyre & Industries Limited
Face Value	₹ 2 per equity share of the Company.
Issue Size	Aggregating up to ₹ 500.00 crore, comprising 1,44,92,749 Equity Shares of our Company A minimum of 10% of the Issue Size, i.e. at least 14,49,275 Equity Shares, was available for Allocation to Mutual Funds only, and the balance 1,30,43,474 Equity Shares was available for Allocation to all Eligible QIBs, including Mutual Funds In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs
Floor Price	₹ 358.96 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of 3.89% on the Floor Price in accordance with the approval of the Shareholders accorded at the EGM held on December 18, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Price	₹ 345 per Equity Share of the Company (including a premium of ₹ 343 per Equity Share)
Eligible Investors	Eligible QIBs that are eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws including the SEBI ICDR Regulations. See "***Issue Procedure – Eligible Qualified Institutional Buyers***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 190, 204 and 211, respectively The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered was determined by the Lead Manager in consultation with our Company, at their sole discretion
Date of Board Resolution approving the Issue	November 1, 2023
Date of Shareholders' Resolution (through a special resolution passed at the EGM) approving the Issue	December 18, 2023
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance of Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For details, see "***Issue Procedure***" on page 190
Dividend	Please see section "***Dividends***", "***Description of the Equity Shares***" and "***Taxation***" on pages 83, 217 and 221, respectively
Taxation	Please see "***Taxation***" on page 221
Equity Shares issued and outstanding prior to the Issue	24,62,30,880 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	26,07,23,629 Equity Shares
Listing	Our Company has received in-principle approvals from BSE and NSE, each dated December 19, 2023, under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares, to be issued pursuant to this Issue, after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant, respectively
Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments

	made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. Also see "***Selling Restrictions***", "***Issue Procedure***" and "***Transfer Restrictions***" on pages 204, 190 and 213, respectively
Use of Proceeds	The gross proceeds of the Issue aggregate to approximately ₹ 500.00 crore. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ 491.10 crore. See "***Use of Proceeds***" on page 76 for information regarding the use of Net Proceeds from the Issue
Risk Factors	See "***Risk Factors***" on page 41 for a discussion of risks you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue
Closing Date	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about Friday, December 22, 2023
Status, Ranking and Dividend	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting rights and dividends Our Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held. See "***Dividends***" and "***Description of the Equity Shares***" on pages 83 and 217, respectively
Security Codes for the Equity Shares	**ISIN:** INE573A01042 **BSE Code:** 530007 **NSE Symbol:** JKTYRE

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in "***Financial Information***" on pages 84 and 238, respectively.

[*Remainder of the page left blank on purpose*]

Summary consolidated balance sheet

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	6,208.81	6,197.97	6,018.94
Capital Work-in-progress	190.61	100.56	286.42
Investment Property	5.53	5.63	5.73
Other intangible assets	252.77	225.40	217.71
Intangible assets under development	4.36	5.67	12.70
Financial assets			
Investments accounted using equity method	64.82	61.84	59.91
Other investments	67.97	70.91	87.11
Other Financial Assets	69.12	137.62	141.33
Deferred Tax Asset (Net)	109.52	86.92	46.25
Other non-current assets	63.54	21.26	18.59
Total non-current assets	**7,037.05**	**6,913.78**	**6,894.69**
Current assets			
Inventories	2,170.53	2,432.62	1,789.29
Financial assets			
Investments	11.17	-	-
Trade receivables	2,283.22	1,979.86	1,575.42
Cash and cash equivalents	173.15	94.05	88.66
Other bank balances	92.65	81.60	85.13
Other Financial Assets	171.94	208.84	136.01
Current Tax Assets (Net)	110.00	79.93	83.26
Other current assets	398.85	456.97	334.23
Total current assets	**5,411.51**	**5,333.87**	**4,092.00**
Total assets	**12,448.56**	**12,247.65**	**10,986.69**
Equity and Liabilities			
Equity			
Equity share capital	49.25	49.25	49.25
Other Equity Investment Property	3,346.91	2,799.06	2,623.49
Equity Attributable to the Owners of the Parent	**3,396.16**	**2,848.31**	**2,672.74**
Non-controlling Interest	99.72	99.16	106.29
Total equity	**3,495.88**	**2,947.47**	**2,779.03**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	2,360.36	2,475.93	2,860.74
Lease liabilities	55.26	65.00	93.98
Other Financial Liabilities	746.04	636.38	612.06
Provisions	99.57	119.85	103.88
Deferred tax liabilities (net)	430.58	405.12	368.31
Total non-current liabilities	**3,691.81**	**3,702.28**	**4,038.97**
Current Liabilities			
Financial liabilities			
Borrowings	2,423.18	2,639.27	1,795.75
Lease liabilities	43.55	40.18	50.23
Trade payables			
(i) Micro and Small Enterprises	48.19	49.00	36.18
(ii) Other	1771.44	2139.52	1537.89
Other Financial Liabilities	459.44	396.40	507.91
Other current liabilities	400.87	279.31	231.33
Provisions	52.66	17.42	7.83
Current tax liabilities (net)	61.54	36.80	1.57
Total current liabilities	**5,260.87**	**5,597.90**	**4,168.69**
Total liabilities	**8,952.68**	**9,300.18**	**8,207.66**
Total equity and liabilities	**12,448.56**	**12,247.65**	**10,986.69**

Summary consolidated statement of profit and loss

(₹ in crores)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	14,644.94	11,982.96	9,102.20
Other income	36.52	36.56	43.07
Total Income	**14,681.46**	**12,019.52**	**9,145.27**
Expenses			
Cost of Materials Consumed	9,600.31	8,169.60	5,246.89
Purchases of Stock-in-Trade	471.45	220.64	117.96
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(60.82)	(350.95)	103.85
Employee benefits expense	1218.02	1,065.35	922.74
Finance costs	454.50	419.09	465.85
Depreciation and amortisation expense	407.06	385.36	386.69
Other Expenses	2,118.17	1,805.02	1,404.42
Total expenses	**14,208.69**	**11,714.11**	**8,648.40**
Profit before Interest, Depreciation & Tax (PBIDT)	**13,34.33**	**1,109.86**	**1,349.41**
Profit/(Loss) before exceptional items and tax	**472.77**	**305.41**	**496.87**
Exceptional items	(61.52)	3.60	37.48
Profit/(Loss) before tax	**411.25**	**309.01**	**534.35**
Tax expense			
Current tax	159.82	160.21	140.06
Deferred tax	(13.31)	(51.50)	60.85
Profit/(Loss) for the year after tax	**264.74**	**200.30**	**333.44**
Share in Profit/(Loss) of Associates	(1.69)	0.94	(2.51)
Profit /(Loss) for the year	**263.05**	**201.24**	**330.93**
Profit/(loss) for the year attributable to:			
Owners of the Parent	262.48	210.02	319.34
Non-controlling Interest	0.57	(8.78)	11.59
Other comprehensive income			
(i) Item that will not be reclassified to profit or loss			
- Remeasurement losses on the defined benefit plan	3.52	(6.23)	(6.07)
- Share of Other Comprehensive Income in Associates	(0.01)	-	(0.02)
- Income Tax Relating to Items that will not be reclassified to Profit or Loss	(0.27)	2.33	2.07
(ii) Item that will be reclassified to profit or loss			
- Exchange differences on translating the financial statements of foreign operations	86.15	18.27	39.66
Total other comprehensive income/(loss)	**89.39**	**14.37**	**35.64**
Total comprehensive income/(loss) for the year	**352.44**	**215.61**	**366.57**
Other Comprehensive Income for the year attributable to:			
Owners of the Parent	89.40	14.36	35.65
Non-controlling Interest	(0.01)	0.01	(0.01)
Total Comprehensive Income for the year attributable to:			
Owners of the Parent	351.88	224.38	354.99
Non-controlling Interest	0.56	(8.77)	11.58
Earnings per equity share of ₹ 2 each			
Basic / Diluted (₹)	10.64	8.53	12.97

Summary consolidated statement of cash flow statement

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit before Tax	411.25	309.01	534.35
Adjustment for:			
Depreciation and Amortization expense	407.06	385.36	386.69
Finance Costs	454.50	419.09	465.85
(Profit) / Loss on sale of Property, Plant and Equipment	(6.31)	0.06	(0.82)
Fair value changes in non-current Investment	(3.09)	(2.64)	(3.70)
Unrealized Foreign Exchange Fluctuation	62.39	(20.13)	(117.79)
Foreign currency translation gain/ (loss) on consolidation	4.98	(4.69)	2.52
Interest / Dividend Received	(22.25)	(27.92)	(34.01)
Allowance for Doubtful Debts / Advances and Bad Debts written off	7.50	8.00	2.50
Operating Profit before Working Capital changes	**1,316.03**	**1,066.14**	**1,235.59**
(Increase) / Decrease in Trade and Other Receivables	(53.94)	(553.20)	398.10
(Increase) / Decrease in Inventories	322.02	(627.82)	(150.66)
Increase / (Decrease) in Trade and Other Payables	(223.13)	530.76	204.34
Cash generated from Operations	1,360.98	415.88	**1,687.37**
Direct Taxes (Net)	(136.79)	(69.83)	(88.93)
Net Cash from Operating Activities	1,224.19	346.05	**1,598.44**
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(463.18)	(314.21)	(193.09)
Sale of Property, Plant and Equipment	64.66	22.21	33.37
Redemption of Investments	-	25.00	-
Purchase of Investments	-	-	(0.21)
Deposit Accounts with Banks	(17.51)	(5.74)	(7.54)
Interest Received	15.09	26.86	28.85
Dividend Received	0.48	0.60	0.70
Net Cash used in Investing Activities	**(400.46)**	**(245.28)**	**(137.92)**
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds / (Utilization) from Short-term Borrowings (Net)	(120.52)	876.64	(817.57)
Proceeds from Long-term Borrowings	288.68	513.32	620.17
Repayment of Long-term Borrowings	(631.10)	(960.88)	(700.74)
Issue of compulsorily convertible debentures (net of expenses)	239.26	-	-
Payment of Lease Liabilities	(43.27)	(50.80)	(54.42)
Finance Costs paid	(443.45)	(425.37)	(470.96)
Dividend paid	(36.93)	(49.25)	(17.24)
Transactions with Non-controlling Interest	-	0.15	-
Net Cash from / (used in) Financing Activities	**(747.33)**	**(96.19)**	**(1440.76)**
Net increase / (decrease) in Cash and Cash Equivalents	76.40	4.58	19.76
Cash and Cash Equivalents as at the beginning of the year	94.05	88.66	65.39
Foreign currency translation gain/ loss on cash and cash equivalents	2.70	0.81	3.51
Cash and Cash Equivalents as at the end of the year	**173.15**	**94.05**	**88.66**

Unaudited consolidated summary of balance sheet

(₹ *in crore)*

Particulars	As at September 30, 2023
ASSETS	
Non-current assets	
Property, plant and equipment	6,185.91
Capital Work-in-progress	446.71
Investment Property	5.47
Other intangible assets	253.27
Intangible assets under development	5.27
Financial Assets	
Investments accounted using equity method	64.49
Other investments	61.25
Other Financial Assets	68.13
Deferred Tax Asset (Net)	94.53
Other non-current assets	70.78
Total non-current assets	**7,255.81**
Current assets	
Inventories	2,082.34
Financial assets	
Investments	10.99
Trade receivables	2,595.83
Cash and cash equivalents	150.62
Other bank balances	103.18
Other financial assets	154.57
Current Tax Assets (Net)	74.39
Other current assets	459.16
Total current assets	**5,631.08**
Total assets	**12,886.89**
Equity and Liabilities	
Equity	
Equity share capital	49.25
Other Equity	3,714.54
Equity Attributable to the Owners of the Parent	**3,763.79**
Non-controlling Interest	110.92
Total equity	**3,874.71**
Liabilities	
Non-current liabilities	
Financial Liabilities	
Borrowings	2,242.54
Lease liabilities	63.11
Other Financial Liabilities	837.80
Provisions	115.14
Deferred tax liabilities (net)	514.66
Total non-current liabilities	**3,773.25**
Current Liabilities	
Financial liabilities	
Borrowings	2,097.78
Lease liabilities	38.18
Trade payables	
(i) Micros and small enterprises	20.03
(ii) Others	2,034.34
Other Financial liabilities	579.85
Other current liabilities	428.42
Provisions	31.65
Current tax liabilities (net)	8.68
Total current liabilities	**5,238.93**
Total Equity & Liabilities	**12,886.89**

Unaudited statement of profit and loss

(₹ in crores)

Particulars	For the half year ended September 30, 2023
Income	
Revenue from operations	7,615.61
Other income	16.12
Total Income	**7,631.73**
Expenses	
Cost of Materials Consumed	4,371.28
Purchases of Stock-in-Trade	83.43
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	212.88
Employee benefits expense	708.40
Finance costs	231.46
Depreciation and amortisation expense	213.85
Other Expenses	1193.36
Total expenses	**7,014.66**
Profit before Interest, Depreciation & Tax (PBIDT)	**1,062.38**
Profit/(Loss) before exceptional items and tax	**617.07**
Exceptional items	1.50
Profit/(Loss) before tax	**618.57**
Tax expense	
Current tax	177.33
Deferred tax	31.65
Profit/(Loss) for the period after tax	**409.59**
Share in Profit/(Loss) of Associates	(2.38)
Profit /(Loss) for the period	**407.21**
Profit/(loss) for the period attributable to:	
Owners of the Parent	395.58
Non-controlling Interest	11.23
Other comprehensive income	
(i) Item that will not be reclassified to profit or loss	
- Remeasurement losses on the defined benefit plan	(8.41)
- Share of Other Comprehensive Income in Associates	(0.01)
- Income Tax Relating to Items that will not be reclassified to Profit or Loss	2.91
(ii) Item that will be reclassified to profit or loss	
- Exchange differences on translating the financial statements of foreign operations	24.46
Total other comprehensive income/(loss)	**18.95**
Total comprehensive income/(loss) for the period	**426.16**
Other Comprehensive Income for the period attributable to:	
Owners of the Parent	18.98
Non-controlling Interest	(0.03)
Total Comprehensive Income for the period attributable to:	
Owners of the Parent	414.96
Non-controlling Interest	11.20
Earnings per equity share of ₹ 2 each	
Basic (₹)	15.26
Diluted (₹)	15.21

Unaudited consolidated summary statement of cash flows

(₹ in crore)

Particulars	For the half year ended September 30, 2023
CASH FLOW FROM OPERATING ACTIVITIES:	
Net Profit before tax	618.57
Adjustment for:	
Depreciation and amortization expense	213.85
Finance costs	231.46
(Profit)/ Loss on sale of property, plant & equipment	12.34
Fair value changes in non-current investments	(2.04)
Unrealised foreign exchange fluctuation	(23.73)
Foreign currency translation gain / (loss) on consolidation	(1.74)
Interest / dividend received	(11.80)
Allowance for doubtful debts / advances and bad debts written off	10.00
Operating profit before working capital changes	**1,046.91**
(Increase)/ decrease in trade and other receivables	(325.88)
(Increase) / decrease in inventories	105.37
Increase /(decrease) in trade and other payables	360.05
Cash generated from operations	1,186.45
Direct taxes (net)	(121.98)
Net Cash flow from operating activities	**1,064.47**
CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Property, Plant and Equipment	(366.25)
Sale of Property, Plant and Equipment	12.04
Deposit Accounts with Banks	11.49
Interest Received	(3.52)
Dividend Received	7.33
Net Cash used in Investing activities	**(338.91)**
CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds / (Utilisation) from Short-term Borrowings (Net)	(280.31)
Proceeds from Long-termBorrowings	115.10
Repayment of Long-term Borrowings	(288.27)
Payment of Lease Liabilities	(16.81)
Finance Costs paid	(231.88)
Dividend paid	(49.25)
Net Cash used in Financing Activities	**(751.42)**
Net increase/ (decrease) in Cash and Cash Equivalents	(25.86)
Cash and Cash Equivalents as at the beginning of the period	173.15
Foreign Currency Translation gain/ (loss) on Cash	3.33
Cash Equivalents Cash and Cash Equivalents as at the end of the period	150.62

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2021; (ii) Fiscal 2022; (iii) Fiscal 2023; and (iv) six months ended September 30, 2023, as per the requirements in accordance with Indian Accounting Standard ("**Ind AS**") notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "***Financial Information – Fiscal 2021 Audited Consolidated Financial Statements - Note 41 – Related Party Disclosures***", "***Financial Information – Fiscal 2022 Audited Consolidated Financial Statements - Note 46 – Related Party Disclosures***" and "***Financial Information – Fiscal 2023 Audited Consolidated Financial Statements - Note 47 – Related Party Disclosures***" on pages 260, 294 and 322.

RISK FACTORS

*This Issue and an investment in equity shares involve a high degree of risk. You should carefully consider the risks described below as well as other information in this Placement Document before making an investment decision. If anyone, or a combination of, the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be severely affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", "**Industry Overview**", "**Business**", and "**Financial Information**" on pages 84, 110, 146 and 238, respectively, and other financial information included elsewhere in this Placement Document. This Placement Document contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the following risk factors as well as other information included in this Placement Document prior to making any decision as to whether or not to invest in the Issue. Any potential investor in, and purchaser of our Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment, which in some material respects may be different from that which prevails in other countries.*

*Our Financial Year ends on March 31 of each year, and references to a particular Fiscal or Financial Year are to the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2023, 2022 and 2021 included herein is based on the Audited Consolidated Financial Statements, and the financial information for the six months ended September 30, 2023 is based on the Unaudited Consolidated Financial Results, included in this Placement Document. See "**Selected Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**" on pages 33, 84 and 238, respectively.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico" dated November 2023 ("**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited ("**CRISIL**"), which was commissioned and paid for by our Company in connection with the Issue. For risks in relation to commissioned reports, see "– **Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by and paid for by us for the purpose of the Issue**." on page 55. This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described in "**Forward-Looking Statements**" on page 16, and elsewhere in this Placement Document.*

INTERNAL RISK FACTORS

1. The tyre manufacturing industry has a limited number of suppliers of raw materials. Volatility in the prices and availability of raw materials or any failure by our suppliers to make timely delivery of raw materials or breakdown of our relationship with such suppliers could have an adverse effect on our business, financial condition and results of operations.

The tyre manufacturing industry is exposed to challenges associated with a limited number of suppliers for certain critical raw materials, such as natural and synthetic rubber, carbon black, tyre cord fabric, steel cord, and various chemical additives. Our major suppliers include Tata Steel Limited, Birla Carbon India Private Limited, Epsilon Cardon Private Limited, Panama Petrochem Limited, Bakaert Industrial Private Limited, POCL Enterprises Limited. The limited number of suppliers for these raw materials may lead to increased costs, production delays, or a shortage of materials, and further, significantly impact our negotiating ability in terms of pricing. Certain raw materials that we use are of specialized nature and finding readymade substitute suppliers for supplying the raw materials of requisite specifications and on terms and conditions acceptable to us may be difficult. Further, prices of certain raw materials have historically been volatile, and we may experience increases in the prices of natural and synthetic rubber, carbon black, tyre cord fabric and steel cord, being the primary raw materials used in the manufacture of our products. For example, there has been volatility with respect to natural rubber prices in Fiscal 2022, due to pandemic-induced demand shortage, supply chain disruptions and overall increase in prices of commodities (*Source: CRISIL Report*).

Prices of commodities, such as natural rubber, are influenced by various factors, such as supply and demand dynamics, weather and environmental conditions, government policies and regulations. The price fluctuations of natural rubber and our other key raw materials can have a significant impact on the production costs of tyres, directly influencing our profitability that are outside our control. Higher raw material costs around the world may offset our efforts to reduce our cost structure. As a result, if we are unable to pass on raw material price increases to our customers, our margins will be adversely affected.

Cost of raw materials is the largest single expense of our business. The table below sets forth details of our expenses towards raw materials, including as a percentage of our revenue from operations, for the six months ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 respectively:

Particulars	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Natural Rubber	1,173.08	15.40	2,596.65	17.73	2,475.27	20.66	1,627.18	17.88
Synthetic Rubber	804.55	10.56	1,838.63	12.55	1,674.86	13.98	1,103.36	12.12
Carbon Black	751.88	9.87	1,735.99	11.85	1,241.43	10.36	719.35	7.90
Tyre Cord Fabric	389.83	5.12	786.67	5.37	816.21	6.81	485.01	5.33
Others (includes steel cord, chemicals)	1,251.94	16.44	2,642.37	18.04	1,961.83	16.37	1,311.99	14.41

While we enter into agreements for continuing supply of raw materials such as synthetic rubber, carbon black, tyre cord fabric and steel cord, with third parties which set out prices, natural rubber, which is our key raw material for manufacturing tyres is subject to commodity price fluctuations in the ordinary course of business. Certain raw materials that we consume during our manufacturing process, such as natural and synthetic rubber, carbon black, tyre cord fabric and steel cord are supplied in part, or substantially, as the case may be for respective raw materials, by overseas producers. These raw materials are occasionally the subject of trade disputes, and the Government may impose anti-dumping price control measures, safeguard duties and other restrictions, making it more difficult for foreign suppliers of these raw materials to compete.

Any breakdown of our relationship with our existing suppliers may affect our manufacturing process and we may be unable to source such raw materials from alternative suppliers on similar commercial terms and within a reasonable timeframe, which may adversely impact our production and eventually our business, results of operations and financial condition. Although we maintain sufficient inventory for some of our major raw materials, however, there may be instances when we do not have a particular raw material in our inventory. While there have been no instances for the six months ended September 30, 2023 or for the last three Fiscals, where any of the suppliers had discontinued supply to us, we cannot assure you that in the future we would not lose any of our suppliers.

2. We are dependent on our automotive original equipment manufacturer customers for the sale of a significant portion of our tyres.

Our business has been and continues to be concentrated on providing products to automotive original equipment manufacturers ("**OEMs**") and is therefore dependent on the performance of the automotive sector in India. The contribution from automotive OEMs to our total revenue from operations was 23.52%, 23.97%, 20.83% and 19.02% in the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, respectively.

In Fiscal 2024, the overall tyre demand is expected to grow by 8-10% with continued demand from OEMs over a high base and improvement in replacement segment as well. Tyre demand from OEMs is estimated to grow by 9-11% on-year (tonnage terms) and 5-7% on-year (volume terms) in Fiscal 2024 majorly led by passenger and commercial vehicle segment. Most of growth is expected to be led by the medium and heavy commercial vehicles segment and light commercial vehicles on account of increased commercial activity due to increased capex spending and improvement in mining and industrial activity. Passenger vehicles is also expected to showcase robust growth in Fiscal 2024 due to sustained vehicle demand attributable to traction of newly launched model coupled with continuous performance of several existing models. (*Source: CRISIL Report*) The growth of the Indian automotive sector is dependent on numerous factors, including macroeconomic trends (which include investment in infrastructure, finance availability, women participation, increasing rural penetration and multiple ownership to aid growth in the long run), higher penetration in semi-urban and rural markets, finance penetration, urban demand sentiments and use of two wheelers (mainly electric) in last mile delivery by e-commerce players.

We may be unable to maintain our relationships with our automotive OEM customers or such automotive OEMs may not renew orders commensurate to existing levels or place orders at all. We may be unsuccessful in competing for desired automotive OEM customers to promote and sell our products. Moreover, automobile recalls, adverse economic conditions could slow down our OEM customers' sales, which may lead to decreased production by such customers, resulting in lower demand for our products. We may not be able to meet the technological requirements of our automotive OEM customers, which are generally much more stringent that the requirements of the replacement market, as a result of which we may either not be able to secure new automotive OEM customers or lose existing automotive OEM customers. If any of these relationships were to be altered or terminated and we are unable to obtain sufficient replacement orders on comparable terms, our business, financial condition, results of operations, cash flows and business prospects could be materially and adversely affected.

3. Our business is significantly dependent on our manufacturing facilities. Any disruption in manufacturing at, or temporary or permanent shutdown of, our manufacturing facilities, may materially and adversely affect our business, prospects, financial condition and results of operations.

Our business is supported by our manufacturing capabilities. We manufacture our products at 12 manufacturing facilities, nine of which are located in India and three in Mexico. As of September 30, 2023, we had one manufacturing facility each in Kankroli, Rajasthan, Chennai, Tamil Nadu and Banmore, Madhya Pradesh, and three manufacturing facilities each in Mysore, Karnataka and Haridwar, Uttarakhand. See "***Our Business – Manufacturing Facilities***" on page 156. As of and for six month ended September 30, 2023, our manufacturing facilities collectively have a manufacturing capacity of around 34 million tyres annually.

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, fire, power interruption and natural disasters. Further, the obsolete or outdated machinery and equipment that may have surpassed their optimal lifespan may affect our operational efficiency and productivity, resulting in prolonged production cycles and decreased overall productivity. Additionally, older machinery may lack the capacity and flexibility needed to adapt to changes in production volume or shifts in market demand. This may hinder our ability to scale operations efficiently and respond swiftly to market dynamics.

While there have been no such instances for the six month period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, any significant malfunction or breakdown of our machinery and equipment may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair machinery and equipment in a timely manner or at all, our operations may need to be suspended until we procure the appropriate machinery and equipment, to replace them and there can be no assurance that the machinery and equipment will be procured and/or integrated in a timely manner.

In addition, we may be required to carry out planned shutdowns of our manufacturing facilities for maintenance, or due to some reasons beyond our control such as an outbreak of a pandemic or any materially adverse social, political or economic development, civil disruptions could adversely affect operations of our integrated production facility. In the future, we may also experience shutdowns or periods of reduced production because of regulatory issues, power outage, natural disaster, equipment failure, employee-related incidents that result in harm or death, delays in raw material deliveries.

Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, resulting in our ability fulfil customer orders. Any disruption, slowdown, or shutdown in our manufacturing operations could adversely affect our business, results of operations and financial condition.

4. If we fail to effectively implement our production schedules, our business and results of operations may be materially and adversely affected.

Our success depends in part on our ability to meet the production and assembly schedules and quality specification requirements of our customers. Our OEM customers provide us with detailed specifications of products required by them along with production and assembly schedules and within delivery time frames which are, at times, demanding.

In particular, certain of our customers, including automotive OEM customers typically require large volumes of our manufactured products within a limited amount of time when they launch new products as they seek to take advantage of the high initial demand for those products. Our ability to meet these demands depends in part on our ability to rapidly scale up production of technically complex products within stipulated, and sometimes short timeframes. We are also dependent on our ability to discontinue production of obsolete products and models and re-configuring the relevant production lines to manufacture new products and models. This requires us to maintain and enhance our production capabilities by adjusting and streamlining our production resources and processes, and acquiring, expanding and upgrading our testing equipment and production facilities. We may not be able to maintain and enhance our production capabilities in time or implement our production plans effectively. If we are unable to maintain or enhance our production capabilities to satisfy customer demand, or our production operations suffer unanticipated or prolonged interruption, our business and results of operations would be adversely affected.

5. Product liability and other civil claims and costs incurred because of product recalls could harm our business, results of operations and financial condition.

We are exposed to risk of product liability actions in countries in which we operate, including in the United States, where product liability claims and actions may result in significant damages, and product recalls that may be necessary to ensure consumer safety. Such claims may arise if any of our products are deemed or proven to be unsafe, ineffective or defective, fail to perform as expected or if they result, or are alleged to result, in bodily injury or property damage or both.

Further, automotive OEM customers may seek compensation from us as their suppliers for contributions when faced with product recalls, product liability or warranty claims. Automotive OEM customers also may require warranties for our products and for us to bear the costs of repair and replacement of such products under overall warranties provided by them for their automotives that use our products. Our customers may hold us responsible for some or all of the repair or replacement costs of defective products under such warranties provided by us or by our customers, and such warranty or product liability claims or costs incurred for a product recall may exceed available insurance coverage, which would have an adverse effect on our business, results of operations and financial condition.

Furthermore, under the product warranties provided by us to certain customers, we may be required to recall the product or bear the costs and expenses for the repair or replacement of these defective products or the customer may remedy the defect itself and reimburse such costs from us. In addition, our or our suppliers failure to comply with applicable quality standards could also result in our products failing to perform as expected, or may result in bodily injury or property damage or both due to product failure, work accidents, fire or explosion, if our products are defective or are used incorrectly by our customers (or by their customers, who are the end-users). We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labor, material and other such costs.

While we maintain product liability insurance that is customary for our industry, these may be insufficient to protect against any or all civil claims which may be brought against our OEM customers, and we may be made parties to such claims where damages may have been caused by any faulty products that we produced. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition and reputation. While there have been no material product liability claims against us or material product recalls undertaken by us in the past, we cannot assure you that we will not experience any material product liability claims in the future or that we will not incur significant costs to defend any such claims or to undertake such product recalls.

6. We depend on dealers and distributors for the sale and distribution of our products and are subject to risks associated with our arrangements with such dealers and distributors.

We have a strong network of over 6,000 dealers and 700 dedicated Brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*). We have an established presence in the automotive OEM segment, across product categories, and have been associated with domestic and global automotive OEMs. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*).

Our sales through third-party distributors and dealers are subject to risks including: (i) the ability of our selected distributors and dealers to effectively sell our products; (ii) the quality of customer service provided by distributors and dealers, which could harm our reputation or brand image; (iii) our ability to extend existing distributor and dealer arrangements into the future; (iv) a reduction in gross profit margins realized on sale of our products; and

(v) a diminution of contact with our OEM customers. Our arrangements with our distributors and dealers are not exclusive and do not grant us control over their operations or inventories, and they are free to formulate their own pricing policies, appoint authorized stockists at their own discretion and compete with one another. Our competitors may provide incentives to our distributors and dealers to favor their products which may reduce our sales. Any significant disruption of our sales to our distributors and dealers could materially and adversely affect our business and results of operation.

7. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

We manufacture our products at 12 manufacturing facilities, nine of which are located in India and three in Mexico. As of September 30, 2023, we had one manufacturing facility each in Kankroli, Rajasthan, Chennai, Tamil Nadu and Banmore, Madhya Pradesh, and three manufacturing facilities each in Mysore, Karnataka and Haridwar, Uttarakhand. The table below sets forth the capacity utilization of all our manufacturing facilities as of September 30, 2023 and as of March 31, 2023, 2022 and 2021, respectively:

As of September 30, 2023		Fiscal ended					
		March 31, 2023		March 31, 2022		March 31, 2021	
Installed capacity (in lakhs)	Capacity Utilisation (%)	Installed capacity (in lakhs)	Capacity Utilisation (%)	Installed capacity (in lakhs)	Capacity Utilisation (%)	Installed capacity (in lakhs)	Capacity Utilisation (%)
336.29	83	325.95	83	310.23	80	305.71	68

Our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our manufacturing facilities including due to interruptions in the supply of water, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. If our customers relocate their manufacturing activities/capacities, we may utilize our other manufacturing facilities that may be proximate to the new location to cater to such customers, resulting in excess capacity at the existing manufacturing facility. If we are unable to source new orders for production at such manufacturing facility, we may experience losses due to the idle capacity on account of the high fixed production costs.

The success of any capacity addition and expected return on investment on capital expenditure is subject to, among other factors, the ability to generate adequate customer demand to ensure maximum utilization of the capacity addition. While we have undertaken debottlenecking of our manufacturing facility in Banmore, Madhya Pradesh for optimizing capacity, in case of oversupply in the industry or lack of demand we may not be able to utilize our expanded capacity efficiently and our capacity additions may be underutilized thereby adversely impacting our revenue and profitability. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

8. We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

As of September 30, 2023, our outstanding borrowings were ₹ 4,340.32 crores. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings, which typically contain restrictive covenants, including, requirements that we obtain consent from the lenders prior to undertaking certain matters including, altering our capital structure, changing our shareholding pattern and approaching the capital market for mobilizing additional resources either in the form of debt or equity. Further, in terms of security, we are typically required to create a charge on all our fixed and current assets (present and future), mortgage over our immovable properties and hypothecation of our movable properties. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. Our current or future level of leverage could have significant consequences or our shareholders and our future financial results and business prospects, including increasing our vulnerability to a downturn in business in India and other factors which may adversely affect our operations; limiting our ability to pursue growth plans; requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts; limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; placing us at a competitive disadvantage to any of our competitors that have less debt; increasing our interest expenditure; and limiting our ability to raise additional funds or refinance existing indebtedness. Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. While there have been no instances in the past of any such default of our debt obligations or breach of covenants in our financing agreements, we cannot assure you that we will be able to obtain necessary approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future.

9. The Competition Commission of India has initiated proceedings against us alleging cartelization and we are currently subject to legal proceedings.

Further to complaint filed by the All India Tyre Dealers Federation, the Competition Commission of India ("**CCI**") commenced investigation against us in relation to allegations of cartelization. Subsequently, the CCI pursuant to its order dated August 31, 2018 imposed a penalty of ₹ 309.95 crore on us. The matter is currently pending at the appellate stage before the Supreme Court of India. For details, see "***Legal Proceedings***" on page 229.

Any adverse order in respect of the said litigation or initiation of any similar inquiries/investigations in future could adversely affect our reputation, financial condition, results of operations and cash flows.

10. We are dependent on contract labor and any disruption to the supply of such labor for our manufacturing facilities or our inability to control the composition and cost of our contract labor could adversely affect our business, results of operations and financial condition.

Our workforce includes personnel that we engage through independent contractors. Although we do not engage these laborers directly, we may be held responsible for any wage payments to these laborers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged laborers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations. In addition, we may be required to absorb a number of such contract laborers as permanent employees pursuant to an order from a regulatory body or court which would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract laborers would increase our costs and may adversely affect the business and results of our operations.

If we are unable to obtain the services of skilled and unskilled workmen or at reasonable rates it may adversely affect our business and results of operations. In addition, our manufacturing process is dependent on a technology driven production systems and any inability of the contract laborers to familiarize themselves with such technology could adversely affect our business and results of operations.

11. We may face an adverse impact on our international sales and earnings as a result of risks associated with our international sales and multi-location operations in various geographies.

We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*). The breakup of revenue generated from our Indian and overseas operations as a percentage of total revenue from operations is as follows:

Segment Revenue	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Indian operations	6,220.66	81.68	11,972.25	81.75	9,863.00	82.31	7,967.61	87.53
Overseas operations	1,394.95	18.32	2,672.69	18.25	2,119.96	17.69	1,134.59	12.47

We are affected by risks inherent in international sales and operations, including:

- economic cycle and demand for our products in the international markets;
- currency exchange rate fluctuations;
- regional economic or political uncertainty;
- currency exchange controls;
- differing accounting standards and interpretations;
- competition from local competitors who may have more experience in such markets and may receive concessions or benefits which are not available to us in such jurisdictions;
- competition from local competitors who can leverage the larger network of manufacturing facilities outside India;
- differing domestic and foreign customs, tariffs and taxes;
- current and changing regulatory environments;
- difficulty in staffing and managing widespread operations;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements; and
- availability and terms of financing.

Selling products in international markets and maintaining and expanding international operations require significant coordination, capital and resources. It exposes us to a number of risks globally, including, without limitation compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial. Therefore, any developments in the industries in which our customers operate could have an impact on our sales from exports if such events were to occur on a global or industry-wide scale. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. We may also be prohibited from exporting to certain countries that may be added to a sanctions list maintained by the Government or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our business and financial condition. The conflict has negatively impacted regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, could adversely affect the prices of raw materials and commodities as well as demand of our products. Moreover, the length and complexity of our internal production chain make us vulnerable to numerous risks, many of which are beyond our control, which may cause significant interruptions or delays in production or delivery of our products to our customers. To the extent that we are unable to effectively manage our global operations and risks such as the above or fail to comply with the changing international regulations and resolve cultural differences, we may be unable to grow or maintain our sales and profitability, or we may be subject to additional unanticipated costs or legal or regulatory action. As a consequence, our business, financial condition and prospects may be adversely affected.

12. Our dependence on our Subsidiaries exposes us to significant operational and financial risks.

We operate our manufacturing facilities in mexico through JK Tornel S.A. de C.V., and Compañía Hulera Tornel, S.A. de C.V. We rely on our Subsidiaries for expanding our market share and business in various jurisdictions for sale of our products, and consequently our revenues, our free cash flows, investment income, financing proceeds, dividends and other permitted payments. Further, in the past, we have been required to provide corporate guarantees and provide security in relation to the lending obligations of our Subsidiaries. For instance, we have pledged the equity shares of our Subsidiary, Cavendish Industries Limited, held by us, in order to provide security for a term loan availed by them.

Additionally, a significant diminution in the value of our investment in our Subsidiaries may have an adverse effect on our financial condition, results of operations and prospects. As our Subsidiaries are separate and distinct legal entities, they have no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. In addition, our financial condition may be adversely affected, should they cease to be our Subsidiaries.

13. Our operations are dependent on continuous research & development and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.

We own and operate 12 manufacturing facilities, nine of which are located in India and three in Mexico. The manufacturing, distribution and development of a broad range of our products are characterized by technological advancements, introduction of innovative products, price fluctuations and intense competition. The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in customer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier parts and materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products. For instance, In the six months ended September 30, 2023 and the last three Fiscals, we have also launched certain new products for the domestic and export market in truck and bus radial tyres which include EVs specific range of tyres, Levitas Ultra - ultra high performance passenger radials. In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we spent ₹ 61.23 crore, ₹ 117.24 crore, ₹ 89.31 crore and ₹ 87.96 crore towards R&D expenses which represents 0.80%, 0.80%, 0.75% and 0.97% of our total revenue from operations, respectively, and we intend to continue to invest in R&D.

There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Further, a breakthrough in the innovative segments such as green tyres, airless tyre technology and anti-puncture technology, will diminish the effectiveness of our capital expenditure into R&D for such products.

We cannot assure you that our R&D efforts will result in new technologies or products being developed on a timely basis or meet the needs of our customers as effectively as competitive offerings. We have invested substantial effort, manpower and other resources towards our R&D activities.

However, our ongoing investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. We may not be successful in anticipating or reacting to changes in the regulatory environments in which our products are sold, and the markets for our products may not develop or grow as we anticipate. We are also subject to the risks generally associated with new process technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly which may lead to increased warranty claims.

14. We derive a portion of our revenue from the sale of bias tyres. A shift in the Indian tyre market from bias to radial tyres would lead to an oversupply of bias tyres, which may result in pricing pressure that could adversely affect our profitability.

Our product portfolio includes tyres for diverse vehicle types, customer segments and applications and comprises on TBR tyres, TBB tyres, bias and radial tyres for LCV and small commercial vehicles ("**SCVs**"), PCR tyres, two three wheeler tyres, tyres for farm vehicles and ORVs and tyres for industrial vehicles. Set forth below are details of our products along with details of their contribution to our total revenue from operations (on a consolidated basis):

Product	% of revenue from operations for the six months ended September 30, 2023	% of revenue from operations for Fiscal 2023	% of revenue from operations for Fiscal 2022	% of revenue from operations for Fiscal 2021
TBR	36.78	37.49	36.11	34.78
TBB	14.59	15.02	16.90	20.21
PLR	29.48	28.14	26.51	22.87
Two and three wheeler tyres	3.47	3.73	3.67	4.75
Non-truck Bias & Others (including OTR)	14.39	14.39	15.35	16.29

Any adverse market development with respect to these bias tyres, or a decline in market share or customer demand for such tyre products, may have an adverse effect on our business, financial condition and results of operations, if we are unable to compensate for any losses resulting from the decrease in demand for our key products.

Popularity of radial tyres increased towards the end of the last decade, as Indian transporters shifted towards lower priced Chinese TBR tyres. This has prompted domestic manufacturers to invest heavily in radial capacities in the TBR and PCR segments. Low levels of radialisation and significant underlying potential attracted several international players into the market. Apart from importing tyres, these players also committed substantial capex to set up radial capacities in India to increase market share. (*Source: CRISIL Report*) A decline in the demand for bias tyres could adversely impact our revenues and results of operations. We may not be able to address the demand for radial tyres as our manufacturing units for bias tyres cannot be modified to manufacture radial tyres. This may result in an oversupply of bias tyre market in India which may exert a downward pressure on prices, adversely impacting our revenues and profitability.

15. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.

We intend to use the Net Proceeds for the purposes described in "***Use of Proceeds***" on page 76 of this Placement Document. As on the date of this Placement Document, our funding requirements are based on management estimates and our current business plans and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and has not been appraised by any bank or financial institution. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We intend to deploy the Net Proceeds by the end of March 2026, but may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

16. Our inability to maintain appropriate levels of inventory to meet the demands of our customers may have an adverse effect on our results of operations and financial condition.

We need to maintain sufficient inventory levels to meet customer expectations at all times. Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations***" on page 84.

As actual orders by our customers are only placed by way of on-going purchase orders which are subject to refining/phasing-out of existing models on an on-going basis, we are exposed to significant or unexpected changes in product specifications and delivery schedules, which may result in a mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs for maintaining inventory. Our inability to forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations.

The table below sets forth our inventory as of the dates stated:

Particulars	For six months ended September 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Inventories - FG (*in ₹ crore*)	1,068.73	1,267.65	1,152.27	830.03
Inventories - RM (*in ₹ crore*)	768.47	667.32	1,044.51	782.61
Inventory Days (*in days*)				
- Finished Goods	28	31	31	36
- Raw Materials	30	33	41	45

We frequently need to manage long lead times in inventory sourcing and procurement and rely on resource planning systems to coordinate the sourcing, shipment, tracking and delivery schedules for our inventory. We generally maintain inventory at a level sufficient for our business. We may from time to time increase the amount of consumables and packaging we retain in anticipation of customer demand, such as periods when our customers indicate to us that a new, high volume end product will soon be announced to the public. However, we may not have sufficient inventories of components at any given time to meet unforeseeable increases in our customers' requirements. There can be no assurance that such instances in the future will not have a material adverse effect on our liquidity, profitability and financial condition.

17. We are subject to increasingly stringent environmental, health and safety laws, regulations and standards in India and abroad. Non-compliance with and adverse changes in health, safety and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.

We handle dangerous materials including toxic and combustible materials. If improperly handled or subjected to unsuitable conditions, these materials could hurt our employees and other persons, cause damage to our properties, and harm the environment. We are subject to environmental and related laws and regulations including in relation to safety, health, and environmental protection in India and Mexico. In India, these include laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials particularly hazardous and pollutant discharge into soil, air or water, and the health and safety of our employees. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016, in order to establish and operate our manufacturing facilities in India and are subject to inspections from the relevant authorities in order to maintain such approvals.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of applicable environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities in India. While there have been no actions undertaken by the relevant authorities/ courts in relation to any environmental/ safety related non-compliances in the past, including in the six months period ended September 30, 2023 and in the previous three Fiscals, there may be violations in the future which could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. Our costs of complying with current and future environmental laws and other regulations may adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

Furthermore, we expect the focus on environmental, social and corporate governance matters, particularly for publicly listed companies, to intensify. This will require greater accountability to our public (including institutional) shareholders, as well as our automotive OEM customers and, possibly, their ultimate consumers. We expect the compliance and reporting costs of environmental, social and corporate governance matters to increase. If we are unable to achieve and demonstrate the required level of environmental, social and corporate governance compliance, our business and reputation will be adversely affected.

18. Certain of our Subsidiaries have incurred losses in the past, which may have an adverse effect on our reputation and business.

Certain of our Subsidiaries have incurred losses during the six months ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, as set out below:

Name of Subsidiary	Loss			
	For the six months period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
	(₹ crores)			
J. K. Asia Pacific Ltd., Hong Kong	0.32	0.85	-	0.18
J. K. Asia Pacific (S) Pte Ltd., Singapore	0.38	-	-	-
Lankros Holdings Ltd., Cyprus	-	0.07	-	0.24
Sarvi Holdings Switzerland AG., Switzerland	0.12	0.31	0.21	0.25
JK Tornel S.A. de C.V., Mexico	-	34.61	-	99.82
Compañía Hulera Tornel, S.A. de C.V., Mexico	5.55	-	2.29	-
Cavendish Industries Ltd., India	-	-	64.61	-

There can be no assurance that our Subsidiaries will not incur losses in the future which may have an adverse effect on our reputation and business.

19. We also require certain licenses, permits and approvals under such laws and regulations in India in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially affect our operations.

Our operations are subject to extensive government regulation (including the state governments), and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Factories Act, 1948, and the rules and regulations thereunder, environmental approvals, and labor and tax related approvals, among other things. Regulatory permits required for our operations may be subject to annual or periodic renewal and, in certain circumstances, modification or revocation. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business may lapse in their normal course and our Company applies to the relevant central or state government authorities for renewal of such licenses, consents, registrations, permissions and approvals.

A suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our manufacturing facilities (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects. While there have not been any further instances where we have failed to obtain or receive or renew regulatory approvals, there has been no resultant financial impact on the business operations from the absence of such approvals. Failure or delay in obtaining or maintaining or renewing the required permits or approvals within applicable time or at all may result in interruption of our operations. Furthermore, the relevant authorities may initiate actions against us, restrain our operations, impose fines/ penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business and financial condition. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, be required to alter our manufacturing operations or otherwise suffer disruption in our activities, any of which could adversely affect our business.

Furthermore, our approvals and registrations are subject to numerous conditions such as audit requirements. Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations, future cash flows or growth prospects.

20. We have substantial capital expenditure and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.

Our business is capital intensive as we require significant capital to operate and expand our manufacturing facilities. Our historical capital expenditure has been and is expected to be primarily used towards the additions to buildings, plant and equipment. Historically, we have funded our capital expenditure requirements through a combination of equity/internal accruals and term loans. During the six months ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, our capital expenditure was ₹ 413.73 crore, ₹ 440.94 crore, ₹ 343.47 crore and ₹ 198.45 crore, respectively.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, delay in obtaining regulatory approvals, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the automotive components industry. In addition, as our customers may, from time to time, relocate their manufacturing activities/ capacities, we may be required to shift our capacities to a different facility or transport products from our existing facility to the customers' new location, both of which involve capital expenditure to be incurred by us. See, "***- Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance***." on page 45.

Our sources of additional financing, where required to meet our capital expenditure plans may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding.

21. Pricing pressure from our customers or our inability to fully pass on costs to our customer, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.

We typically supply products to our customers based on purchase orders issued by our customers. Under our purchase orders, we are usually entitled to pass on price escalations of specified input materials to our customers ("**Indexed Costs**"). However, this is also dependent on market practice with respect to the particular raw material and other factors including whether medium-term price fluctuations were factored into our component prices at the time of price finalization.

Other production costs such as cost of fuel, spares, manpower and inventory carrying cost are typically borne by us and are subject to ongoing negotiations ("**Non-Indexed Costs**"). As purchase orders are typically finalized on a monthly basis before we commence production of a particular product, we are exposed to the risk of significant increases in Non-Indexed Costs between the time such purchase order is placed and the product is manufactured, which we may not be able to fully recover from our customers. Our ability to pass on costs also ultimately depends on our specific customer relationships and while we attempt to offset these costs through continuous improvements, there can be no assurance that our efforts to pass on all increased costs will be successful, and an inability to pass on these costs may have an adverse impact on our profit margins. Even if we succeed in passing on costs to our customers, there is usually a gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials, and an inordinate delay could adversely impact our cash flows and financial condition.

Apart from Non-Indexed Costs, we may also absorb discounts and price reductions sought by our customers. While we have remained profitable in the last three Fiscals despite offering discounts and absorbing Non-Indexed Costs to the extent not passed on to our customers, if we are unable to generate sufficient revenue to offset such high production costs and discounts offered in the future, our profitability, margins and return ratios may be materially adversely affected.

22. We own certain intellectual property for our brands and any deterioration in the reputation and market perception of our brands, or if our sales and marketing efforts are ineffective, it could adversely affect our sales, profitability and the implementation of our growth strategy.

We own certain trademarks and patents relating to our products. See the section titled "***Our Business – Intellectual Property Rights***" on page 160. Our brand and reputation are among our important assets, and the performance and quality of products are critical to the success of our business. In particular, we operate and sell our products under our brand names "JK Tyre", "Tornel", "Vikrant" and "Challenger", which, along with their respective variations and formative representations, are registered or pending registration in all our key markets and geographies. We have also obtained various patents as recognition of our R&D efforts. As of September 30, 2023, we have been granted seven patents in India. Our ability to obtain and maintain trademarks, patents, copyrights and other intellectual property protection for our products, technologies, designs and know-how without infringing the intellectual property of third parties, and to protect our intellectual property rights may affect our business and results of operations.

Further, the measures that we adopt to protect our rights under any future trademarks and patents that we obtain or non-patented intellectual properties may not be adequate. While we may seek to enforce non-disclosure agreements with our employees, customers and suppliers, certain proprietary knowledge may be leaked (either inadvertently or willfully) at various stages of the manufacturing process. If confidential technical information about our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies could be compromised. Intellectual property claims involve complex scientific, legal and factual analysis and their outcome is uncertain. Therefore, any potential intellectual property that we obtain may not fully protect us from competition, as it may be challenged, invalidated or held to be unenforceable.

While there have not been any instances of infringement or misappropriation of intellectual property rights in the six months ended September 30, 2023 and in the past three Fiscals by our Company, there can be no assurance that we will not face any claims for infringement or misappropriation of intellectual property rights in the future. Furthermore, our brand building also depends on the effectiveness of sales and promotional activities and choice of channel partners. There can be no assurance that our efforts in these areas would always be effective. Any adverse development or decline in our brand value and reputation may adversely affect our business, results of operations and financial condition.

23. We export our products to various countries, on account of which we may be subject to significant import duties or restrictions in the jurisdictions we export to. Further, unavailability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations.

Our operations are subject to trade regulation actions by the governments of countries in which we carry on our principal operations. Import of tyres from India as well as in Mexico is subject to tariff in in most of our key markets. Our key overseas markets include Mexico, United States of America and United Kingdom. The countries in these regions impose varying import duties on our products. There can be no assurance that the import duties will not increase or new restrictions will not be imposed by such countries. Any substantial increase in such duties or imposition of new restrictions may adversely affect our business, financial condition and results of operations. Export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India and Mexico. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries. India is also a party to, and is currently negotiating, free trade agreements with several countries including the United Kingdom and if we export our products to such countries, any revocation or alteration of current or future bilateral agreements may also adversely affect our ability to export. Occurrence of any of these events may adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations. Further, while we are proposing to expand our footprint in North American and European countries, there can be no assurance that such expansion will be successful.

Further, the GoI notifies policies providing fiscal benefits on exports and imports from time to time and any discontinuance or non-availability of such fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business and results of operations. For instance, we enjoyed certain fiscal benefits under the erstwhile Merchandise Exports from India Scheme ("**MEIS**"), pursuant to which, we could use duty credit scrips for payment of import duty obligations or sell such duty credit scrips in the open market to other importers. However, the Ministry of Finance, GoI has withdrawn MEIS with effect from January

1, 2021 and announced a scheme for remission of duties and taxes on export products ("**RODTEP Scheme**") for exporters. The RODTEP Scheme, like MEIS scheme, aims to ensure that exporters receive the refunds on the embedded taxes and duties that previously was non-recoverable. The benefits under the RODTEP Scheme are to be received in the form of transferable duty credit scrips, or in the form of electronic scrips are significantly lower than the benefit under MEIS for the company's products. The RODTEP Scheme allows the exporter to utilize the scrips for the payment of import duty or to sell such duty credit scrips in the open market to other importers subject to the terms of the RODTEP Scheme. Any further change in the rates and / or the scheme structure announced by GoI can have material adverse effect on our results of operation or financial condition.

24. Our inability to collect receivables and defaults in payment from our customers could result in the reduction of our profits and affect our cash flows.

The majority of our sales are to customers on a purchase order basis, with standard payment terms. For products we export, we either receive payments after shipment from our customers or secure payments by way of a bank guarantee. However, for our domestic orders, we typically rely on our monitoring of the ability of our customers to pay under open credit arrangements. While we limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history as well as the credit rating provided by ECGC Limited (for our direct exports from India), we may still experience losses in the event our customers are unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. The table below sets forth our trade receivables and receivable turnover days as of the dates stated:

Particulars	As of September 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
Trade receivables (*in ₹ crore*)	2,595.83	2,283.22	1,979.86	1,575.42
Trade receivables days (*in days*)	59	53	54	69

If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

25. We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers and our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.

We operate in a highly competitive industry, with a number of manufacturers that possess significant financial and industrial resources and enjoy considerable international and/ or regional recognition. While we are present in various tyre segments, intensification of competition within this industry may, in the future, have a material adverse effect on our business. We compete with other tyre manufacturers in terms of product design, price, warranty terms, customer service and distribution network reach. The major players in the automotive tyre market include Bridgestone Corporation, Continental AG, Goodyear Tyre & Rubber Company, Michelin, and Pirelli & C. S.p.A. The domestic tyre industry is characterized by major players such as Apollo Tyres, Balakrishna Industries, Bridgestone, CEAT Limited, JK Tyres & Industies Limited, MRF Limited, TVS Srichakra. These companies account for over 80% of the tyre market in terms of revenue. (*Source: CRISIL Report*)

Moreover, the Indian tyre market continues to source a significant part of its TBR tyre requirements from China, as they are typically cheaper than Indian bias tyres, and we cannot assure you that we will be able to successfully compete with such Chinese products going forward, which could adversely affect our revenues and profitability. Increasing penetration of light commercial vehicle and bus radial tyres in the Indian market may attract global tyre manufacturers to enter the domestic market, which will lead to increased competition for radial tyre manufacturers. Further, while we plan on expanding our product portfolio in the premium tyres segment, however due to the competition from the global tyre manufacturers, we may not be able to successfully penetrate the premium tyre segment.

Some of our competitors, including many international companies and potential entrants to the domestic market, may have significantly greater resources than us. Any failure by us to compete effectively, including in terms of product pricing, design or quality, could have a material adverse effect on our financial condition, results of operations and cash flows. Our ability to compete successfully will depend, in significant part, on our ability to reduce costs by such means as leveraging global purchasing, improving productivity, elimination of redundancies and increasing production at low-cost supply sources. Any increase in competition may make it difficult for us to pass on raw material price increases to our customers, which could adversely affect our margins. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations, financial condition and cash flows.

***26. Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by and paid for by us for the purpose of the Issue*.**

Certain sections of this Placement Document include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report prepared by CRISIL, which is not related to our Company, Directors, Key Managerial Personnel, members of Senior Management or Promoter. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Placement Document indicates the CRISIL Report as its source. Accordingly, any information in this Placement Document derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Placement Document based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. See "***Industry Overview***" on page 110.

27. Our manufacturing operations involve processes and activities that are hazardous, and accidents at our facilities could expose us to the risk of liabilities, loss of revenues and increased expenses.

Our manufacturing process requires individuals to work with heavy machinery, for which, proper handling and operating procedures are well established. However, our operations are susceptible to accidents, if safety precautions are not exercised leading to personal injury loss of life and damage to equipment. This may result in a suspension of our operations and could also result in criminal and civil liabilities. Such incidents may also impact our reputation and may result in negative publicity for our operations. While we implement stringent safety standards and measures as part of our operations there can be no assurance that our operations will not be impacted by accidents.

In the past, there have been instances of fatal accidents at our facilities. We could be held liable for damages in connection with injuries or death of any of our employees, which could adversely affect our business, financial condition, results of operations and cash flows. Liabilities incurred as a result of these events have the potential to adversely impact our financial position. While we maintain general insurance against such potential liabilities, insurance proceeds may not be adequate to fully cover the quantum of liabilities, lost revenues or increased expenses that we might incur or to the loss of reputation that we may suffer.

28. The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.

As part of our growth strategy, we, from time to time, pursue acquisitions to expand our business operations and geographical reach. We acquired Cavendish Industries Limited along with its manufacturing facilities to expand our operations into the two three wheeler tyre segment. While we are currently not in negotiations to make any strategic acquisitions, we may consider making acquisitions in the future to increase the scope of our business.

The process of integrating an acquired company, their brand or technology into our organization involves certain risks and may create unforeseen operating difficulties and expenditures, including:

- difficulties in integrating the operations, brands, technologies, services and personnel of the acquired businesses;
- ineffectiveness or incompatibility of acquired technologies or services with our existing systems and processes;
- our inability to source additional financing required to make contingent payments, in a timely or cost efficient manner;

- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- inability to maintain the key business relationships and the reputation of acquired businesses;
- responsibility for the liabilities of acquired businesses;
- diversion of our management's attention from other business concerns;
- managing the increased scope and complexity of our operations; and
- entering new distribution channels, categories or markets in which we have limited or no experience.

Additionally, foreign acquisitions involve additional risks to those described above, including those related to integrating operations across different cultures and languages, currency fluctuation risks and in particular, economic, political and regulatory risks associated with specific countries. For further risks associated with our proposed growth in foreign markets, see "*- **We may face an adverse impact on our international sales and earnings as a result of risks associated with our international sales and multi-location operations in various geographies.**"* on page 46.

Once we complete acquisitions, we may need to incur capital expenditures to maintain the acquired business and comply with regulatory requirements. The costs and liabilities involved in connection with the acquisitions and the subsequent integration process may exceed those anticipated. Moreover, the anticipated benefit of many of our future acquisitions may not materialize within the anticipated timeframe, or at all. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, financial condition and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

29. A shortage or non-availability of essential utilities such as electricity and natural gas could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

We rely principally on petroleum, natural gas and electricity as energy sources in our manufacturing facilities. If energy costs were to continue to rise, or if electricity or natural gas supplies or supply arrangements were disrupted, our manufacturing operations could be disrupted and our profitability could decline. The table below sets forth our power and fuel costs for the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021:

Particulars	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Power and fuel cost	298.59	3.92	575.52	3.93	493.97	4.12	355.48	3.91

While for our manufacturing facilities situated in India, our power requirements are met through our captive power plants along with the distribution done through the government grids and for our manufacturing facilities situated in Mexico, our power requirements are also met through the power distribution done through the government grids, we cannot assure you that these will be sufficient and/or, that we will not face a shortage of electricity despite these arrangements. In the event of a supply disruption, we will need to rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers. We are also subject to potentially significant inflationary pressures on natural gas costs and if natural gas costs continue to rise and if we are unable to pass on these increased costs to our customers, our profitability could decline. While there have not been any instances of shortage or non-availability of essential utilities in the six months period ended September 30, 2023 and in the last three Fiscals, any shortage or non-availability of electricity or natural gas in the future or if our generators are unable to support our operations, we may need to temporarily shut down our manufacturing facilities until adequate supply of electricity or natural gas is restored.

Frequent production shutdowns lead to increased costs associated with restarting production and corresponding loss of production, any of which would adversely affect our business, results of operation and financial condition.

30. Any downgrade of our debt rating by an independent agency may adversely affect our ability to raise financing.

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. For each of the Financial Years ended March 31, 2023 and March 31, 2022 India Ratings & Research Private Limited and CARE Ratings Limited accorded us long-term bank loan rating of "IND A" and "CARE A", respectively. Subsequently, India Ratings & Research Private Limited and CARE Ratings Limited revised our long-term bank loan rating to "IND A+" and "CARE A+", respectively for the period ended September 30, 2023. For Financial Years ended March 31, 2023 and March 31, 2022 our short-term bank loan rating by India Ratings & Research Private Limited was "IND A1" and by CARE Ratings was "CARE A1". Any future performance issues by us or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to funds and debt markets and, as a result, may adversely affect our business growth. In addition, any downgrade of our credit ratings could result in default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements in the future. Any such adverse development may adversely affect our business operations, future financial performance and the price of our Equity Shares.

31. Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations and prospects.

We have implemented various information technology ("**IT**") systems that cover key areas of our operations, procurement, inventory, sales and dispatch, transport, retail, financial, accounting and administrative functions. We have also expanded our IT services in our customer facing business, wherein we have launched "JK Connect", an app based service. We rely on our IT systems for the timely supply of our products to customers. IT systems are potentially vulnerable to damage or disruptions from a variety of sources, including those resulting from natural disasters, power outages, cyber-attacks, failures in third-party provided services or a range of other hardware, software and network problems, which could result in a material adverse effect on our operations or lead to disclosure of sensitive company information. While there have been no instances in the past of any such disruption to our IT systems, we cannot guarantee that we will not be impacted by a disruption to our IT systems in the future. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs.

A large-scale IT malfunction or cyber-attacks on our network could pose cybersecurity risks which may result in breaches of confidentiality, availability of the data and/or transactions processed by the information systems (system malfunction, data theft and data destruction). These may result from external (denial of service, hacking, malware) or internal (tampering, breach of data confidentiality) threats. As a result, a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property (including product designs, design software and other trade secrets) or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our IT systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. As such, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or enterprise resource planning systems may lead to inefficiency or disruption of our IT systems, thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations. In addition, we may be required to incur significant costs to protect against damage caused by such attacks or disruptions in the future or failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data protection or information security, which may increase our costs and otherwise materially adversely affect our business, results of operations, financial condition and prospects.

32. If we do not successfully implement our strategic initiatives, our operating results, financial condition and liquidity may be materially adversely affected.

The slowdown in GDP growth during Fiscal 2020 and the contraction in Fiscal 2021 had a negative impact on the passenger vehicle industry's growth, which witnessed moderation during the same period. Moreover, recovery in GDP growth during Fiscals 2022 and 2023 helped the industry register healthy growth numbers. (*Source :CRISIL Report*)

In order to offset the impact of these trends, we have focused on pursuing important strategic initiatives, including our acquisition of Cavendish Industries Limited along with its manufacturing facilities in Fiscal 2017. While we have historically followed a "dual brand strategy", focusing on both, the "JK Tyre" and the "Vikrant" brands, we plan on focusing on our premium product offerings, under the "JK Tyre" brand in the replacement and automotive OEM markets . See "***Business – Strategies - Premiumization of our product portfolio***" on page 152. The failure to implement successfully our strategic initiatives may materially adversely affect our operating results, financial condition and liquidity.

Shifts in consumer demand away from higher margin tyres could materially adversely affect our business. We may not be able to meet all of the demand for certain of our higher margin tyres, which could harm our competitive position and limit our growth. We cannot assure you that our strategic initiatives will be successful. If not, we may not be able to achieve or sustain future profitability, which would impair our ability to meet our debt and other obligations and would otherwise negatively affect our operating results, financial condition and liquidity. We expect our strategic initiatives to place significant demands on our management and other resources, because of which we continue to develop and improve our operational, financial and other internal controls including strengthening our internal financial controls system. However, we cannot assure you that such system will never fail to detect any deviations from established procedures and policies. Our inability to manage our business and implement our growth strategies could adversely affect our business, results of operations and financial condition.

33. We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Rajasthan at Jaipur.

Certain of our Company's historical records such as forms filed with the RoC are not traceable. We have included these details in this Placement Document in reliance on the other corporate records, such as, minutes of meetings, board and shareholders' resolutions, where available. We cannot assure you that the relevant corporate records will become available or that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

34. We outsource certain operations of our business such as transport and logistics. Any failure by such third parties to deliver their services could have an adverse impact on our business.

For deliveries of our products, we are able to rely on and utilize the services of third-party party logistic service providers. For our operations in India, we typically ship finished goods through third party logistics service providers and typically enter into agreements with them for a period of one year. Under these agreements, we are required to provide the number of trucks that are required for the delivery of any consignment and which the transporter is required to provide within one day of such intimation. The transporter is liable for any damages to the products of the Company during transit. For our overseas customers, we generally export our products through freight forwarders and shipping lines and we enter into service agreements with these providers. These third-party service providers are responsible for ensuring our transportation rates are competitive and that our transportation carriers are performing as required.

The table below sets forth our freight and transportation cost in the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021:

Segment Revenue	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operation	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Freight & transportation	293.34	3.85	560.61	3.83	482.33	4.03	369.78	4.06

As we do not control our third-party transportation and logistics providers, we could be subject to transportation strikes that could hamper supplies and deliveries to and from our customers and suppliers. There may also be delay in delivery of raw materials and products and a failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could adversely impact our customer relationships. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on transportation charges levied by our third-party logistics providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess transportation charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. While we have not experienced any instances of failure to meet our customer's delivery schedules in the past due to any fault of our external transport and logistics contractors, there is no assurance on the reliability of delivery by our contractors, and any failure in meeting our customer's delivery schedules can impact our relationship with customers and may result in cancellation of existing or future orders which may have an adverse impact on our operations.

35. We may not have sufficient insurance coverage to protect us against operating hazards and this may have an adverse effect on our business and revenues.

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third-party liability claims, labor disturbances, employee fraud and infrastructure failure. Our principal types of coverage include among others, protection from fire, earthquake and other natural calamities such as storm, tempest, flood and inundation, burglary, employee insurance policies such as medical and personal accident insurance policies and general liability insurance (including coverage for product recalls). For further details on insurance coverage, see "***Our Business – Insurance***" on page 161. Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all. Furthermore, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

While our insurance claims have not exceeded our insurance coverage and we have not recognized any losses in the six months ended September 30, 2023 and in the last three Fiscals due to partial or total rejection of our claims by our insurers, there can be no assurance that claims in the future will continue to be covered or accepted in full by our insurance policies. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.

36. We are subject to stringent labour laws or other industry standards and any kind of disputes with our employees could adversely affect our business, results of operations, financial condition and cash flows.

We are subject to a number of stringent labor laws. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution, employee removal and for imposing financial obligations on employers in the event of retrenchment of workers. We are also subject to state and local laws and regulations, in all jurisdictions where we have operations, governing our relationships with our employees, including those relating to minimum wage, overtime, working conditions, hiring and firing, non-discrimination, work permits and employee benefits.

The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, all the provisions of which will be brought into force on a date to be notified by the Central Government. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. We may also be subject to changing judicial interpretation of the relevant statutes. For instance, the Supreme Court of India in a recent judgment has upheld the circular dated March 20, 2019 issued by the Employees' Provident Fund Organization, which excludes certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the EPF Act. We cannot assure you that we will not be adversely affected by similar developments in the future.

Further, the success of our operations depends on availability of labor and maintaining good relationship with our workforce. Our employee benefits expense comprising payments made to all the personnel engaged in our operations, for the six months ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 is stated below:

Particulars	**For six months ended September 30, 2023**		**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (in ₹ crore)	**% of total revenue from operations**	**Amount (in ₹ crore)**	**% of total revenue from operations**	**Amount (in ₹ crore**	**% of total revenue from operations**	**Amount (in ₹ crore)**	**% of total revenue from operations**
Employee benefits expense	708.40	9.30	1218.02	8.32	1065.35	8.89	922.74	10.14

Our workforce is significantly unionized, and any conflict with our workforce might affect our business and results of our operations. Strikes or work stoppages by our workforce at our manufacturing facilities could halt our production activities and disrupt our distribution channels which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. During the six month period ended September 30, 2023 and Fiscals 2023, 2022 and 2021, there have been two instances of illegal strikes by workers union at our manufacturing facilities in Chennai, Tamil Nadu and in Banmore, Madhya Pradesh. While there was no material impact due to such strikes on our operations, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce.

Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business, results of operation and financial condition.

37. The availability of counterfeit products, our failure to keep our technical knowledge confidential, or our ability to obtain and protect our intellectual properties may have adverse effects on our business and results of operations.

Entities could pass off their own products as ours, including producing counterfeit or pirated products. As a result, our market share could be reduced due to replacement of demand for our products and any deficiency in the quality of the counterfeit products will adversely affect our reputation and goodwill with customers. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business prospects, while our results of operations and financial condition could suffer. Further, our technical knowledge and our formulations are significant independent assets that are guarded as trade secret and may not be adequately protected by intellectual property rights. As a result, we cannot be certain that our technical knowledge and formulations will remain confidential in the long run.

Furthermore, some of our key employees have access to confidential design and product information. There can be no assurance that such employees will not leak such information to our customers or that we will be able to successfully enforce such agreements. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection.

The illegal use or passing off of our trademarks or logos by third parties or any negative publicity about our brand(s) could affect our reputation which in turn, affects our ability to attract and/or retain customers. Failure to successfully enforce our intellectual property rights, or any leak of confidential technical information may have an adverse effect on our business, results of operations and cash flows.

38. We are dependent on our Directors, Key Managerial Personnel and Senior Management, including other employees with technical qualifications. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Directors, Key Managerial Personnel and Senior Management for strategic business decisions and managing our business. We benefit from the industry experience, vision and guidance of our Chairman and Managing Director, Dr. Raghupati Singhania who has been associated with us since 1967. Our Key Managerial Personnel and Senior Management team includes technically qualified and experienced professionals in the industry. The experience and leadership of our Directors, Key Managerial Personnel and Senior

Management has played a key factor in our growth and development. Our management team of qualified and experienced professionals enables us to identify new avenues of growth and help us to implement our business strategies in an efficient manner and to continue to build on our track record of product development. The relationships and reputation that members of our management team have established and maintain with our customers contribute to our ability to maintain good customer relations and to identify new business opportunities. We cannot assure you that we will be able to retain them or find adequate replacements in a timely manner, or at all. Any loss or interruption in the services of our Key Managerial Personnel or Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives.

In addition, we could incur additional expenses and need to devote significant time and resources to recruit and train replacement personnel, which could further disrupt our business operations, growth and prospect. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Recruiting and retaining capable personnel, particularly those with expertise and experience in our industry, are vital to our success. If we are unable to recruit, train and retain a sufficient number of these employees, then our ability to maintain our competitiveness and grow our business could be negatively affected. Any loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

39. We have certain outstanding export obligations under export promotion schemes of the Government of India.

We have imported various equipment at a concessional rate of duty under the Export Promotion Capital Goods ("**EPCG**") scheme of the GoI and have consequently assumed certain export obligations that we are required to meet by Fiscal 2029. As of September 30, 2023 and Fiscal 2023, we had import duty savings pursuant to the EPCG scheme of ₹ 39.93 crores and ₹ 27.26 crores in respect of which export obligation are yet to be fulfilled. In the event that we fail to meet such export obligations, the import duty applicable on such equipment imports would become applicable retroactively and we may be required to pay additional penalties and/or interest for any such default by the relevant authorities. In addition, we import raw materials for use in the manufacturing process of our products, which are subsequently exported without duty, under the advance authorization scheme of GOI. Pursuant to such schemes, we have an export obligation which is required to be fulfilled during a specified period. Failure to fulfill such obligations may result in regulatory actions and subsequent payment of import duties including penalties.

40. If we inadvertently infringe upon the intellectual property rights of others, our business and results of operations may be adversely affected.

While we seek to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing on any existing third-party intellectual property rights. Noncompliance with the intellectual property rights of others may force us to alter our technologies, obtain licenses, or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

In addition, we are bound by confidentiality obligations under our nondisclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and drawings shared with us. Although in the past there has been no breach or misuse of intellectual property or proprietary data an inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

41. Certain of our immovable properties in India and overseas are taken on lease by us. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect.

Certain of our manufacturing facilities in India and overseas and Registered Office and Corporate Office are held by us on leasehold basis, from third parties and certain governmental authorities on certain terms and conditions.

If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). In addition, the terms of certain of our leases require us (as the lessee) to undertake security deposit, incur certain maintenance costs from time to time and to bear utility charges.

In addition, any regulatory non-compliance by the landlords or lessors or adverse development relating to the landlords' or lessors' title or ownership rights to such properties or equipment, including as a result of any noncompliance by them, may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces or cease of the use of the related equipment following any such developments. If our sales do not increase in line with our rent and costs, including set up and interior design costs, our profitability and results of operations could be adversely affected.

42. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our Company has declared and paid dividend at the rate of 100%, 75%, 100% on the Equity Shares for Fiscals 2023, 2022 and 2021, respectively. Our Company's ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For further information on dividend paid by our Company in the past, see "***Dividends***" on page 83.

43. Foreign exchange fluctuations and the use of use of hedging instruments by us could result in financial losses that could adversely affect our results of operations and cash flows.

We are exposed to foreign exchange rate fluctuations (mainly in US$, Euro and MXN) in respect of (i) revenue from overseas business in foreign denominations; (ii) our foreign currency denominated borrowings; (iii) currency translation losses for the purpose of preparing our consolidated financial statements (which are presented in Indian Rupees), on account of our global operations; and (iv) value of our foreign assets.

Our revenues, operating expenses and finance costs are influenced by the currencies of those countries where we manufacture and/or sell our products. The exchange rate between the Indian Rupee and these currencies, primarily the US$, Euro and MXN have fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted. However, the effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact on our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Moreover, as certain borrowing arrangements availed by certain of our foreign Subsidiaries are foreign currency denominated, we expect that our cost of borrowing as well as our cost of raw materials and components incurred by our foreign Subsidiaries may rise during a sustained depreciation of the relevant foreign currency against the Indian Rupee.

While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. In relation to our products which are priced in foreign currencies, the strengthening of these currencies against the Indian Rupee results in gains and the weakening of these currencies results in losses for our Company. We typically agree to renegotiate/reset prices of our products on a periodic basis including adjustments on account of currency fluctuations beyond a specified range, which may vary between customers, depending on terms negotiated with such customers from time to time. The said permitted adjustments in our prices are generally effected with a prospective effect and may not be adequate to fully set-off the effect of foreign currency fluctuations, which may result, as earlier mentioned, in either losses or gains for our Company.

We currently hold, and have in the past held, derivative contracts, including forward exchange contracts and interest rate swaps. We believe that these forward exchange contracts, and cross currency swaps, generally speaking, have the effect of reducing the volatility of our profit and reducing our exposure to foreign exchange and interest rate risk. If, in the future, foreign exchange rates or interest rates move contrary to our expectations, or if our risk management procedures prove to be inadequate, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations, financial condition and cash flows.

44. The cyclical and seasonal nature of businesses, in particular, the automobile industry, can adversely affect our business.

Our business is directly related to our automotive OEMs customers' vehicle sales and production levels across various markets. Automotive sales and production are cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. As we have high fixed production costs, even relatively modest declines in our customers' production levels and thus, our production volumes, can have a significant adverse impact on our profitability. In addition, lower global automotive sales during the global financial crisis resulted in substantially all automotive manufacturers lowering vehicle production schedules. For details, see "– ***We are dependent on our automotive original equipment manufacturer customers for the sale of a significant portion of our tyres.***" on page 42.

Our sales are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. In the past, we have experienced sales declines during the manufacturers' scheduled shutdowns or shutdowns resulting from unforeseen events.

Any sudden request from our customers to increase their order volumes, could cause lead time problems resulting in a loss of revenue for our customers if we are unable to meet their demands. As a result, our relationship with our customers may be impacted, affecting our sales adversely, resulting in a loss of revenue and reduced margins.

45. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.

As of March 31, 2023, our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, that have not been provided for in our results of operations were as follows:

(in ₹ crores)

S. No.	Particulars	As of March 31, 2023
1.	Matters in appeal for excise & customs duty	176.92
2.	Service tax	1.61
3.	Sales tax	3.46
4.	Income tax	171.58
5.	Others	100.75
	Total	454.32

If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. For further information on our contingent liabilities, see "***Financial Information***" on page 238.

46. Our Directors or Key Managerial Personnel and Senior Management of the Company may have interests in the Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Certain of our Directors, Key Managerial Personnel and Senior Management may be regarded as having an interest in our Company other than to the extent of reimbursement of expenses incurred and normal remuneration or benefits. Our Directors, Dr. Raghupati Singhania, Anshuman Singhania, Arun Kumar Bajoria, Bharat Hari

Singhania, Sunanda Singhania and Shreekant Somany and our Key Managerial Personnel or Senior Management, Pawan Kumar Rustagi, V.K. Misra and Sanjeev Gupta may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares.

While, in our view, all such transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties or that we will be able to maintain existing terms, in cases where the terms are more favorable than if the transaction had been conducted on an arms-length basis. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, result of operations, financial condition and cash flows, including because of potential conflicts of interest or otherwise.

47. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the ordinary course of business entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions include remuneration to executive Directors, Key Managerial Personnel and members of the Senior Management. Additionally, we also enter into certain transactions with our Associates in furtherance of our business activities, for instance, we trade our tyres in international markets through Treel Mobility Solutions Private Limited and have engaged HASETRI for our R&D activities pursuant to the agreement dated September 10, 2016. For further information relating to our related party transactions, see "***Related Party Transactions***" on page 40.

While we believe that all such transactions have been conducted on in the normal course of business, on an arm's length basis and in accordance with the SEBI Listing Regulations, we cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties. It is likely that we may enter into related party transactions in the future. We cannot assure you that our existing agreements and any such future transactions, will be in the interest of our Company and minority shareholders or will not have an adverse effect on our financial condition and results of operations. Furthermore, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. There can be no assurance that we will be able to address such conflicts of interest or others in the future.

48. There are outstanding legal proceedings involving our Company and our Subsidiaries. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are certain outstanding legal proceedings involving our Company and our Subsidiaries. These proceedings are pending at different levels of adjudication before various courts and tribunals. For details of such outstanding proceedings, see "***Legal Proceedings***" on page 229.

Additionally, our business is exposed to the risks in relation to the activities undertaken by us pursuant to our manufacturing processes or setting up/expansion of our manufacturing facilities. There have been instances wherein certain farmers have filed civil suits against us alleging that we have encroached the farmlands in the process of laying down power lines for our manufacturing facilities.

Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. Should any new developments arise, such as any rulings against us by appellate courts or tribunals, we may be required to make payments to third parties or make provisions in our financial statements that could increase expenses and current liabilities. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favour of our Company or our Subsidiaries, or that no further liability will arise out of these proceedings. We may also be subject to inspections, investigations and fines in the future, which may affect our business and operations.

49. Information relating to our operational capacities and the historical capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates and future production and capacity utilization may vary.

Information relating to our operational capacities and the historical capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates of our management, including past production mix, installed capacity information and standard capacity calculation practices, that have been taken into account by the chartered engineer in the calculation of our capacity. These details have been certificated by way of certificates from Cogs Associates, independent chartered engineer. Actual utilization rates may differ from the estimated operational capacities or historical estimated capacity utilization information of our facilities.

50. We will continue to be controlled by our Promoter after the completion of the Issue.

After the completion of the Issue, our Promoter will continue to exercise control over us, including being able to influence the composition of our Board and influence matters requiring shareholder approval. Our Promoter and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. Through their influence, our Promoter and Promoter Group may be in a position to delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

51. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Such instances may also adversely affect our reputation, thereby adversely impacting our business, cash flows, results of operations and financial condition.

52. Our customers may engage in transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organisations also administer similar economic sanctions. We may enter into transactions with customers who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. There can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

EXTERNAL RISK FACTORS

53. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations.

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The GoI has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill, 2023 ("**Finance Bill**") has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023 ("**Finance Act**"). We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

54. Any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any award passed by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations..

55. Recent global economic conditions have been challenging and continue to affect the Indian market.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. The COVID-19 pandemic has caused an economic downturn in several major economies and generated volatility in, and general adverse impact on, the global securities markets, including in India; further, it is not possible for us to predict the extent and duration of this volatility and adverse impact on the global or Indian securities markets, including any possible impact on our Equity Shares. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Further deterioration in the global economy as a result of COVID-19 or the Russia-Ukraine conflict or otherwise, or the perception that such deterioration could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could adversely affect our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could materially and adversely affect our business, results of operations, Shareholders' Equity and the price of our Equity Shares.

56. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

The war in Ukraine has contributed to rising rates of inflation, including in India. In response to the rising rates of inflation, various central banks, including the RBI has increased interest rates, resulting in increased cost of credit. Further deterioration in the global economy because of the Russia-Ukraine conflict, any significant escalation of an existing or new pandemic or otherwise, or the perception that such deterioration or escalation could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets.

We are dependent on domestic, regional and global economic and market conditions particularly North America and Europe, where most of our revenue from operations is generated. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our solutions may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

57. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Any future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares..

58. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

59. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India.

Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union including trade agreements between the United Kingdom and European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit increased the volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

60. We are subject to changes in Indian taxation laws and their interpretation.

Any change in Indian tax laws could adversely affect our operations. The GoI announced the union budget for Fiscal 2024 and the finance bill in the Lok Sabha on February 1, 2023. The finance bill has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act, 2023. The Finance Act, 2023 proposes various amendments to taxation laws in India. Any such and future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us.

Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, the Finance Act, 2020, had notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from 68 dividend distribution tax ("**DDT**"), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. We cannot predict whether any new tax laws or regulations impacting our operations will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

61. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

62. A third-party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

63. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Manager or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a public limited company incorporated under the laws of India. Most of our Company's Directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For further information on recognition and enforcement of foreign judgments in India, please see "***Enforcement of Civil Liabilities***" on page 18.

A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

64. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognised Indian stock exchange for a period of one year from the date of the issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the issue of the Equity Shares in this Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

65. After this Issue, the price of the Equity Shares may be volatile.

The Issue Price will be determined by our Company in consultation with the Lead Manager, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- perceptions about our Company's future performance or the performance of Indian banks in general;
- the performance of our Company's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Company or the Indian manufacturing sector;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- inclusion or exclusion of our Company in indices;
- significant developments in India's fiscal regulations;
- any other political or economic factors; and
- COVID–19 related measures undertaken by the GoI.

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

66. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction in which the investors are located in do not permit the investors to exercise their pre-emptive rights, without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value that the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

67. An investor's ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, an investor's ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "***Selling Restrictions***" on page 204. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "***Transfer Restrictions***" on page 211. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

68. Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

69. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. There is no guarantee that the Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell the Equity Shares held by them on the Stock Exchange.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

70. An investment in the Equity Shares is subject to general risks related to investments in Indian Companies.

Our Company is incorporated in India and almost all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

71. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 20231 on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares

72. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

73. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

74. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by shareholders with significant shareholding or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

75. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in the Preliminary Placement Document and this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. In particular, the Equity Shares offered in this Issue have not been, and will not be, registered under the U.S.

Securities Act or the securities laws of any state of the United States and are being offered and sold only outside the United States in offshore transactions as defined in and in accordance with Regulation S under the U.S. Securities Act. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively. Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth in this Placement Document.

MARKET PRICE INFORMATION

As on the date of this Placement Document, assuming Allotment pursuant to this Issue, 26,07,23,629 Equity Shares have been issued, subscribed and are fully paid up. The face value of our Equity Shares is ₹ 2 per equity share. The Equity Shares are listed and are available for trading on BSE and NSE.

On December 21, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 382.65 and ₹ 382.30 per Equity Share, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on NSE and BSE for our Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscals 2021, 2022 and 2023.

NSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in crore)
FY 23	213.55	December 09, 2022	44,28,763.00	90.58	95.45	June 17, 2022	7,09,507.00	7.08	149.29	47,71,77,938.00	7,831.28
FY 22	171.70	October 19, 2021	99,89,123.00	166.34	98.00	March 07, 2022	7,07,588.00	7.10	135.27	41,51,23,268.00	5,885.37
FY 21	146.70	January 25, 2021	3,07,79,835.00	430.17	38.70	April 03, 2020	2,75,332.00	1.09	75.56	65,29,39,071.00	6,476.75

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

BSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in crore)
FY 23	213.50	December 09, 2022	2,63,584.00	5.36	96.40	June 17, 2022	38,914.00	0.39	149.28	4,10,14,797.00	658.16
FY 22	171.60	October 19, 2021	10,05,031.00	16.67	98.00	March 07, 2022	1,57,129.00	1.58	135.25	3,84,95,990.00	536.87
FY 21	146.75	January 25, 2021	20,69,841.00	29.05	39.00	April 07, 2020	36,686.00	0.15	75.55	5,78,07,491.00	545.93

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in crore)
November, 2023	366.00	November 16, 2023	33,51,767.00	119.48	303.00	November 01, 2023	18,65,415.00	57.57	344.63	6,11,55,393.00	2,110.83
October, 2023	344.00	October 17, 2023	1,46,05,966.00	482.48	265.00	October 09, 2023	11,41,092.00	30.84	298.63	6,78,87,758.00	2,094.66
September, 2023	290.95	September 25, 2023	35,01,531.00	99.81	246.00	September 13, 2023	6,57,164.00	16.59	266.73	2,77,05,961.00	753.24
August, 2023	286.15	August 04, 2023	87,92,076.00	243.74	251.00	August 02, 2023	11,19,955.00	28.70	268.23	2,92,82,639.00	793.41
July, 2023	267.70	July 31, 2023	24,33,377.00	64.20	227.75	July 03, 2023	49,61,080.00	115.30	247.90	5,77,32,350.00	1,438.27
June, 2023	242.90	June 30, 2023	1,46,45,752.00	332.70	183.20	June 06, 2023	4,48,490.00	8.28	193.90	4,37,08,662.00	899.03

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

BSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in crore)
November, 2023	365.90	November 16, 2023	2,22,354.00	7.91	303.45	November 01, 2023	88,665.00	2.73	344.69	37,76,456.00	130.52
October, 2023	344.00	October 17, 2023	5,62,742.00	18.58	265.15	October 09, 2023	56,407.00	1.53	298.63	37,23,498.00	113.46
September, 2023	290.60	September 25, 2023	1,12,119.00	3.19	247.05	September 13, 2023	39,148.00	0.99	266.71	15,39,954.00	41.49
August, 2023	286.00	July 31, 2023	1,16,149.00	18.51	251.10	July 03, 2023	4,47,358.00	1.22	268.23	23,09,995.00	62.59
July, 2023	267.70	July 31, 2023	1,16,149.00	3.06	227.75	July 03, 2023	4,47,358.00	10.37	247.80	38,61,104.00	95.64
June, 2023	242.85	June 30, 2023	12,12,426.00	27.44	183.25	June 06, 2023	55,073.00	1.02	193.91	36,63,778.00	75.12

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on November 2, 2023, the first working day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in crore)
344.00	351.25	331.35	337.25	1,80,91,805.00	611.95	351.05	351.05	331.30	337.40	9,69,805.00	32.90

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds of the Issue shall be approximately ₹ 500.00 crore. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ 8.90 crore, shall be approximately ₹ 491.10 crore ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to allocate the Net Proceeds towards funding capital expenditure, including towards expansion and development of one or more manufacturing facilities of our Company or of its Subsidiaries (through investment in such Subsidiaries); working capital requirements of the Company or its Subsidiaries (through investment in such Subsidiaries); and general corporate purposes (collectively, "**Objects**") as may be permissible under applicable laws and regulations and approved by the Board.

The Net Proceeds are proposed to be utilized towards the Objects as set out below:

(in ₹ crore)

S.No.	Particulars	Amount
1.	Capital expenditure, including towards expansion and development of one or more manufacturing facilities of the Company or of its Subsidiaries (through investment in such Subsidiaries)	350.00
2.	Working capital requirements of the Company or, its Subsidiaries (through investment in such Subsidiaries)	25.00
3.	General corporate purposes[(1)]	116.10
	Total Net Proceeds	**491.10**

[(1)] The amount to be utilised for general corporate purposes does not exceed 25% of the gross proceeds of the Issue.

The main objects clause of our Memorandum of Association enables our Company to undertake (i) its existing activities; and (ii) the activities proposed to be funded from the Net Proceeds.

The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of equity and debt financing on terms acceptable to us. To the extent permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds and surplus amounts, if any. Any variation in the planned use of the Net Proceeds will be undertaken in accordance with applicable law, including compliance with requirements for prior shareholders' approval, where required.

Our fund requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above are based on internal management estimates, current circumstances of our business plan and the prevailing market conditions, which are subject to change in the future. We currently propose to deploy the Net Proceeds by the end of March 2026. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See "***Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.***" on page 49. We may have to revise our fund requirements and deployment on account of a variety of factors such as our financial condition, business and growth strategy and external factors such as market conditions, regulatory climate, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the Objects, our Company intends to deposit the Net Proceeds in cash credit account(s) maintained with one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. The Company undertakes to set aside monies sanctioned under the relevant cash credit facilities in relation to such cash credit account(s) equivalent to the extent of the Net Proceeds, for utilization towards the Objects.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the Registrar of Companies, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Monitoring of Utilisation of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings & Research Private Limited as the Monitoring Agency for monitoring the utilization of Net Proceeds. The Audit Committee and Monitoring Agency will monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 173A(2) of the SEBI ICDR Regulations, on a quarterly basis, to the Audit Committee until such time as the Net Proceeds have been utilised in full. Such report, along with the comments (if any) shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. Subject to applicable laws, including SEBI Listing Regulations, on an annual basis, our Company shall (i) prepare a statement of funds utilized for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full.

Other confirmations

The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

Neither our Promoter nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the objects of the Issue. Further, neither our Promoter nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoter, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as of September 30, 2023 on a consolidated basis which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Information***" on pages 33, 41, 84 and 238, respectively.

(in ₹ crore)

Particulars	**Pre-Issue (as at September 30, 2023)**	**Amount after considering the Issue (i.e., Post Issue)#^**
Short term borrowings		
Secured	1,048.26	1,048.26
Unsecured	617.12	617.12
Current maturities of long term borrowing/finance lease obligations	432.40	432.40
Long term borrowings		
Secured	2,141.22	2,141.22
Unsecured	101.32	101.32
Total debt (A)	**4,340.32**	**4,340.32**
Equity		
Equity share capital	49.25	52.15
Other equity (including non-controlling interest)	3,825.46	4,322.56
Total equity (B)	**3,874.71**	4,374.71
Total capitalization (A+B)	**8,215.03**	**8,715.03**
Total debt/Total equity (A/B)	**1.12**	**0.99**

Adjustments do not include Issue related expenses

^ *As adjusted to reflect the number of Equity Share issued pursuant to the Issue*

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Placement Document is set out below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	62,50,00,000 Equity Shares of face value of ₹ 2 each	1,25,00,00,000.00
	55,00,000 Preference Shares of face value of ₹ 100 each	55,00,00,000.00
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	24,62,30,880 Equity Shares of face value of ₹ 2 each	49,24,61,760.00
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 1,44,92,749 Equity Shares aggregating up to ₹ 500.00(1)	2,89,85,489
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	26,07,23,629 Equity Shares of face value of ₹ 2 each (2)	52,14,47,258
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of the Preliminary Placement Document)	4,56,70,24,849
	After the Issue(2)	9,53,80,37,756

(1) The Issue has been authorized by the Board of Directors pursuant to its resolution dated November 1, 2023 and the Shareholders through a special resolution passed at the EGM dated December 18, 2023.

(2) The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue. Adjustments do not include Issue related expenses.

Equity Share Capital History of our Company

The history of the equity share capital of our Company is provided in the following table:

Date of allotment/forfeiture	Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
March 16, 1951*	Allotment of fully paid up Ordinary Shares	1,000	100	100	Cash
November 19, 1957	Allotment of equity shares on a rights basis	5,000	100	100	Cash
September 30, 1966	Bonus issue in the ratio of one equity share for every one equity share held	6,000	100	NA	-
April 18, 1974	Sub-division of 12,000 Ordinary Shares of ₹ 100 each into 1,20,000 Equity Shares of ₹ 10 each.				
January 9, 1975	Preferential allotment	9,00,000	10	10	Cash
February 24, 1975	Preferential allotment	1,00,000	10	10	Cash
April 1, 1975	Preferential allotment	7,00,000[1]	10	10	Cash
April 1, 1975	Preferential allotment	20,000[2]	10	10	Cash
May 10, 1975	Preferential allotment	11,00,000[3]	10	10	Cash
June 23, 1975	Preferential allotment	9,00,000[4]	10	10	Cash
July 7, 1975	39,80,000 equity shares were allotted pursuant to a public issue and 50,000 equity shares were allotted pursuant to a firm allotment in terms of the prospectus	40,30,000[5]	10	10	Cash
May 27, 1977	Allotment of equity shares on a rights basis	10,91,675**	10	10	Cash
June 8, 1984	Allotment of equity shares pursuant to adjustment of loans	37,00,000	10	10	Cash

Date of allotment/forfeiture	Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
December 7, 1984	Allotment of equity shares pursuant to adjustment of loans	4,00,600	10	10	Cash
July 10, 1986	Allotment of equity shares pursuant to adjustment of loans	7,02,226	10	10	Cash
September 8, 1988	Allotment of equity shares pursuant to adjustment of loans	2,76,600	10	10	Cash
March 17, 1993	Allotment of equity shares on a rights basis and preferential allotment to the employees, executive directors and management group pursuant to a letter of offer filed	91,27,201[6]	10	90	Cash
September 17, 1993	Allotment of equity shares pursuant to conversion of the partly convertible debentures	48,75,306	10	90	Cash
April 30, 1994	Preferential allotment	18,91,869	10	123	Cash
September 23, 1994	Preferential allotment	25,92,500	10	162	Cash
October 4, 1994	Preferential allotment	20,37,125	10	162	Cash
October 16, 2003	Reorganisation of equity share capital pursuant to the Scheme of Arrangement and Amalgamation, 2002- 2003[#]	(86,41,275)	10	-	-
October 16, 2003	Allotted to the members of the Vikrant Tyres Limited pursuant to the Scheme of Arrangement and Amalgamation, 2002- 2003[#]	1,15,35,519	10	NA	Other than cash
August 23, 2006[7]	Preferential allotment	36,00,000	10	105	Cash
January 29, 2007	Reorganisation of equity share capital pursuant to the Scheme of Arrangement and Demerger, 2006[^]	(1,02,64,836)	10	-	-
September 20, 2008[8]	Allotment of equity shares on a rights basis	1,02,64,836	10	85	Cash
December 19, 2014[9]	Sub-division of one equity share of ₹ 10 each into 5 Equity Shares of ₹ 2 each. Accordingly, 4,10,59,346 equity shares of ₹ 10 each were sub-divided into 20,52,96,730 Equity Shares of ₹ 2 each.				
January 8, 2015[10]	Allotment of Equity Shares pursuant to conversion of warrants allotted on preferential basis	21,516,750	2	23	Cash
March 29, 2019	Preferential allotment	1,94,17,400	2	103	Cash

[*] *This includes 20 ordinary shares of ₹ 100 each issued at the time of initial subscription on February 12, 1951.*

[**] *13,11,667 equity shares of face value of ₹ 10 each were offered but due to under subscription, only 10,91,675 equity shares of face value of ₹ 10 each were subscribed.*

[#] *A scheme of arrangement and amalgamation between our Company and its shareholders, JK Agri Genetics Limited and its shareholders, JK Sugar Limited and its shareholders and Vikrant Tyres Limited and its creditors and shareholders was sanctioned by the Calcutta High Court on May 6, 2003 and the High Court Karnataka on September 2, 2003 ("**Scheme of Arrangement and Amalgamation, 2002-2003**"). Pursuant to the Scheme of Arrangement and Amalgamation, 2002-2003, the agri-genetics undertaking of our Company was transferred to JK Agri Genetics Limited and the sugar undertaking was transferred to JK Sugar Limited. The scheme involved reorganization of the share capital of our Company pursuant to transmission of certain investments of our Company to JK Agri Genetics Limited and also amalgamation of erstwhile Vikrant Tyres Limited with our Company. The paid up equity share capital of our Company was reorganized and for every 100 equity shares of ₹ 10 each of our Company, the shareholders were issued 75 equity shares of ₹ 10 each of our Company, 10 equity shares of ₹ 10 each of JK Agri Genetics Limited and 15 equity shares of ₹ 10 each of JK Sugar Limited. The scheme became effective from September 5, 2003 and was operative from the appointed date i.e. April 1, 2002.*

[^] *A scheme of arrangement and demerger between our Company and its shareholders and Netflier Technologies Limited (name since changed to Netflier Finco Limited) and its shareholders was sanctioned by the Calcutta High Court pursuant to its order dated November 8, 2006 ("**Scheme of Arrangement and Demerger, 2006**") which became effective on January 11, 2007. The paid up equity share capital of our*

Company was reorganized and for every 100 equity shares of ₹ 10 each of our Company, the shareholders were issued 75 equity shares of ₹ 10 each of our Company and 25 equity shares of ₹ 10 each of Netflier Finco Limited. The scheme became effective from January 11, 2007 and was operative from the appointed date i.e. October 1, 2005.

[1] *These 7,00,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 5 was paid up at the time of allotment) and such equity shares of ₹ 10 each were declared fully paid up subsequent to the calls made on October 1, 1975 and December 18, 1975.*

[2] *These 20,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 5 was paid up at the time of allotment) and such equity shares of ₹ 10 each were declared fully paid up subsequent to the calls made on October 1, 1975 and December 18, 1975.*

[3] *These 11,00,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 5 was paid up at the time of allotment) and such equity shares of ₹ 10 each were declared fully paid up subsequent to the calls made on October 1, 1975 and December 18, 1975.*

[4] *These 9,00,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 5 was paid up at the time of allotment) and such equity shares of ₹ 10 each were declared fully paid up subsequent to the calls made on October 1, 1975 and December 18, 1975.*

[5] *These 39,80,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 2.5 was paid up at the time of application and ₹ 2.5 was called up at the time of allotment) to the public and 50,000 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each (₹ 5 was paid up at the time of allotment) pursuant to the firm allotment. 40,09,950 equity shares of ₹ 10 each were declared fully paid up subsequent to the calls made on October 1, 1975 and December 18, 1975. 20,050 equity shares of ₹ 10 each were forfeited pursuant to a resolution of the Board dated May 15, 1985. Out of these forfeited 20,050 equity shares of ₹ 10 each, forfeiture of 300 equity shares of ₹ 10 each were annulled on August 5, 1985 and August 28, 1985. Remaining 19,750 forfeited equity shares of ₹ 10 each were sold pursuant to the articles of association of the Company on February 14, 1986.*

[6] *These 91,27,201 equity shares of ₹ 10 each were issued as partly paid up equity shares of ₹ 10 each at a premium of ₹ 80 (₹ 22.50 was paid up at the time of application and ₹ 22.50 was called up at the time of allotment) and 90,77,952 equity shares of ₹ 10 each were declared fully paid up subsequent to the call made on June 11, 1993. On March 30, 2000, 24,361 equity shares of ₹ 10 each were forfeited and 24,888 equity shares of ₹ 10 each were kept in abeyance pursuant to a resolution of the Board. Subsequently 24,888 equity shares of ₹ 10 each, which were kept in abeyance, were forfeited pursuant to a resolution of the Board dated August 20, 2002. On September 30, 2002, 49,249 forfeited equity shares of ₹ 10 each were sold pursuant to articles of association of the Company.*

[7] *Lodha & Co., Chartered Accountants, vide their certificate dated July 14, 2006 have confirmed that our Company has complied with all the provisions / guidelines as per chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines 2000*

[8] *These 1,02,64,836 equity shares of ₹ 10 each were allotted on a rights basis in proportion of 1 equity shares of ₹ 10 each for 3 equity shares of ₹ 10 each held by each shareholder, pursuant to a resolution of the Board dated September 20, 2008.*

[9] *The resolution for sub-division of Equity Shares was passed by our Board on December 23, 2014 and December 19, 2014 was taken as the record date.*

[10] *These 2,15,16,750 Equity Shares were allotted on preferential basis in relation to conversion of 43,03,350 warrants (each warrant converted into 5 Equity Shares) pursuant to a resolution of the Board dated January 8, 2015.*

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Further, other than the 24,000 fully paid compulsorily convertible debentures of face value ₹ 1,00,000 each issued to International Finance Corporation, there are no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into, or which would entitle any person any option to receive, Equity Shares as on the date of this Placement Document.

Employee Stock Option Schemes

As on the date of this Placement Document, our Company does not have any employee stock option scheme.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them has been included in this Placement Document in "***Details of Proposed Allottees***" on page 343.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue (As of December 15, 2023)		Post-Issue	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	Indian				
	Individual	84,59,105	3.44	84,59,105	3.24
	Bodies corporate	13,00,65,950	52.82	13,00,65,950	49.89

Sr. No.	Category	Pre-Issue (As of December 15, 2023)		Post-Issue	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	Sub-total	**13,85,25,055**	**56.26**	**13,85,25,055**	**53.13**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**13,85,25,055**	**56.26**	**13,85,25,055**	**53.13**
B.	**Non – Promoters' holding**				
1.	Institutional investors	3,27,38,432	13.30	4,72,31,181	18.12
2.	Non-institutional investors				
	Private corporate bodies	1,16,38,212	4.73	1,16,38,212	4.47
	Directors#	14,250	-	14,250	-
	Indian public	5,56,47,339	22.60	5,56,47,339	21.34
	Others including non-resident Indians (NRIs)	76,67,592	3.11	76,67,592	2.94
	Sub-total (B)	**10,77,05,825**	**43.74**	**12,21,98,574**	**46.87**
	Grand Total (A+B)	**24,62,30,880**	**100.00**	**26,07,23,629**	**100.00**

** *Includes shareholding of the members of the Promoter Group.*

Other than directors who form part of the promoter group

DIVIDENDS

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including Companies Act, 2013 together with the applicable rules issued thereunder. Our Board may also, from time to time, declare interim dividends. For further information, see "***Description of the Equity Shares***" on page 217.

The dividend distribution policy of our Company was approved and adopted by our Board on February 9, 2017. We may retain all our future earnings, if any, for use in the operations and expansion of our business. While recommending/declaring Dividend, the Board shall take into account various internal & external factors which shall inter-alia include:

1) Profitability of the Company during the relevant year.
2) Past Dividend trends.
3) Leverage profile.
4) Future capital expenditure programmes including organic and inorganic growth opportunities.
5) Company's Liquidity Position and Cash flow position.
6) Economic conditions and regulatory environment.
7) Any other relevant factors that the Board may deem fit to consider.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, investments, debt repayments, meeting contingencies or for other needs of our Company, see "***Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***" on page 62.

The Board may declare or recommend dividend either as an interim or as final Dividend during any financial year. The Dividend shall be declared or paid by the Company for any financial year out of the profits of the Company arrived at in conformity with the Companies Act. The Board shall endeavor to achieve a dividend payout ratio in the range of 15% - 25% (gross of dividend distribution tax) of distributable profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower dividend or no dividend in case the business requirement so warrants.

The dividends declared and paid by our Company on the Equity Shares for Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and the period from April 1, 2023 until the date of this Placement Document:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 till the date of this Placement Document
Face value of Equity Shares (₹ per share)	2	2	2	2
Interim Dividend on Equity Shares	Nil	Nil	Nil	Nil
Final Dividend on Equity Shares	49.25	36.93	49.25	NA
Total Dividend on Equity Shares	49.25	36.93	49.25	NA
Dividend per share (in ₹)	2	1.5	2	Nil
Dividend Rate (%)	100	75	100	NA
Dividend Distribution Tax	Nil	Nil	Nil	Nil

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Audited Consolidated Financial Statements and our Unaudited Consolidated Financial Results. Unless the context requires otherwise, the financial information corresponding to (i) Fiscals 2023, 2022 and 2021 has been derived from the Audited Consolidated Financial Statements; and (ii) the six months ended September 30, 2023 has been derived from the Unaudited Consolidated Financial Results.

*Our Audited Consolidated Financial Statements have been prepared in conformity with Indian Accounting Standards ("**Ind AS**") prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting standards) Rules, 2015, and other relevant provisions of the Act. Our Unaudited Consolidated Financial Results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, "Interim Financial Reporting", as prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder and other accounting principles generally accepted in India.*

Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12 month period ended March 31 of that year. Financial information for the six months ended September 30, 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Placement Document.

*This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Preliminary Placement Document. For further information, see "**Forward-Looking Statements**" on page 16. Also read "**Risk Factors**" and "**- Significant Factors Affecting our Results of Operations and Financial Condition**" on pages 41 and 85, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to JK Tyre & Industries Limited on a consolidated basis and references to "the Company" or "our Company" refers to JK Tyre & Industries Limited on a standalone basis.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report "Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico" dated November 2023 ("**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited ("**CRISIL**"), which was commissioned and paid for by our Company in connection with the Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "**Risk Factors – Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by and paid for by us for the purpose of the Issue.**" on page 55.*

Overview

We are one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, light commercial vehicles ("**LCV**"), passenger cars, multi-utility vehicles ("**MUV**"), and tractors. (*Source: CRISIL Report*) We have grown to be one of the largest manufacturers of passenger car tyres ("**PCT**") in India as of Fiscal 2023 and one of the few Indian companies to have developed passenger car radial ("**PCR**") tyre with high sustainable, recycled and renewable material. (*Source: CRISIL Report*) Our diversified product portfolio comprises truck and bus radial ("**TBR**") tyres, truck and bus bias ("**TBB**") tyres, bias and radial tyres for LCVs and small commercial vehicles ("**SCVs**"), PCR tyres, two and three wheeler tyres, tyres for farm vehicles and off-road vehicles ("**ORVs**"), and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in electric vehicles ("**EVs**"). In April 2016, we acquired Cavendish Industries Limited ("**CIL**"). CIL is one of the leading manufacturers of branded two and three-wheeler tyres in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*).

We sell our products to automotive original equipment manufacturers ("**OEMs**") for fitment in vehicles, as well as in the replacement market, with certain products also used in defense vehicles in India. In addition, we also sell modified TBB and TBR tyres for use in trucks participating in racing events in India. We have a strong network of over 6,000 dealers and 700 dedicated brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*).

Significant Factors Affecting our Results of Operations

Availability and cost of our raw materials

The primary raw materials that we use for the manufacture of our products are natural rubber, synthetic rubber, tyre cord fabric, carbon black and steel cord. For our products manufactured in India, we import a certain portion of our natural rubber requirements from certain Asian countries. Natural rubber, which is our key raw material for the manufacturing of our products, is a commodity and is subject to fluctuation in commodity prices. Our purchase model for natural rubber is a combination for long term agreement and spot purchase. Cost of material consumed constitutes the single largest expense we incur in the ordinary course of our business. The table below sets forth details on our cost of material consumed, including as a percentage of our total expense, for the six months ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 respectively:

Particulars	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ crore)	% of total expenses	Amount (₹crore)	% of total expenses	Amount (₹crore)	% of total expenses	Amount (₹crore)	% of total expenses
Cost of material consumed	4371.28	62.32	9,600.31	67.57	8169.60	69.74	5246.89	60.67

Further, for other raw materials, such as synthetic rubber, carbon black, tyre cord fabric and steel cord, we have entered into continuing contracts with third parties for supplying such raw material at a pre-determined price for a stipulated period. Certain raw materials that we consume during our manufacturing process, such as synthetic rubber, carbon black, tyre cord fabric and steel cord are supplied in part, or substantially, as the case may be for respective raw materials, by overseas producers. Further, as natural rubber available domestically is not sufficient to meet its demand, we import a significant portion of natural rubber. These raw materials are occasionally the subject of trade disputes, and the Government may impose anti-dumping price control measures, safeguard duties and other restrictions, making it more difficult for foreign suppliers of these raw materials to compete. Furthermore, we do not have exclusive arrangements with our raw material suppliers and there may be instances where our suppliers could engage with our competitors and prioritize supplies of their other customers over us, which may impact our ability to procure a sufficient quantity of raw materials at competitive rates. For details, see "***Risk Factors - The tyre manufacturing industry has a limited number of suppliers of raw materials. Volatility in the prices and availability of raw materials or any failure by our suppliers to make timely delivery of raw materials or breakdown of our relationship with such suppliers could have an adverse effect on our business, financial condition and results of operations.***" on page 41.

Purchasing patterns of our OEM customers and contract terms

The tyres that we manufacture are developed by our R&D teams and we closely engage with our automotive OEM customers from the stage of conceptualizing products to understand their requirements and the end-use of our products, in order to develop products that meet these requirements while adhering to quality specifications. The major companies in the global automotive tyre market are focusing on enhancing the performance of their vehicles with the help of various technologies and methods. These companies are heavily investing in R&D to have an edge in the competition. (*Source: CRISIL Report*) Our R&D activities are aimed at development of tyres and we incur costs while creating the moulds for the manufacture of such tyres. Therefore, we incur significant time and cost prior to the launch of certain, or a range of, vehicles by OEMs. In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we spent ₹ 61.23 crore, ₹ 117.24 crore, ₹ 89.31 crore and ₹ 87.96 crore towards R&D expenses which represents 0.80%, 0.80%, 0.75% and 0.97% of our total revenue from operations, respectively, and we intend to continue to invest in R&D.

Accordingly, our results of operations may be affected by actual change in vehicle production quantities or postponement of launch of a certain vehicle model altogether, due to a number of reasons, including developmental delays or changes in consumer demand. For details, see "***Risk Factors - We are dependent on our automotive original equipment manufacturer customers for the sale of a significant portion of our tyres.***" on page 42.

In Fiscal 2024, the overall tyre demand is expected to grow by 8-10% with continued demand from OEMs over a high base and improvement in replacement segment as well. Tyre demand from OEMs is estimated to grow by 9-11% on-year (tonnage terms) and 5-7% on-year (volume terms) in Fiscal 2024 majorly led by passenger and commercial vehicle segment. Most of growth is expected to be led by the medium and heavy commercial vehicles segment and light commercial vehicles on account of increased commercial activity due to increased capex spending and improvement in mining and industrial activity. Passenger vehicles is also expected to showcase robust growth in Fiscal 2024 due to sustained vehicle demand attributable to traction of newly launched model coupled with continuous performance of several existing models. (*Source: CRISIL Report*) Further, the automobile industry is competitive and our OEM customers face constant pressure to reduce their production costs in order to ensure that their vehicles are competitively priced. Accordingly, component pricing is one of the key metrics by which OEMs choose suppliers for their vehicle programs. As a result, we have in the past and will likely continue to experience pressure in the future to reduce our prices. Accordingly, we endeavor to continue to innovate and introduce new products and applications as well as to continue to carefully manage and reduce our operating costs in order to maintain our current margins and competitive position.

Product mix and premiumization of our product portfolio

We have historically followed a "dual brand strategy", focusing equally on both the "JK Tyre" and the "Vikrant" brands. The "JK Tyre" brand is positioned as a premium brand whereas the "Vikrant" brand allowed us to participate in all the addressable customer segments across varied price points. This strategy has helped us access a wide consumer base having varying product requirements in terms of technology and pricing.

We intend to position the "JK Tyre" brand in the replacement and automotive OEM markets with a focus on premium PCR. The "Vikrant" brand will remain a support brand for the mass market with a focus on PCR and TBR. While we continue to operate with two brands, we plan to focus on the premium segment in our target markets. Further, in Fiscal 2023, we launched the 'Levitas Ultra', our ultra high-performance tyre, which is meant for premium PCR. For details see "***Business – Strategies – Premiumization of our product portfolio***" on page 152.

While we have in the past launched premium products and plan on expanding our premium products portfolio in the future, there is no assurance whether such premiumization of our product mix will be favorable to our result of operations.

Currency fluctuation

We are affected by fluctuations in currency exchange rates with respect to our contracts with our customers. A significant portion of our revenue is generated in currencies other than the Indian Rupee. The Indian rupee is our functional currency and our consolidated financial statements are prepared in Indian rupees. However, the US dollar and Mexican Peso are the functional currencies for our foreign subsidiaries in Mexico. We translate foreign currencies into Indian rupees as follows:

- Foreign currency transactions are recorded at exchange rates prevailing on the respective date of such transactions.
- Monetary assets and liabilities in foreign currencies as at the balance sheet date are translated at exchange rate prevailing at the year-end date.
- Exchange differences arising on actual payments/ realizations and year-end translations including on forward contracts are dealt with in our profit and loss statement.
- Non- Monetary Foreign Currency items are stated at cost.

Our revenues in India were ₹ 6,236.15 crore, ₹ 12,008.02 crore, ₹ 9,898.34 crore and ₹ 8,008.77 crore in six months ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively. Depreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies may affect our results of operations, including by increasing the cost of financing any debt denominated in foreign currency that we may enter into or proposed capital expenditure, if any, in foreign currencies. For details, see "***Risk Factors - We may face an adverse impact on our international sales and earnings as a result of risks associated with our international sales and multi-location operations in various geographies.***" on page 46.

We also use foreign currency forward contracts / currency swaps to hedge risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. For details, see "***Fiscal 2023 Audited Consolidated Financial Statements - Note - 53 Financial Risk Management Objectives and Policies***" on page 326.

Competitive environment and economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate which are primarily in India and Mexico.

The major players in the automotive tyre market include Bridgestone Corporation, Continental AG, Goodyear Tyre & Rubber Company, Michelin, and Pirelli & C. S.p.A. The domestic tyre industry is characterized by major players such as Apollo Tyres, Balakrishna Industries, Bridgestone, CEAT Limited, JK Tyres & Industies Limited, MRF Limited, TVS Srichakra. These companies account for over 80% of the tyre market in terms of revenue. (*Source: CRISIL Report*)

While favourable macro-economic conditions tend to result into higher demand for automotive vehicles, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply to, or any improvement/deterioration in the automotive market, or a change in regulations, including customs duty, rate of taxes or any other trade barriers or restrictions could affect our operations and financial condition. According to us, the following factors in particular will have a direct impact on our revenue:

- Macroeconomic scenario: The performance of the Indian 2W automotive sector is dependent on numerous social and economic factors, including demographic trends and preferences, employment and income levels, affordability of 2W vehicle customers, changes in government policies, economic conditions, availability of finance and interest rates;
- Investment in infrastructure: Rural infrastructure also has a pronounced impact on rural incomes and, in turn, two-wheeler sales. Firstly, by generating employment in the rural economy during the construction of roads, thereby acting as a wage and income multiplier, secondly, by enabling mobility and accessibility;
- Finance availability: Stringent credit norms and credit information through the CIBIL have helped players widen their customer base. Moreover, the entry of NBFCs targeting markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros have raised competition in the industry;
- Women participation: More women in the workforce (a sharp rise in the past decade) has increased the overall household income, boosting two-wheeler sales; and
- Increasing rural penetration and multiple ownership to aid growth in the long run: On the rural front, rising penetration due to deeper distribution network and improving incomes on the back of three of five normal monsoon, is expected to support two-wheeler demand in the long run. In the urban areas, demand is expected to be aided from multiple ownership and increase in demand from Tier 2 cities. (*Source: CRISIL Report*)

For further details on the economic conditions and key trends in the automotive sector, see "***Industry Overview***" on page 110. For details, see "***Risk Factors - We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers and our market share, which could have an adverse effect on our business, results of operations, financial condition and future prospects.***" on page 54.

NON-GAAP FINANCIAL MEASURES

Certain non-GAAP Measures and certain other statistical information relating to our operations and financial performance including EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, debt-equity, fixed asset turnover, inventory days (including finished goods inventory and raw material inventory), receivable days and payable days, have been included in this Placement Document. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "***Financial Information***" starting on page 238.

Particulars	As of and for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations (in ₹ crores)	7,615.61	14,644.94	11,982.96	9,102.20
Total income (in ₹ crores)	7,631.73	14,681.46	12,019.52	9,145.27
EBITDA (in ₹ crores)*(1)*	1,062.38	1,334.33	1,109.86	1,349.41
EBITDA margin (in %)*(1)(11)*	13.92	9.09	9.23	14.76
PAT (in ₹ crores)*(2)*	407.21	263.05	201.24	330.93
PAT margin (in %)*(2)(11)*	5.34	1.79	1.67	3.62
ROE (in %)*(3)(11)*	11.05	8.17	7.03	12.72
ROCE (in %)*(4)(11)*	10.29	11.16	9.21	12.54
Debt-Equity (in times) *(5)(11)*	1.12	1.37	1.74	1.68
Fixed Asset turnover (in times) *(6)*	1.23	2.36	1.93	1.51
Inventory days (in days):				
- Raw material Inventory (in days) *(7)*	30	33	41	45
- Finished Goods Inventory (in days)*(8)*	28	31	31	36
Receivable days (in days)*(9)*	59	53	54	69
Payable days (in days)*(10)*	76	74	78	104

(1) *EBITDA is calculated as profit before exceptional items, tax and share of profit/(loss) of associate plus depreciation and amortization expense and finance costs for the year/period, while EBITDA margin is the percentage of EBITDA divided by total income for the year / period.*

(2) *PAT means profit / (loss) for the year/period including share in profit / (loss) of associates. PAT margin is a percentage of Profit for the year/period divided by total Income for the year / period.*

(3) *Return on Equity is calculated as Profit for the year/period divided by average Equity which includes non-controlling interest.*

(4) *Return on Capital Employed is calculated as earnings before interest and taxes expenses (EBIT) for the year/period divided by average capital employed. EBIT is calculated as EBITDA for the year/period less depreciation for the year/period and capital employed is sum of equity, total borrowings and deferred tax liabilities adjusted by capital work in progress and capital advances.*

(5) *Debt to equity is calculated as total debt divided by total equity which includes non-controlling interest. Total debt is sum total of current borrowing and non-current borrowings.*

(6) *Fixed Asset Turnover Ratio is calculated as revenue from operations for the year/period divided by property, plant and equipment.*

(7) *Raw Material Inventory days is calculated as average of opening and closing raw material inventory for the year/ period divided by Costs of Materials consumed per day.*

(8) *Finished Goods Inventory days is calculated as average of opening and closing finished and stock in trade inventory for the year/ period divided by sale of product per day.*

(9) *Receivable days is calculated as Average of opening and closing balance of Receivable for the year/ period divided by revenue from operations per day.*

(10) *Payable days is calculated as average of opening and closing trade payable for the year/ period divided by total purchase per day.*

(11) *Financial information for the six months ended September 30, 2023 is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Document.*

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Our total income consists of revenue from operations and other income. The following table sets out our revenue from operations and other income.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations (A) (in ₹ crores)	14,644.94	11,982.96	9,102.20
- Sale of products (in ₹ crores)	14,465.89	11,809.88	9,001.41
Percentage of revenue from operations (%)	98.78	98.55	98.89
- Sale of services (in ₹ crores)	54.14	43.02	41.64
Percentage of revenue from operations (%)	0.37	0.36	0.46
- Other operating revenues* (in ₹ crores)	124.91	130.06	59.15

Percentage of revenue from operations (%)	0.85	1.09	0.65
Other income (B) (in ₹ crores)	36.52	36.56	43.07
TOTAL INCOME (A+B) (in ₹ crores)	14,681.46	12,019.52	9,145.27

* *Includes government incentives of ₹ 59.46 crores, ₹ 90.01 crores and ₹ 28.74 crores in Fiscals 2023, 2022 and 2021, respectively.*

Revenue from operations

Revenue from operations comprises; (i) sale of products, (ii) sale of services and (iii) Other operating revenues.

Revenue from sale of products comprises revenues from the sale of our full-range tyre products that includes tyres for use in trucks and buses, LCV, SCV, passenger vehicles, agricultural and farm vehicles, industrial and defence vehicles and off-road vehicles.

Sale of services mainly comprises revenues from renting of tyres.

Other operating revenues primarily comprises: (i) process and general scrap sales, and, (ii) government incentives like export incentives and state-based incentives.

Other Income

Other income comprises (i) income from financial assets valued at: (a) amortized cost; and (b) FVTPL, (ii) other interest income, (iii) dividend income, (iv) fair value changes in investments valued at FVTPL, (v) profit on sale of fixed assets (Net), (vi) Rent Income, and (vii) other non-operating income (consisting of duty refunds & sharing of expenses).

Expenses

Our total expenses consist of: (i) cost of materials consumed, (ii) purchases of stock-in-trade, (iii) change in inventories of finished goods, work-in-progress and stock-in-trade, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortization expense, and (vii) other expenses.

The following table sets forth our expenditure as a percentage of our total revenue from operations for the periods indicated:

(in ₹ crores, unless otherwise specified)

Particulars	As of and for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of materials consumed	4,371.28	9,600.31	8,169.60	5,246.89
Percentage of revenue from operations (%)	57.40	65.55	68.18	57.64
Purchases of stock-in-trade	83.43	471.45	220.64	117.96
Percentage of revenue from operations (%)	1.10	3.22	1.84	1.30
(Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	212.88	(60.82)	(350.95)	103.85
Percentage of revenue from operations (%)	2.80	(0.42)	(2.93)	1.14
Employee benefit expenses	708.40	1,218.02	1,065.35	922.74
Percentage of revenue from operations (%)	9.30	8.32	8.89	10.14
Finance Cost	231.46	454.50	419.09	465.85
Percentage of revenue from operations (%)	3.04	3.10	3.50	5.12
Depreciation and Amortization Expense	213.85	407.06	385.36	386.69
Percentage of revenue from operations (%)	2.81	2.78	3.22	4.25
Other expenses	1,193.36	2,118.17	1,805.02	1,404.42

Particulars	As of and for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Percentage of revenue from operations (%)	15.67	14.46	15.06	15.43
Total expenses	7,014.66	14,208.69	11,714.11	8,648.40

Cost of material consumed

Cost of material consumed consists of costs of natural rubber, synthetic rubber, tyre cord fabric, carbon black, steel cord and certain chemicals, which are the primary raw materials we use to manufacture our range of tyre products.

Purchases of stock-in-trade

Purchases of stock-in-trade relates to costs incurred for Purchase of traded goods like tyre, tube, flaps and sensors.

Changes in inventories of finished goods, work-in-progress, and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade comprise net increase or decrease in inventory levels during the relevant financial period, stock in trade, spares and finished goods.

Employee benefits expenses

Employee benefits expenses consist of (i) salaries and wages, (ii) contribution to provident and other funds, and (iii) employees' welfare and other benefits.

Finance costs

Finance costs comprise: (i) interest on borrowings and others (including amortizations), (ii) interest on lease liabilities; and (iii) other borrowing costs (including processing/ upfront fees on borrowings).

Depreciation and amortization expenses

Depreciation and amortization expenses consist of depreciation on plant, property and equipment, amortization of intangible assets, depreciation on right of use assets (such as buildings and Plant & Equipment's taken on lease).

Other expenses

Other expenses primarily consist of consumption of stores and spares, power and fuel, freight and transportation, advertisement and sales promotion, conversion charges and miscellaneous expenses (such as tyre servicing & retreading charges, legal & professional charges, repair & maintenance expenses, insurance, lease rent, loss on sale of fixed assets (net), allowance for doubtful debts / advances, corporate social responsibility expenses).

OUR RESULTS OF OPERATIONS

The following table sets out select financial information derived from our statement of profit and loss for the Fiscals 2023, 2022 and 2021 and six months ended September 30, 2023, the components of which are also expressed as a percentage of total income for such periods:

Particulars	As of and for the six months ended September 30, 2023		Fiscal					
			2023		2022		2021	
	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)
Income								
Revenue from operations	7,615.61	99.79	14,644.94	99.75	11,982.96	99.70	9,102.20	99.53
Other income	16.12	0.21	36.52	0.25	36.56	0.30	43.07	0.47
Total Income	**7,631.73**	**100.00**	**14,681.46**	**100.00**	**12,019.52**	**100.00**	**9,145.27**	**100.00**

Particulars	As of and for the six months ended September 30, 2023		Fiscal					
			2023		2022		2021	
	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)
Expenses								
Cost of Materials Consumed	4,371.28	57.28	9,600.31	65.39	8,169.60	67.97	5,246.89	57.37
Purchases of Stock-in-Trade	83.43	1.09	471.45	3.21	220.64	1.84	117.96	1.29
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	212.88	2.79	(60.82)	(0.41)	(350.95)	(2.92)	103.85	1.14
Employee benefits expense	708.40	9.28	1,218.02	8.30	1,065.35	8.86	922.74	10.09
Finance costs	231.46	3.03	454.50	3.10	419.09	3.49	465.85	5.09
Depreciation and amortization expense	213.85	2.80	407.06	2.77	385.36	3.21	386.69	4.23
Other Expenses	1,193.36	15.64	2,118.17	14.43	1,805.02	15.02	1,404.42	15.36
Total expenses	**7,014.66**	**91.91**	**14,208.69**	**96.78**	**11,714.11**	**97.46**	**8,648.40**	**94.57**
Profit before Interest, Depreciation & Tax (PBIDT)	**1,062.38**	**13.92**	**1,334.33**	**9.09**	**1,109.86**	**9.23**	**1,349.41**	**14.76**
Profit/(Loss) before exceptional items and tax	**617.07**	**8.09**	**472.77**	**3.22**	**305.41**	**2.54**	**496.87**	**5.43**
Exceptional items	1.50	0.02	(61.52)	(0.42)	3.60	0.03	37.48	0.41
Profit/(Loss) before tax	**618.57**	**8.11**	**411.25**	**2.80**	**309.01**	**2.57**	**534.35**	**5.84**
Tax expense								
Current tax	177.33	2.32	159.82	1.09	160.21	1.33	140.06	1.53
Deferred tax	31.65	0.41	(13.31)	(0.09)	(51.50)	(0.43)	60.85	0.67
Profit/(Loss) for the year/ period after tax	**409.59**	**5.37**	**264.74**	**1.80**	**200.30**	**1.67**	**333.44**	**3.65**
Share in Profit/(Loss) of Associates	(2.38)	(0.03)	(1.69)	**(0.01)**	0.94	0.01	(2.51)	(0.03)
Profit /(Loss) for the year/ period	**407.21**	**5.34**	**263.05**	**1.79**	**201.24**	**1.67**	**330.93**	**3.62**
Profit/(loss) for the year/ period attributable to:								
Owners of the Parent	395.98	5.19	262.48	1.79	210.02	1.75	319.34	3.49
Non-controlling Interest	11.23	0.15	0.57	0.00	(8.78)	(0.07)	11.59	0.13
Other comprehensive income								
(A) Item that will not be reclassified to profit or loss								
- Remeasurement losses on the defined benefit plan	(8.41)	(0.11)	3.52	0.02	(6.23)	(0.05)	(6.07)	(0.07)
- Share of Other Comprehensive Income in Associates	(0.01)	0.00	(0.01)	0.00	0.00	0.00	(0.02)	0.00
- Income Tax Relating to Items that will not be reclassified to Profit or Loss	2.91	0.04	(0.27)	0.00	2.33	0.02	2.07	0.02
(B) Item that will be reclassified to profit or loss								
- Exchange differences on translating the financial statements of foreign operations	24.46	0.32	86.15	0.59	18.27	0.15	39.66	0.43
Total other comprehensive income/(loss)	**18.95**	**0.25**	**89.39**	**0.61**	**14.37**	**0.12**	**35.64**	**0.39**
Total comprehensive income/(loss) for the year/ period	**426.16**	**5.58**	**352.44**	**2.40**	**215.61**	**1.79**	**366.57**	**4.01**
Other Comprehensive Income for the year attributable to:								

Particulars	As of and for the six months ended September 30, 2023		Fiscal					
			2023		2022		2021	
	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)	(in ₹ crores)	(% of Total Income)
Owners of the Parent	18.98	0.25	89.40	0.61	14.36	0.12	35.65	0.39
Non-controlling Interest	(0.03)	0.00	(0.01)	0.00	0.01	0.00	(0.01)	0.00
Total Comprehensive Income for the year attributable to:								
Owners of the Parent	414.96	5.44	351.88	2.40	224.38	1.87	354.99	3.88
Non-controlling Interest	11.20	0.15	0.56	0.00	(8.77)	(0.07)	11.58	0.13
Earnings per equity share of ₹ 2 each								
Basic (₹)	15.26	0.20	10.64	0.07	8.53	0.07	12.97	0.14
Diluted (₹)	15.21	-	10.64	-	8.53	-	12.97	-

Six months ended September 30, 2023

Total income

Our total income was ₹ 7,631.73 crore in the six months ended September 30, 2023.

Revenue from operations: Our total revenue from operations was ₹ 7,615.61 crore in the six months ended September 30, 2023.

Other Income: Our other income was ₹ 16.12 crore in the six months ended September 30, 2023.

Expenditure

Total expenses were ₹ 7,014.66 crore in the six months ended September 30, 2023.

Cost of material consumed: Cost of material consumed was ₹ 4,371.28 crore in the six months ended September 30, 2023.

Purchase of stock-in-trade: Purchase of stock-in-trade was ₹ 83.43 crore in the six months ended September 30, 2023.

Changes in inventories of finished goods, stock-in-trade and work-in-progress: Decrease in inventories of finished goods, stock-in-trade and work-in-progress was ₹ 212.88 crore in the six months ended September 30, 2023.

Employee benefits expense: Employee benefit expense was ₹ 708.40 crore in the six months ended September 30, 2023.

Finance cost: Finance cost was ₹ 231.46 crore in the six months ended September 30, 2023.

Depreciation and amortisation expenses: Our depreciation and amortisation expense was ₹ 213.85 crore in the six months ended September 30, 2023.

Other expenses: Other expenses were ₹ 1193.36 crore in the six months ended September 30, 2023.

Exceptional item(s)

Our exceptional income was ₹ 1.50 crore in the six months ended September 30, 2023.

Profit before tax

Our profit before tax was ₹ 618.57 crore in the six months ended September 30, 2023.

Tax expense

Our current tax expense was ₹ 177.33 crore and deferred tax expense was ₹ 31.65 crore in the six months ended September 30, 2023.

Profit after tax for the period

For the various reasons discussed above, we recorded a profit of ₹ 409.59 crore in the six months ended September 30, 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total income increased by 22.15% to ₹ 14,681.46 crore for the Fiscal 2023 from ₹ 12,019.52 crore for the Fiscal 2022, primarily due to increase in our revenue from operations.

Revenue from Operations: Revenue from operations increased by ₹ 2,661.98 crore or 22.21% to ₹ 14,644.94 crore for the Fiscal 2023 from ₹ 11,982.96 crore for the Fiscal 2022, primarily due to an increase in revenue generated from sale of our products to ₹ 14,465.89 crore for the Fiscal 2023 from ₹ 11,809.88 crore for the Fiscal 2022 due to higher sales volume of our tyres, higher net sales realisation and impact of currency conversion. This was supplemented by an increase in revenue generated from sale of services by ₹ 11.12 crore or 25.85% to ₹ 54.14 crore for the Fiscal 2023 from ₹ 43.02 crore for the Fiscal 2022, on account of increase in our income from tyre rental services. Further, this was offset by a decrease in our other operating income by ₹ 5.15 crore or 3.96% to ₹ 124.91 crore for the Fiscal 2023 from ₹ 130.06 crore for the Fiscal 2022, due to the additional credit of government incentive income in Fiscal 2022.

Other Income: Other income decreased by 0.11% to ₹ 36.52 crore for the Fiscal 2023 from ₹ 36.56 crore for the Fiscal 2022, primarily due to a decrease in interest income.

Expenses

Our total expenses increased by ₹ 2,494.58 crore or 21.30% to ₹ 14,208.69 crore for the Fiscal 2023 from ₹ 11,714.11 crore for the Fiscal 2022, primarily due to increase in purchase of stock-in-trade, and was supplemented by an increase in cost of material consumed, changes in inventories of finished goods, work in progress and stock in trade, employee benefit expenses, finance cost, depreciation and amortization expense and other expenses.

Purchase of stock-in-trade: Purchase of stock-in-trade increased by ₹ 250.81 crore or 113.67% to ₹ 471.45 crore for the Fiscal 2023 from ₹ 220.64 crore for the Fiscal 2022, primarily due to increase in purchase on tyres to cater to the higher demand.

Cost of material consumed: Cost of material consumed increased by ₹ 1,430.71 crore or 17.51% to ₹ 9,600.31 crore for the Fiscal 2023 from ₹ 8,169.60 crore for the Fiscal 2022, primarily due to higher production of tyres in Fiscal 2023 and increase in prices of raw materials coupled with impact of currency conversion.

Changes in inventories of finished goods, work in progress and stock in trade: Increase in inventories of finished goods, work in progress and stock in trade was ₹ 60.82 crore during Fiscal 2023 primarily due to increase in production in Fiscal 2023.

Employee benefit expenses: Employee benefit expenses increased by ₹ 152.67 crore or 14.33% to ₹ 1,218.02 crore for the Fiscal 2023 from ₹ 1,065.35 crore for the Fiscal 2022, primarily due to an increase in salaries and wages to employees to ₹ 909.14 crore for the Fiscal 2023 from ₹ 797.66 crore for the Fiscal 2022, increase in contribution to provident fund and other funds to ₹ 107.95 crore for the Fiscal 2023 from ₹ 61.64 crore for the Fiscal 2022 on account of annual increments and increase in production volume.. This was offset by a decrease in payment towards employees' welfare and other benefits to ₹ 200.93 crore for the Fiscal 2023 from ₹ 206.05 crore for the Fiscal 2022

Finance cost: Finance cost increased by ₹ 35.41 crore or 8.45% to ₹ 454.50 crore for the Fiscal 2023 from ₹ 419.09 crore for the Fiscal 2022. This increase in finance cost is primarily due to increase in interest on borrowings.

Depreciation and amortisation expense: Our depreciation and amortisation expense increased by ₹ 21.70 crore or 5.63% to ₹ 407.06 crore for the Fiscal 2023 from ₹ 385.36 crore for the Fiscal 2022. The increase reflects the amortized value of assets for the period.

Other Expenses: Other expenses increased by ₹ 313.15 crore or 17.35% to ₹ 2,118.17 crore for the Fiscal 2023 from ₹ 1,805.02 crore for the Fiscal 2022 primarily due to (i) increase in power and fuel expenses to ₹ 575.52 crore for the Fiscal 2023 from ₹ 493.97 crore for the Fiscal 2022 due to an increase in production volume; (ii) increase in consumption of store and spares to ₹ 169.87 crore for the Fiscal 2023 from ₹ 149.47 crore for the Fiscal 2022 due to an increase in production volume; (iii) increase in freight and transportation to ₹ 560.61 crore for the Fiscal 2023 from ₹ 482.33 crore for the Fiscal 2022 due to higher sales; (iv) increase in conversion charges to ₹ 68.97 crore for the Fiscal 2023 from ₹ 56.98 crore for the Fiscal 2022 due to higher procurement of converted tubes which was required to support increase in production; and (v) balance increase in other expenses primarily due to higher expenses in favor of the rubber board and expenses towards R&D and other factors such as higher travelling expenses. However, such increase in expenses were offset by a decrease in expenses towards advertisement and sales promotion to ₹ 130.64 crore in Fiscal 2023 from ₹ 132.89 crore in Fiscal 2022.

Exceptional item(s)

Exceptional expenses increased by ₹ 65.12 crore to ₹ 61.52 crore in Fiscal 2023 from a credit of ₹ 3.60 crore in Fiscal 2022 primarily due to a net impact of unfavorable foreign exchange fluctuation and expenditure on voluntary retirement of employees.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 411.25 crore in Fiscal 2023 compared to ₹ 309.01 crore in Fiscal 2022.

Tax Expense

Current tax expenses decreased to ₹ 159.82 crore in Fiscal 2023 from ₹ 160.21 crore in Fiscal 2022 and deferred tax charge decreased to a credit of ₹ 13.31 crore in Fiscal 2023 from a credit of ₹ 51.50 crore in Fiscal 2022.

Profit after tax for the Year

We recorded a profit for the year of ₹ 264.74 crore in Fiscal 2023 compared to ₹ 200.30 crore in Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Total Income

Our total income increased by ₹ 2,874.25 crore or 31.43% to ₹ 12,019.52 crore for the Fiscal 2022 from ₹ 9,145.27 crore for the Fiscal 2021, primarily due to increase in our revenue from operations.

Revenue from Operations: Revenue from operations increased by ₹ 2880.76 crore or 31.65% to ₹ 11,982.96 crore for the Fiscal 2022 from ₹ 9,102.20 crore for the Fiscal 2021, primarily due to an increase in revenue generated from sale of our products to ₹ 11,809.88 crore for the Fiscal 2022 from ₹ 9,001.41 crore for the Fiscal 2021 due to higher sales volume of our tyres, higher net sales realization and impact of currency conversion and increase in our other operating income to ₹ 130.06 crore for the Fiscal 2022 from ₹ 59.15 crore for the Fiscal 2021, due to higher government incentive income in Fiscal 2022. This was supplemented by an increase in revenue generated from sale of our services to ₹ 43.02 crore for the Fiscal 2022 from ₹ 41.64 crore for the Fiscal 2021, on account of increase in our income from tyre rental services.

Other Income: Other income decreased by ₹ 6.51 crore or 15.11% to ₹ 36.56 crore for the Fiscal 2022 from ₹ 43.07 crore for the Fiscal 2021, primarily due to a decrease in interest income and lower income on investments.

Expenses

Our total expenses increased by ₹ 3,065.71 crore or 35.45% to ₹ 11,714.11 crore for the Fiscal 2022 from ₹ 8,648.40 crore for the Fiscal 2021, primarily due to increase in purchase of stock-in-trade, and was supplemented by an increase in cost of material consumed, changes in inventories of finished goods, work in progress and stock in trade, employee benefit expenses, finance cost, depreciation and amortization expense and other expenses.

Purchase of stock-in-trade: Purchase of stock-in-trade increased by ₹ 102.68 crore or 87.05% to ₹ 220.64 crore for the Fiscal 2022 from ₹ 117.96 crore for the Fiscal 2021, primarily due to increase in purchase on tyres to cater to the higher demand.

Cost of material consumed: Cost of material consumed increased by ₹ 2,922.71 crore or 55.70% to ₹ 8,169.60 crore for the Fiscal 2022 from ₹ 5,246.89 crore for the Fiscal 2021, primarily due to higher production of tyres in Fiscal 2022 and increase in prices of raw materials.

Changes in inventories of finished goods, work in progress and stock in trade: Increase in inventories of finished goods, work in progress and stock in trade was ₹ 350.95 crore during Fiscal 2022 primarily due to increase in production in Fiscal 2022.

Employee benefit expenses: Employee benefit expenses increased by ₹ 142.61 crore or 15.46% to ₹ 1,065.35 crore for the Fiscal 2022 from ₹ 922.74 crore for the Fiscal 2021, primarily due to an increase in salaries and wages to employees to ₹ 797.66 crore for the Fiscal 2022 from ₹ 685.75 crore for the Fiscal 2021 and increase in payment towards employees' welfare and other benefits to ₹ 206.05 crore for the Fiscal 2022 from ₹ 173.21 crore for the Fiscal 2021 on account of annual increments and increase in production volume. This was offset by a decrease in contribution to provident fund and other funds to ₹ 61.64 crore for the Fiscal 2022 from ₹ 63.78 crore for the Fiscal 2021.

Finance cost: Finance cost decreased by ₹ 46.76 crore or 10.04% to ₹ 419.09 crore for the Fiscal 2022 from ₹ 465.85 crore for the Fiscal 2021. This decrease in finance cost is primarily due to decrease in interest on borrowings further to lower utilization of funding facilities.

Depreciation and amortization expenses: Our depreciation and amortization expense decreased to ₹ 385.36 crore for the Fiscal 2022 from ₹ 386.69 crore for the Fiscal 2021. The decrease reflects the depreciated value of assets for the period.

Other Expenses: Other expenses increased by ₹ 400.60 crore or 28.52% to ₹ 1,805.02 crore for the Fiscal 2022 from ₹ 1,404.42 crore for the Fiscal 2021 primarily due to (i) increase in expenses towards advertisement and sales promotion to ₹ 132.89 crore in Fiscal 2022 from ₹ 79.66 crore in Fiscal 2021 due to increase in marketing activities post recovery of market conditions from COVID-19 in Fiscal 2021; (ii) increase in power and fuel expenses to ₹ 493.97 crore for the Fiscal 2022 from ₹ 355.48 crore for the Fiscal 2021 due to an increase in production volume; (iii) increase in consumption of store and spares to ₹ 149.47 crore for the Fiscal 2022 from ₹ 107.86 crore for the Fiscal 2021 due to an increase in production volume; (iv) increase in freight and transportation to ₹ 482.33 crore for the Fiscal 2022 from ₹ 369.78 crore for the Fiscal 2021 due to higher sales; (v) increase in conversion charges to ₹ 56.98 crore for the Fiscal 2022 from ₹ 51.68 crore for the Fiscal 2021 due to higher conversion activities; and (vi) balance increase in other expenses primarily due to higher commission on sales because of increase in sales and other factors such as higher insurance, travelling and CSR expenses.

Exceptional item(s)

Exceptional income decreased by ₹ 33.88 crore or 90.39% to a credit of ₹ 3.60 crore in Fiscal 2022 from a credit of ₹ 37.48 crore in Fiscal 2021 primarily due to increase in expenditure on voluntary retirement of employees and due to lower impact of favorable foreign exchange fluctuation in Fiscal 2022.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 309.01 crore in Fiscal 2022 compared to ₹ 534.35 crore in Fiscal 2021.

Tax Expense

Current tax expenses increased to ₹ 160.21 crore in Fiscal 2022 from ₹ 140.06 crore in Fiscal 2021 and deferred tax expense decreased to a credit of ₹ 51.50 crore in Fiscal 2022 from expense of ₹ 60.85 crore in Fiscal 2021.

Profit after tax for the Year

We recorded a profit for the year of ₹ 200.30 crore in Fiscal 2022 compared to ₹ 333.44 crore in Fiscal 2021.

CASH FLOWS

The following table sets forth certain information relating to our cash flows for the six months ended September 30, 2023 and in Fiscal 2023, Fiscal 2022 and Fiscal 2021:

Particulars	Six months ended September 30, 2023	Fiscal 2023 (in ₹ crores)	2022 (in ₹ crores)	2021 (in ₹ crores)
Net cash flow from/(used in) operating activities	1,064.47	1,224.19	346.05	1,598.44
Net cash flow from/ (used in) investing activities	(338.91)	(400.46)	(245.28)	(137.92)
Net cash flow from/ (used in) financing activities	(751.42)	(747.33)	(96.19)	(1,440.76)
Net increase/(decrease) in cash and cash equivalents	(25.86)	76.40	4.58	19.76

Operating Activities

Six Months ended September 30, 2023

In the six months ended September 30, 2023, net cash generated from operating activities was ₹ 1,064.47 crore. profit before tax was ₹ 618.57 crore and adjustments primarily consisted of depreciation and amortization expense of ₹ 213.85 crore; finance cost of ₹ 231.46 crore; loss on sale of property, plant & equipment of ₹ 12.34 crore; fair value changes in non-current investments of ₹ 2.04 crore; unrealized foreign exchange fluctuation of ₹ 23.73 crore; foreign currency translation gain / loss on consolidation of ₹ 1.74 crore; interest/ dividend received of ₹ 11.80 crore; allowance for doubtful debts / advances and bad debts written off of ₹ 10.00 crore; operating profit before working capital changes of ₹ 1,046.91crore; increase in trade and other receivables of ₹ 325.88; decrease in inventories of ₹ 105.37; increase in trade and other payables of ₹ 360.05 crore; cash generated from operations of ₹ 1,186.45 crore; and direct taxes paid (net) of ₹ 121.98 crore.

Fiscal 2023

In Fiscal 2023, net cash generated from operating activities was ₹ 1,224.19 crore. Profit before tax was ₹ 411.25 crore and adjustments primarily consisted of depreciation and amortization expense of ₹ 407.06 crore; finance costs of ₹ 454.50 crore; profit on sale of property, plant and equipment of ₹ 6.31 crore; fair value changes in non-current investment of ₹ 3.09 crore; unrealized foreign exchange fluctuation of ₹ 62.39 crore; foreign currency translation gain on consolidation of ₹ 4.98 crore; interest / dividend received of ₹ 22.25 crore; allowance for doubtful debts / advances and bad debts written off of ₹ 7.50 crore; operating profit before working capital changes of ₹ 1,316.03 crore; increase in trade and other receivables of ₹ 53.94 crore; decrease in inventories of ₹ 322.02 crore; decrease in trade and other payables of ₹ 223.13 crore; cash generated from operations of ₹ 1,360.98 crore; and direct taxes paid (net) of ₹ 136.79.

Fiscal 2022

In Fiscal 2022, net cash generated from operating activities was ₹ 346.05 crore. Profit before tax was ₹ 309.01 crore and adjustments primarily consisted of depreciation and amortization expense of ₹ 385.36 crore; finance costs of ₹ 419.09 crore; loss on sale of property, plant and equipment of ₹ 0.06 crore; fair value changes in non-current investments of ₹ 2.64 crore; unrealized foreign exchange fluctuation of ₹ 20.13 crore; foreign currency translation loss on consolidation of ₹ 4.69 crore; interest / dividend received of ₹ 27.92 crore; allowance for doubtful debts / advances and bad debts written off of ₹ 8.00 crore; operating profit before working capital changes of ₹ 1,066.14 crore; increase in trade and other receivables of ₹ 553.20 crore; increase in inventories of ₹ 627.82 crore; increase in trade and other payables of ₹ 530.76 crore; cash generated from operations of ₹ 415.88 crore; and direct taxes paid (net) of ₹ 69.83.

Fiscal 2021

In Fiscal 2021, net cash generated from operating activities was ₹ 1,598.44 crore. Profit before tax was ₹ 534.35 crore and adjustments consisted of depreciation and amortization expense of ₹ 386.69 crore; finance costs of ₹ 465.85 crore; profit on sale of property, plant and equipment of ₹ 0.82 crore; fair value changes in non-current investments of ₹ 3.70 crore; unrealized foreign exchange fluctuation of ₹ 117.79 crore; foreign currency translation gain on consolidation of ₹ 2.52 crore; interest / dividend received of ₹ 34.01 crore; allowance for doubtful debts / advances and bad debts written off of ₹ 2.50 crore; operating profit before working capital changes of ₹ 1,235.59 crore; decrease in trade and other receivables of ₹ 398.10 crore; increase in inventories of ₹ 150.66 crore; increase in trade and other payables of ₹ 204.34 crore; cash generated from operations of ₹ 1,687.37 crore; and direct taxes paid (net) of ₹ 88.93.

Investing Activities

Six Months ended September 30, 2023

Net cash used in investing activities was ₹ 338.91 crore in six months ended September 30, 2023, primarily on account of, purchase of property, plant and equipment of ₹ 366.25 crore; sale of property, plant and equipment of ₹ 12.04; Deposit accounts with banks of ₹ 11.49 crore; interest received of ₹ 3.52 crore and dividend received of ₹ 7.33 crore.

Fiscal 2023

Net cash used in investing activities was ₹ 400.46 crore in Fiscal 2023, primarily on account of purchase of property, plant and equipment of ₹ 463.18 crore; sale of property, plant and equipment of ₹ 64.66; deposit accounts with banks of ₹ 17.51 crore; interest received of ₹ 15.09 crore and dividend received of ₹ 0.48 crore.

Fiscal 2022

Net cash used in investing activities was ₹ 245.28 crore in Fiscal 2022, primarily on account of purchase of property, plant and equipment of ₹ 314.21 crore; sale of property, plant and equipment of ₹ 22.21 crore; redemption of investments of ₹ 25.00 crore; deposit accounts with banks of ₹ 5.74 crore; interest received of ₹ 26.86 crore and dividend received of ₹ 0.60 crore.

Fiscal 2021

Net cash used in investing activities was ₹ 137.92 crore in Fiscal 2021, primarily on account of purchase of property, plant and equipment of ₹ 193.09 crore; sale of property, plant and equipment of ₹ 33.37 crore; purchase of investments of ₹ 0.21 crore; deposit accounts with banks of ₹ 7.54 crore; interest received of ₹ 28.85 crore and dividend received of ₹ 0.70 crore.

Financing Activities

Six Months ended September 30, 2023

Net cash used in financing activities was ₹ 751.42 crore in six months ended September 30, 2023, primarily on account of utilization from short-term borrowings of ₹ 280.31 crore; proceeds from long-term borrowings of ₹ 115.10 crore; repayment of long-term borrowings of ₹ 288.27 crore; payment of lease liabilities of ₹ 16.81 crore; finance costs paid of ₹ 231.88 crore; and dividend paid of ₹ 49.25 crore.

Fiscal 2023

Net cash used in financing activities was ₹ 747.33 crore in Fiscal 2023, primarily on account of utilization from short-term borrowings of ₹ 120.52 crore; proceeds from long-term borrowings of ₹ 288.68 crore; repayment of long-term borrowings of ₹ 631.10 crore; Issue of compulsorily convertible debentures (net of issue expense) of ₹ 239.26 crore; payment of lease liabilities of ₹ 43.27 crore; finance costs paid of ₹ 443.45 crore; and dividend paid of ₹ 36.93 crore.

Fiscal 2022

Net cash used in financing activities was ₹ 96.19 crore in Fiscal 2022, primarily on account of proceeds from short-term borrowings of ₹ 876.64 crore; proceeds from long-term borrowings of ₹ 513.32 crore; repayment of long-term borrowing of ₹ 960.88 crore payment of lease liabilities of ₹ 50.80 crore; finance costs paid of ₹ 425.37 crore; dividend paid of ₹ 49.25 crore; and transaction with non-controlling interests of ₹ 0.15 crore.

Fiscal 2021

Net cash used in financing activities was ₹ 1,440.76 crore in Fiscal 2021, primarily on account of utilization from short-term borrowings of ₹ 817.57 crore; proceeds from long-term borrowings of ₹ 620.17 crore; repayment of long-term borrowings of ₹ 700.74 crore; payment of lease liabilities of ₹ 54.42 crore; finance costs paid of ₹ 470.96 crore; and dividend paid of ₹ 17.24 crore.

Contingent Liabilities and Commitments

As of March 31, 2023, our contingent liabilities and commitments were as follows:

(in ₹ crores)

S. No.	Particulars	As of March 31, 2023
1.	Matters in appeal for excise & customs duty	176.92
2.	Service tax	1.61
3.	Sales tax	3.46
4.	Income tax	171.58
5.	Others	100.75
	Total	454.32

For further information on our contingent liabilities, see "***Financial Information – Fiscal 2023 Audited Consolidated Financial Statement - Note 36***" on page 319.

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURE

Our capital expenditure primarily comprises expenditure incurred towards expansion and optimization of our manufacturing facilities. During the Fiscals 2023, 2022 and 2021, our capital expenditure was ₹ 440.94 crore, ₹ 343.47 crore and ₹ 198.45 crore, respectively.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "***Financial Information – Fiscal 2021 Audited Consolidated Financial Statements - Note 41 – Related Party Disclosures***", "***Financial Information – Fiscal 2022 Audited Consolidated Financial Statements - Note 46 – Related Party Disclosures***" and "***Financial Information – Fiscal 2023 Audited Consolidated Financial Statements - Note 47 – Related Party Disclosures***" on pages 260, 294 and 322.

AUDITOR'S OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited consolidated financial statements as of and for the years ended March 31, 2021, 2022 and 2023 and in their report on the unaudited consolidated financial results as of and for the six months ended September 30, 2023.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our management monitors and manages key financial risk relating to our operations by analyzing exposures by degree and magnitude of risk. The risks include market risk (including interest rate risk, currency risk and other price risk such as commodity price risk, credit risk and liquidity risk. Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policies are established to identify and analyze the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

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. have established risk management policies to limit the impact of these risks on our financial performance. We aim to ensure optimization of cash through fund planning and cash management practices.

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. The Company also uses foreign currency forward contracts/ currency swaps to hedge risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

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.

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. 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.

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.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES AND KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified in **"— *Significant Factors Affecting our Results of Operations***" on page 85 and the uncertainties described in "***Risk Factors***" beginning on page 41. To our knowledge, except as disclosed in this Placement Document, there are no known trends or uncertainties which we expect to have a material adverse effect on our income.

FUTURE RELATIONSHIP BETWEEN COST AND REVENUE

Other than as described in "***Risk Factors***", "***Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 41, 146 and 84, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and in "***Business***" on page 146, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "***Risk Factors***", "***Industry Overview***", "***Business***" and on pages 41, 110 and 146, respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEPENDENCE ON CUSTOMERS AND SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEGMENT REPORTING

The Company has reportable segments based on geographical locations, which are "India", "Mexico" and "Others". For further information, see "***Audited Consolidated Financial Information – Note 48 – Operating Segments***" on page 324.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Placement Document, there have been no significant developments after September 30, 2023 that may affect our future results of operations.

SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of the Audited Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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:

i) **Subsidiaries:** The Control in subsidiary is gained when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights, it considers all relevant facts and circumstances in assessing the control including the contractual arrangements, potential voting rights, right to direct relevant activities of entity.

Name	**Proportion of Ownership Interest**
J. K. International Ltd., U.K.	100.00%
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:

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 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 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 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 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 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 contracts with customers; (b) Identify the performance obligations under the contracts; (c) Determine the transaction price; (d) Allocate the transaction price to the performance obligations in the contracts; (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.

INDUSTRY OVERVIEW

*The information in this section is derived from the report "Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico" dated November 2023 ("**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited ("**CRISIL**"), which was commissioned and paid for by our Company in connection with the Issue. Also see, "**Presentation of Financial Information and Other Conventions**" on page 13. The recipient should not construe any of the contents in the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue.*

*For further information, see "**Risk Factors - Industry information included in this Placement Document has been derived from an industry report exclusively commissioned by and paid for by us for the purpose of the Issue**" on page 55.*

Overall Indian automotive industry

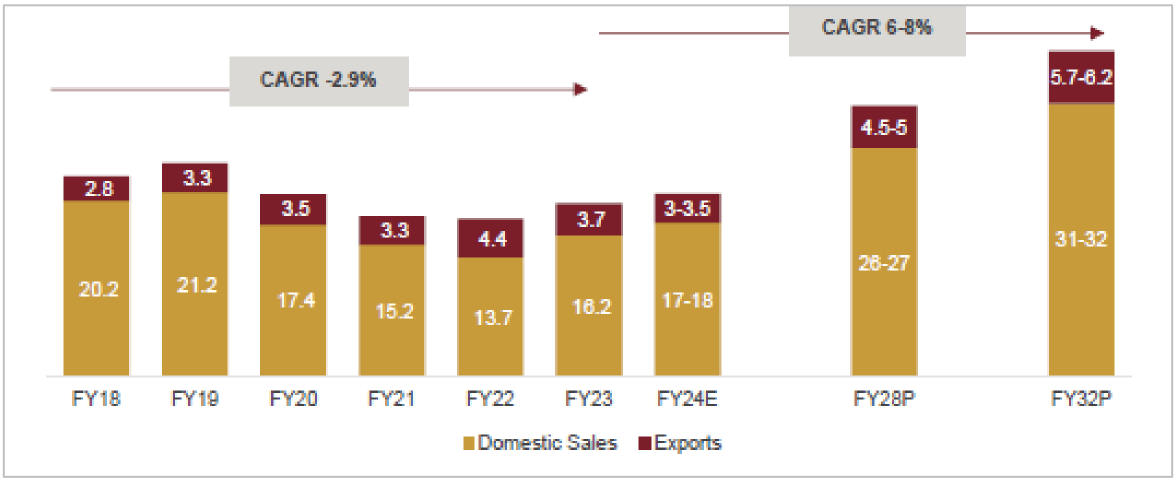
Review of and outlook on the two-wheeler industry

India is the largest motorized two-wheeler market in the world, with domestic sales of 16.2 million units in Fiscal 2023. It constitutes ~76% of the total market comprising two-wheelers, three-wheelers, passenger vehicles ("**PVs**") and commercial vehicles ("**CVs**") by volume; and ~16% in value terms (Rs. 1,056 billion). Furthermore, India is also one of the largest exporters of two-wheelers in the world.

The Indian two-wheeler production grew at a CAGR of -2.9% between Fiscals 2018 and 2023, because of lower output in Fiscal 2020, owing to the transition to BS-VI norms and the Covid-19 pandemic-triggered challenges in Fiscal 2021. However, during Fiscals 2016-19, the industry posted 9% CAGR thanks to good monsoon, favorable economic situation, and rising exports.

Two-wheeler demand in India declined at a meagre 2% CAGR between Fiscals 2016 and 2021, after seeing consecutive double-digit decline of 18% and 13% in Fiscals 2020 and 2021, respectively. However, exports clocked 5% CAGR over the same period.

Figure 1: Two-wheeler sales and exports volume (million units)



Source: SIAM, CRISIL MI&A

Key macroeconomic trends for domestic sales

- Macroeconomic scenario: The performance of the Indian 2W automotive sector is dependent on numerous social and economic factors, including demographic trends and preferences, employment and income levels, affordability of 2W vehicle customers, changes in government policies, economic conditions, availability of finance and interest rates.
- Investment in infrastructure: Rural infrastructure also has a pronounced impact on rural incomes and, in turn, two-wheeler sales. Firstly, by generating employment in the rural economy during the construction of roads, thereby acting as a wage and income multiplier, secondly, by enabling mobility and accessibility.

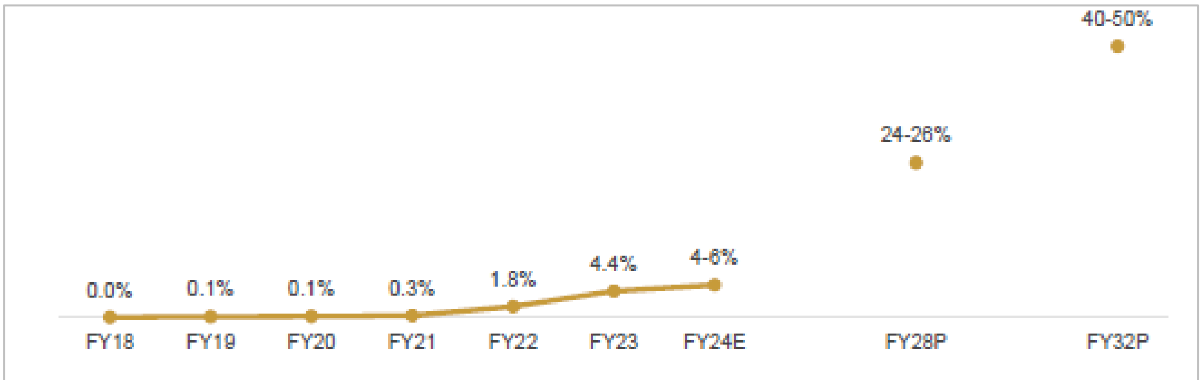
- Finance availability: Stringent credit norms and credit information through the Credit Information Bureau (India) Ltd (“**CIBIL**”) have helped players widen their customer base. Moreover, the entry of NBFCs targeting markets exited by banks, and captive NBFCs (operated by two-wheeler manufacturers) largely focusing on non-metros have raised competition in the industry.
- Women participation: More women in the workforce (a sharp rise in the past decade) has increased the overall household income, boosting two-wheeler sales.
- Increasing rural penetration and multiple ownership to aid growth in the long run: On the rural front, rising penetration due to deeper distribution network and improving incomes on the back of three of five normal monsoon, is expected to support two-wheeler demand in the long run. In the urban areas, demand is expected to be aided from multiple ownership and increase in demand from tier 2 cities.

Growth drivers for domestic sales

- The main driver is likely improvement in macroeconomic factors following subdued growth earlier this Fiscal. CRISIL MI&A expects GDP to clock 5.5-6% CAGR between Fiscals 2023 and 2028. Inflation, on the other hand, is expected to remain soft to moderate. Higher GDP growth and lower inflation would boost domestic sales, led by better affordability with a rise in disposable income.
- Higher penetration in semi-urban and rural markets will steer growth in two-wheeler sales.
- Finance penetration is likely to rise in the long term, with continued focus of banks and NBFCs on semi-rural and rural areas.
- Urban demand sentiments improved in Fiscal 2023 and the first quarter of Fiscal 2024 in line with reopening of offices and educational institutions, which boosted scooter sales. Petrol consumption improved 13% on-year in Fiscal 2023 and was 20-25% higher on-year compared with pre-pandemic levels. Consumption improved further by 7% on-year in the first quarter of Fiscal 2024.
- Rural infrastructure growth has a pronounced impact on rural incomes, in turn, boosting domestic sales. Strong investments under infrastructure schemes will further boost rural infrastructure, with a multiplier effect. Farm income is also expected to grow moderately going forward, with improvement in irrigation facilities, increase in mechanization and crop yields, and continued government support.
- The use of two-wheelers (mainly electric) in last-mile delivery by e-commerce players/food chains would also drive demand for it.

Current and estimated EV penetration in two wheelers

Outlook of Electric 2W



Source: SIAM, SMEV, VAHAN, CRISIL MI&A

In order to curb pollution levels, electric vehicles (“**EVs**”) are gaining global interest. In India as well, EVs are gaining popularity as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric (“**FAME**”) II vehicles and tax rate cuts in order to encourage EV adoption. Furthermore, growing awareness and concern for environmental issues is likely to driver electrification in India. We expect E-2W market penetration to be 4-6% by Fiscal 2024, and we expect -2Ws to start contributing meaningfully from Fiscal 2024 and reach 40-50% penetration by Fiscal 2032.

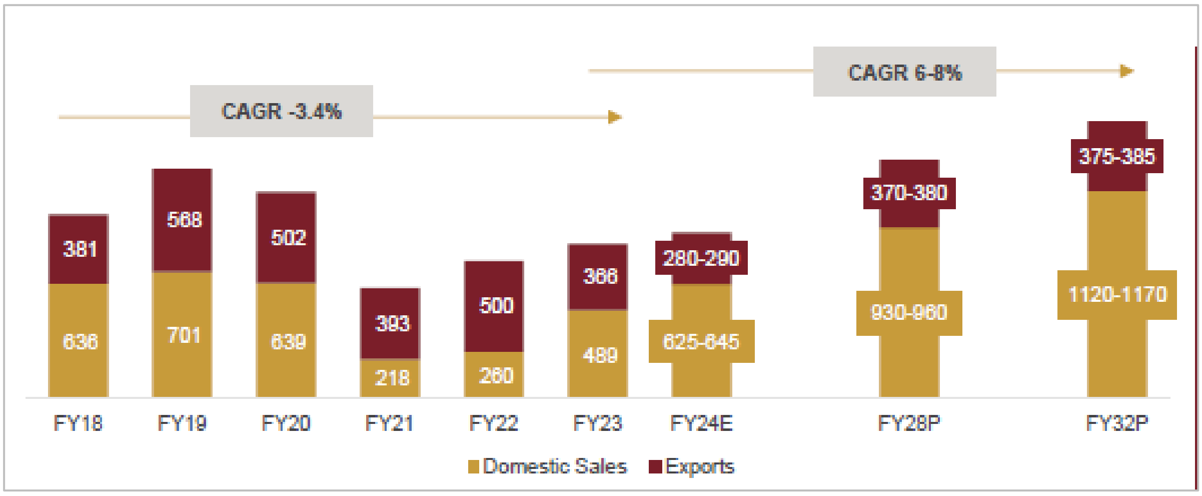
Measures enabling home charging, battery swapping, etc. will alleviate range anxiety (fear of running out of charge in the middle of the journey) which is a key concern for EV buyers due to low availability of public charging infrastructure. To address this, and to generate an ecosystem to accelerate EV sales, the Ministry of Road Transport and Highways has decided to set up new EV charging stations. The government has also come up with draft guidelines on battery swapping policy which allows interoperability of batteries which is a positive for battery swapping stations which can be set up at petrol pumps to address range anxiety for EV owners. However, availability of necessary infrastructure, especially the provision for direct current ("**DC**") fast charging in remote petrol pumps (away from cities), remains monitorable.

As per our analysis, bulk of the migration towards EVs will take place from the scooter segment. The scooter segment contributed 31% of two-wheeler sales in Fiscal 2023 and has a higher urban penetration of 65-75% compared with motorcycles, which is largely rural demand driven. EV adoption in the two-wheeler segment will be largely driven by urban scooter buyers by Fiscal 2032, because the cost of ownership in case of electric scooters will be less than that for internal combustion engine ("**ICE**") scooters. Major original equipment manufacturers ("**OEMs**") are already in the process of developing EVs in-house or acquiring stake in the existing EV start-ups to diversify their offerings.

Review of and outlook on the three-wheeler industry

India is the largest three-wheeler market in the world, with a domestic sale of 0.49 million units in Fiscal 2023. It contributed to ~2% of the total market (comprising two-wheelers, three-wheelers, PVs and EVs) by volume and ~1% by value (Rs. 98 billion).

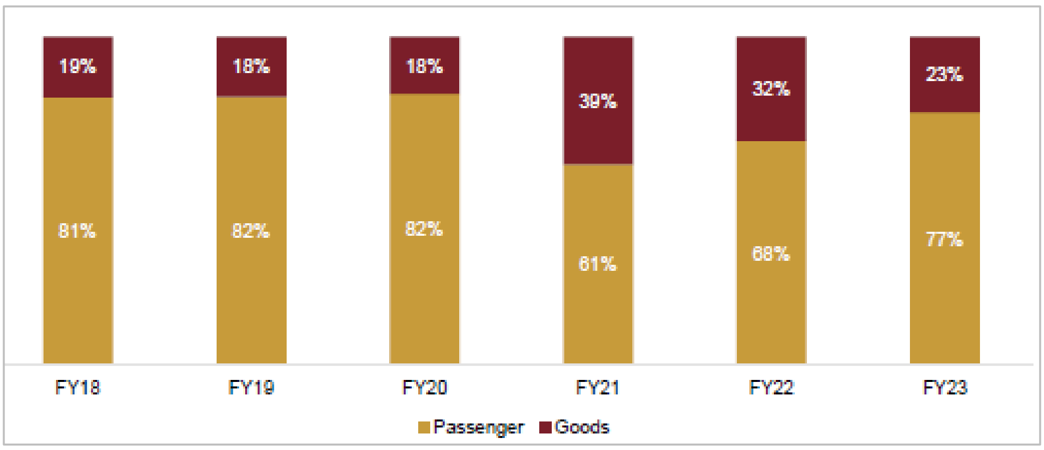
3W sales and export volume trend (thousand units)



Source: SIAM, CRISIL MI&A

Split of three-wheeler segments: Goods and Passenger

Split into 3W segments by volume



Source: SIAM, CRISIL MI&A

Key historic regulatory/ macroeconomic trends and growth drivers for domestic sales

- Stable agricultural output
- E-commerce growth
- Fillip to industrial output
- Scrappage policy
- Improvement in shared mobility and rising intra-city movement.

Current and estimated EV penetration in three wheelers

Penetration of electric three wheelers

Climate change concerns, pollution, and the surge in oil prices have driven the government take policy initiatives to move towards electric mobility. The country is now a signatory to the Paris Agreement and part of the Electric Vehicle Initiative 30@30 campaign. With this, the automotive sector, including the 3W segment, is set to receive substantial policy stimulus. E-rickshaws dominate this space. The key trends and growth drivers for electrification include changes in regulations and policies, total cost of ownership and growing awareness about environmental issues. The GoI, through various ministries, has formulated policies, such as the FAME II policy, for the development of the EV sector in India.

E-3W's use lithium-ion batteries and have a speed more than 25 kmph. They are used for cargo as well as passenger movement. Under FAME-I, lead acid battery driven e-3Ws were also eligible for the subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Higher initial cost of e-autos, lack of availability of wide range of products in the market, and poor charging infrastructure availability have posed challenges to their penetration. which stood at 6.2% as of Fiscal 2023.

Despite these challenges, lowering operating cost economics and environmental cleanliness of the vehicle have supported the shift towards e-autos. E-3W passenger vehicles, unlike ICE vehicles, do not fall into the ambit of the permit system. This has also led to a shift in customer preference towards e-3Ws. As more players launch products in this category, we expect it to drive 3W sales. Incentives declared in the FAME II and state EV policies are also anticipated to drivers.

Electric penetration reached 6.2% in Fiscal 2023 from 4.1% in Fiscal 2022 aided by various state and central EV policies. By Fiscal 2032, we expect the penetration of e-3W's to reach 40-50% from 6.2% currently.

Under FAME II, subsidy is made available to 0.5 million e-3Ws. However, under this program, at least 50% localization is required, with this limit to be increased in a phased manner. Various states have given additional subsidies to drive EV growth. Delhi's EV policy has even declared subsidy on lead acid-based battery-operated 3Ws.

Key Factors driving Electric 3W growth

- Ban on permits for diesel vehicles by a few top selling 3W states.
- Favorable cost economics, strong charging infrastructure, easy availability of finance to drive the growth of e-autos.
- E-retail is currently an important segment in e-auto sales. An improving economy amid low to moderate inflation is expected to drive consumer spends in propelling growth in the retail industry, driving sales of e-autos even further.
- Strengthening in infrastructure network (metro lines, road connectivity, etc.) and need for zero emission 3Ws for last mile connectivity.

Review of and outlook on the passenger vehicle industry

Until liberalization, there were only three major car manufacturers in India – Hindustan Motors, Premier and Maruti Udyog. However, post liberalization, Maruti and Suzuki's partnership was the country's first Indian-foreign joint venture. Also, major international corporations such as Hyundai and Honda entered the country following gradual implementation of economic reforms. From 2000 to 2010, almost every major car company had established manufacturing facilities in the country.

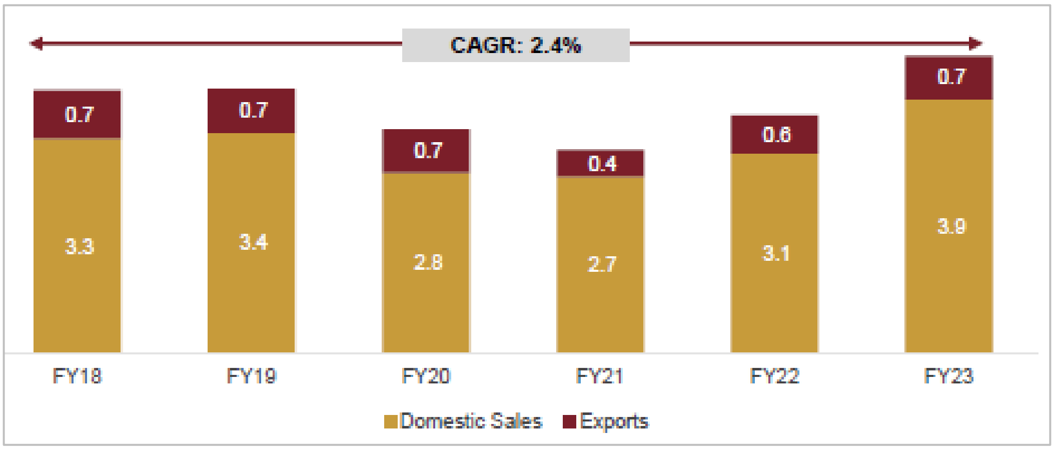
Between Fiscals 2018 and 2023, India's domestic PV sales rose at 3% CAGR. The growth was despite sales contracting at 6% CAGR during Fiscals 2018 to 2021. From the low base of Fiscal 2021, industry sales bounced back at a healthy pace to reach a historic high of 3.9 million vehicle sales in Fiscal 2023.

The previous high was in Fiscal 2019, led by continued improvement in GDP, increase in disposable incomes and new model launches, stable cost of vehicle ownership, as well as rising traction for utility vehicles ("**UVs**"). In Fiscal 2020, though, a contraction of the economy put pressure on vehicle sales. Moreover, the NBFC liquidity crisis as well as cut in BS-IV vehicle production amid mandatory implementation of BS-VI norms from Fiscal 2021 exerted added pressure during the year. The industry also lost nearly half a month's sale at year-end owing to outbreak of the pandemic and subsequent nationwide lockdown.

In Fiscal 2021, domestic sales were affected by the first wave of the pandemic. A nation-wide lockdown, reduced mobility, and supply chain constraints leading to production cuts weighed on annual sales. Despite some improvement in sales with the reopening of the economy and increased demand for personal mobility during the second half of the year, sales contracted ~2.2% on-year on an already low base of Fiscal 2020.

Fiscal 2022 began with a much severe second wave of Covid-19. State-imposed lockdowns, economic uncertainty, struggling vehicle supply and extended waiting periods impacted sales, especially in the first half the year. There was some improvement in the economic scenario and, in turn, market sentiment with the reopening of markets in the second half of the Fiscal. Pent-up vehicle demand, increased need of personal mobility and improved supply scenario provided thrust to PV sales during the second half. After a two-year consecutive drop, PV sales rose 13% on a very low base of Fiscal 2021.

Review of PV sales and export volume (in million units)



Source: SIAM, CRISIL MI&A

Split of industry sales by PV segments

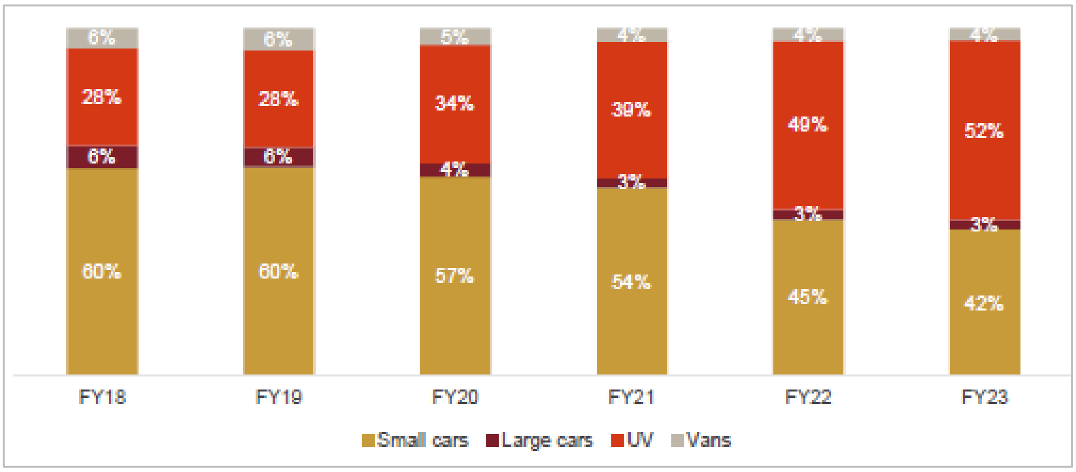
Small cars have been leading PV sales over the years. The significantly high share of small cars in total sales is primarily because of the lower ticket size of small cars, making these affordable to the average Indian customer. Moreover, it is an ideal vehicle for first-time car buyers.

But the price differential between small cars and other premium segments has narrowed over the years. The UV segment, which traditionally appealed to customers valuing larger seating capacity and the ability to drive on rough, rural roads, has also seen a major shift in customer preference with the launch of compact UVs.

Indeed, the launch of compact UVs in Fiscal 2017 with prices starting at <Rs 1 million provided a considerable thrust to the overall UV segment. With consumer preference shifting to UVs, along with high number of UV launches in recent years, the share of UVs in overall PV sales increased to 52% in Fiscal 2023 from 28% in Fiscal 2018. In fact, Fiscal 2022 was the first year in the history of the domestic PV industry wherein UV sales crossed car sales in India.

Expansion of the UV segment's share was led by OEM focus, competitively priced new vehicle launches, entry of global players in India, such as Kia and MG, with their UV portfolios, along with customer shift in preference towards the premium UV segment.

Trend in segmental share



Source: SIAM, CRISIL MI&A

On the other hand, over a high base, the share of small cars has been contracting in recent years. From 60% in Fiscal 2018, the share of small cars in overall sales contracted to 42% in Fiscal 2023. Lack of new model launches, hike in vehicle prices, increase in operating cost amid fuel price hikes, and impact of an unfavorable macroeconomic environment on the bottom of the pyramid customer base restricted growth of the small cars segment. However, premium hatchbacks/ small cars such as Baleno, i20 and Altroz have performed relatively better.

There has also been a shift in demand from large cars primarily towards UVs in recent years, halving its contribution over Fiscals 2018 to 2023. Lack of model launches as well as shift in consumer preference towards UVs restricted the growth of this segment.

Vans typically contributed 6-8% share of industry sales. The discontinuation of Omni from Fiscal 2020 with the implementation of BS-VI impacted the share of the segment.

Premiumization within the industry

Traditionally, Indian vehicle buyers have been cost conscious, with mileage and vehicle cost the two main pillars of decision-making.

Now, amid rising disposable incomes, higher global exposure, and growing awareness as well as expanding share of younger buyers, other parameters, such as driving experience, safety, features, brand, and aesthetics, are gaining importance in the overall decision-making process. In fact, a vehicle is being seen as an extension of customer's personality, especially by young buyers.

With this, there has been a perceptible shift in the customer buying behavior, where customers are prioritizing experience over costs and are willing to pay a premium as well as even accept a longer waiting time for the desired facets in their next vehicle.

Premiumization is resulting in intersegmental as well as intra segmental shifts. Within the segments, customer preference for premium vehicles has been on the rise; e.g., premium hatchbacks such as Baleno and Altroz are seeing faster growth compared with basic hatchbacks, such as Alto and WagonR.

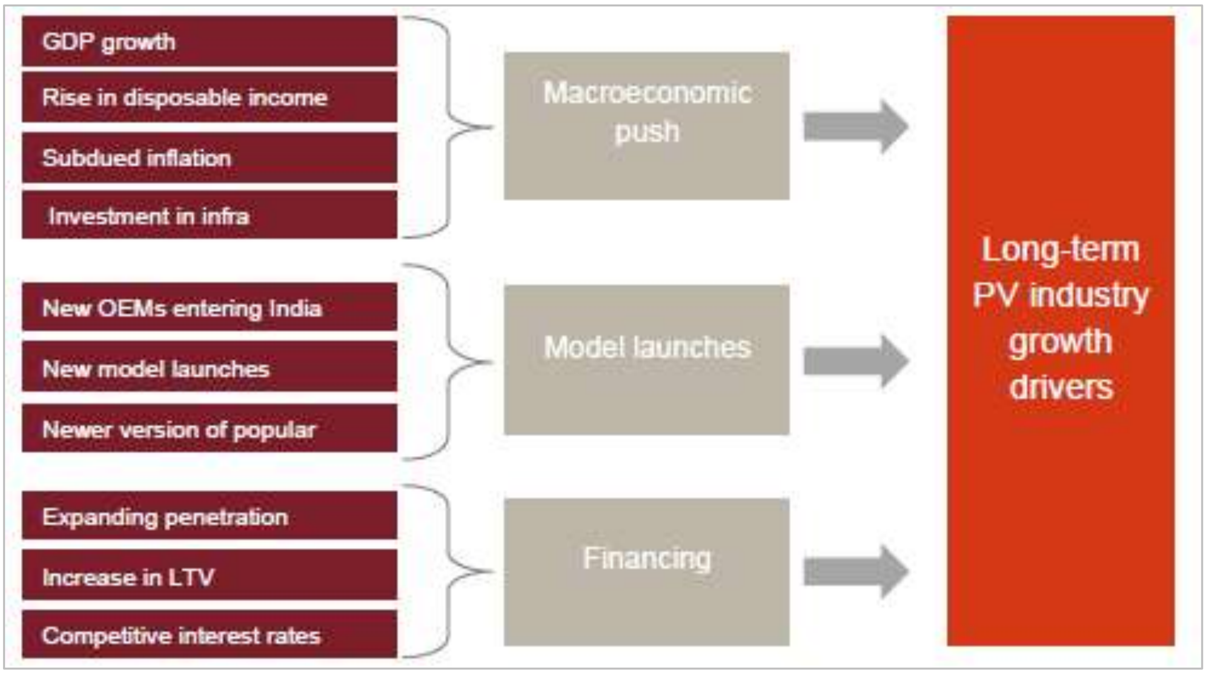
The intersegmental shift is more prominent in the UV space, which is seeing accelerated growth. The UV segment has grown at 17% CAGR in the past five years while non-premium/ mass segments such as small cars have contracted at 4% CAGR. Customers are even preferring UVs like Nexon, Brezza, Venue, Fronx over premium hatchbacks like Baleno, Altroz and i20.

Premiumization is also evident from OEM actions in form of launches, where most of the new launches in recent years have been in the UV segment. To be sure, even within the UV segment, the focus has been on the larger UVs, consisting of vehicles such as Grand Vitara, Creta, Seltos, etc.

Growth drivers for domestic PV sales

Primary demand drivers for the PV industry include improved affordability, lower cost of ownership, financing availability and new model launches.

Growth drivers for PV market



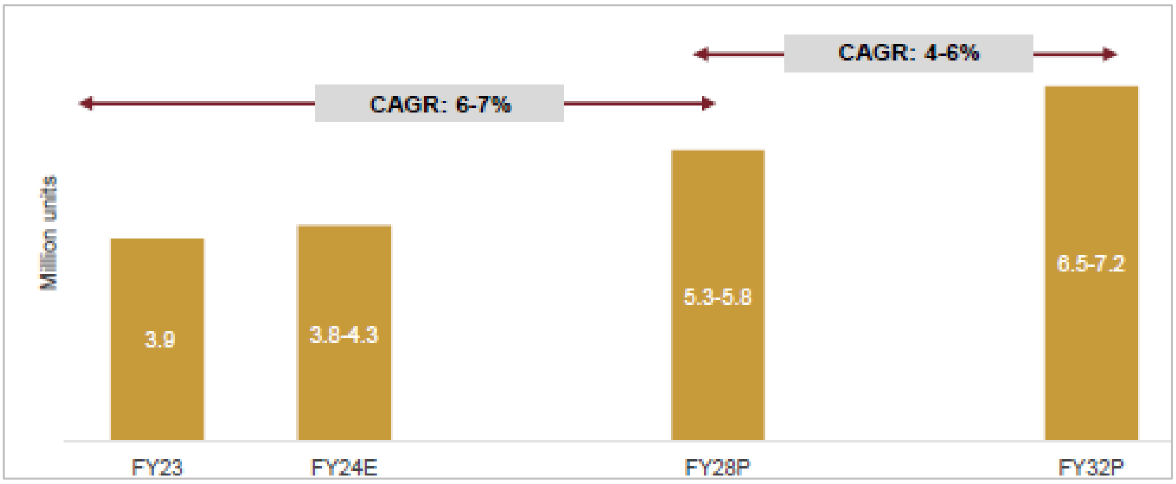
Outlook on the Indian PV industry (Fiscals 2023 - 2032P)

In the long term, domestic PV sales are expected to increase at 6-8% CAGR over Fiscals 2023-2032. Healthy macroeconomic growth, increasing disposable income, a modest increase in the cost of vehicle acquisition, favorable financing scenario, as well as a deeper reach in the rural markets, tier 3 and tier 4 cities will support this growth. Moreover, intermittent feature rich competitively priced vehicle launches will provide an additional boost to demand.

Other factors that would aid demand are increasing urbanization, government support to farm income, reduction of vehicle holding period and electrification. Additionally, there is sizeable headroom for growth as the automobile industry is yet to fully tap into demand from semi-urban and rural areas. However, increasing congestion in cities and rising popularity of shared mobility services are likely to restrict car sales in the long term.

During Fiscal 2024, the industry is expected to continue its growth momentum and clock 4-5% growth over the historic high reached in Fiscal 2023. Continued traction for UVs, easing supply constraints, model launches as well as favorable macroeconomic scenario will support this growth.

PV domestic sales outlook



Note: E: estimated P: projected
Source: SIAM, CRISIL MI&A

Split by PV segments

CRISIL MI&A projects UVs to drive growth of the PV industry in the long term. Shifting of consumer preference towards UVs, feature-rich and competitively priced launches, and entry of newer players coupled with higher focus of OEMs on the UV segment, are expected to provide the thrust. UV segment volumes are expected to log 10-12% CAGR between Fiscals 2023 and 2032.

The second dominant segment of the industry — small cars — is expected to clock a much slower growth of 1-3%. Even this growth is expected to be fueled by the premium hatchback segment, while the basic hatchback segment is expected to remain rangebound. The large cars segment is expected to witness only subdued growth over the long term, given the limited launches and customer focus on the UV segment.

Led by the expected faster growth in the UV segment, share of UVs is expected to rise to 60-65% of the PV industry by Fiscal 2032 from ~52% in Fiscal 2023.

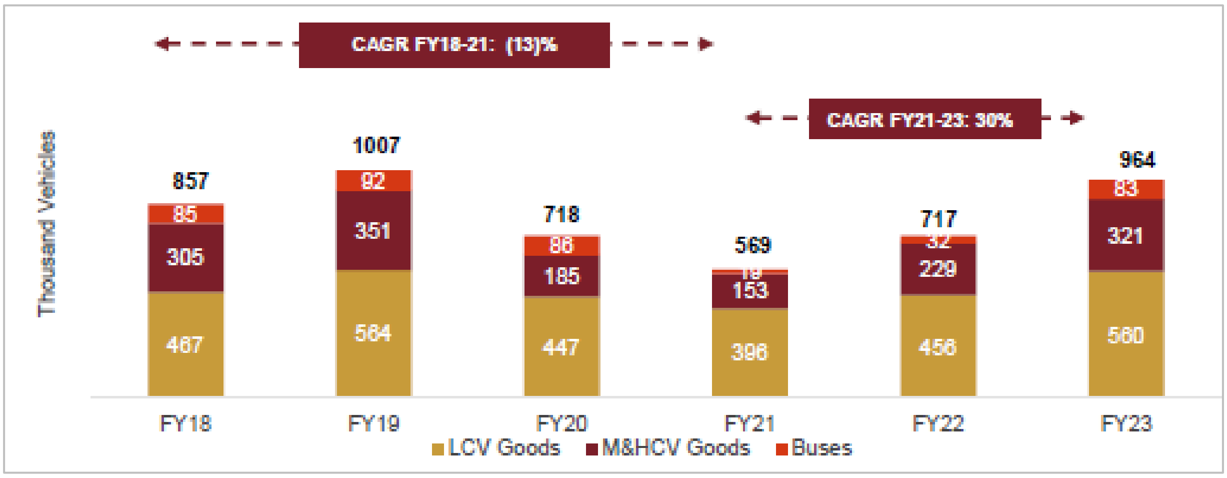
Review of and outlook on the commercial vehicle industry

Historic domestic sales (Fiscals 2018–2023)

Between Fiscals 2018 and 2023, domestic CV sales logged a CAGR of 2%. After a healthy growth in Fiscal 2019, the industry witnessed a sharp de-growth in Fiscal 2020, due to inventory adjustment done for the BS-VI transition. Moreover, the tapering of the GDP growth impacted the goods vehicle demand while safety regulations impacted the demand for buses.

The CV industry shrank further in Fiscal 2021 as the nationwide lockdown to arrest the spread of Covid-19 brought the economy to a grinding halt. A downturn in freight demand affected the profitability and sustainability of transporters during the pandemic. The industry, however, gained momentum afterwards as consumption demand and industrial activity started gaining pace. The industry rebounded at a healthy CAGR to reach nearly 1 million sales by Fiscal 2023.

Review of CV domestic sales trend



Notes: Domestic sales exclude Bharat Benz; M&HCV includes MCV, MAV Haulage, Tippers, and Tractor Trailers

Source: SIAM and CRISIL MI&A

Segmental trends

Light commercial vehicle ("**LCV**") goods vehicles dominate domestic CV sales, accounting for more than half of the vehicle sales in the CV segment. Medium and heavy commercial vehicle ("**M&HCVs**") contribute another 30-35% and the balance 5-10% is buses.

During Fiscals 2018-2021, CV sales contracted 13% CAGR amid a 30% drop in Fiscal 2020 followed by a further 20% contraction in Fiscal 2021 due to the pandemic. Over the last five Fiscals, the industry has weathered major challenges on account of events such as demonetization, NBFC crisis, implementation of axle load norms, changes to insurance norms and transition to BS-VI emission norms. All multiple factors, particularly post the second half of Fiscal 2019, dampened the demand for CVs.

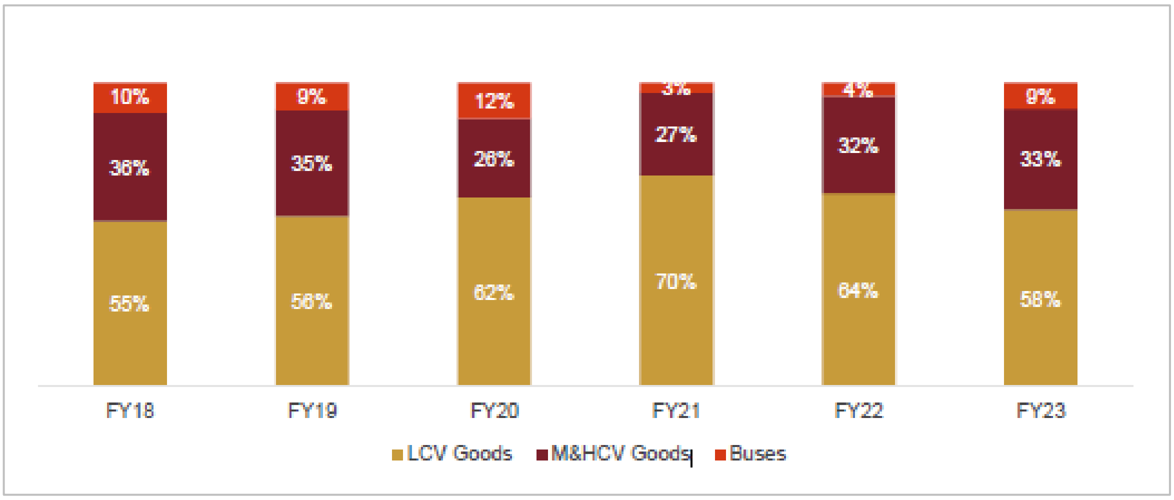
During the pandemic, due to the limited mobility, demand for buses took a hit. As a result, between Fiscals 2018 and 2021, the demand contracted a significant 39% CAGR. In Fiscal 2020, the demand for buses saw the adverse effect of the safety regulations (emergency exit doors, fire detection and suppression, escape hatches and emergency lighting), which pushed up the ownership cost ~Rs 50,000. This came on top of a price hike of ~Rs 15,000 due to mandatory installation of vehicle tracking system and panic buttons in January 2019.

After the price rise, weakening private consumption also hit the demand for buses in Fiscal 2020 as tourist bus operators and inter-city travel operators reduced purchases. Weak corporate hiring and production cuts in manufacturing also shrank the corporate demand for staff buses. However, school and route permit buses showed some resilience in Fiscal 2020. The demand from state transport undertakings ("**STU**") ramped up in the second half of Fiscal 2020 as they looked to replace much of their older fleet before the BS-VI price rise.

On the other hand, the continued demand for LCVs for e-commerce and last-mile delivery restricted its fall to 5% and thus extending its share to 70% during Fiscal 2021. Moreover, LCVs are typically replaced every 6-8 years, and vehicles purchased between 2011 and 2013 were due for replacement in 2019. Given the strong sales witnessed in Fiscals 2011 and 2013, the sub-1-tonne segment particularly saw strong replacement demand. This strategic replacement cycle contributed to stable sales in Fiscal 2019 and prevented a significant drop in LCV sales in Fiscal 2020. The delay in replacement since Fiscal 2020 and in turn the pent-up demand boosted LCV demand in Fiscal year 2023 and is expected to continue in Fiscal year 2024.

Even during the pandemic, LCVs outperformed M&HCVs because rural areas had seen less afflictions, which resulted in better sentiment.

Segment-wise share in domestic sales



Note: Domestic sales exclude Bharat Benz as SIAM doesn't report the company's numbers
Source: SIAM, CRISIL MI&A

From the low base of Fiscal 2021, the CV industry witnessed a strong bounce back during Fiscals 2021-2023. Sales witnessed a 19% CAGR growth driven by the sustained replacement demand. The M&HCV segment clocked a 45% CAGR due to government capital expenditure and demand from key sectors.

On the other hand, bus sales more than doubled every Fiscal on a very low base fueled by robust replacement demand and urbanization trends. In fact, buses saw unprecedented demand. These vehicles are sold primarily to schools, corporates, which use it to ferry staff, and to tours & travel companies, which use it for intercity and interstate travels. Demand from schools picked up after the pandemic as they shrugged off impact of the pandemic-induced uncertainties with a lot of pent-up demand emerging for buses. Corporates have also gone back to the work-from-office mode with a few IT giants making coming to the office mandatory. This has led to considerable demand for staff service buses as well.

This helped the bus segment clock a ~105% CAGR growth post the pandemic during Fiscal 2022 & 2023.

Key historic regulatory/ macroeconomic trends and growth drivers for domestic sales

Recent regulations for new CVs such as the axle norm, bus body code, mandatory anti-lock braking system, speed governors, BS-VI norm enforcement and mandatory cabin ventilation system, impacted the industry. We expect the effects of new fuel-efficiency standards, BS-VI phase 2 norms, truck body code and new scrappage policy to be felt in the long run.

Axle load norms

In the second half of Fiscal 2019, the Ministry of Road Transport and Highways notified new axle load norms for CVs, which permits an increase in the load-bearing capacity of trucks. The new norms were applicable to the entire fleet of freight-moving trucks.

New payloads stipulated for M&HCVs

(in Tonnes)	MCV		MAV			T-Trailer	
Previous GVW	16	25	31	37	35	40	49
Previous Payload	9	16.5	21	26	23	27	35
Kerb weight	7	8.5	10	11	12	13	14
GVW as per new norm	18.5	28	35	42	39.5	45.5	55
New Payload	11.5	19.5	25	31	27.5	32.5	41
% increase in rated payload	28%	18%	19%	19%	20%	20%	17%

Source: CRISIL MI&A

The new axle load norms increased freight-carrying capacity of trucks by ~20%, which benefitted the transporters ferrying bulk goods that constitute 35-40% of the truck movement. The movement of bulk goods in billion-tonne-kilometer ("**BTKM**") terms via road fell marginally in Fiscal 2020 amid the ~20% rise in capacity for bulk goods transporters. Therefore, bulk goods transportation via roads largely continued to face overcapacity, limiting new truck purchases.

The only saving grace was transportation of voluminous non-bulk goods (60-65% of truck movement), which, while being unaffected by the axle norms, were impacted by the consumption slowdown in Fiscal 2020. Moreover, as some bulk transporters were already overloading near the new payload level or moderately above it, the impact of the axle norms on such transporters was less.

After the implementation of the axle norms, the payload of the erstwhile 37T increased to 31T, which was like the erstwhile payload of a 40T T-trailer. Also, the erstwhile 49T T-trailer's payload increased from 35T to 41T. Rated load availability at the 41T mark is expected to be less than 35T. Moreover, issues such as driver availability and lower maneuverability plague T-trailers. Because of these reasons, higher tonnage multi-axle vehicles ("**MAVs**") are likely to be more desirable than T-trailers.

The government's focus on infrastructure

The National Infrastructure Pipeline ("**NIP**") for Fiscal 2019-2025 is a government initiative to develop infrastructure across the country and provide world class services to its citizens. The total capital expenditure in infrastructure sectors in India during Fiscals 2020 to 2025 is projected at Rs 111 lakh crore.

Scrappage policy

The Ministry of Road Transport and Highways, in August 2018, considered incentivising the scrapping of vehicles sold before April 2005 (15 years old). After deliberations on the modalities on implementation, the government currently aims to promote vehicle scrapping by exempting registration charges for truck purchases made after scrapping older trucks. To incentivize scrappage of older vehicles, the government has increased the registration charges for older vehicles and increased stringency of fitness tests. These will entail higher costs for owners of older vehicles. Hence, by disincentivizing the ownership of older vehicles, the government expects the scrappage of older vehicles to increase. We expect the impact of the norms to be limited on additional scrappage (apart from vehicles scrapped in the normal course of business). If transporters are incentivized to scrap vehicles older than 15 years by the government and OEMs, we expect 6-6.5 lakh MHCVs to be available for scrapping.

Outlook of the Indian CV industry

Domestic sales outlook

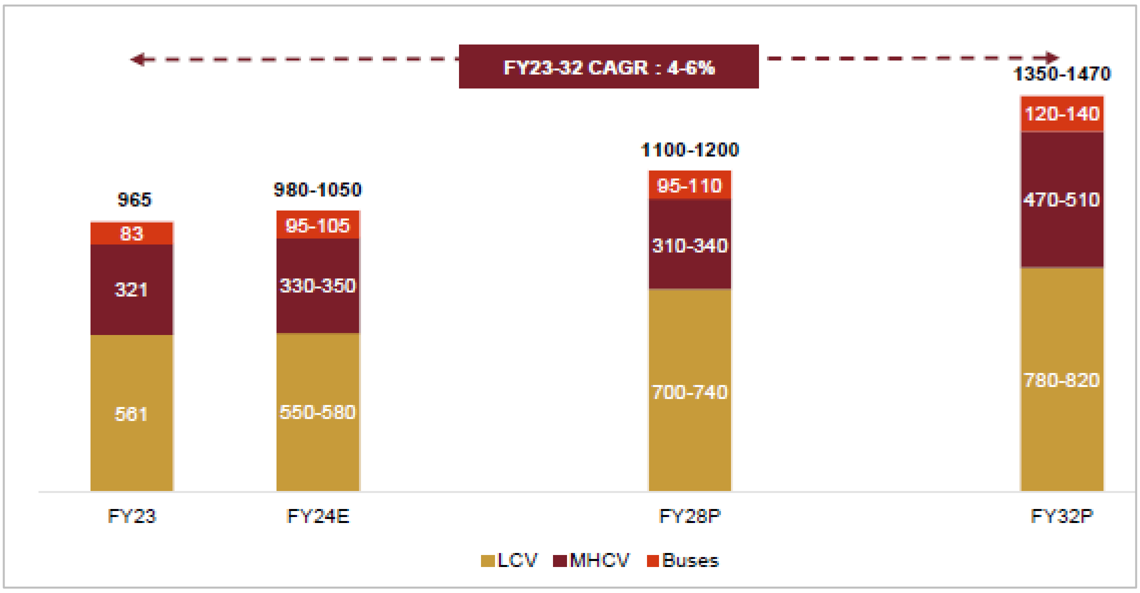
The CV industry recovered spectacularly in Fiscal 2023, with a 34% growth rate, reaching 96% of pre-pandemic levels of Fiscal 2019. The CV industry in India is expected to grow steadily in Fiscal 2024, reaching pre-pandemic levels. Increased government spending, robust replacement demand, and strong end-user sectors such as construction and mining are expected to support growth. LCV sales are projected to grow moderately at 1-5% in Fiscal 2024, supported by sustained replacement demand with rising competition from electric three-wheelers, especially in the sub one ton segment restricting further expansion. In Fiscal 2023, LCV sales recorded impressive growth of 23%, rebounding to 99% of pre-pandemic levels. The surge in sales can be attributed to robust replacement demand, especially in the sub-one-ton category, which was deferred due to economic challenges and the pandemic.

However, LCV sales declined 9% in the first quarter of Fiscal 2024 due to supply side constraints on account of OEMs transitioning to BS VI stage II emission standards. Despite this setback, the industry anticipates a revival in sales in the upcoming quarters, driven by a good monsoon season and an improved economic outlook with the easing of supply constraints.

Due to government capital expenditure and demand from key sectors, the medium and MHCV segment is expected to grow at a 4-8% annual rate. Bus sales are expected to increase 11-15% in Fiscal 2024, owing to strong replacement demand and urbanization trends. Compress natural gas ("**CNG**") adoption has been hampered, affecting LCV sales. The CV industry, led by MHCVs, is expected to grow steadily over the next five years.

Over the long-term horizon, domestic CV sales are projected to record a 4-6% CAGR between Fiscals 2023 and 2032, led by a 3-6% CAGR in the LCV segment, 4-6% CAGR in the M&HCV segment and 4-7% CAGR in the bus segment.

CV domestic sales outlook (in thousands)



Note: E - Estimated; P – Projected; domestic sales exclude Bharat Benz's sales as the company's sales figures are not reported by SIAM
Source: SIAM, CRISIL MI&A

End-use sector outlook between Fiscals 2023 and 2028P

Sectors	Growth outlook (FY23-FY28)	Key aspects
Coal	5-6%	Growth in coal-based power generation Demand from allied sectors such as cement and sponge iron
Steel	6-7%	Building and construction, the major demand creator in this segment
Cement	5-6%	Demand to be driven by rural housing/affordable housing and commercialization in tier III/IV cities Infrastructure demand also plays an important role according to NIP
Port movement	2-5%	Iron ore exports to support growth, as global demand for steel improves. POL trade (imports), especially in LPG, is poised to go up
Road investment	8-12%	NIP to drive infrastructure investments on roads and highways. CRISIL MI&A expects the GoI to be able to achieve 80-85% of its targeted investments
E-commerce	20-25%	Food, fashion and grocery segments to grow at a faster rate as penetration improves. E-retailers to focus on expansion in tier I/II cities over this period

Source: CRISIL MI&A

Review of and outlook on the tractor industry

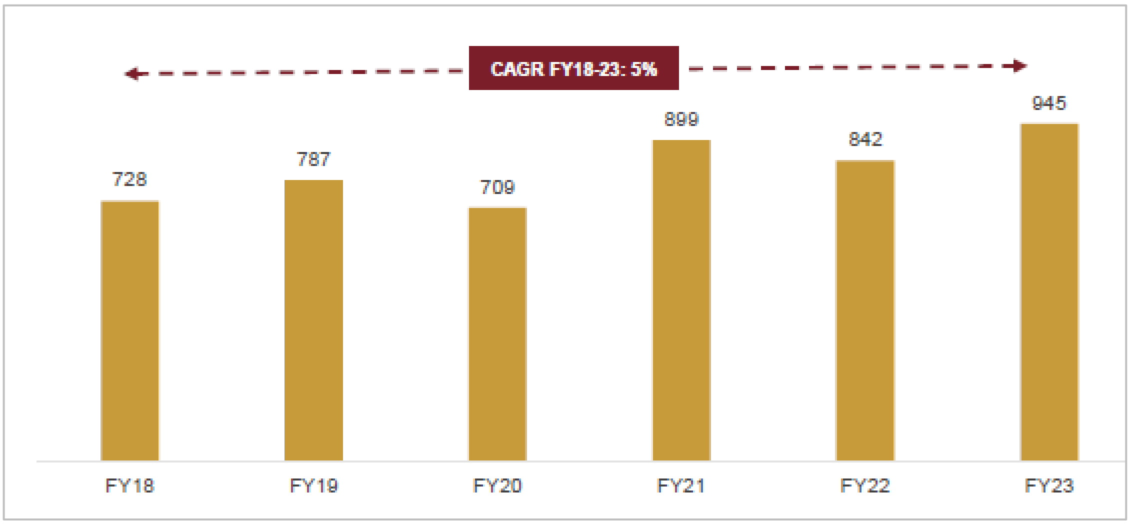
Review of Indian tractor industry

Domestic tractor demand dropped 6.4% on-year in Fiscal 2022 after growing 27% in Fiscal 2021. Rising tractor prices amid price hikes taken by OEMs, higher inventory at dealerships, lower commercial demand, negative farmer sentiment due to rising cultivation cost, low fertilizer availability, and increase in other expenditure (such as marriages and other social occasions) hampered demand.

In Fiscal 2023, domestic tractor sales grew 12% on-year to an all-time high of ~945,000 units. Healthy crop prices, sound reservoir levels due to an above-normal monsoon season, higher minimum support prices ("**MSP**") announcement and rabi acreage, all led to positive farmer sentiment in the Fiscal. Healthy festive demand due to various schemes and discounts supported retail growth momentum. In Fiscal 2023, due to slower retail momentum in eastern states and a complete ban on sandmining activities, commercial demand remained range bound. Illegal mining activities have been at a standstill in states such as Bihar, Jharkhand and Uttar Pradesh, negatively impacting commercial demand in the last two Fiscals.

A large part of domestic sales is driven by replacement demand. The typical holding period for a tractor is 6-9 years, with most of the tractors being replaced in the country within 7-8 years. 50-60% of overall domestic demand constitutes replacement demand. In states having a high penetration of tractors, such as Punjab and Haryana, the replacement demand accounts for 70-80% of total sales. On the other hand, states where farmer incomes are lower compared with Punjab and Haryana have a lower replacement cycle (higher age tractors) vs industry average.

Review of sales of tractor industry (thousand units)



Source: TMA, CRISIL MI&A

Tractor Exports

Exports, accounting for about 12% of the overall tractor sales as of Fiscal 2023. Some revival in demand from Europe, however, with demand from Asia and the US anticipated to remain slow, overall tractor exports are expected to remain sluggish for the Fiscal.

In Fiscal 2023, tractor exports declined by 3% on-year on a high base of 45% on-year growth registered in Fiscal 2022. Demand for Indian tractors had been slower in various Asian and European countries due to the political disruptions and energy crisis in these regions.

Strategic push, such as setting up base in foreign countries, by players to cater to the global demand would aid export sales. International Tractor Limited's ("**ITL**") Solis brand has also been gaining popularity in the European markets. With most of the global companies de-risking exports from China due to the complexities and disruptions in the nation, India has become the natural hedge against Chinese exports. Further, with most of the companies equipped to comply with TREM IV norms, exports have bloomed in the past few years.

The USA, Europe & Asia are likely to remain the focal regions for long-term exports. Also, with India emerging as an export hub for relatively small tractors (30-75 horsepower/hp), and major companies increasing focus on international markets with the launch of 90-120 hp tractors, we expect sustainable export growth over the next five to six years.

Exports expected to grow at a CAGR of 2-4% from Fiscal 2023 to Fiscal 2032 amid higher demand from USA and other Asian and European countries.

>51 hp segment dominates tractor exports

More than 51 hp tractors accounted for about 55% share in India's tractor export basket for Fiscal 2022, the share has increased to 62% from April'22 to February'23 period, thus dominating the tractor exports market. Rising demand for Indian tractors from the US, Europe, Mexico and from the neighboring Asian countries has fueled demand for higher hp tractors. John Deere is the leading player for exports in this segment followed by ITL. Another dominant segment after >51 hp is the compact tractor segment i.e., <31 hp accounting for about 18% in India's tractor export basket.

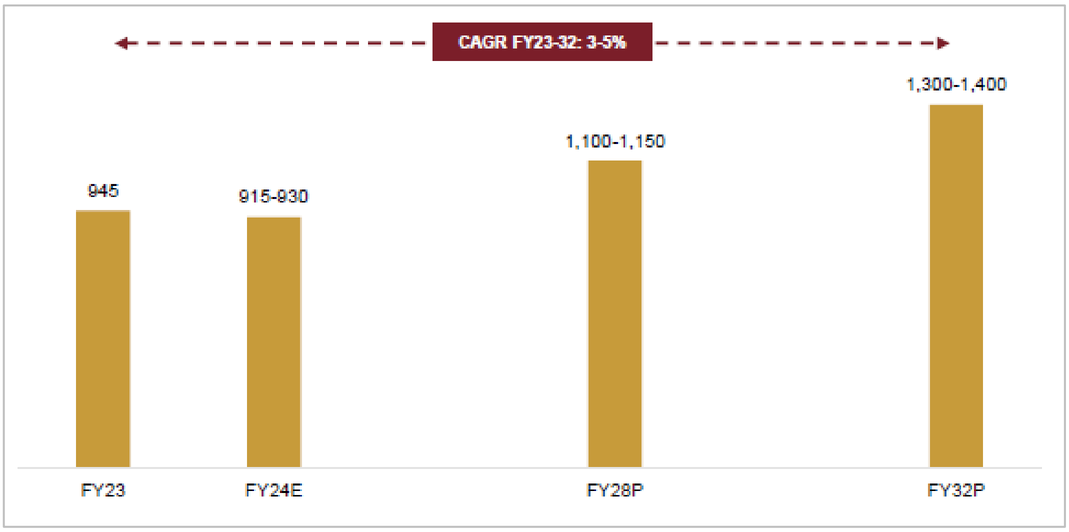
Outlook on Indian tractor industry

CRISIL MI&A projects domestic tractor sales to grow at 3-5% CAGR during Fiscals 2023 to 2032, after factoring in one to two years of erratic monsoon during the period along with healthy sales expected in the remaining years. From Fiscal 2018 to 2023, the industry registered a CAGR of 5% due to healthy sales in Fiscals 2017, 2018, 2021 and 2023.

Tractors is a cyclical industry and has been observed that whenever the industry gets into a downturn, it takes 4-5 quarters for the industry to recover. Thus, assuming that the industry will be impacted by poor monsoon for one to two years between Fiscal 2024 and 2032 with the industry taking 4-5 quarters to recover, our long-term assessment suggests that the tractor industry will grow at a CAGR of 3-5%. The growth will be supported by low tractor penetration in India (3 tractors per 100-hectare area); government's focus on improving farm incomes through various schemes, promoting farm mechanization; and investments to improve rural infrastructure.

In Fiscal 2024, we expect domestic tractor sales to decline by 1-3% on-year on account of elevated inventory levels and negative farmer sentiments. Slower retail momentum due to lower rabi profitability which is expected to decline by 13-15% on-year amid decline in yield and lower prices of wheat and mustard. Elevated inventory levels at the closure of Fiscal 2023 to lead to inventory liquidation in Fiscal 2024 and negatively impact wholesale demand. Pick-up in commercial activities and anticipated increase in replacement demand to prevent further decline in sales.

Outlook on tractor sales industry



Note: E - Estimated; P - Projected
Source: CRISIL MI&A

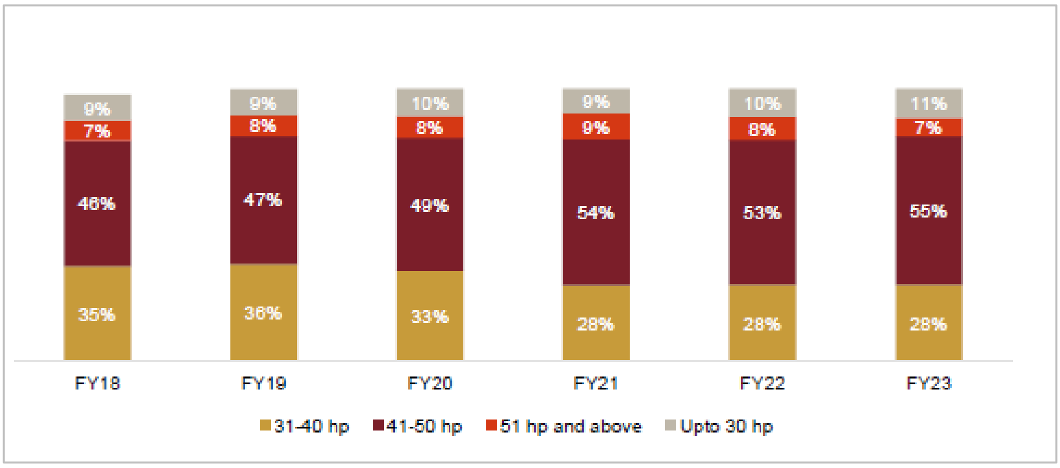
A large part of domestic sales is driven by replacement demand. Typical holding period for a tractor is around 6 to 9 years with most of the tractors being replaced in the country within 7-8 years. Of the overall domestic demand, 50-60% of the sales are replacement demand. For states having high penetration of tractors such as Punjab and Haryana, the replacement demand accounts for about 70-80% of the total sales. While states where farmer incomes are lower as compared to Punjab and Haryana have a lower replacement cycle (higher age tractors) compared to the industry average.

In Fiscal 2024, replacement demand is expected to be higher by 4-6% on-year with healthy sales registered in Fiscals 2017 and 2018. We estimate replacement demand to have been higher by 0-2% in Fiscal 2023 on account of pre-ponement in demand amid positive farmer sentiments in the Fiscal.

Segment-wise tractor sales show a shift towards higher horsepower

41-50 hp segment has continued to maintain its dominant share because of multiple applications in agriculture and haulage. Bulk of the implements available are also better suited for 41-50 hp tractors.

Segment wise share



Source: TMA, CRISIL MI&A

Overall Indian tyre industry

The Indian tyre industry is expected to grow in the coming years due to increasing demand for vehicles and government focus on infrastructure development. The planned spending in the tyre industry is aimed at adding manufacturing capacity, modernization, upgrading technology and research and development (R&D).

With growth and expansion of the automobile sector, demand for replacement tyres is also increasing.

Moreover, increasing acceptance of Indian tyres in the overseas markets is leading to a sharp growth in tyre exports from India to destinations such as the US and Europe.

The creation of high-speed corridors and government's infrastructure efforts will lead to an increase in the use of radial tyres. The shift towards radialisation will provide a further growth opportunity for the industry. The incorporation of Industry 4.0 and automation in the tyre industry is also expected to improve productivity and quality.

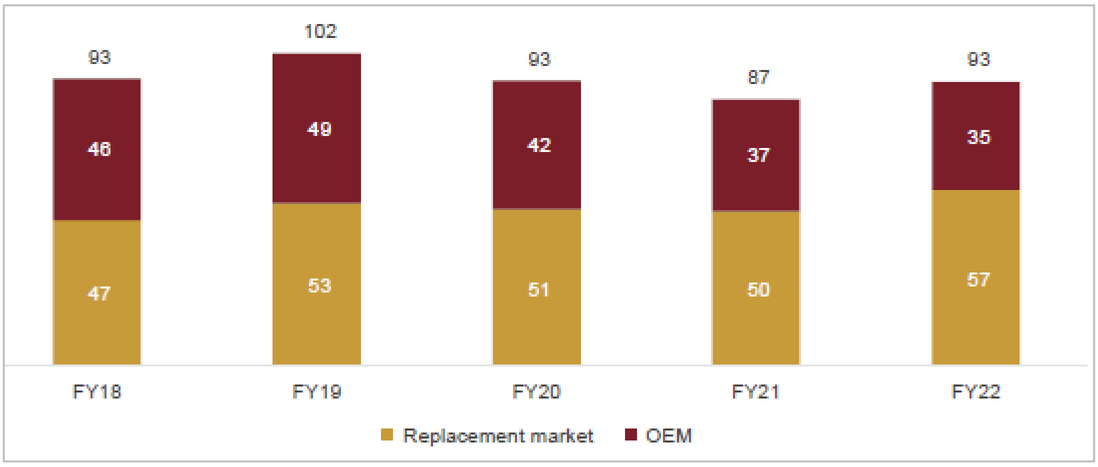
Review of and outlook on the two-wheeler tyre industry

Improving urban sentiments due to a pick-up in overall workplace and public mobility, with resumption of work-from-office and physical classes in educational institutions, and positive rural sentiment backed by an anticipated normal monsoon, are expected to support two-wheeler sales this Fiscal.

New model launches in the 125cc scooter segment and premium motorcycles, along with better product positioning, is expected to drive up two-wheeler volumes in the long term. Improving rural productivity, low penetration, rising affordability, government income support schemes, and structural measures taken by the government such as PM-Kisan and Pradhan Mantri Fasal Bima Yojna ("**PMFBY**") is expected to aid rural income, resulting in increased two-wheeler demand in the long run.

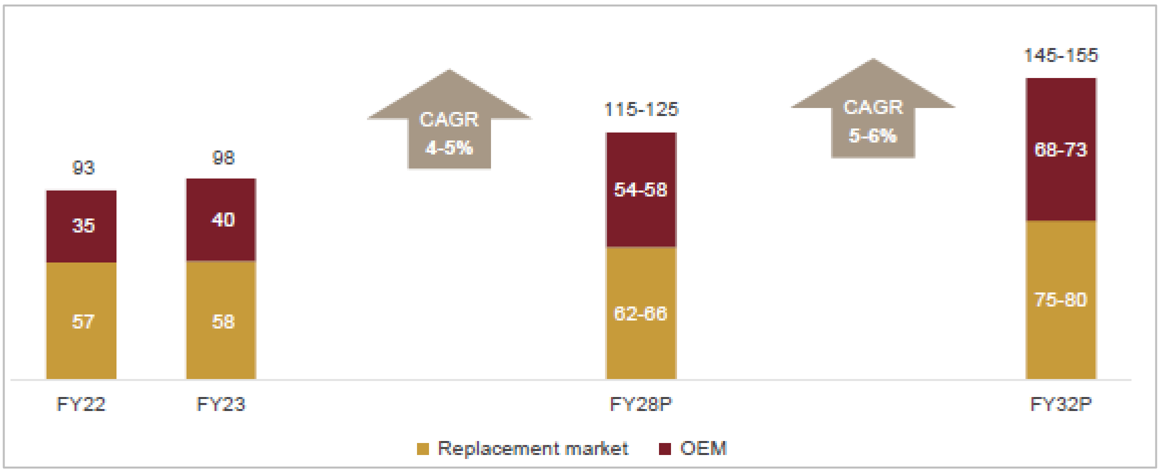
The demand for two-wheeler is expected to increase 3-7% in Fiscal 2024 after a healthy growth 8-10% in Fiscal 2023 aided by higher movement of personal vehicles, especially motorcycles in rural and scooters in urban areas. Reopening of schools, colleges and offices will likely help replacement volumes in the near term.

Two-wheeler tyre demand (million units)



Source: CRISIL MI&A Consulting

Outlook of 2W tyre demand

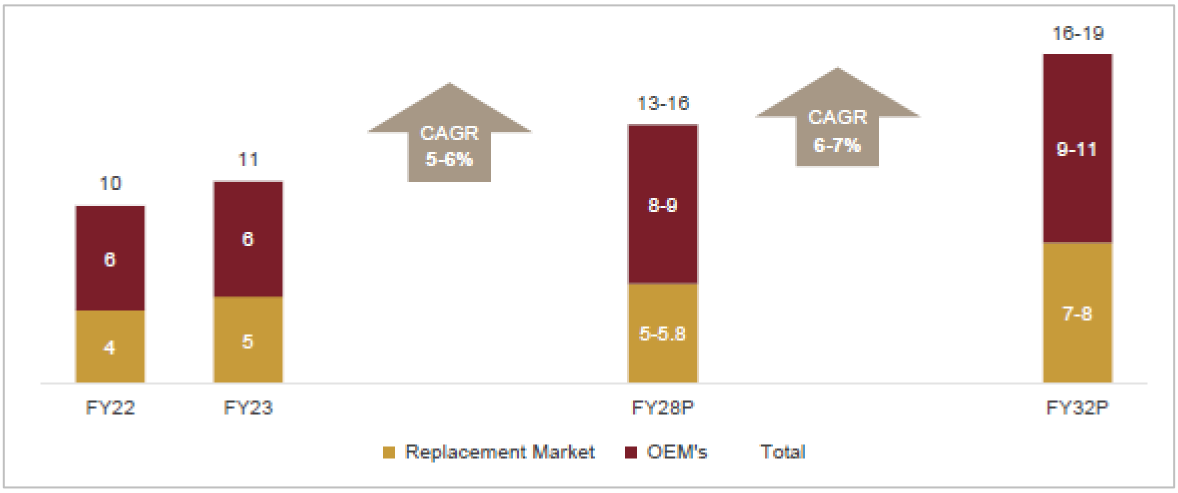


Source: CRISIL MI&A Consulting

Review of and outlook on the 3W tyre industry

The need for cost-effective and efficient modes of transportation remains strong, thereby driving the demand for tyres. A larger number of operational 3Ws would result in a higher demand for replacement tyres. The government regulations related to vehicle maintenance and safety can influence the demand for replacement tyres as they are required to adhere to certain standards.

Review and outlook of 3W tyre demand (million units)

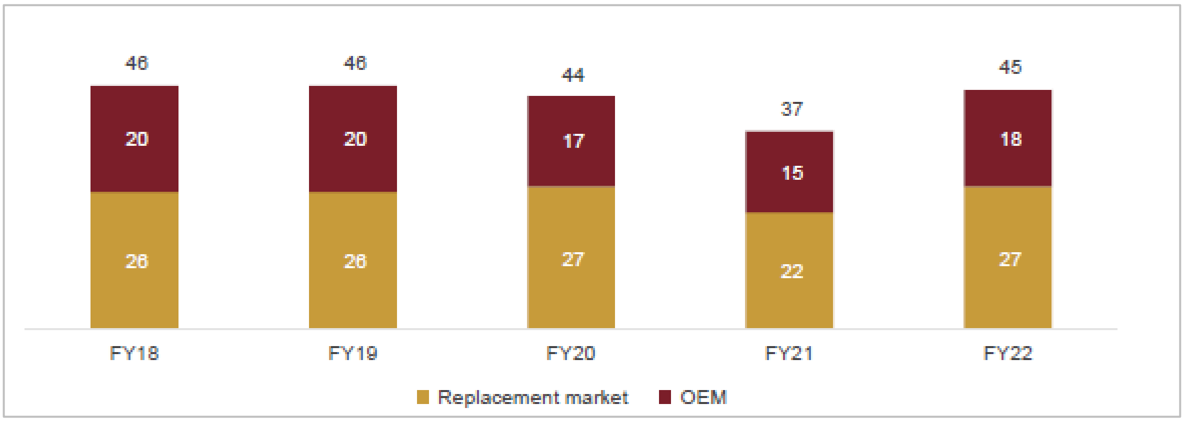


Source: CRISIL MI&A Consulting

Review of and outlook on the passenger vehicles tyre industry

Passenger vehicle sales are expected to be driven by the expansion in the addressable market, urbanization, low penetration, modest increase in cost of acquisition, and fast-paced infrastructure development. We also expect automobile manufacturers to focus on rural markets and expand their distribution network in semi-urban and rural areas.

PV tyre demand (million units)



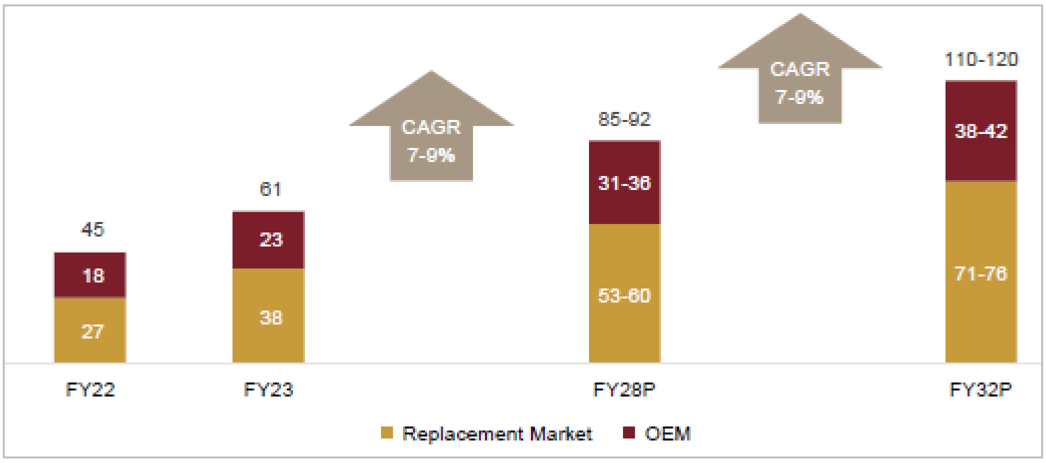
Source: CRISIL MI&A Consulting

Growth is also expected to be robust this Fiscal, owing to improving supply chain conditions supported by strong pent-up demand due to postponement of purchases.

OEM tyre demand from PVs (49-51% of PV tyre demand in Fiscal 2022) is expected to grow 7-11% in Fiscal 2024, after a strong 28-30% growth in Fiscal 2023, amid improving supply of semiconductors, pent-up demand and multiple models launches by OEMs. PV OEM demand showed a robust 20-22% on-year growth in Fiscal 2022, owing to preferred personal mobility amid safety concerns and import substitution (passenger car tyres accounted for ~60% of imports by volume in Fiscals 2018 and 2019).

Better financial conditions, increase in the launch of higher end of utility vehicle models by OEMs, and improving demand sentiments will support growth, going forward. Higher sales in the fleet and cab aggregator segments in Fiscals 2017 and 2018 is expected to contribute to replacement demand in Fiscals 2023 (considering the pandemic-induced delay in Fiscal 2021 and replacement cycle of 3-4 years). Postponement of tyre purchases during the pandemic helped in clocking 24-26% growth in PV replacement market in Fiscal 2022.

PV tyre demand (million units)

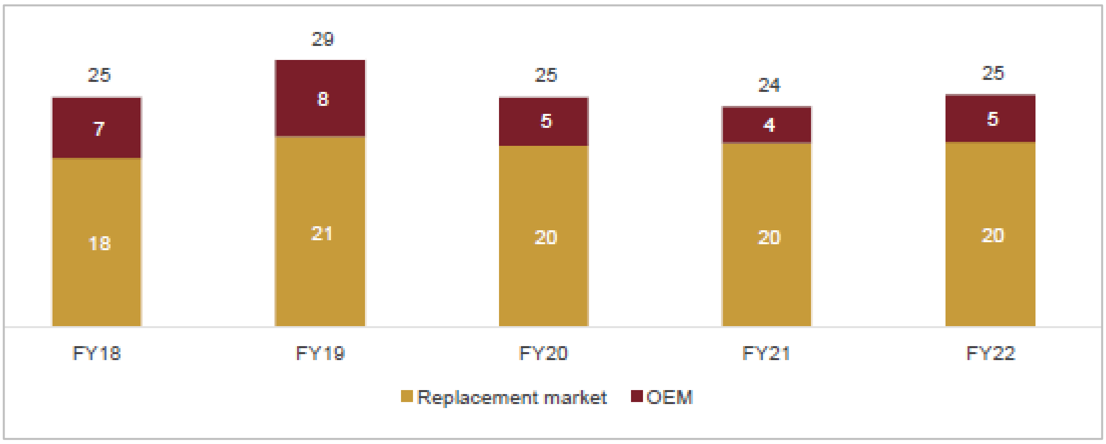


Source: CRISIL MI&A Consulting

Review of and outlook on the commercial tyre industry

Most of the growth in the CVs segment is expected to be led by the MHCV light commercial vehicles LCV segments, on account of better economic revival and increased commercial activity.

CV tyre demand (million units)



Tyre demand from OEMs catering to the MHCV segment (15-19% of MHCV tyre demand in Fiscal 2022) is expected to grow 8-12% on-year in Fiscal 2024 due to higher MHCV production. This will be driven by the intermediate commercial vehicle ("**ICV**") and MAV segments amid pick-up in commercial activities, steady agricultural output, and government's focus on infrastructure. With gradual opening of schools and corporate offices and relaxation of mobility restrictions, bus volumes are estimated to grow 121-123% in Fiscal 2023. MHCV segment witnessed an optical growth of 46-48% in Fiscal 2022 over a low base due to reopening of the economy in Fiscal 2022.

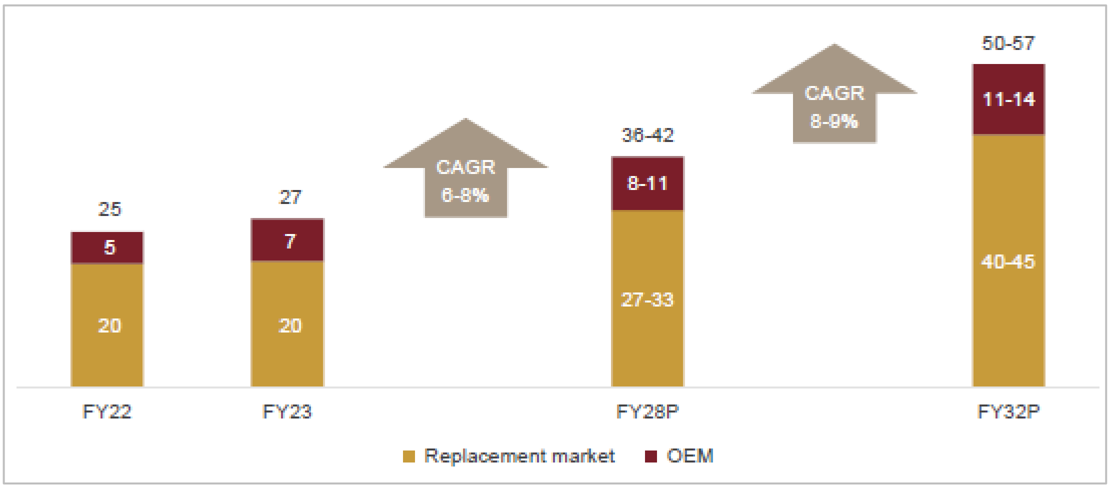
Tyre demand from OEMs catering to the LCV segment (28-30% of LCV tyre demand in Fiscal 2022) is expected to grow 5-9% in Fiscal 2024 over a strong expected growth of 30-32% in Fiscal 2023 due to opening of urban centres resulting in an increase in last mile delivery of items such as milk, LPG cylinders, and water cans backed by improvement in commercial delivery services because of e-commerce growth. The LCV tyre sales in Fiscal 2022 registered a growth of 19-21% over a low base as increased e-commerce during the pandemic improved demand for LCVs.

Factors such as industrial activity and the government's focus on infrastructure (which helps to increase MHCV sales) are on the rise. However, high volume growth will be limited due to better road infrastructure, along with the commissioning of the dedicated freight corridor ("**DFC**) and increased payload, resulting in increased fleet capacity, also owing to axle norms.

The increased expenditure on infrastructure and expected increase in mining activity will help to increase replacement demand by 3-7% in Fiscal 2024 following a 7-9% growth in Fiscal 2023.In Fiscal 2022, the MHCV segment witnessed an estimated growth of 5-7% due to an increase in construction and mining activity.

LCV tyre replacement demand is expected to grow 4-7% growth in Fiscal 2024 following an 8-10% growth in Fiscal 2023. The lower projected growth can be attributed to supply constraints on account of import restrictions and higher running of vehicles led by increased availability of redistribution freight. Reopening of schools and transition to offline classes is also expected to support growth of minibuses. The LCV segment witnessed a 10-12% growth in Fiscal 2022 as reopening of the economy demanded more last-mile delivery and last-mile travel.

Outlook of CV tyre demand (million units)

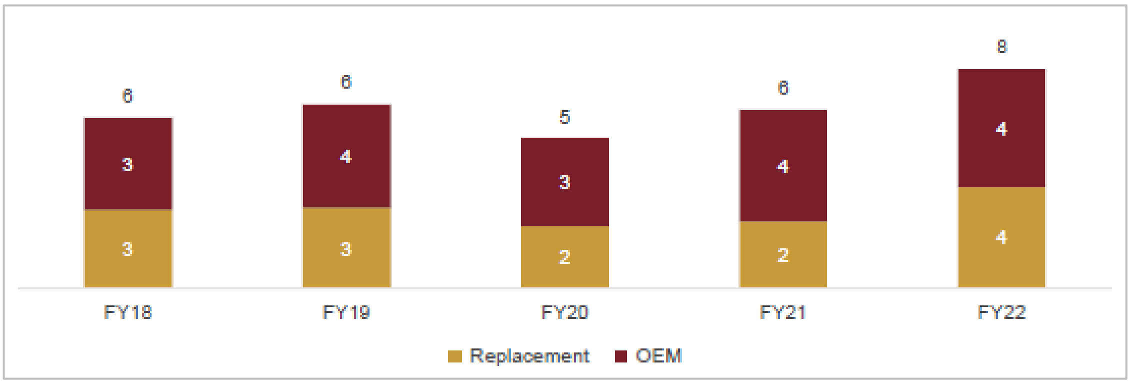


Source: CRISIL MI&A Consulting

Review of and outlook on the tractor tyre industry

Tractor sales are expected to improve with higher expected agriculture output backed by healthy reservoir levels due to above-normal monsoons, good moisture content, and higher minimum support price announcement. OEM tractor tyre demand (64-66% of total demand in Fiscal 2021) is expected to grow 3-7% in Fiscal 2024 and 5-7% in Fiscal 2023. Healthy sales amid festivities and at the start of the Fiscal due to higher wheat exports pushed sales. Higher commodity prices and normal monsoon prediction would lead to healthy growth in Fiscal 2023.

Tractor tyre demand (million units)

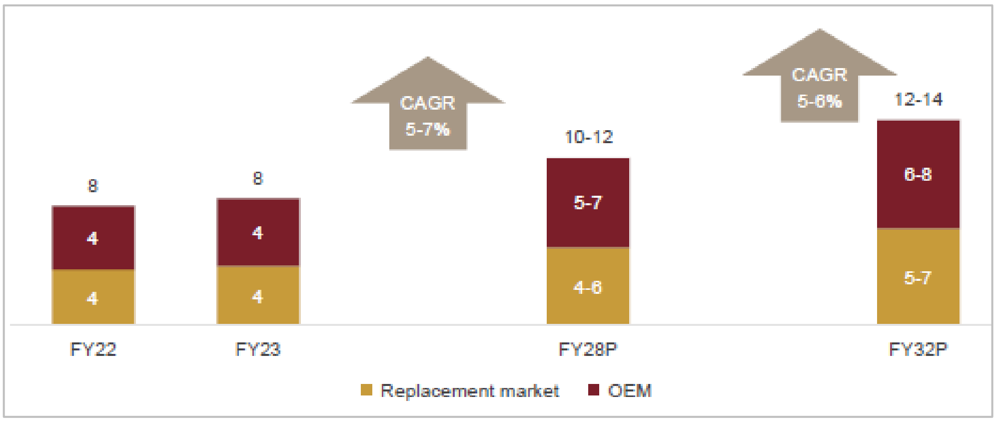


Source: CRISIL MI&A Consulting

Demand from tractors in the long run is expected to be stable due to the government's objective of augmenting farm incomes, direct income support to farmers, and improvement in land productivity via soil health cards. The government's renewed thrust on enhancing irrigation intensity and making the nation more drought-proof is expected to support tractor growth and increase mechanization. Tractor rental services made available on mobile applications by manufacturers will prop up demand for tractors in the long term.

Replacement demand for tractors is expected to grow 6-10% in Fiscal 2024 after growing at 6-8% this Fiscal on account of improved crop profitability and higher government support. Additionally, increasing haulage in this segment for activities such as road construction is also expected to drive replacement of the rear tyre demand in the near term.

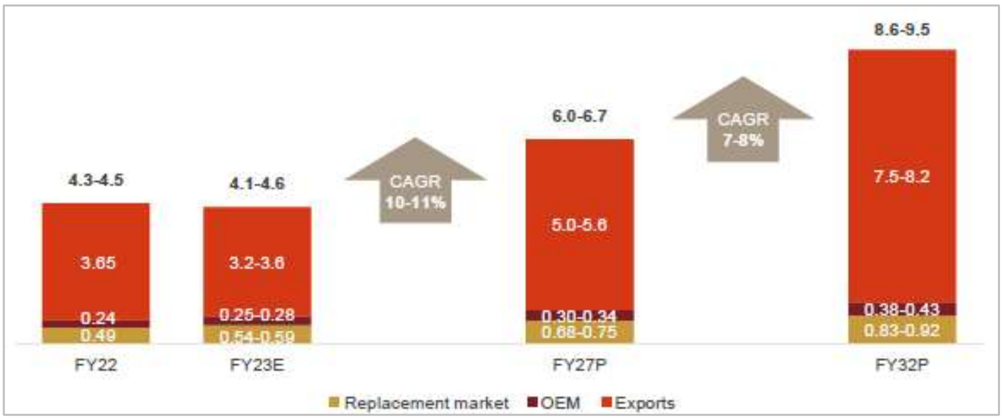
Outlook on Tractor tyre demand (million units)



Source: CRISIL MI&A Consulting

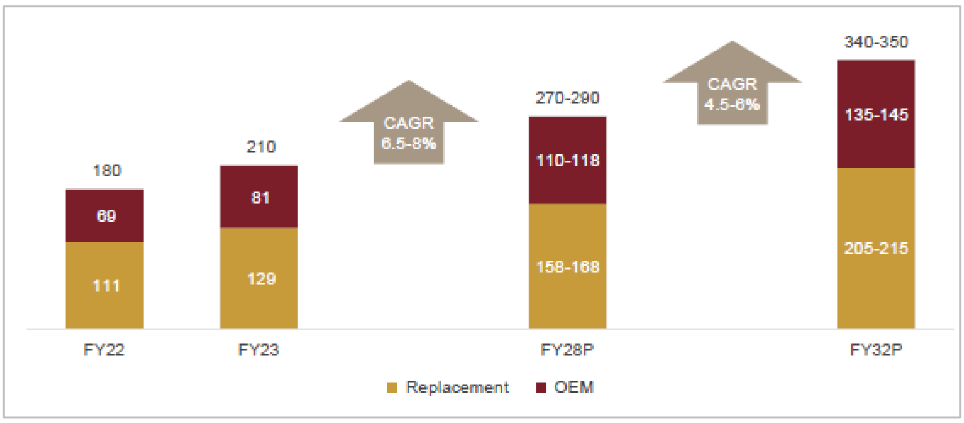
Review of and outlook on the off-the-road tyre industry

Off the road tyre demand (million units)



Source: CRISIL MI&A Consulting

Overall tyre demand (million units)



Source: CRISIL MI&A Consulting
Note: Overall tyre demand includes 2W, 3W, PV, CV, Tractor and OTR; OTR contributes <2% of overall demand

Industry turnover

The turnover of the Indian tyre industry has been growing in recent years due to factors such as increasing demand for vehicles, rising disposable incomes, increasing premiumization of vehicles and tyres, the industry venturing into the luxury segment, growth in exports, and reduction in import of tyres. The turnover has doubled in a decade, from Rs 34,000 crore in Fiscal 2011 to Rs 73,000 crore in Fiscal 2022.

The domestic tyre industry is dominated by major players such as Apollo Tyres, Balakrishna Industries, Bridgestone, CEAT, JK Tyres, MRF, TVS Srichakra. These companies account for over 80% of the tyre market in terms of revenue.

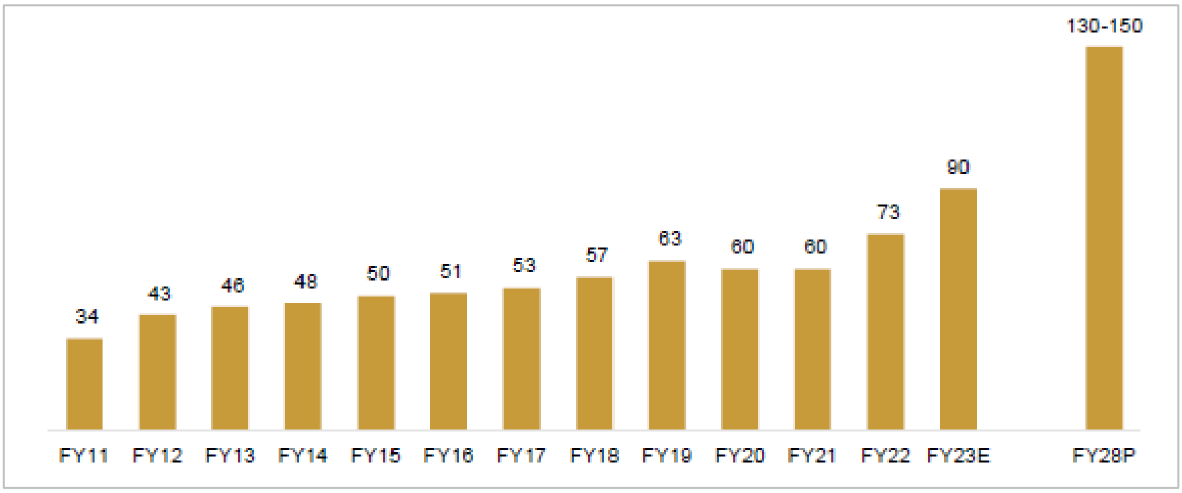
Global companies such as Michelin, Bridgestone, Goodyear, and Maxxis have set up their manufacturing units in India. However, their share in the overall Indian tyre market continues to be low with customers being price sensitive.

Industry turnover (Rs thousand crore)

Year	Estimated turnover	On-year growth
FY11	34	
FY12	43	26%
FY13	46	7%
FY14	48	3%
FY15	50	5%
FY16	51	2%
FY17	53	4%
FY18	57	8%
FY19	63	11%
FY20	60	-5%
FY21	60	0%
FY22	73	22%

Source: ATMA report

Outlook on turnover (Rs thousand crore)



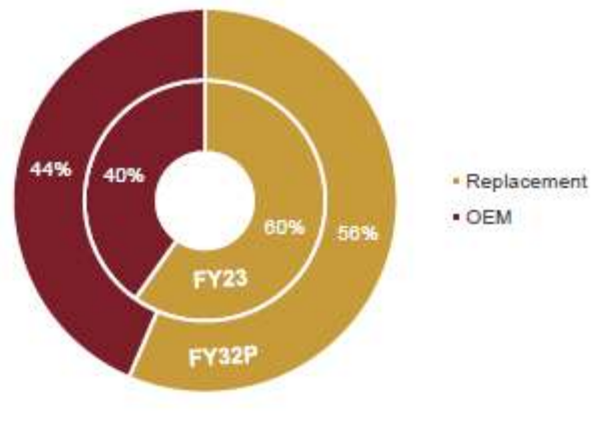
Source: ATMA report, CRISIL MI&A

Market size by End Market (Replacement, OEM) at overall tyre industry level

OEM demand drives tyre industry growth

The overall tyre industry is estimated to have grown by 9-11% (tonnage terms) and 8-10% (volume terms) in Fiscal 2023, with overall growth supported by robust demand from OEM. Demand for tyres arises either from OEMs or the replacement market. While OEM demand typically mirrors the trends in vehicle production, replacement market demand is linked to usage characteristics and replacement cycles. As of Fiscal 2022, the share of OEMs demand in overall domestic tyre produced stood at 32% while that of replacement market accounted for the balance.

Original and replacement share (units)



Source: ATMA, CRISIL MI&A

In Fiscal 2024, CRISIL expects the overall tyre demand to grow by 8-10% with continued demand from OEMs over a high base and improvement in replacement segment as well. Tyre demand from OEMs is estimated to grow by 9-11% on-year (tonnage terms) and 5-7% on-year (volume terms) in Fiscal 2024 majorly led by passenger and commercial vehicle segment. Most of growth is expected to be led by the MHCV) segment and light commercial vehicles on account of increased commercial activity due to increased capex spending and improvement in mining and industrial activity. Passenger vehicles is also expected to showcase robust growth in Fiscal 2024 due to sustained vehicle demand attributable to traction of newly launched model coupled with continuous performance of several existing models. Improving urban sentiments, due to improvement in overall workplace and public mobility is expected to support sentiments two-wheeler sales as well. However, demand from farm segment is expected to remain muted on account of elevated inventory levels and negative farmer sentiments.

The replacement tyre market is poised for a growth of 7-9% in tonnage in Fiscal 2024 compared to the previous year. This growth is primarily attributed to several factors including the ongoing economic revival, softening inflation coupled with improvement in income sentiments, improving industrial activity, along with the government's emphasis on infrastructure development, mining, and road construction. Additionally, demand from the cars and UVs and LCV segments is also expected to drive replacement growth in this Fiscal due to preferred personal mobility amid safety concerns and increase in e-commerce, first- and last-mile deliveries. The tyre industry experienced a growth of 9-11% during Fiscal year 2023. This growth was primarily driven by the continuous demand from OEMs, which saw an estimated growth rate of 23-25%. However, the demand for replacement tyres remained subdued, with an overall estimated growth of 2-4% in Fiscal year 2023. The replacement demand in the commercial segment was particularly delayed, as its utilization only improved in the second half of Fiscal year 2022. Additionally, the sentiments of the low-income segment were dampened, further impacting the overall replacement growth in the industry.

Tyre demand is projected to increase at a healthy 5-7% CAGR over Fiscals 2023-32. driven by multiple factors such as economic expansion, increased consumer spending, infrastructure development, and changing consumer preferences. Rising GDP, industrial growth, and infrastructure projects will contribute to the demand for tyres. Additionally, the growing middle class and preference for personal vehicles will boost the demand for cars, utility vehicles, and two-wheelers. The expansion of e-commerce and last-mile delivery services will also fuel the demand for commercial vehicles and, subsequently, commercial tyres.

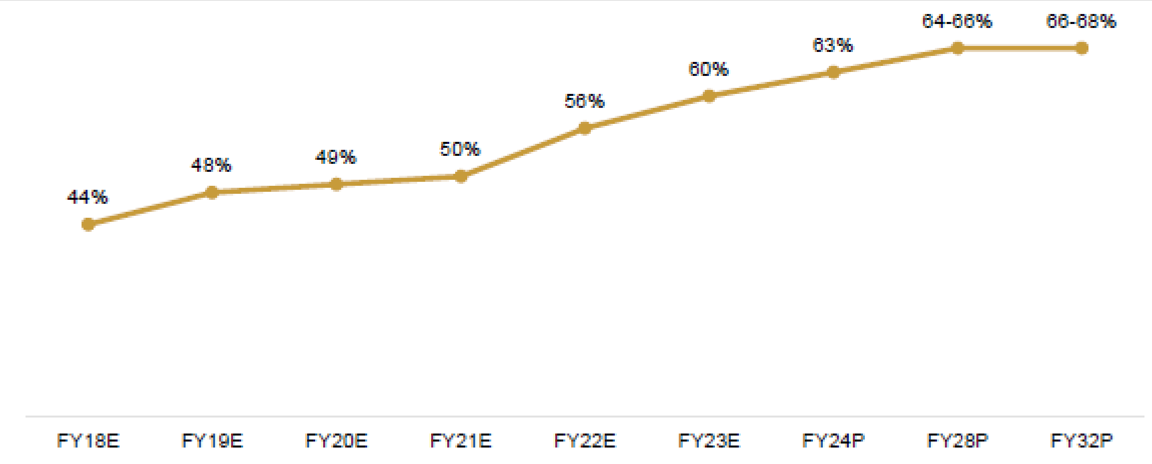
Commissioning of the DFC, which is expected to impact road freight movement from Fiscal 2023 onwards, would exert pressure on MHCV tyre demand. However, higher radialisation is expected to enhance tyre life and elongate the tyre replacement cycle, thereby hampering tyre replacement demand in the long run as road infrastructure improves.

Radialisation levels in the Truck and Bus segment

The commissioning of theDFC, which is expected to impact road freight movement from Fiscal 2023 onwards which would exert pressure on MHCV tyre demand. However, higher radialisation is expected to enhance tyre life and elongate the tyre replacement cycle, thereby hampering tyre replacement demand in the long run as road infrastructure improves.

The lower freight demand resulting in low fleet utilization and low profitability amid rising fuel prices and other operating expenses will likely restrict improvement in the share of radialisation in Fiscal 2023. However, the overall penetration of radial tyres is expected to reach 66-68% Fiscal 2032 owing to the increasing penetration of low-cost Indian radial tyres and reducing price differential between bias and radial tyres. The increased awareness among medium and small fleet transport operators about the merits of radial tyres will also improve the share of radialisation.

Radialisation levels at industry levels



Source: CRISIL MI&A

Capacity utilisation

Tyre manufacturers expected to step on capacity expansion led by the Radial segment

All leading tyre manufacturers accelerated capacity expansion in Fiscal 2023, led by healthy OEM, replacement and export demand after witnessing significant slowdown in the tyre market in Fiscals 2020 and 2021. Due to the pandemic-induced mobility restrictions in Fiscal 2021, meagre radial tyre capacities of ~0.5 million units/annum and ~3.6 million units/annum are estimated to have been installed in the MHCV and passenger car radial ("**PCR**") segments, respectively.

Radial capacity expansion had also been low due to higher demand for lower-priced bias tyres as imports have been restricted. In Fiscal 2022, multiple players have done capex expansion and consequently there has been a total estimated capacity increase of 12-17%. The PCR segment is expected to have increased by ~6.5-7.5 million additional units per annum and TBR approximately ~1.5-1.8 million tyres per annum. Capacity addition in Fiscal 2023 in truck bus radial and passenger car radial is expected to be 10-12% while there are no new capacity addition expected in truck bus bias segment.

Utilisation improved in Fiscals 2022 and 2023

Popularity of radial tyres increased towards the end of the last decade, as Indian transporters shifted towards lower priced Chinese truck and bus radial ("**TBR**") tyres. This has prompted domestic manufacturers to invest heavily in radial capacities in the TBR and PCR segments. Low levels of radialisation and significant underlying potential attracted several international players, such as Michelin and Bridgestone, into the market. Apart from importing tyres, these players also committed substantial capex to set up radial capacities in India to increase market share.

The overall utilisation in Fiscal 2023 is estimated to have increased to 77% aided by 9-11% increased tyre production led by robust OEM demand of 23-35% supported by PV and CV sales while replacement market remained muted. This growth in vehicle sales was attributable to healthy demand for personal vehicle supported coupled with increased infra and mining activity. Capacity utilisation is expected to further increase in Fiscal 2024 by 82-87% supported by increased sales in both domestic and exports market.

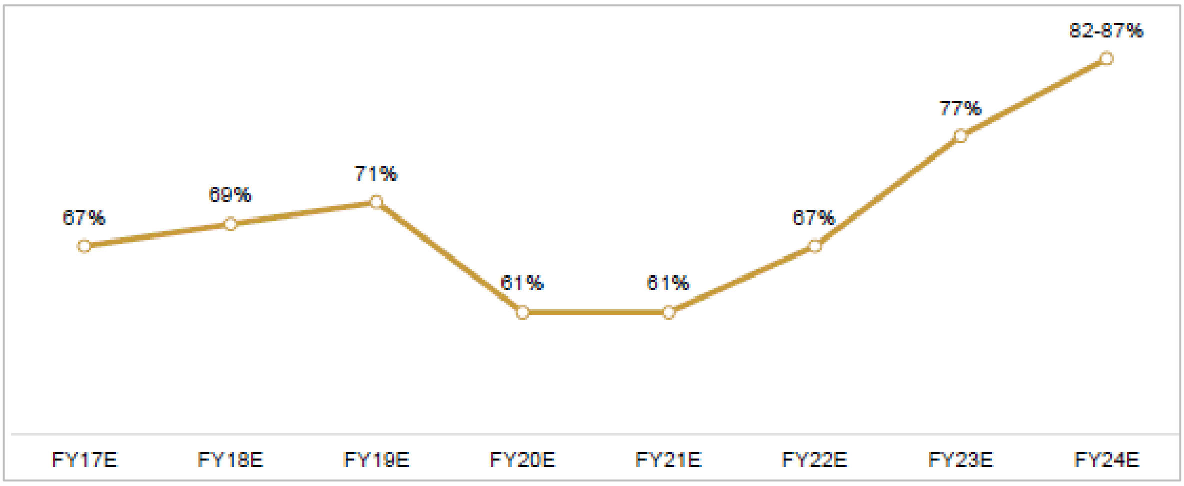
Lower freight demand resulting in low fleet utilisation and low profitability amid rising fuel prices and other operating expenses will likely restrict improvement in the share of radialisation in Fiscal 2023. However, the penetration of radial tyres is expected to reach 60-62% in the MHCV segment and 42-44% in the LCV segment by Fiscal 2026 owing to the increasing penetration of low-cost Indian radial tyres and reducing price differential between bias and radial tyres. Increased awareness among medium and small fleet transport operators about the merits of radial tyres will also improve the share of radialisation.

After recording low-capacity utilisation levels in Fiscals 2020 and 2021, levels will improve gradually from Fiscal 2022 because of:

Improvement in the demand for radialisation: With anticipated growth in sales of TBR tyres, we expect utilisation of radial capacities to pick up from Fiscal 2023.

Increasing demand for passenger cars: Given the uptick in demand from Fiscal 2022, we expect utilisation to improve and support overall utilisation for the tyre industry, led by increasing share of exports and import restrictions. Stringent import restrictions are also expected to benefit this segment the most, as it accounts for two-thirds of tyre imports.

Capacity Utilisation



E: Estimated
Source: CRISIL MI&A Consulting

Tyre manufacturers expected to step up on capacity expansion led by the PCR segment

All leading tyre manufacturers have accelerated capacity expansion this Fiscal, led by healthy OEM, replacement and export demand after witnessing significant slowdown in the tyre market in Fiscals 2020 and 2021. Due to the pandemic-induced mobility restrictions in Fiscal 2021, meagre radial tyre capacities of ~0.5 million units/annum and ~3.6 million units/annum are estimated to have been installed in the MHCV and PCR segments, respectively. Radial capacity expansion had also been low due to higher demand for lower priced bias tyres as imports have been restricted.

Segment-wise installed capacity

Installed Capacity ('000 tonne)	FY14E	FY15E	FY16E	FY17E	FY18E	FY19E	FY20E	FY21E	FY22E	FY23E
MHCV radial	429	490	594	633	704	796	840	868	943	1030
MHCV bias	875	875	875	875	875	875	875	853	825	825
PCR	273	275	306	321	341	373	395	418	472	529

E: Estimated
Source: CRISIL MI&A Consulting

Latest trends in the tyre industry

Sustainable tyres

Sustainable tyres in India are paving the way for an eco-conscious and a sustainable future in the automotive industry. The tyres would be developed with highly sustainable materials like natural rubber, bio-attributed styrene-butadiene rubber ("**SBR**") and butadiene rubber ("**BR**"), bio-based oil, recycled rubber powder, recycled polyester and steel wire, sustainable carbon black from end-of-life tyres, recycled nylon and the bead wire processed with higher recycled content which will help in conserving the ecosystem and address climate change.

Colour tread wear indicator tyres

A yellow strip is embedded within the tread portion of the tyre, which is not visible in a new tyre. Over time, as the tyre wears off, this yellow strip starts appearing, indicating that it is time to change the tyre.

The uniqueness of this innovation is that it makes it obvious that the tyre has reached the end of its life, and needs replacement, thus reducing potential accidents caused for want of tyre grip. It enhances customer safety as it gives an indication to the user when it is time to change tyres.

Intelligent tyres/ smart tyres

The tyres would be embedded with Internet of Things ("**IoT**") sensors, GPS trackers and use artificial intelligence ("**AI**") to provide insights that can improve overall visibility.

It would measure tyre pressure, tyre temperature, tread depth, auto remind about insurance, gather data on average fuel consumption and transfer data to a mobile app. The driver will be able to grasp the state of his car and fuel usage with the aid of this information.

The IoT applications will be integrated with enterprise resource planning ("**ERP**") offering real-time visibility on all tyre-related data points remotely through a single tool.

Run-flat tyre technology

The technology permits 50 mph driving in the event of air loss due to damaged or perforated surface. The car can travel almost 50 miles, enough to get to a mechanic or tyre shop for repair. Pneumatic tyres designed to resist deflation.

Noise reducing technology

The new design helps reduce the resistance of EVs tyres which will help to offer better driving range. By minimizing the amount of tyre noise that is transmitted to the passenger cabin, low-noise tyres give the passengers a quiet and comfortable driving experience. Depending on the kind of vehicle, its speed and the road surface, it helps curtail the interior vehicle noise by up to 9 dBA.

Puncture proof tyre system

The tyres are built using composite elastic and sap inserted fiberglass. It is the air-less tyre that minimizes the risk of puncture and blowout. It lessens the severe, life-shortening wear caused by under/over-filling.

EV tyres

EV tyres typically have a reinforced sidewall to withstand the heavier weight of vehicle batteries. These tyres come with a unique tread compound composition designed with a high proportion of silica, which is intended to deliver greater tread elasticity that minimizes the energy loss and improve rolling resistance. They have features like Ultra-low rolling resistance, improved wet and dry traction, higher durability, lower energy consumption, tread patterns that support lower noise and additional weight.

The new design helps to reduce the resistance of EV tyres also offers better driving range.

Trend in natural rubber prices

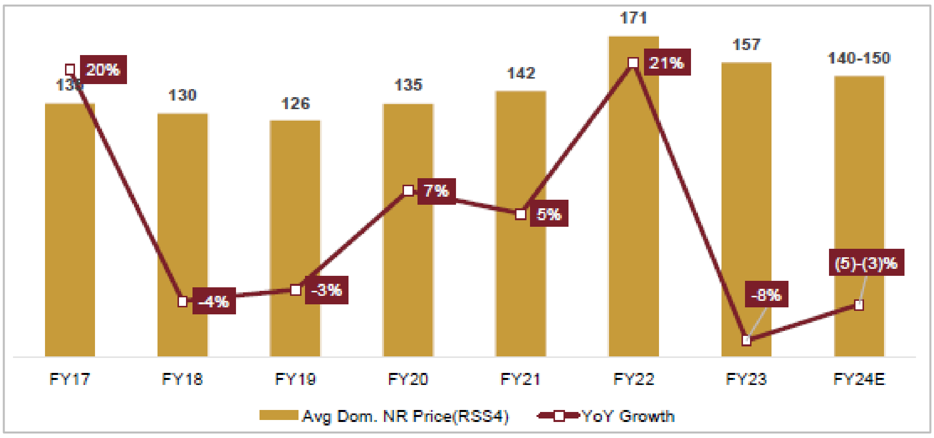
Natural rubber ("**NR**") is the most important raw material used in the tyre industry, accounting for 60-70% of the total raw material cost.

Global NR consumption surged 9.2% on-year in calendar year 2022 to 13.88 million tonne, while NR production recovered 5.7% on-year in 2021 to 13.79 million tonne.

Domestic NR prices on an uptrend due to supply constraints

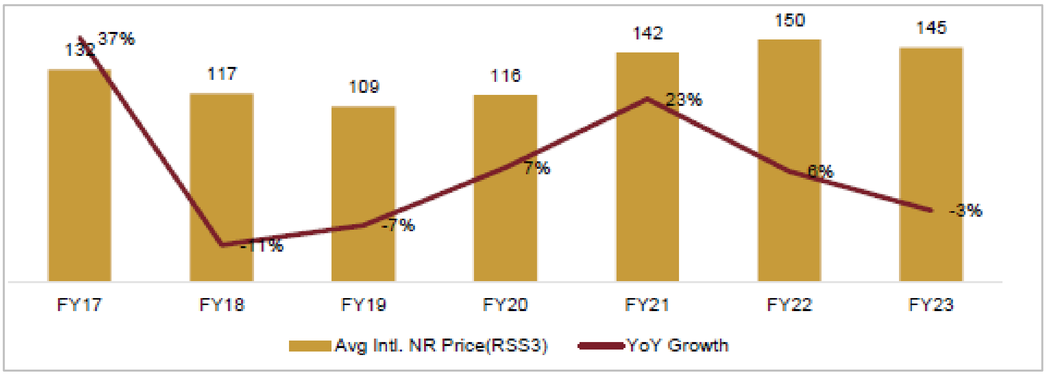
Domestic rubber prices are highly sensitive to the import of NR. To regulate imports, the government increased the import duty on dry rubber from 20% or Rs 30 per kg (whichever is lower), to 25% or Rs 30 per kg (whichever is lower), from April 30, 2015, to create demand for locally produced rubber.

Trend in domestic natural rubber price (RSS4) (₹/Kg)



Source: Rubber Board, CRISIL MI&A Consulting

Trend in international rubber price (RSS3) (₹/Kg)



Source: Rubber Board, CRISIL MI&A Consulting

Drop in Natural rubber prices to continue in Fiscal 2024 with softening demand

After an estimated increase of 3-5% in 2023, Global rubber demand is expected to increase by 6-8% supported by increase in global automobile production and healthy demand for latex products. In 2023, we global natural rubber supply is estimated to have increased amid steady demand. Demand as well as production is expected to be around ~14.9 million tons in 2023.After witnessing an increase in prices in Fiscal 2022, due to pandemic induced demand shortage, supply chain disruptions and overall increase in prices of commodities, international rubber prices declined by 10% Fiscal 2023 as with softening of overall demand due to tightening of economic policies. Following the trend of international market, the prices of domestic natural rubber also witnessed decline in Fiscal 2023 after prices surges created by Russia Ukraine conflicts in Fiscal 2022.

After an estimated increase of 3-5% in 2022, demand as well as production is expected to be around ~14.9 million tonnes in 2023. Global NR consumption surged by 9.2% in calendar year 2021 (y-o-y), reaching 13.88 million tonnes while NR production recovered by 5.7% in 2021 (y-o-y), reaching 13.79 million tons. Although resurgence of COVID-19, semi-conductor shortage and power outage in China estimated to have affected demand in latter part of CY2021, offtake was significantly high over a low base of the previous year.

After witnessing an increase in prices in Fiscal 2022, due to pandemic induced demand shortage, supply chain disruptions and overall increase in prices of commodities, international rubber prices declined by 10% Fiscal 2023 as with softening of overall demand due to tightening of economic policies. Reduction in crude oil prices and consequent decline in prices of synthetic rubber exerted further downward pressure on prices of natural rubber due to substitution effect. Stabilization of pandemic hit supply chain further contributed to the decline in prices.

We expect prices to settle between 1750-1850 USD/ton in Fiscal 2024.

Domestic natural rubber prices to follow international trends

Domestic rubber prices are highly sensitive to the import of NR. To regulate imports, the government had increased duty on the import of dry rubber from 20% or Rs 30 per kg (whichever is lower), to 25% or Rs 30 per kg (whichever is lower), from April 30, 2015, to create demand for locally produced rubber.
Following the trend of international markets, the prices of domestic natural rubber also declined in Fiscal 2023 after price surges created by the Russia Ukraine conflict in Fiscal 2022. Domestic NR prices fell by 8% in Fiscal 2023 in line in global NR prices as import substitution puts downward pressure on domestic market. Increased domestic production as a result of favorable weather condition and commencement of the tapping season in Kerala which accounts for more than 80% of NR production in India also led to a decline of domestic NR.

Going ahead, we expect prices to further decline by (2)-(6)% in Fiscal 2024.

The government had reduced the period of utilization of imported dry rubber under the Advance Licensing/ Authorization Scheme from 18 months to 6 months. Additionally, the Directorate General of Foreign Trade has imposed restrictions on the import of NR by restricting the port entry to Chennai and Nhava Sheva (Jawaharlal Nehru Port) since January 2016.

The Rubber Production Incentive Scheme (RPIS) introduced in January 2022 was a boost to supply sentiments as it provided minimum price of 150/kg to rubber producers. The minimum price was later enhanced to Rs. 170/kg.

The rubber plantation industry had a very strong overall performance in 2021–2022. The nation's production of NR increased to 775,000 tons in 2021–2022 from 715,000 tons in 2020–2021, marking an 8.4% increase over the 0.4% growth seen in the prior year. The noticeable increase in NR production has been attributed to the increase in yield, as well as the growth in tappable area and improvement in the proportion of area tapped during the year. Interventions of the Board in promoting rain guarding & other appropriate agronomic practices, controlling diseases, promoting self-tapping and in adopting more untapped area into tapping have further helped in improving production.

Despite prices expected to witness slight improvement in fourth quarter of Fiscal due to improvement in demand owing to seasonal factors, CRISIL MI&A expects domestic prices to witness a decline of (6)-(9) % in Fiscal 2023 due to steep moderation in brought about in prices in second and third quarter due to fall in crude prices and weakening of global demand amidst recessionary fears.

Raw material consumption mix

In volume terms, the five key raw materials such as Natural Rubber, Carbon Black, Nylon Tyre Cord Fabrics ("**NTCF**"), Poly-Butadiene Rubber ("**PBR**") and SBR constitute around 85-90% of the total raw material consumption by the Indian tyre industry at an overall level.

Composition of raw materials

Raw material	Composition
Natural Rubber	40-48%
Carbon Black	10-14%
NTCF	16-21%
Poly-butadiene rubber (PBR)	4-6%
Synthetic Butadiene Rubber (SBR)	4-6%
Others	12-16%

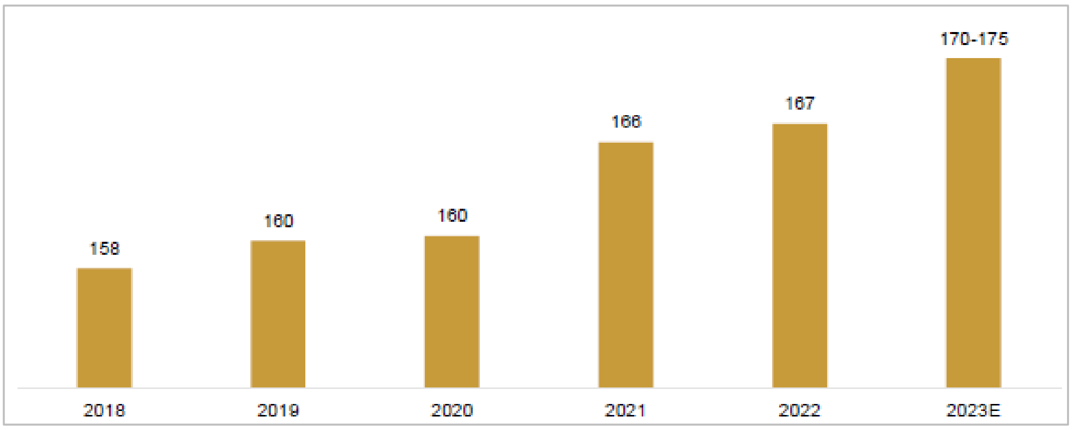
Source: Industry, CRISIL MI&A

Overview of global tyre industry

The Global Automotive Tyre Market is valued at USD 167.46 billion in 2022. Passenger Car has the largest market share by vehicle type. The high production and ownership rate of passenger cars leads to an increased demand for tyres. Additionally, the demand is fueled by the growing middle class, urbanization, and the necessity of personal mobility in many regions.

The aftermarket has the largest market share by end-user. The consistent need for replacement, combined with the fact that vehicles often outlive their original set of tyres, makes the aftermarket segment the largest end user in the automotive tyre industry.

Automotive tyre market (in USD billion)



Source: Mordor Intelligence, OICA.NET, CRISIL MI&A

Key applications and growth drivers for global tyre industry

Vehicle sales to fuel automotive tyre demand

Globally, vehicle sales have kept an equivalent pace to drive the global automotive production and sales. The passenger car ecosystem is deeply driven by several micro and macro factors that have kept the overall demand on the higher side. Shifting consumer stance on the body type in the passenger segment, most preferably sports utility vehicles, and sedans, has encouraged the global demand scenario. This has led global passenger car sales to clinch the mark of 57.49 million in 2022, which showcased a marginal increase from 56.44 million unit sales in 2021.

As more cars are sold, tyre producers have a larger consumer base, which increases demand for high-quality, dependable tyres. Numerous automakers have been actively approving different tyre manufacturers to supply tyres for heavy-duty and high-performance automobiles, including cars and trucks.

Thus, the market for the automotive tyre is anticipated to witness a high growth rate owing to increased vehicle sales across the globe.

Increased demand for high performance tyres to fuel market growth

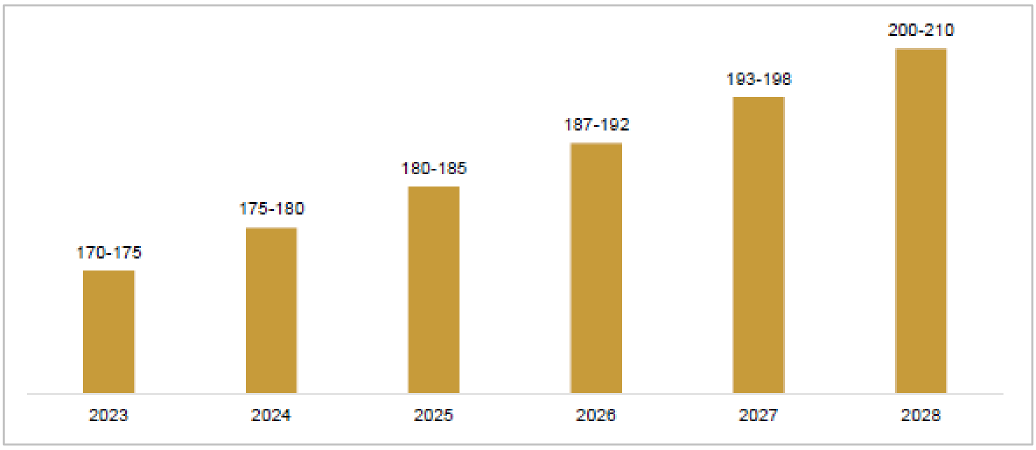
High-performance tyres are becoming more and more necessary due to safety regulations and standards. Global governments and regulatory bodies are enforcing stricter safety and environmental regulations, which is leading to the development of new materials and technologies for high-performance tyres. High-performance tyres that offer increased fuel efficiency without sacrificing performance have been developed as a result of regulations governing tyre labeling and fuel efficiency, for example, which have forced tyre producers to produce more fuel-efficient tyres.

OEM high-performance vehicle manufacturers such as Porsche, Audi AG, and Mercedes have been significantly influencing the demand for high-performance racing cars and, consequently, their race tyres. This has led to multiple OEM-tyre manufacturer’s partnerships that are anticipated to factor in for the global market growth over the coming years.

Outlook on global tyre industry

The Global Automotive Tyre Market is expected to reach USD 200-210 billion by 2028, registering a CAGR of around 3-3.5% during the forecast period (2023-2028).

Global tyre industry market



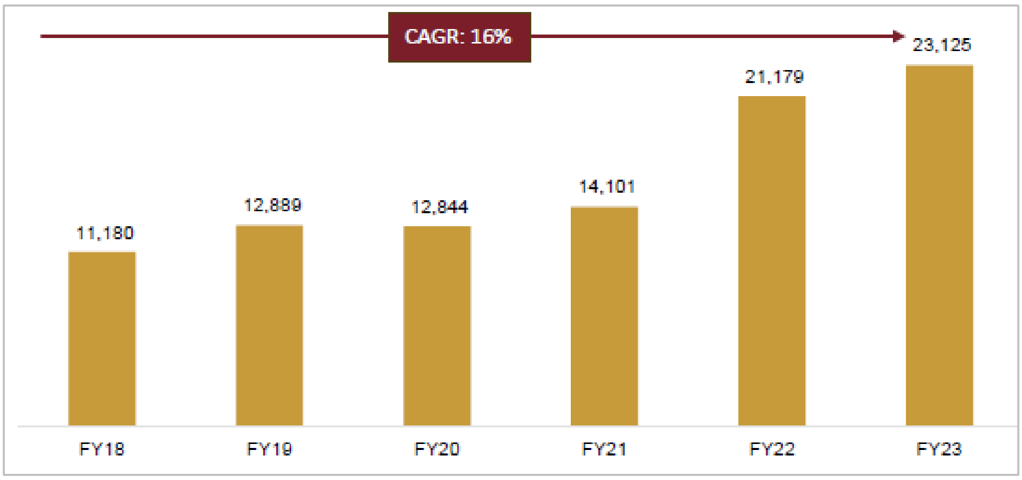
Source: Mordor Intelligence, OICA.NET, CRISIL MI&A

Overall export trend from India (region-wise)

Tyre exports from India have increased significantly this year because of rising demand from the US and Europe and the growing acceptability of Indian tyres in international markets. The global economy's challenges from recessionary conditions, rising interest rates, political upheaval, and a weakening of external demand impacted the growth momentum of Indian tyre exports.

India's tyre exports increased 9% on-year to an all-time high of Rs 23,125 crore in Fiscal 2023 from Rs 21,178 crore in Fiscal 2022.

Tyre exports (Rs. crores)



Source: DGFT, CRISIL MI&A

Drivers of exports

Increased performance and better durability at affordable prices in addition to China de-risking strategy adopted by companies across the globe bodes well for increasing tyre exports from India. The presence of multiple manufacturing units of Indian OEMs outside the country is increasing traction for Indian tyres in global markets as well.

The curb on import of tyres has helped the industry increase size and scale of production and integrate with the global supply chains.

In value terms, Farm/ Agri tyres carved a share of over 40% in the tyre exports pie followed by OTR/ Industrial tyres at 22%.

In volume terms, Trucks and bus radial tyre exports stood marginally lower in Fiscal 2023, 3,037 thousand units against the previous year's 3,095 thousand units. The US continues to be a major recipient of TBR tyres from India, nearly one fourth of TBR tyre exports from India were destined for US.

In passenger tyre car exports in volume terms, witnessed a marginal fall of 5% from 6,386 thousand units in Fiscal 2022 to 6,095 units in Fiscal 2023. The Netherlands with as share of 22%, Brazil (16%) and USA (10%) are the three largest importing countries of PCR tyres from India.

In motorcycle tyre exports in volume terms, stood 16% lower cumulatively during Fiscal 2023 from 4,666 thousand units in Fiscal 2022 to 3,938 in Fiscal 2023. Bangladesh (15%), Colombia (11%), and Kenya (10%) were the largest importing countries for Indian manufactured Motorcycle tyres in Fiscal 2023.

The Farm/ Agri tyre exports from India stood 17% lower in Fiscal 2023 from 6,984 thousand units in Fiscal 2022 to 5,765 in Fiscal 2023. USA (26%) and Germany (10%) are the dominant export markets for Indian manufactured Farm/Agri tyres.

Projected exports from India

Tyres manufactured in India are being exported to over 170 countries, including some of the most discerning markets in North America and Europe. The US continues to be the largest market for Indian tyres. The tyre industry is hopeful for increased exports and the OEMs continue to target new markets.

Projected exports from India (Rs. crores)

Row Labels	FY22	FY23	CAGR Growth (FY23-FY28)
Europe	7,733	7,533	8-10%
North America	4,378	5,650	9-11%
Asia	3,183	3,201	0-2%
Latin America	2,201	2,590	7-9%
Middle East	1,745	2,220	8-10%
Africa	1,548	1,494	3-5%
Others	387	434	3-4%
Grand Total	**21,179**	**23,124**	**8-9%**

Source: DGFT, CRISIL MI&A

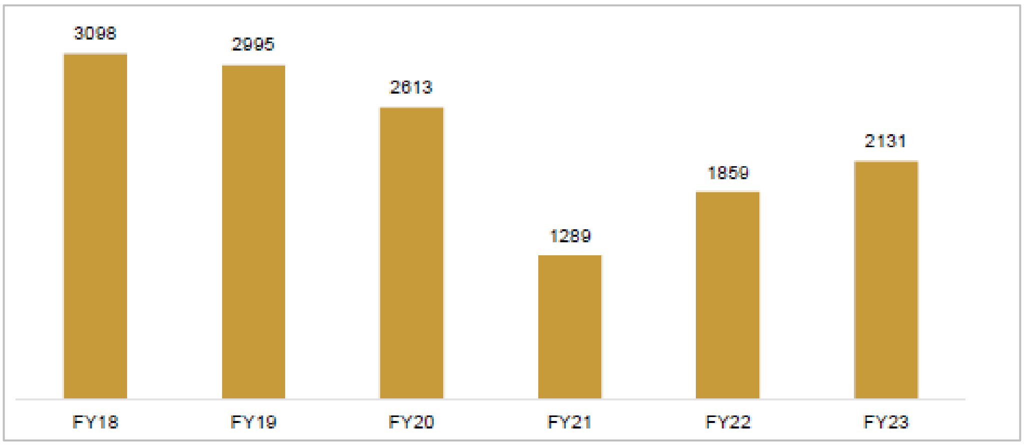
India's tyre exports is projected to grow by 8-9% CAGR to an all-time high of Rs 34,800-35,200 crore in Fiscal 2028 from Rs 23,124 crore in Fiscal 2023.

Tyre imports

Tyre imports are continuing to decline on the back of government regulations that favour domestic players.

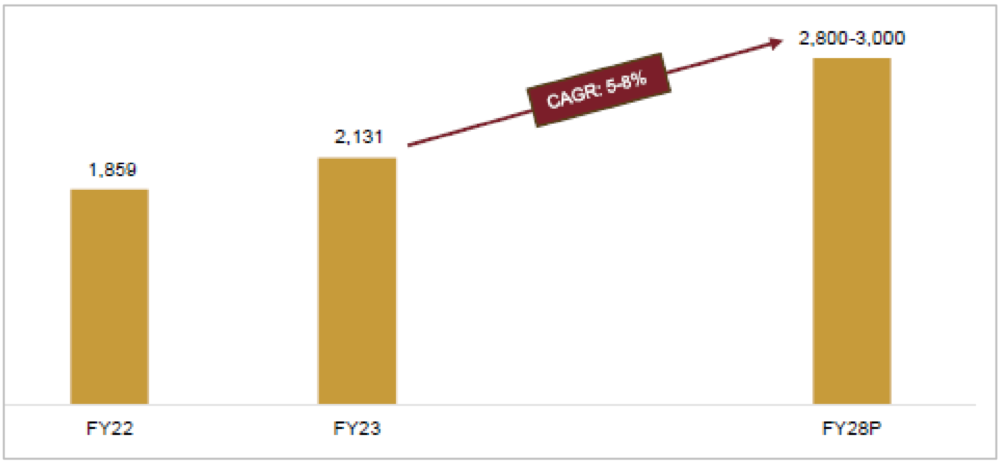
In Fiscal 2021, tyres worth Rs 1,289 crore were imported into the country. Imports accounted for ~1.2% of domestic tyre consumption in volume terms and ~0.8% in tonnage terms. In volume as well as value terms, PCR tyres accounted for the largest share.

Tyre imports (Rs. crores)



Source: ATMA, CRISIL MI&A Consulting
HS code: 4011

Projections on tyre imports (Rs. crores)



Source: ATMA, CRISIL MI&A

Mexican automobile market

Snapshot

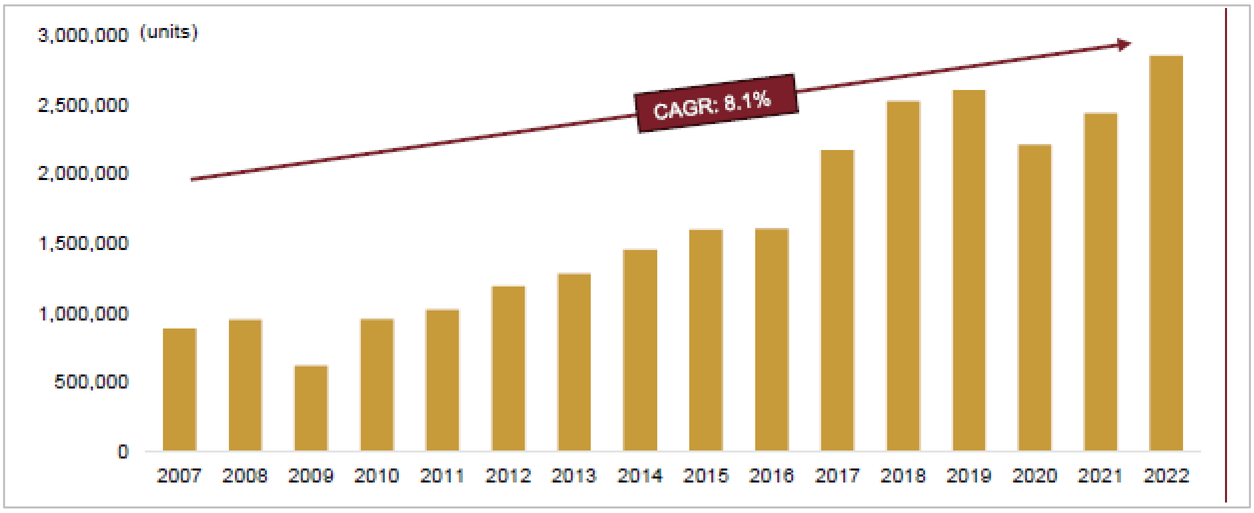
Mexico is the world's seventh-largest passenger vehicle manufacturer, producing 3.5 million vehicles annually. As per International Trade Administration ("**ITA**") Department of Commerce United States, the automotive sector is one of Mexico's most significant industries, comprising 3.6 percent of the nation's GDP, 18 percent of the manufacturing GDP, and employing over one million people nationwide.

Vehicle production in Mexico

With 14 bus, truck, and tractor truck manufacturers and assemblers as well as two engine manufacturers, Mexico is the fifth-largest producer of heavy-duty transport vehicles worldwide. With 11 production facilities across the country, these manufacturers sustain over 28,000 jobs. Mexico is the leading global exporter of tractor trucks, 95.1 percent of which are destined for the United States. Mexico is also the fourth-largest exporter of heavy-duty vehicles for cargo and the second-largest export market after Canada for U.S. medium and heavy-duty trucks.

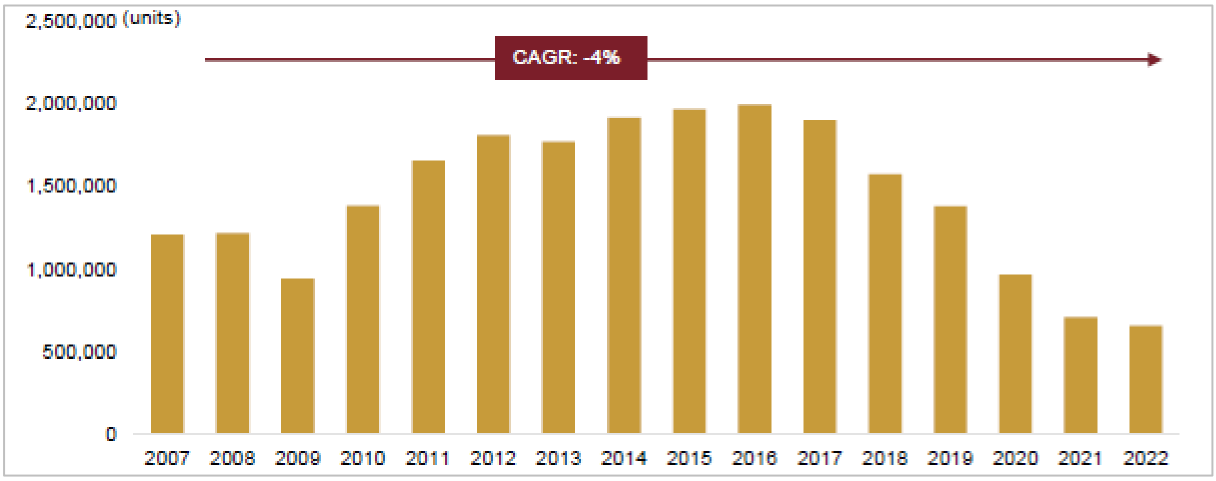
As per the International Organization of Motor Vehicle Manufacturers' production statistics of 2022, Mexico was seventh in total cars and CV production, ahead of Brazil, Canada, France, Spain, Thailand and the UK. During the year, 2,851,071 CVs were manufactured in the country, which was a 8% CAGR between 2007 and 2022. During the period, the number of passenger cars manufactured declined at 4% CAGR to 658,001 units.

Commercial vehicle production in Mexico



Source: OICA, CRISIL MI&A

Car production in Mexico

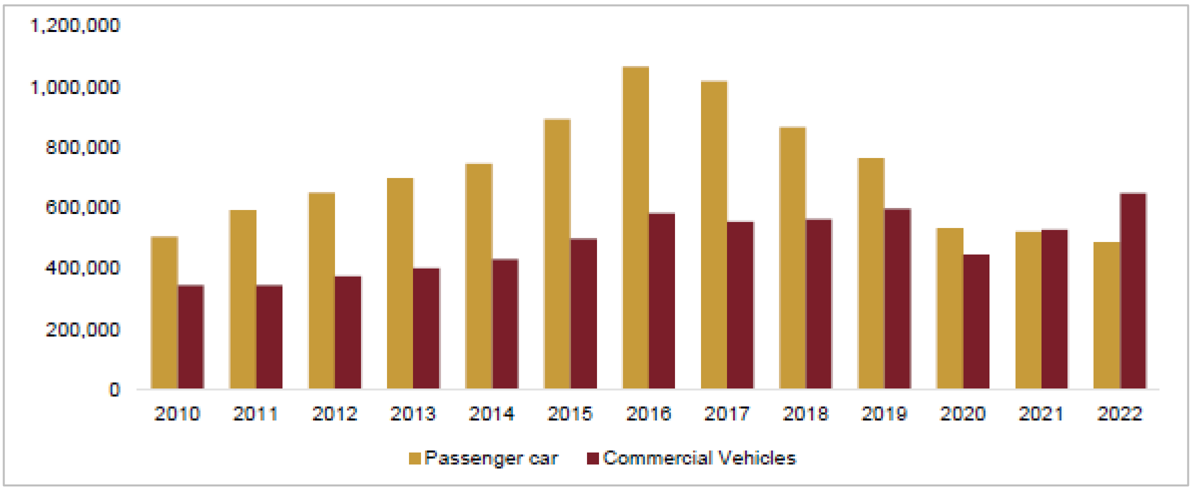


Source: OICA, CRISIL MI&A

Automotive manufacturers are primarily concentrated in the northern region of Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and San Luis Potosí. OEM plants are also based in Guanajuato, Aguascalientes, Jalisco, Estado de Mexico, Hidalgo, Morelos, and Puebla. In terms of supply chains, auto parts producers are located close to these plants, primarily in Coahuila, Chihuahua, Nuevo León, Guanajuato, Queretaro, Puebla, Tamaulipas, San Luis Potosi, and Estado de Mexico, although they are also found in other parts of the country. The heavy-duty vehicle manufacturing plants are mainly concentrated in northern Baja California, Coahuila, Nuevo León, San Luis Potosí, Jalisco, Guanajuato, Querétaro, Hidalgo, and Estado de Mexico.

The United States-Mexico-Canada Agreement ("**USMCA**"), which went into effect on July 1, 2020, included changes to the rules of origin for the automotive sector. The USMCA requires that 75 percent of a vehicle's content (70 percent for heavy trucks) be produced in North America, and that core auto parts originate from the United States, Canada, or Mexico.

Passenger car and CV sales in Mexico

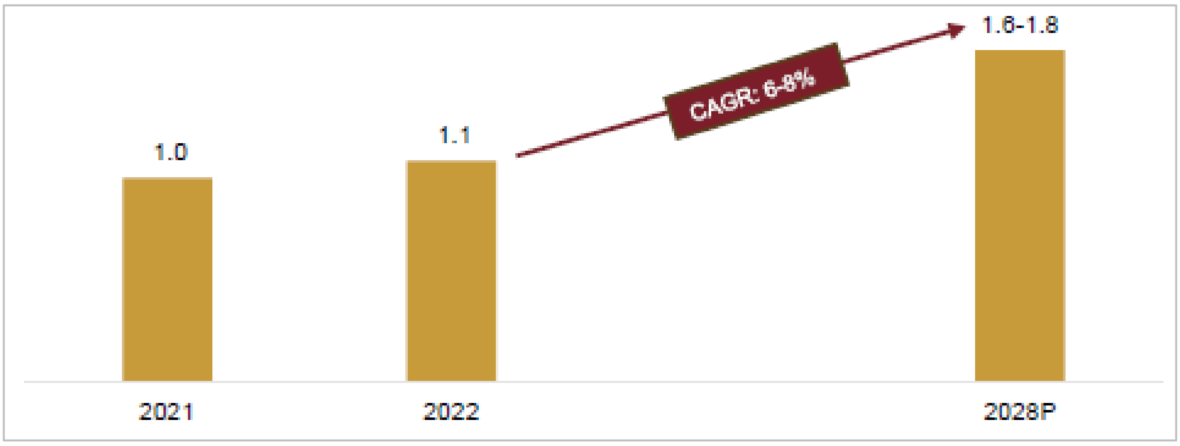


Source: OICA, CRISIL MI&A

Between 2010 and 2022, passenger car sales declined by -0.3% CAGR and CV sales rose by 5.4% CAGR. With CV sales outpacing Passenger vehicles, its share rose to 57% in 2022 from 30% in 2010, in volume terms.

According to OICA, in 2022, passenger vehicle sales declined 6% on-year to 4,86, 962 and the commercial vehicles sales increased 23% on-year to 6,47,480. Between 2022 and 2028, CRISIL projects the sales to grow at CAGR of 6-8% to 1.6-1.8 million units.

Outlook on Mexican automobile market



Source: OICA, CRISIL MI&A

Mexican exports to US and other key markets

Mexico is a major market for U.S. passenger vehicles, light vehicles, trucks, auto parts, supplies, and technologies required for electric vehicles. Eighty-eight percent of vehicles produced in Mexico are exported, with 76 percent destined for the United States. Established automakers in Mexico include Audi, BMW, Ford Motor Company, General Motors, Honda, Hyundai, Jac by Giant Motors, Kia, Mazda, Mercedes Benz, Nissan, Stellantis, Toyota, Volkswagen, and Tesla, which recently announced a new plant to be built in the state of Nuevo Leon as part of its electric vehicle production.

As per International Trade Administration ("**ITA**") Department of Commerce United States, Mexico is the largest export market for U.S. automotive parts and the fourth-largest producer of automotive parts worldwide, generating USD 107 billion in annual revenues. The market for EVs is evolving rapidly in Mexico as automakers have announced ambitious strategic goals to transition their offerings from gasoline to electric vehicles. These plans also include reducing their own carbon footprints and those of their tier suppliers.

Mexico light vehicles (passenger vehicles) top export destinations

Country	Share of exports
USA	77.0%
Canada	7.1%
Germany	5.7%
Colombia	1.1%
Brazil	0.9%
Puerto Rico	0.9%
Chile	0.8%
United Arab Emirates	0.5%
United Kingdom	0.4%
Japan	0.4%

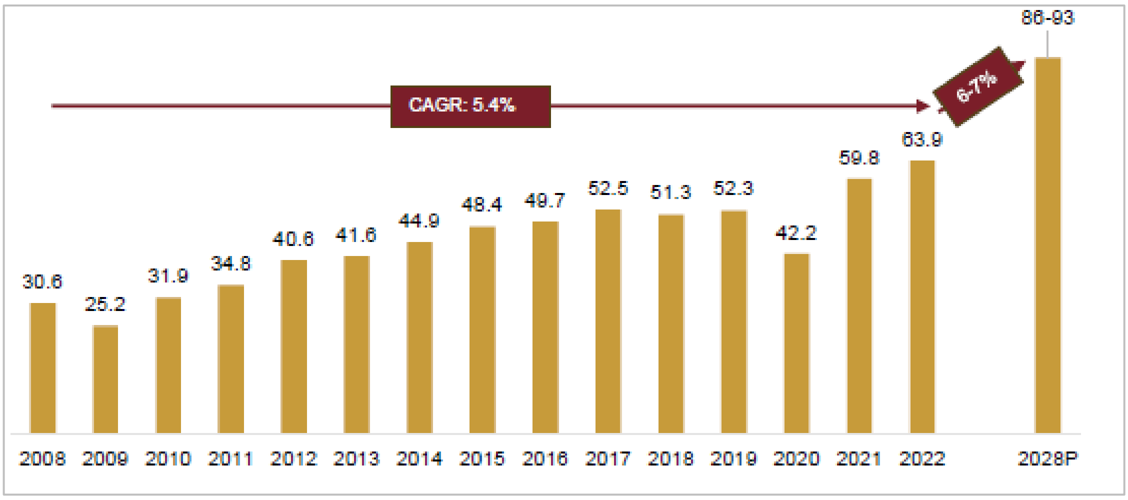
Source: Mexican Automotive Industry Association (AMIA), CRISIL MI&A

Mexico's tyre market

As per the data published by Mexico's National Chamber of Rubber Industries i.e., Camara Nacional de la Industria Hulera ("**CNIH**") association, Mexico's tyre market has grown at a CAGR of 5.4% over 2008 and 2022 from 30.6 Mn to 63.9 Mn in 2008 and 2022 respectively.

During 2022 – 2028, with a projected growth rate of 6-8% in vehicle sales, CRISIL MI&A believes that the Mexican tyre market will grow at a CAGR of 6-7% during the same period.

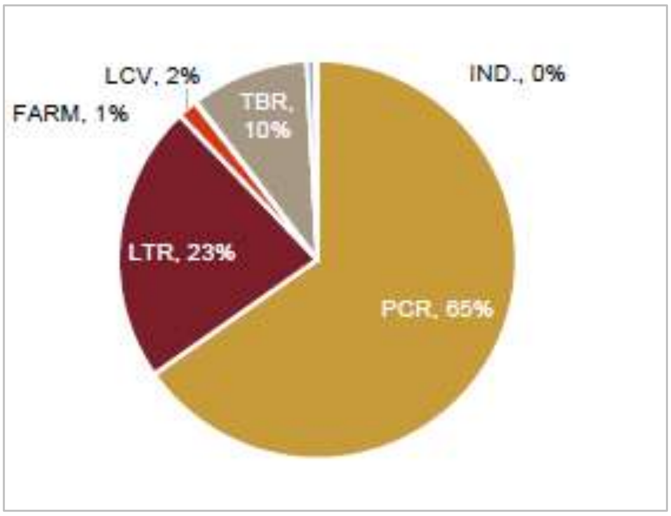
Mexican tyre market



P: Projected
Source: CNIH association, CRISIL MI&A

Mexico's tyre market is dominated by passenger car radial (PCR) tyre sales at 65% followed by light truck radial ("**LTR**") and truck and TBR at 23% and 10% respectively during the year 2022 as per data published by CNIH association.

Segment wise share



Source: CNIH association, CRISIL MI&A

Player profiles & competitive financial benchmarking

Financial benchmarks

Company	Operating income (Rs million)	Operating EBITDA	PAT	Operating EBITDA margin (%)	PAT margin	ROCE	ROE	Debtto Equity
JK Tyre & Industries Ltd	1,46,449	12,978	2,631	8.9	1.8	10.5	8.8	1.5
Apollo Tyres Ltd	2,45,240	32,889	10,751	13.4	4.4	10.7	9.5	0.5
CEAT Ltd	1,13,149	9,719	1,824	8.6	1.6	8.4	5.6	0.7
MRF Ltd	2,30,485	24,447	7,690	10.6	3.3	8.0	5.4	0.2

Source: Annual reports, CRISIL MI&A
Note: Consolidated financial statements of 2023

JK Tyre and Industries Limited

JKTI, the flagship company of the JK group, is headed by Dr R P Singhania as its chairman and managing director. It is one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, LCV, passenger cars, multi-utility vehicles ("**MUV**"), tractors and one of the few companies to have a multi-tier product approach. One of the pioneers of radials in India, JK is also one of the leading players in truck and bus radial tyres in India. It has grown to be one of the largest manufacturers of PCT in India as of Fiscal 2023 and is also one of the few Indian companies to have developed PCR tyre with high sustainable, recycled and renewable material. JK Tyre, in April 2016, acquired Cavendish Industries Limited in Haridwar, Uttarakhand. Cavendish Industries Limited is one of the leading manufacturers of branded two and three-wheeler tyres in terms of revenue from operations as of Fiscal 2023.

JK Tyre has a significant global presence and is present in around 100 countries with over 230 Global distributors. The Company has 12 globally-benchmarked 'sustainable' manufacturing facilities - 9 in India and 3 in Mexico – that collectively has manufacturing capacity of around 34 million tyres annually. The Company also has a strong network of over 6000 dealers and 700 dedicated Brand shops called as Steel Wheels and Xpress Wheels.

Apollo Tyres Limited

Apollo, established in 1972, manufactures automotive bias and radial tyres, and tubes. It has plants in Kochi (Kerala), Vadodara (Gujarat), Pune (Maharashtra), Chennai (Tamil Nadu) and Chittoor (Andhra Pradesh). The product profile includes prominent tyre brands in the two-wheeler, truck and bus, light truck, passenger vehicle and farm vehicle segments in India, catering to both original equipment manufacturers and the replacement market. Apollo tyres is present in 100+ countries and has 7 manufacturing facilities across India and Europe. The company has 2 global R&D centres. In May 2009, Apollo acquired Vredestein, a subsidiary of Amtel-Vredestein

NV, incorporated in the Netherlands, for EUR 40 million. Vredestein has one manufacturing unit in Enschede near Amsterdam, with capacity of 55 lakh tyre per annum. It produces premium, high-speed PCRs, collapsible passenger car tyres, and agricultural tyres.

CEAT Ltd

Established in 1958, CEAT is flagship entity under the RPG group (Rama Prasad Goenka Group) which acquired the company in 1982. CEAT is engaged in the manufacturing of tyres, tubes and flaps and it is one of the leading tyre manufacturers in the domestic market. The product profile includes tyres for scooter, bike, 3-wheeler, car, bus, LCV, trucks, and tractors. They have a presence in more than 110+ countries, It caters to demand from both OEMs and replacement market. In India, CEAT operates with six manufacturing units located at Bhandup, Nagpur, Nasik, Ambernath (Maharashtra), Halol (Gujarat), Chennai (Tamil Nadu). Further, they have 17 outsourcing units to manufacture tyres, tubes and flaps.

MRF Limited

MRF Ltd (MRF), was incorporated as a private limited company in 1960 to take over the business of a partnership firm 'The Madras Rubber Factory', started by the late K M Mammen Mapillai. Over the years, the company has established a country-wide dealer network. MRF has manufacturing plants spread across nine locations in Tamil Nadu, Kerala, Andhra Pradesh, Gujarat and Goa. It also has strong R&D support and a marketing team with a wide distribution network. Other business operations of the company consist of manufacturing pre-cured treads, tread rubber, specialty paints, etc.

BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. See "**Forward-Looking Statements**" on page 16 for a discussion of the risks and uncertainties related to such statements. Our actual results may differ materially from those expressed in or implied by such forward-looking statements. Further, see "**Risk Factors**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations**" on pages 41 and 85, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2023, 2022 and 2021 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the six months ended September 30, 2023, included herein is derived from the Unaudited Consolidated Financial Results included in this Placement Document. See "**Financial Information**" on page 238.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Market Assessment and Outlook of Tyre Business in India until 2032 and a sneak preview of Mexico" dated November 2023 ("**CRISIL Report**") prepared and released by CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited ("**CRISIL**"), which was commissioned and paid for by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See, "**Presentation of Financial Information and Other Conventions**" on page 13.*

Overview

We are one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, light commercial vehicles ("**LCV**"), passenger cars, multi-utility vehicles ("**MUV**"), and tractors. (*Source: CRISIL Report*) We have grown to be one of the largest manufacturers of passenger car tyres ("**PCT**") in India as of Fiscal 2023 and one of the few Indian companies to have developed passenger car radial ("**PCR**") tyre with high sustainable, recycled and renewable material. (*Source: CRISIL Report*) Our diversified product portfolio comprises truck and bus radial ("**TBR**") tyres, truck and bus bias ("**TBB**") tyres, bias and radial tyres for LCVs and small commercial vehicles ("**SCVs**"), PCR tyres, two three wheeler tyres, tyres for farm vehicles and off-road vehicles ("**ORVs**"), and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in electric vehicles ("**EVs**"). In April 2016, we acquired Cavendish Industries Limited ("**CIL**"). CIL is one of the leading manufacturers of branded two three wheeler tyres in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*)

We are also present in North and Latin America, Middle East, Africa, Australia, Southeast Asia and Europe, including through one of our Subsidiaries, JK Tornel S.A. de C.V. in Mexico and through our Associate, Western Tire, Inc., in the United Stated of America. In 2022, we were ranked 19 among the top tyre manufacturing companies in world, based on turnover (*Source: 2022 Global Tire Rankings by Tire Business, August 2023*). In India, we market and sell our tyres under the "JK Tyre" and "Vikrant" brands and are present across a range of price points (which we categorize under "premium" and "value for money" ranges). In global markets, we market our products under the "JK Tyre", "Tornel", "Challenger" and "Vikrant" brands. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*) The breakup of revenue generated from our Indian and overseas operations as a percentage of total revenue from operations is as follows:

Segment Revenue	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Indian operations	6,220.66	81.68	11,972.25	81.75	9,863.00	82.31	7,967.61	87.53
Overseas operations	1,394.95	18.32	2,672.69	18.25	2,119.96	17.69	1,134.59	12.47

We sell our products to automotive original equipment manufacturers ("**OEMs**") for fitment in vehicles, as well as in the replacement market, with certain products also used in defense vehicles in India. In addition, we also sell modified TBB and TBR tyres for use in trucks participating in racing events in India. We have a strong network of over 6,000 dealers and 700 dedicated brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*).

In the automotive OEM segment, we maintain relationships with a number of established international and domestic automotive OEMs across the markets in which we are present, including VE Commercial Vehicles Limited, Captain Tractors Private Limited, Maruti Suzuki India Limited, SML Isuzu Limited, Force Motors Limited. In addition, we have arrangements with fleet operators such as EFC Logistics India Private Limited, Shree Ashtech Private Limited, Ahmedabad Roadlines Private Limited, Instant Transport Solution Private Limited for managing and servicing their tyre requirements. Through these arrangements, we carry out various assistance programs intended to prolong the life of our tyres used by the fleet owners, reducing cost per kilometer spend, improve fuel efficiency and safety standards.

We have 12 globally benchmarked 'sustainable' manufacturing facilities - nine in India and three in Mexico (*Source: CRISIL Report*) with a total installed manufacturing capacity of approximately 34 million tyres annually. As of September 30, 2023, we had one manufacturing facility each in Kankroli, Rajasthan, Chennai, Tamil Nadu and Banmore, Madhya Pradesh, and three manufacturing facilities each in Mysore, Karnataka and Haridwar, Uttarakhand. As of September 30, 2023, each of our manufacturing facilities in India are IATF 16949:2016 certified for their quality management systems. Our manufacturing facilities at Chennai, Tamil Nadu, Kankroli, Rajasthan and Haridwar, Uttarakhand are ISO 14001:2015 certified for environmental management systems and ISO 45001:2018 certified for occupational health and safety management. The manufacturing facilities in Mexico located at Tultitlan and Hidalgo are each IATF 16949:2016 certified for their quality management.

As of September 30, 2023, we have a dedicated research and development ("**R&D**") campus in Mysore, Karnataka and R&D centers located at each of our manufacturing facilities in India. Our R&D efforts are conducted partly in association with Hari Shankar Singhania Elastomer and Tyre Research Institute ("**HASETRI**") and other academic institutions in India. In 2022, HASETRI was awarded the "Professor SK Joshi Laboratory Excellence Award" by the Quality Council of India. HASETRI has also been recognized as a Scientific and Industrial Research Organization by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India since 1993.

Our achievements in business and environmental social and governance initiatives have been recognized by way of numerous awards, including The Economic Times Iconic Brand of India recognizing us as an "Icon of Indigenous Excellence" in 2018 and 2022, The Economic Times Iconic Brand of India recognizing us for "Trailblazing Iconicity" in 2021, the "Sustainable Marketing Excellence Award" at the National Awards for Leadership and Excellence in Branding and Marketing in 2022, and recognition as a "Prestigious Brand" by BARC Herald Global in the automotive – tyre category in 2023. We were also recognized as a "Super Brand" by the Super Brand Council of India in 2012, 2013, 2014, 2015 and 2022.

We attribute our growth in revenue and profitability in part to our operational efficiency, which we seek to achieve by streamlining our operational activities and through economies of scale. Set forth below are certain key financial information from our business as of and for the periods indicated below:

Particulars	As of and for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations (in ₹ crores)	7,615.61	14,644.94	11,982.96	9,102.20
Total income (in ₹ crores)	7,631.73	14,681.46	12,019.52	9,145.27
EBITDA (in ₹ crores)[(1)]	1,062.38	1,334.33	1,109.86	1,349.41
EBITDA margin (in %)[(1)(11)]	13.92	9.09	9.23	14.76
PAT (in ₹ crores)[(2)]	407.21	263.05	201.24	330.93
PAT margin (in %)[(2)(11)]	5.34	1.79	1.67	3.62
ROE (in %)[(3)(11)]	11.05	8.17	7.03	12.72
ROCE (in %)[(4)(11)]	10.29	11.16	9.21	12.54
Debt-Equity (in times) [(5)(11)]	1.12	1.37	1.74	1.68
Fixed Asset turnover (in times) [(6)]	1.23	2.36	1.93	1.51
Inventory days (in days):				
- Raw material Inventory (in days) [(7)]	30	33	41	45
- Finished Goods Inventory (in days)[(8)]	28	31	31	36
Receivable days (in days)[(9)]	59	53	54	69

Particulars	As of and for the six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Payable days (in days)[(10)]	76	74	78	104

[(1)] *EBITDA is calculated as profit before exceptional items, tax and share of profit/(loss) of associate plus depreciation and amortization expense and finance costs for the year/period, while EBITDA margin is the percentage of EBITDA divided by total income for the year / period.*

[(2)] *PAT means profit/ (loss) for the year/period including share in profit / (loss) of associates. PAT margin is a percentage of Profit for the year/period divided by total Income for the year / period.*

[(3)] *Return on Equity is calculated as Profit for the year/period divided by average Equity which includes non-controlling interest.*

[(4)] *Return on Capital Employed is calculated as earnings before interest and taxes expenses (EBIT) for the year/period divided by average capital employed. EBIT is calculated as EBITDA for the year/period less depreciation for the year/period and capital employed is sum of equity, total borrowings and deferred tax liabilities adjusted by capital work in progress and capital advances.*

[(5)] *Debt to equity is calculated as total debt divided by total equity which includes non-controlling interest. Total debt is sum total of current borrowing and non-current borrowings.*

[(6)] *Fixed Asset Turnover Ratio is calculated as revenue from operations for the year/period divided by property, plant and equipment.*

[(7)] *Raw Material Inventory days is calculated as average of opening and closing raw material inventory for the year/ period divided by Costs of Materials consumed per day.*

[(8)] *Finished Goods Inventory days is calculated as average of opening and closing finished and stock in trade inventory for the year/ period divided by sale of product per day.*

[(9)] *Receivable days is calculated as Average of opening and closing balance of Receivable for the year/ period divided by revenue from operations per day.*

[(10)] *Payable days is calculated as average of opening and closing trade payable for the year/ period divided by total purchase per day.*

[(11)] *Financial information for the six months ended September 30, 2023 is not annualized and not indicative of full year results and is not comparable with annual financial statements presented in this Document.*

Our Strengths

Leading tyre manufacturing company in India with established global brand presence

We are one of the leading tyre manufacturers in India with a wide range of products catering to diverse business segments including, truck/bus, LCV, passenger cars, MUV and tractors. (*Source: CRISIL Report*) We have grown to be one of the largest manufacturers of PCT in India as of Fiscal 2023 and one of the few Indian companies to have developed PCR tyre with high sustainable, recycled and renewable material. (*Source: CRISIL Report*) In 2022, we were ranked 19 among the top tyre manufacturing companies in world, based on turnover (*Source: 2022 Global Tire Rankings by Tire Business, August 2023*). We have grown our operations from one manufacturing facility in India in 1977 to nine manufacturing facilities in India and three manufacturing facilities in Mexico as of the date of this Preliminary Placement Document. Our manufacturing facilities collectively have a total installed manufacturing capacity of approximately 34 million tyres annually.

We are one of the pioneers of radials in India and one of the leading players in truck and bus radial tyres in India. (*Source: CRISIL Report*) We have an established presence in the automotive OEM segment, across product categories, and have been associated with leading domestic and global automotive OEMs in India. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*). We have an established network of over 6,000 dealers and 700 dedicated brand shops, under the names, “Steel Wheels” and “Xpress Wheels”. (*Source: CRISIL Report*).

We started manufacturing from our manufacturing facility at Kankroli, Rajasthan in 1977 which provided us with an early mover advantage in the tyre industry. We started sale of “Challenger” and “Blaze” branded two three wheeler tyres in 2016, pursuant to the acquisition of CIL. CIL is one of the leading manufacturers of branded two three wheeler tyres in India in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*) Pursuant to our acquisition of CIL, we have expanded our presence as a full range tyre company in terms of products as well as customer segments, which has further contributed to our market position in India. The Economic Times Iconic Brand of India has recognized us as an “Icon of Indigenous Excellence” in 2018 and 2022, and also recognized us for “Trailblazing Iconicity” in 2021. We were also recognized as a “Prestigious Brand” by BARC Herald Global in the automotive – tyre category in 2023. We were also recognized as a “Super Brand” by the Super Brand Council of India in 2012, 2013, 2014, 2015 and 2022.

Diversified product portfolio

Our product portfolio includes tyres for diverse vehicle types, customer segments and applications and comprises on TBR tyres, TBB tyres, bias and radial tyres for LCV and SCVs, PCR tyres, two and three wheeler tyres, tyres for farm vehicles and ORVs and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in EVs. Further, we entered the two three wheeler tyre segment in India pursuant to the acquisition of CIL in 2016, enabling our evolution into a full-range tyre company, present across different price points. The availability of products at different price points allows us to cater to a varied range of customers and markets. Set forth below are details of our products along with details of their contribution to our total revenue from operations (on a consolidated basis):

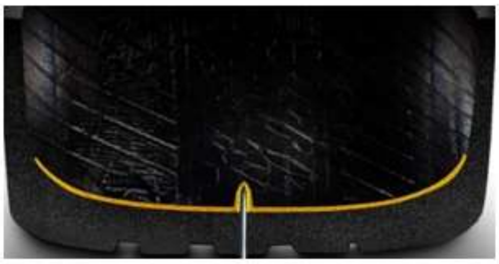
Product	% of revenue from operations for the six months ended September 30, 2023	% of revenue from operations for Fiscal 2023	% of revenue from operations for Fiscal 2022	% of revenue from operations for Fiscal 2021
TBR	36.78	37.49	36.11	34.78
TBB	14.59	15.02	16.90	20.21
PLR	29.48	28.14	26.51	22.87
Two three wheeler tyres	3.47	3.73	3.67	4.75
Non-truck Bias & Others (including OTR)	14.39	14.39	15.35	16.29

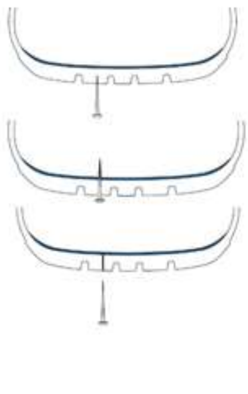
Our end markets include a mix of replacement and automotive OEMs in each of our geographic markets, with replacement sales representing 59.13%, 57.59%, 56.55% and 65.14% of our total revenues from operations in the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, respectively. We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*). In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we generated a significant portion of our revenue from overseas sales of our products in Asia, Middle East, Africa, North and Latin America. The breakup of revenue generated from our Indian and overseas operations as a percentage of total revenue from operations is as follows:

Segment Revenue	For six months ended September 30, 2023		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Indian operations	6,220.66	81.68	11,972.25	81.75	9,863.00	82.31	7,967.61	87.53
Overseas operations	1,394.95	18.32	2,672.69	18.25	2,119.96	17.69	1,134.59	12.47

In the six months ended September 30, 2023 and the last three Fiscals, we have also launched certain new products for the domestic and export market which include EVs specific range of tyres.

Our "JK Puncture Guard Tyre" technology has been awarded the Editor's Choice Innovative Auto Solution Award from Topgear India Magazine in 2022.





Additionally, we have also developed “UX Green” tyre in the PCR segment which is a sustainable tyre and made with recycled, renewable and bio based material. This is a demonstration of our commitment towards sustainable growth keeping in mind our ESG goals. The material used is natural rubber, bio-attributed synthetic rubber, butadiene rubber, bio-based oil, recycled rubber powder, recovered carbonaceous black, recycled polyester and steel wire.

We have developed smart tyres by integrating sensors and communication systems to provide real-time data on various aspects of tyre performance. These sensors monitor a variety of crucial parameters including tyre pressure and temperature. These tyres are equipped with wireless communication technologies such as bluetooth and radio frequency identification to transmit data to the vehicle's on-board computer and, in some cases, to external applications, to provide real-time monitoring and early warnings. To complement our smart tyres, in 2019, we invested in Treel Mobility Solutions Private Limited, our Associate and a smart tyre technology company which has developed a mobile application to monitor tyre pressure based on sensor technology. The in-built smart tyre sensors detect a change in the tyre pressure or temperature post which a signal is wirelessly sent to the mobile application and instantly displayed on the screen. This enables real-time mobile application based alerts for inflation and temperature breach. The mobile application also offers real time asset tracking to avoid tyre theft.

We rely on our multi-national business operations spread across product segments to insulate us to an extent from disruptions in any one product category or geography, allowing us to efficiently manage and maintain our operations. The availability of products at different price points allows us to cater to a varied range of customers and markets. We diversify our product portfolio such that our products are customized for the technology, parameters, features and scale for each of the geographies we serve.

Extensive and growing distribution network

We have a widespread distribution network in India, which we attribute in part to our continuing relationships with our channel partners. We have a strong network of over 6,000 dealers and 700 dedicated Brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*) We rely on the depth of our network for the growth of our sales, particularly in the replacement market.

For sales in India, we engage with multi-brand and exclusive dealerships for sale of our products. We also engage with distributors in India for sale of our two three wheeler tyres. In addition, we directly sell our products to automotive OEMs in India as well.

To further grow and cater to our network in North American and Latin American countries, we acquired JK Tornel, S.A. de C.V in 2008, and currently operate the entity as a subsidiary, with distinct distribution channels across the regions of North and Latin America.

Established manufacturer of tyres with continuing relationship with both Indian and global automotive original equipment manufacturers

We have a presence in the automotive OEM segment, which has significantly contributed to our growth. Sales to automotive OEMs represented 23.52%, 23.97%, 20.83% and 19.02% of our total sales in the six months ended September 30, 2023 and Fiscals 2023, 2022 and 2021, respectively. As of September 30, 2023 we were associated with global and domestic automotive brands including VE Commercial Vehicles Limited, Captain Tractors Private Limited, Maruti Suzuki India Limited, SML Isuzu Limited, Force Motors Limited We have also been associated with national defense services and certain state transport undertakings, for supply of our TBR and TBB tyres. The presence of automotive OEMs in the PCT category helps generate replacement demand, gives access to latest technological development and learning in the industry. Automotive OEM customers benefit from a faster turnaround time on account of our in-house design and prototyping capabilities. In addition, our manufacturing facilities are located at strategic locations across India in proximity to key automotive OEM customers, enabling us enhanced customer interaction and responsiveness.

We attribute our continuing relationships with automotive OEM customers in part to our focus on timely delivery, quality consciousness, cost efficiency, design and technological capabilities. We engage with our automotive OEM customers from the stage of conceptualizing products to understand their requirements and the end-use of our products, in order to develop products that meet these requirements while adhering to quality specifications. We intend to diversify and expand our business operations in accordance with the evolving needs of automotive OEM customers and intend to leverage our continuing relationship with such market players to leverage industry tailwinds in the automotive industry.

Robust research and development and demonstrated product development capabilities

We place significant emphasis on R&D. Our R&D activities are aimed at growing our market share by seeking to continually offer technologically advanced products to our customers, while improving operational efficiencies to derive higher margins. As of September 30, 2023, we have a dedicated research and development ("**R&D**") campus in Mysore, Karnataka and R&D centers located at each of our manufacturing facilities in India. Our R&D efforts are conducted partly in association with HASETRI and other academic institutions in India. In the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021, we spent ₹ 61.23 crore, ₹ 117.24 crore, ₹ 89.31 crore and ₹ 87.96 crore towards R&D expenses which represents 0.80%, 0.80%, 0.75% and 0.97% of our total revenue from operations, respectively, and we intend to continue to invest in R&D.

Our R&D centers support our growth through their development of technologies and products, including in collaboration with academic institutions. We have relied on our experience in India to guide our R&D initiatives. Our R&D initiatives cater to the requirements of our customers in terms of customizing solutions and products for the end user. In addition, our R&D activities are focused on enhancing product performance, accelerating use of new and sustainable material.

We have developed the XF series tyres have been tuned for lower rolling noise without any compromise on the life of the tyre and have been developed by utilizing a variant of steel tyre cord for optimal wet and dry traction and new tread patterns. The XF series tyres are compliant with the AIS 142 regulations.

Our R&D efforts have been instrumental in driving our manufacturing processes towards a more sustainable model, in terms of limiting greenhouse gas emission, improving use of thermal energy, monitoring consumption of water and energy at each of our manufacturing facilities by installing rooftop solar panels and using solar and wind power to meet captive electricity requirements. Such initiatives at our manufacturing facility in Chennai, Tamil Nadu has also been credited with the National Award for Excellence in Energy Management by from the Confederation of Indian Industry in 2023. Our R&D efforts have also resulted in various registered patents. As of September 30, 2023, we have been granted seven patents. These include, tyre tread, tyre tread with ability to resist stone trapping, a process for the manufacture of latex-carbon black master batch, a runner composition, a green tyre lubricant composition and process of manufacture thereof and an apparatus for determining the steel cord rubber adhesion property during dynamic conditions.

Through our R&D capabilities, we seek to achieve technological leadership and develop innovative and quality products in order to meet our customers' demands.

Professional board supported by qualified and experienced management

Our experienced Board of Directors, Key Managerial Personnel and members of Senior Management comprise professionals with knowledge, understanding and experience in the tyre industry and include Dr. Raghupati Singhania, our Chairman and Managing Director, who has been associated with us since 1967 and Mr. Anshuman Singhania, Managing Director, who has been associated with us since 2007.

We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business. Our management includes an experienced team of professionals and we also benefit from the experience and diversity of our key personnel and employees, many of whom have experience in various functions across the tyre industry. We regularly assess and train our employees in specific skillsets in order to ensure that they are appropriately positioned to assist the needs of our business and customers. These include competency based assessments and training schemes for operative personnel. We place significant emphasis on on-the-job development of our employees, to facilitate succession planning and minimize losses caused by talent attrition. Furthermore, we are the recipients of 'Great Place to Work' award in 2023 by Great Place to Work Institute. We have structured channels of communications such as "V-Connect" which is an interaction platform, with senior management on monthly basis, town hall meetings and an employee portal to maintain a continuous dialogue with our employee base.

Strategies

Premiumization of our product portfolio

We have historically followed a "dual brand strategy", focusing on both, the "JK Tyre" and the "Vikrant" brands. We have positioned the "JK Tyre" brand in the premium category, whereas the "Vikrant" brand allowed us to participate in all the addressable customer segments across varied price points. This strategy has helped us access a wide consumer base having varying product requirements in terms of technology and pricing.

There has been a perceptible shift in the customer buying behavior, where customers are prioritizing experience over costs and are willing to pay a premium as well as even accept a longer waiting time for the desired facets in their next vehicle. (*Source: CRISIL Report*) We intend to increase focus on the premium segment, which has historically generated higher margins. Our premium products comprise (a) all products under the "JK Tyre" brand; (b) all tyres above 16 inch rim size in the PCR segment; and (c) commercial – truck, LCV and SCV. We aim to increase our market share in the premium segment in order to improve profitability. To this effect, we have launched Levitas Ultra, which is an ultra-high performance tyre, "RANGER Hpe" for EVs, "Blaze RYDR" in the two three wheeler tyre and various other new products in higher inch sizes. High-performance tyres are becoming necessary due to evolving safety regulations and standards. Global governments and regulatory bodies are enforcing stricter safety and environmental regulations, which is leading to the development of new materials and technologies for high-performance tyres. High-performance tyres that offer increased fuel efficiency without sacrificing performance have been developed as a result of regulations governing tyre labeling and fuel efficiency. (*Source: CRISIL Report*)

We intend to position the “JK Tyre” brand in the replacement and automotive OEM markets with a focus on premium PCR. The “Vikrant” brand will remain a support brand for the mass market with a focus on PCR and TBR. While we continue to operate with two brands, we plan to focus on sales of our premium products in our target markets.

Scale up our market position to capitalize on growing tyre demand in India by expanding and diversifying our offerings

Tyre demand is projected to increase at a healthy 5-7% CAGR over Fiscals 2023-32, driven by multiple factors such as economic expansion, increased consumer spending, infrastructure development, and changing consumer preferences. (*Source: CRISIL Report*) We are positioned to take advantage of the automotive growth in India and in turn the growth in the Indian tyre industry and have identified the following growth drivers for our business, which we intend to leverage to further strengthen our position in the Indian market:

TBR

The popularity of radial tyres increased towards the end of the last decade, as Indian transporters shifted towards lower priced Chinese TBR tyres. This has prompted domestic manufacturers to invest heavily in radial capacities in the TBR and PCR segments. With anticipated growth in sales of TBR tyres, utilisation of radial capacities has picked up from Fiscal 2023. (*Source: CRISIL Report*) Our market position, extensive distribution network and significant manufacturing capabilities position us to take advantage of the anticipated increase in such demand in the automotive OEM and replacement tyre markets. Our extensive domestic sales, marketing and distribution network provides us a degree of flexibility to divert certain portion of sales allocated for export to the domestic market, if the domestic market grows faster than estimated. Further, we are one of the few companies to have a multi-tier product approach. (*Source: CRISIL Report*) The “Vikrant” brand allowed us to participate in all the addressable customer segments across varied price points.

PCR

In order to strengthen our position in the PCR market, we intend to leverage our existing presence in the automotive OEM segment. In order to achieve this, we intend to continue participating in launches by automotive OEMs, entering into non-participating models and increasing our share of business in the current participating models. We also intend to regularly engage with automotive OEMs proposing to enter the Indian market. In order to be suitably equipped to meet the expected rise in demand, we are in the process of expanding the manufacturing capacities of our facilities at Banmore, Madhya Pradesh, where we currently manufacture PCR tyres.

Two and Three Wheeler

We entered the two and three wheeler business through the acquisition of CIL in 2016. CIL is one of the leading manufacturers of branded two wheeler tyres and three-wheeler tyres in terms of revenue from operations as of Fiscal 2023. (*Source: CRISIL Report*) We intend to expand our brand in the two wheeler tyre and three wheeler tyre segment to international markets. With an aim to increase participation in higher end motorcycles segment, we have launched a range of our two three wheeler tyre. We supply our two wheeler tyres in the automotive OEM segments.

EV sector

The Government of India through various ministries, has formulated policies for the development of the EV sector in India. In order to curb pollution levels, EVs are gaining global interest. In India as well, EVs are gaining popularity as the Government of India is extending support through Faster Adoption and Manufacturing of Hybrid and Electric (“**FAME**”) II Vehicles scheme and tax rate cuts in order to encourage EV adoption. The FAME II scheme has an outlay of Rs. 100 billion with a major proportion dedicated to demand incentives. ₹ 10 billion has been earmarked by the Government of India towards the development of EV charging infrastructure (*Source: CRISIL Report*)

With our existing portfolio of EV specific products, we are positioned to capture growth trends in the EV sector in India. As part of our strategy to strengthen our position in the EV market, we have leveraged our experience in the tyre industry and are working on developing new products for automotive OEMs with a focus on enabling them to achieve a further reduction in weight, enhanced performance and improved vehicle acceleration via high performance driveline products and improved efficiencies. For instance, we have launched the Ranger HPe tyres for EVs.

We are pursuing emerging opportunities in customer service, which plays a crucial role in determining customer loyalty. We have focused on customer centricity since we are one of the pioneers of radials in India. (*Source: CRISIL Report*) We have arrangements with fleet operators such as EFC Logistics India Private Limited, Shree Ashtech Private Limited, Ahmedabad Roadlines Private Limited, Instant Transport Solution Private Limited for managing and servicing their tyre requirements. Through these arrangements, we carry out various assistance programs intended to prolong the life of our tyres used by the fleet owners, reducing cost per kilometer spend, improve fuel efficiency and safety standards. With the fragmented Indian market getting organized, we intend to partner with more such fleet operators and expand the portfolio of services we offer. We intended to rely on these arrangements to improve our brand loyalty and strengthen our relationships with customers.

Additionally, in the six months ended September 30, 2023 and the last three Fiscals, we have also launched certain new products for the domestic and export market in truck and bus radial tyres which include EVs specific range of tyres, Levitas Ultra - ultra high performance passenger radials. In addition, we intend to expand our export business by leveraging our R&D capabilities and continuing to introduce targeted products to the country specific and regional markets.

Our product portfolio undergoes continued evolution, and we have introduced a range of technologically advanced premium products that we aim to manufacture at par with global standards, including our 'UX Royale' tyres for high performance; 'Ranger' tyres for the SUV segment and 'Elanzo Touring' tyres. We also continue to introduce additional tyre sizes to the premium range. We intend to continue to expand our product range in line with our product refreshment strategy, with the overall objective of enhancing revenue and market presence and servicing the large and growing tyre industry.

Expanding geographical footprint

The passenger vehicle segment of the market was valued at USD 115.99 Billion in 2022 and is expected to reach USD 135-140 Billion by 2028. Shifting consumer preferences and rising sales of the passenger car segment across the globe fuel the demand for automotive tyres. The commercial vehicle segment of the market was valued at USD 51.47 Billion in 2022 and is expected to reach USD 63-67 Billion by 2028. In the year 2022, the global production of commercial vehicles witnessed a growth, reaching approximately 23.7 million units. (*Source: CRISIL Report*)

We have a significant global presence and are present in around 100 countries with over 230 global distributors. (*Source: CRISIL Report*) We aim to grow our business in our operating markets as well as in new target markets primarily by expanding our sales and distribution network. We have established our presence in countries such as Mexico to cater to the markets in and adjacent to such geographies, which has enabled us to understand those markets and the customers in such markets and consequently, develop products suitable for such markets. Our presence in such geographies has also provided us enhanced brand visibility, allowing us to improve after sales service and help grow our marketing network. In addition, we have entered into distributor agreements with one of our Associate Company for sale of certain products in United States of America and Canada. We plan to continue our strategy of establishing subsidiaries or establishing sales and marketing offices in new markets to enhance our coverage area, in order to improve brand recall and our market position and allow access to a larger customer base. By focusing on key international markets, we also intend to increase our exports.

Expand production capacity

We are in the process of expanding the manufacturing capacities of our manufacturing facility at Banmore, Madhya Pradesh, where we currently manufacture PCR tyres. We intend to continue to expand our manufacturing capacity, particularly with respect to radial tyres. We continue to focus on building new radial tyre capacity. We recently announced a capacity expansion program, primarily for PCR tyres and approved an investment of ₹ 1,025 crore. Consistent with past practice, we will continue to look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. Through our focused efforts to continue to expand manufacturing capacity, we aim to meet the emerging demand in the tyre market within India and our targeted global markets. Additionally, we intend to use the proceeds of the issue towards capital expenditure, which may include expansion and development of one or more of our manufacturing facilities.

Our Business

Our Product Portfolio

We offer a wide range of products to address varied product segments. Our product portfolio comprises TBR tyres, TBB tyres, bias and radial tyres for LCVs and SCV, PCR tyres, two three wheeler tyres, tyres for farm vehicles and ORVs, and tyres for industrial vehicles. We have developed and manufactured tyres specifically for use in EVs.

We manufacture and market both, bias and radial tyres. We operate with a portfolio of brands, which cater to all addressable consumer segments. We sell our tyres primarily under the "JK Tyre", "Vikrant" and "Tornel" brands.

Sales, Distribution and Marketing

Sales and Distribution in India

In India, we market and sell our tyres under the "JK Tyre" and "Vikrant" brands. In global markets, we market our products under the "JK Tyre", "Tornel", "Challenger" and "Vikrant" brands.

We sell our products to automotive OEMs for fitment in vehicles, as well as in the replacement market, with certain products also used in defense vehicles in India. In addition, we also sell modified TBB and TBR tyres for use in trucks participating in racing events in India. We have a strong network of over 6000 dealers and 700 dedicated Brand shops called as Steel Wheels and Xpress Wheels. (*Source: CRISIL Report*)

For sales in India, we engage with exclusive dealerships for sale of certain of our products. We also engage with distributors in India for sale of our two three wheeler tyres in India. In the truck and bus segment, we have service centers branded as "Truck Wheels" and for retread solutions, we have "JK Tread Centers" to provide solutions.

To service the customers in the commercial vehicle segment and fleet operators, we had arrangements with fleet operators such as EFC Logistics India Private Limited, Shree Ashtech Private Limited, Ahmedabad Roadlines Private Limited, Instant Transport Solution Private Limited for managing and servicing their tyre requirements. Through these arrangements, we carry out various assistance programs intended to prolong the life of our tyres used by the fleet owners, reducing cost per kilometer spend, improve fuel efficiency and safety standards.

We also operate a customer helpline, where customers can call for any assistance, query or information on products. They can also contact the helpline to lodge any complaints.

Marketing Initiatives in India

We are a customer centric company and run many programs to interact and engage with our end consumer and channel partners. We have CRM programs such as Badshah program for fleets. We also organize fleet meets, both at national and regional level to share best practices within the industry. We undertake a tyre check-up campaign 'Heal the Wheel' for fleets enrolled under our fleet management program. As a part of the program, we inspect all tyres for inflation pressure, irregular wear and removed tyres are checked for scrap analysis.

We also leverage digital media to keep our customers informed of new developments in our Company. As a part of our brand strategy, we maintain presence across television and digital media and print media. We are also instrumental in recognizing excellence in the auto industry and are associated with awards of Indian automotive industry i.e., Indian Car of the Year or ICOTY and Indian Motorcycle of the Year or IMOTY awards. In addition, from time to time we come up with promotional offers and offer unconditional warranty on our products. We have also expanded our branded shop network, with thrust on Tier II and III cities. We are also expanding our range of premium products like UX Royale, Ranger and Levitas**.**

Exports from India

We export "JK Tyre", "Challenger" and "Vikrant" branded tyres manufactured in India to international markets including Southeast Asia, Africa, Middle East, North America and Latin America.

For sales to the Middle East, Southeast Asia, Africa, Latin America, United States of America and other markets, we typically sell our products through our Associate companies and Subsidiaries. In addition, we have entered into distributor agreements with one of our Associate Company for sale of certain products in United States of America and Canada.

Sales and Distribution in Mexico

We primarily manufacture the "Tornel" brand of tyres in Mexico for export to the regions of North and Latin America. We also provide operational support to automotive OEMs through technical collaboration in quality control and development and sales promotions.

Marketing Initiatives in North and Latin America

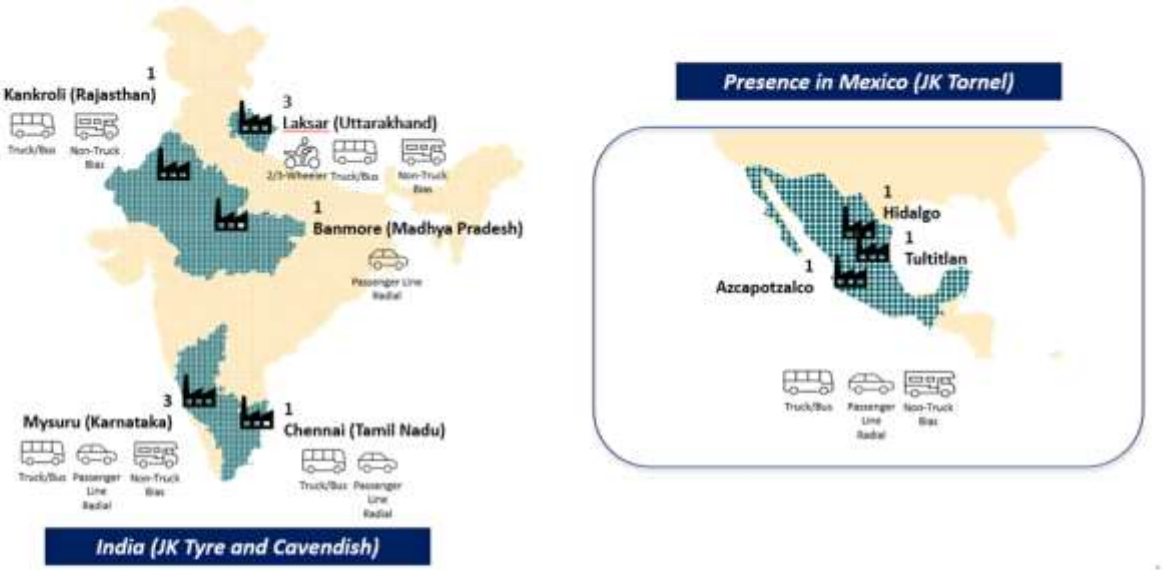
We have undertaken TV Campaigns, Newspaper and Magazine campaigns in the last three Fiscals in Mexico. We also have participated in all the expos such as Latin tyre Latin tyre EXPOM Panama, Expo Agroalimentaria and Expo Transporte, Guanajuato.

We have created digital presence on social media platforms in the region for awareness, information and education of our customers and potential final consumers. Our marketing initiatives in United States of America and Canada include: (i) Print and digital advertisements in Tire magazines, Tire Business, Modern Tire Dealer; (ii) Participation in Tyre Expos, Sema Show; and (iii) Social media posts.

Manufacturing Facilities

We have 12 globally benchmarked 'sustainable' manufacturing facilities - nine in India and three in Mexico. (*Source: CRISIL Report*) Our manufacturing facilities collectively have a manufacturing capacity of around 34 million tyres annually. Furthermore, our production line configurations are fungible, allowing us to interchange capacity and product mix, based on customer and operational requirements. The location of our manufacturing facilities is set out below:

Set forth below are details of our manufacturing facilities:



Location	Products manufactured
Kankroli, Rajasthan	• Truck and Bus tyres • Non-Truck Bias
Laksar, Uttarakhand	• Truck and Bus tyres • Two-Three wheleer tyres • Non-Truck Bias
Banmore, Madhya Pradesh	• Passenger Line Radial
Mysuru, Karnataka	• Truck and Bus tyres • Passenger Line Radial • Non-Truck Bias
Chennai, Tamil Nadu	• Truck and Bus tyres • Passenger Line Radial
Azcapotzalco[*], Hidalgo, Tultitlan, Mexico	• Truck and Bus tyres

Location	Products manufactured
	• Passenger Line Radial • Non-Truck Bias

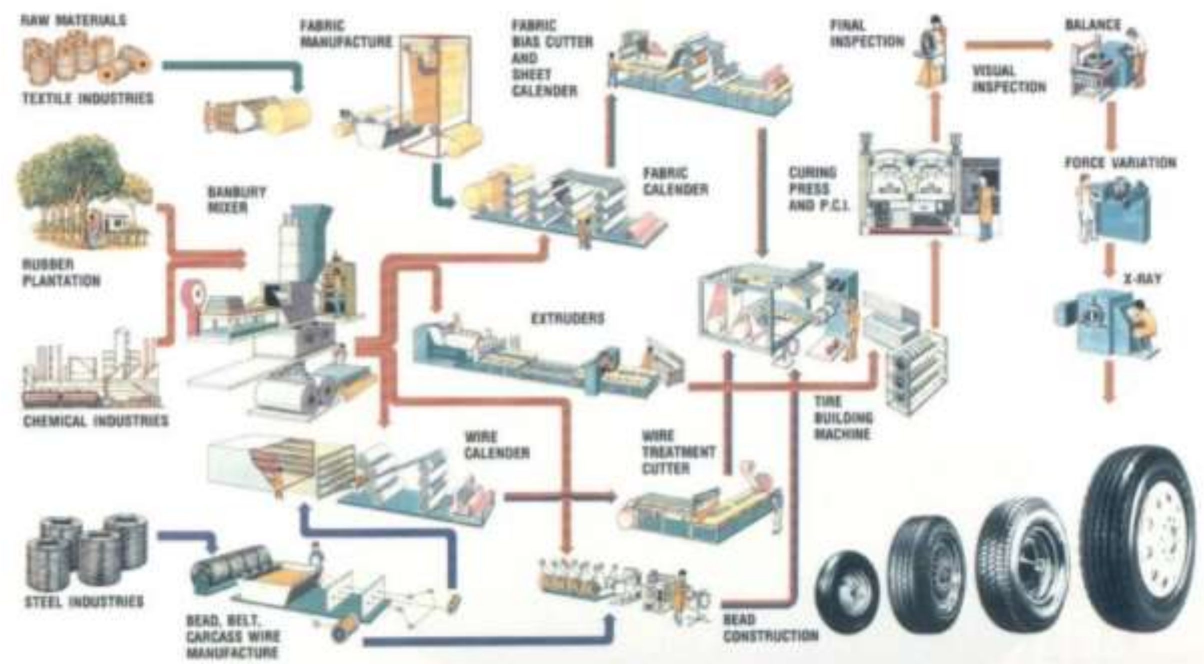
*Operations of the Azcapotzalco plant have been combined with Hidalgo plant in Fiscal 2022.

Outsourcing Relationships

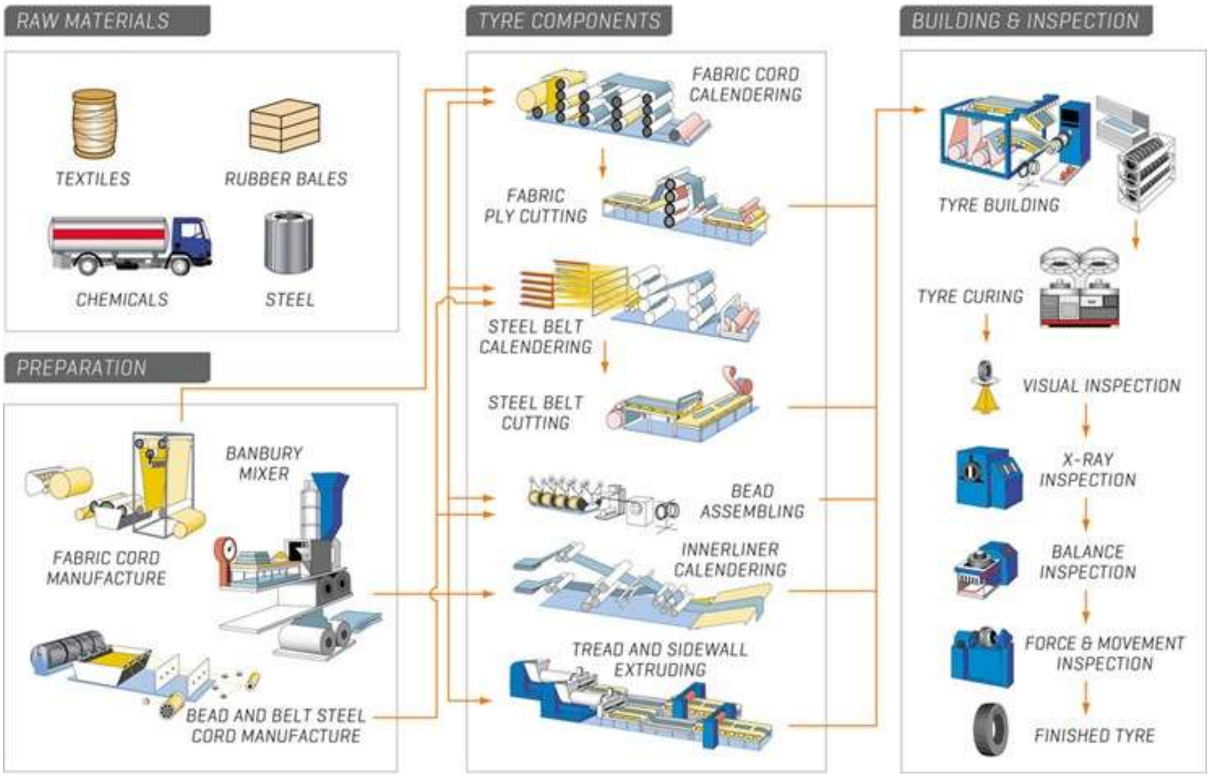
In addition to manufacturing tyres at our own facilities, we also outsource production of tyres, tubes and flaps to certain approved vendors. We have arrangements with some of our outsourcing vendors for tube manufacturing. Under these arrangements, we provide the vendor with the raw materials from our suppliers to ensure quality of raw material in order to achieve volume advantage. We also provide specifications and quantity to the vendors for manufacturing the products.

Manufacturing Process

The following diagram sets forth the critical processes of radial tyre manufacturing process:



The following diagram sets forth the critical processes of bias tyre manufacturing process:



Quality Control

We have on-site maintenance and repair facilities and maintain an inventory of spare parts and machinery to reduce the risk of equipment failure and minimize any interruptions to production.

As of September 30, 2023, each of our manufacturing facilities in India are IATF 16949:2016 certified for their quality management systems. Our manufacturing facilities at Chennai, Tamil Nadu, Kankroli, Rajasthan and Haridwar, Uttarakhand are ISO 14001:2015 certified for environmental management systems and ISO 45001:2018 certified for occupational health and safety management.

We also have on-site maintenance and repair facilities to reduce the risk of equipment failure and minimize any interruptions to production. The manufacturing facilities in Mexico located at Tultitlan and Hidalgo are each IATF 16949:2016 certified for their quality management.

Transportation and logistics

For deliveries of our products, we are able to rely on and utilise the services of external third-party logistic service providers. For our operations in India, we typically ship finished goods through third party logistics service providers and typically enter into agreements with them for a period of one year. Under these agreements, we are required to provide the number of trucks that are required for the delivery of any consignment and which the transporter is required to provide within one day of such intimation. The transporter is liable for any damages to the products of the Company during transit.

For our overseas customers, we generally export our products through freight forwarders and shipping lines and we enter into service agreements with these providers.

Raw Materials and Suppliers

The primary raw materials required to manufacture tyres are natural rubber, synthetic rubber, tyre cord fabric, carbon black, steel cord and certain chemicals. The table below sets forth details of our expenses towards raw materials, including as a percentage of our revenue from operations, for the six months ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 respectively:

Particulars	For six months ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021

	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations	Amount (in ₹ crore)	% of total revenue from operations
Natural Rubber	1,173.08	15.40	2,596.65	17.73	2,475.27	20.66	1,627.18	17.88
Synthetic Rubber	804.55	10.56	1,838.63	12.55	1,674.86	13.98	1,103.36	12.12
Carbon Black	751.88	9.87	1,735.99	11.85	1,241.43	10.36	719.35	7.90
Tyre Cord Fabric	389.83	5.12	786.67	5.37	816.21	6.81	485.01	5.33
Others (includes steel cord, chemicals)	1,251.94	16.44	2,642.37	18.04	1,961.83	16.37	1,311.99	14.41

We have a centralized purchasing team that manages our raw materials requirements. We have a defined supplier approval process which is led by the Technical team. There are multiple stages of raw material procurement which is managed through stringent raw material specification, laboratory testing, plant testing, supplier audits and process performance. As part of our procurement risk mitigation plan, we typically have more than one approved supplier through a structured risk mitigation program for key raw materials, which allows us to source competitively and maintain alternate sourcing capabilities. For certain raw materials, such as steel cord, raw fabric and motor tyre bead wire, our Technical team works with the suppliers to engage in joint development efforts to develop raw material solutions aimed at enhancing product performance and productivity. We take deliveries of raw materials at our manufacturing facilities depending on our requirements.

We typically enter into long-term arrangements with the suppliers of our raw materials. The price for procurement is adjusted every quarter/year. For raw materials such as natural rubber, our purchase model is a combination of long term and spot basis. We source natural rubber from India and import it from certain Asian countries. We enter into purchase orders/ contracts the suppliers for fixed quantities with pricing typically determined through reference of international indices.

We source carbon black from suppliers predominantly in India and other Asian countries and pricing is determined on a periodic basis. With certain suppliers of carbon black, the pricing formula is pre-determined. We source steel cord typically from suppliers in India and other Asian countries with pricing determined on a quarterly basis. Our technical team work with our suppliers of steel cord on various technical requirements. We source tyre cord fabric typically from suppliers in India import it from Asian countries. We source synthetic rubber from India and import it from certain countries with pricing determined fortnightly, monthly or quarterly, based on the location of the source.

Research and Development

We have an R&D campus in Mysore, Karnataka. In addition, we have R&D labs located at each manufacturing facilities in India. As of September 30, 2023, we have over 200 scientists and engineers associated with our Company and HASETRI.

Our R&D efforts are focused on the field of advanced materials, alternate materials, sustainable materials, circular materials, nanotechnology, process and product simulations, predictive technology, advanced tyre mechanics (including tyre characterization, noise, vibration, harshness and vehicle dynamics) and other relevant areas in association with HASTERI and various academic institutions. We have also set-up a "Centre of Excellence" at Mysore, Karnataka. The R&D campus is equipped with testing facilities for R&D activities and is manned by a team of well-qualified scientists and engineers. Our R&D team is engaged in the development of new products both for domestic and global markets.

Our R&D team in association with various academic institutions has conducted a study aimed at developing a compound with a lower rolling resistance coefficient and higher wet traction with functionalized solution styrene-butadiene rubber-HD silica. Our R& D team is exploring the opportunities for:

- Effect of sustainable recycled black on mechanical and barrier property of butyl based tyre inner liner and tube compound.

- Use of coal based black in tyre inner liner and tube compound.

- Examining the reasons why anisotropic nanoclay offers better reinforcement in natural rubber than isotropic nano zinc oxide by determining their interaction with sol and gel fractions.

- Influence of organically modified clays on the barrier properties of bromo butyl rubber composites for tyre inner liner application.

- Effect of different fibrous nonafillers on the properties of natural rubber and nanocomposites

Information Technology

The Digital and IT Solutions ("**DITS**") function enables seamless operations across all our departments. Over the years, DITS was expanded to include professionals specializing in various domains including cybersecurity, application development, data management, and cloud computing. In 2017, DITS function adopted Total Quality Management (TQM) for sustainable development of business. In 2020, the DITS function further embraced the digital era by integrating advanced digital and analytics tools for streamlining operations. The DITS function contributes to the achievement of organizational goals by leveraging cutting-edge technology solutions and a robust quality management framework.

We have also adopted new age technologies like Artificial Intelligence/ Machine Learning ("**AI/ ML**") in multiple areas. With the adoption of AI/ ML, we launched the JK Connect mobile application. One of features of this mobile application is the processing of claims. A machine learning algorithm has been formulated to inspect tyres digitally without any physical inspection. Through this process, the dealer takes a photograph of the defected tyre and uploads it on the mobile application, post which the machine learning algorithm predicts the possible defects and provides the results in a short span of time, thereby significantly reducing the timeline for settlement of claims. Furthermore, through the JK Connect mobile application, dealers can also place orders and make digital payments.

Intellectual Property Rights

Our material trademarks are "JK Tyre", "Tornel", "Vikrant" and "Challenger", which, along with their respective variations and formative representations, are registered or pending registration in all our key markets and geographies.

We have also obtained various patents as recognition of our R&D efforts. As of September 30, 2023, we have been granted seven patents. These include, tyre tread, tyre tread with ability to resist stone trapping, a process for the manufacture of latex-carbon black master batch, a runner composition, a green tyre lubricant composition and process of manufacture thereof and an apparatus for determining the steel cord rubber adhesion property during dynamic conditions.

Employees

In India, most of our workmen are members of organized unions and covered by long-term agreements. We have experienced disruptions in our operations due to work stoppages at our manufacturing facilities in India during which we renegotiate these long-term agreements.

Competition

The major players in the automotive tyre market include Bridgestone Corporation, Continental AG, Goodyear Tyre & Rubber Company, Michelin, and Pirelli & C. S.p.A. The domestic tyre industry is characterized by major players such as Apollo Tyres, Balakrishna Industries, Bridgestone, CEAT Limited, JK Tyres & Industies Limited, MRF Limited, TVS Srichakra. These companies account for over 80% of the tyre market in terms of revenue.

Environment, Social and Governance ("ESG")

We have adopted a comprehensive 'Cradle-to-grave' approach to address sustainability challenges. Our R&D efforts prioritize sustainability and utilizing clean energy resources, aiming to minimize our impact on the environment. We aim to reduce carbon emission intensity by 50% till 2030 and become carbon neutral by 2050. We have secured ESG Grade 2 rating.

We have also developed "UX Green" tyre in the PCR segment which is a sustainable tyre and made with recycled, renewable and bio-based material. This is a demonstration of our commitment towards sustainable growth keeping in mind our ESG goals. The material used is natural rubber, bio-attributed synthetic rubber, butadiene rubber, bio-based oil, recycled rubber powder, recovered carbonaceous black, recycled polyester and steel wire.

We are actively pursuing diverse domains, including health, safety and community development and have developed established a robust framework to ensure transparent management practices to maximize long-term value.

Insurance

We maintain insurance for various risks that our business faces. We maintain insurance for, among other things, fire and special perils for our manufacturing facilities and other assets, product liability, transit insurance for all our incoming and outgoing materials to and from our manufacturing facilities. For our employees, we maintain various accidental and Mediclaim insurance for employees and workers, director and officer liability insurance for the senior management.

Corporate Social Responsibility

We have been actively engaged in a variety of community development initiatives. These include socioeconomic empowerment of rural communities, livelihood enhancement and water conservation initiatives. The primary beneficiaries of these CSR programs include communities residing in proximity to our manufacturing facilities.

Our initiatives for the Financial Year ended March 31, 2023 included projects such as 'Jyoti Kiran,' which provides eye care services to the truck drivers.

Property

Our Company's registered office has been leased by us and is situated at Jaykaygram, PO-Tyre Factory, Kankroli – 313 342, Rajasthan, India. Our corporate office has been leased by us and is situated at 3, Bahadur Shah Zafar Marg, New Delhi – 110 002, India.

Our manufacturing facilities located in India and other jurisdictions are on premises that are either owned by us or leased by us. Our lease agreements for our manufacturing facilities in India are typically for a period of 99 years.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, our Company is authorized to have a minimum of three and a maximum of 18 Directors. As on the date of this Placement Memorandum, we have 11 directors on our Board, comprising three Executive Directors and eight Non-Executive Directors. The Non-Executive Directors include six Independent Directors, of which one is a woman Independent Director.

Our Board composition is in compliance with Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Designation
Dr. Raghupati Singhania **Date of birth:** December 8, 1946 **Address:** 40, Friends Colony (East), Sriniwaspuri S.O., South Delhi, New Delhi 110 065, India **Occupation:** Industrialist **Term:** For a period of five years since October 1, 2021 **Period of directorship:** Since May 29, 1967 **DIN:** 00036129	77	Chairman and Managing Director
Anshuman Singhania **Date of birth:** July 20, 1979 **Address:** 101, Friends Colony (East), Sriniwaspuri S.O., South Delhi, New Delhi 110 065, India **Occupation:** Industrialist **Term:** For a period of five years since October 21, 2020, liable to retire by rotation **Period of directorship:** Since March 16, 2016 **DIN:** 02356566	44	Managing Director
Arun Kumar Bajoria **Date of birth:** December 18, 1944 **Address:** A-14, New Friends Colony S.O., South Delhi, New Delhi 110 025, India **Occupation:** Service **Term:** For a period of three years since January 20, 2022, liable to retire by rotation **Period of directorship:** Since January 20, 2010 **DIN:** 00026540	79	Whole-time Director
Bharat Hari Singhania **Date of birth:** April 7, 1938 **Address:** 19, The Green Rajokari, S.O, South West Delhi, New Delhi 110 038, India	85	Non-Executive Non-Independent Director

Name, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Designation
Occupation: Industrialist **Term:** Liable to retire by rotation **Period of directorship:** Since November 4, 1987 **DIN:** 00041156		
Sunanda Singhania **Date of birth:** July 15, 1952 **Address:** 40, Friends Colony East, Sriniwaspuri S.O., Sriniwaspuri, South Delhi, New Delhi 110 065, India **Occupation:** Business **Term:** Liable to retire by rotation **Period of directorship:** Since August 12, 2014 **DIN:** 02356376	71	Non-Executive Non-Independent Director
Vimal Bhandari **Date of birth:** August 23, 1958 **Address:** 164 A, Kalpataru Horizon, S K Ahire Marg, Worli, Mumbai 400 018, Maharashtra, India **Occupation:** Service **Term:** For a period of five years since September 25, 2019 **Period of directorship:** Since July 1, 2011 **DIN:** 00001318	65	Independent Director
Shreekant Somany **Date of birth:** July 29, 1948 **Address:** 32, Friends Colony (East), Sriniwaspuri, South Delhi, New Delhi 110 065, India **Occupation:** Industrialist **Term:** For a period of five years since March 16, 2021 **Period of directorship:** Since March 16, 2016 **DIN:** 00021423	75	Independent Director
Kalpataru Tripathy **Date of birth:** April 28, 1972 **Address:** 3101, ATS Greens-2, A-58, Sector-50, Gautam Buddha Nagar, Noida 201 301, Uttar Pradesh, India **Occupation:** Professional (Lawyer) **Term:** For a period of five years since September 25, 2019 **Period of directorship:** Since October 1, 2010 **DIN:** 00865794	51	Independent Director
Subhrakant Panda		

Name, date of birth, address, occupation, term, period of directorship and DIN	Age (years)	Designation
Date of birth: January 5, 1971 **Address:** 30, Green Avenue, Vasant Kunj S.O., South West Delhi, New Delhi 110 070, India **Occupation:** Industrialist **Term:** For a period of five years since November 2, 2022 **Period of directorship:** Since November 2, 2022 **DIN:** 00171845	52	Independent Director
Meera Shankar **Date of birth:** October 9, 1950 **Address:** Flat 202, Tower 34, Commonwealth Games Village, New Delhi 110 092, India **Occupation:** Former Ambassador **Term:** For a period of five years since January 30, 2020 **Period of directorship:** Since January 30, 2020 **DIN:** 06374957	73	Independent Director
Dr. Jorg Nohl **Date of birth:** April 7, 1956 **Address:** Erich-Ruppel-Str.7, 31515, Wunstorf, Hanover, Lower Saxony, Germany **Occupation:** Senior Consultant **Term:** For a period of five years since November 21, 2023 **Period of directorship:** Since November 21, 2023 **DIN:** 10392379	67	Independent Director

Borrowing Powers of the Board

Pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder, our Board is authorized to borrow such monies which together with the money already borrowed does not exceed the paid-up share capital and free reserves of our Company. Our Board and Shareholders have pursuant to their resolutions, dated May 28, 2014, and September 25, 2014, respectively, have approved the borrowing powers up to ₹ 3,500 crore.

Interests of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. Further, our Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Subsidiaries and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors by our Company, see "***- Terms of appointment and remuneration of Executive Directors***" and "***- Remuneration of Non-executive Directors***" on pages 166 and 169. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company and Subsidiaries, if any, details of shareholding of our directors in our Company have been disclosed below under the heading "***- Shareholding of Directors in our Company***" on page 165. Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Loans from Directors

No loans have been availed by our Directors from our Company.

Interest in land and property

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

Interest in promotion or formation of our Company

None of our Directors have any interest in the promotion and formation of our Company as on the date of this Placement Document.

Business interest

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested and except as stated in the "***Related Party Transactions***" on page 40, our Directors do not have any other business interest in our Company.

Relationship between Directors, Key Managerial Personnel and Senior Management

Except as stated below, none of our Directors or Key Managerial Personnel or Senior Management are related to each other.

Director/Key Managerial Personnel/Senior Management	Relative	Nature of Relationship
Dr. Raghupati Singhania Chairman and Managing Director	Sunanda Singhania Bharat Hari Singhania	Wife Brother
Bharat Hari Singhania Non-Executive Non-Independent Director	Dr. Raghupati Singhania	Brother
Sunanda Singhania Non-Executive Non-Independent Director	Dr. Raghupati Singhania	Husband

Shareholding of Directors in our Company

As per the Articles of Association of our Company, our Directors are not required to hold any qualification shares.

The following table sets forth details of shareholding of our Directors in our Company as of the date of this Placement Document:

Name of the Director	No. of Equity Shares	Percentage (%) of pre-issue issued, subscribed and paid up equity share capital
Dr. Raghupati Singhania	16,43,990	0.67
Anshuman Singhania	2,44,875	0.10
Arun Kumar Bajoria	500	Negligible
Bharat Hari Singhania	10,94,723	0.44
Sunanda Singhania	6,27,500	0.25
Vimal Bhandari	Nil	-
Shreekant Somany	13,750	Negligible

Name of the Director	No. of Equity Shares	Percentage (%) of pre-issue issued, subscribed and paid up equity share capital
Kalpataru Tripathy	Nil	-
Subhrakant Panda	Nil	-
Meera Shankar	Nil	-
Dr. Jorg Nohl	Nil	-
Total	**36,25,338**	**1.46**

Terms of appointment and remuneration of our Executive Directors

Dr. Raghupati Singhania

Pursuant to resolutions passed by the Board and shareholders on May 19, 2021 and August 27, 2021, respectively, Dr. Raghupati Singhania was re-appointed as the Chairman and Managing Director of the Company for a term of five years with effect from October 1, 2021. His appointment is governed by the terms of the employment agreement dated April 8, 2022, whereunder he is entitled to receive remuneration by way of salary, performance linked incentive, perquisites, allowances and benefits which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Companies Act, 2013 and SEBI Listing Regulations, as detailed below:

(A) Salary: ₹ 0.62 crore per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 0.50 crore per month to ₹ 0.90 crore per month.

(B) Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the income tax rules, as applicable.

(C) Performance linked incentive, as may be decided by the Board from time to time.

(D) Commission: 2% of the net profits computed under Section 198 of the Companies Act, or more as may be decided by the Board from time to time.

(E) Contribution to provident fund and superannuation fund or annuity fund as may be applicable as per rules of the Company.

(F) Gratuity at the rate of 15 days salary for each completed year of service.

(G) Encashment of unavailed leave.

(H) The Board may from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, performance linked incentive and other benefits subject to the limits approved herein.

(I) In the event of inadequacy or absence of profits under Section 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, he is entitled to such remuneration, as specified in paras (A), (B) and (C) above, as minimum remuneration and is also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of the provisions of Section IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate.

He received a gross remuneration of ₹ 10.29 crores in Fiscal 2023 from our Company. The following table sets forth the remuneration paid by our Company to Dr. Raghupati Singhania during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

(in ₹ crore)

	Dr. Raghupati Singhania				
Fiscal/ Period	**Fixed Salary**	**Perquisites**	**Retirement benefits (including provident fund, etc.)**	**Commission**	**Total**
Fiscal 2021	6.29	0.35	0.07	8.20	14.91
Fiscal 2022	8.80	0.32	0.07	3.20	12.39
Fiscal 2023	9.78	0.51	0.07	4.03	14.39
April 1, 2023 – September 30, 2023	4.95	0.21	0.04	-	5.20

Anshuman Singhania

Pursuant to resolutions passed by the Board and shareholders on October 21, 2020 and August 27, 2021, Anshuman Singhania was appointed as the Managing Director of the Company for a term of five years with effect from October 21, 2020. His appointment is governed by the terms of the employment agreement dated June 20, 2023, whereunder, he is entitled to receive remuneration by way of salary, performance linked incentive, perquisites, allowances and benefits which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Companies Act, 2013 and SEBI Listing Regulations, as follows:

(A) Salary: ₹ 0.35 crore per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 0.30 crore per month to ₹ 0.60 crore per month.

(B) Perquisites, allowances and benefits: Residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the income tax rules, as applicable.

(C) Performance linked incentive, as may be decided by the Board from time to time.

(D) Commission: 2% of the net profits computed under Section 198 of the Companies Act, or more as may be decided by the Board from time to time.

(E) Contribution to provident fund, superannuation fund or annuity fund as may be applicable, as per rules of the Company.

(F) Gratuity at the rate of 15 days salary for each completed year of service.

(G) Encashment of unavailed leave.

(H) The Board may from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, performance linked incentive and other benefits subject to the limits approved herein.

(I) In the event of inadequacy or absence of profits under Sections 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, he is entitled to such remuneration, as specified in paras (A), (B) and (C) above, as minimum remuneration and is also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of the provisions of Section IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate.

He received a gross remuneration of ₹ 6.66 crore in Fiscal 2023 from our Company. The following table sets forth the remuneration paid by our Company to Anshuman Singhania during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

*(*in ₹ crore)*

	Anshuman Singhania				
Fiscal/ Period	**Fixed Salary**	**Perquisites**	**Retirement benefits (including provident fund, etc.)**	**Commission**	**Total**
Fiscal 2021	3.15	0.44	0.07	8.00	11.66
Fiscal 2022	5.34	0.47	0.07	3.00	8.88
Fiscal 2023	6.31	0.35	0.07	4.00	10.73
April 1, 2023 – September 30, 2023	3.16	0.14	0.04	-	3.34

Arun Kumar Bajoria

Pursuant to resolutions passed by the Board and shareholders on May 19, 2021 and August 27, 2021, Arun Kumar Bajoria was re-appointed as the Whole-time Director with the designation Director & President – International, of the Company for a term of three years with effect from January 20, 2022. His appointment is governed by the terms of the employment agreement dated June 21, 2023 whereunder he is entitled to receive remuneration by way of salary, performance linked incentive, perquisites, allowances and benefits which in any financial year may exceed the limits specified in Section 197 and Schedule V of the Companies Act, 2013 and SEBI Listing Regulations, as detailed below:

(A) Salary: ₹ 0.12 crore per month in the salary range of ₹ 0.10 crore per month to ₹ 0.20 crore per month with such increments as may be decided by the Chairman & Managing Director/ Managing Director of the Company from time to time.

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

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

(C) Performance linked incentive.

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

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

(E) Contribution to provident fund, superannuation fund or annuity fund as may be applicable as per rules of the Company.

(F) Gratuity at the rate of 15 days salary for each completed year of service.

(G) Encashment of unavailed leave as per rules of the Company.

(H) The Board or committee thereof may, from time to time, increase, or vary or the salary range, subject to the limits approved herein.

(I) In the event of inadequacy or absence of profits under Section 197 and other applicable provisions of the Companies Act, 2013 in any financial year or years during the term of appointment, he is entitled to such remuneration, as specified in paras (A), (B) and (C) above, as minimum remuneration and is also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of the provisions of Section IV of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof, for a period or periods not exceeding three years in the aggregate from his appointment.

He is also the whole-time director of CIL. In terms of Section V of Part II of Schedule V to the Companies Act, 2013, he is entitled to and may draw remuneration from the Company or CIL or both the companies, provided that his aggregate remuneration drawn from both the companies shall not exceed the remuneration as may be determined in the Company from time to time, pursuant to his terms of appointment.

He received a gross remuneration of ₹4.93 crore in Fiscal 2023 from our Company. The following table sets forth the remuneration paid by our Company to Arun Kumar Bajoria during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

(in ₹ crore)

	Arun Kumar Bajoria				
Fiscal/ Period	**Fixed Salary**	**Perquisites**	**Retirement benefits (including provident fund, etc.)**	**Commission**	**Total**
Fiscal 2021	3.41	0.004	0.08	0.80	4.29
Fiscal 2022	4.74	0.004	0.08	0.35	5.17
Fiscal 2023	4.93	0.004	0.08	0.45	5.46
April 1, 2023 – September 30, 2023	2.28	0.002	0.04	-	2.32

Remuneration of Non-Executive Directors

Pursuant to a resolution passed by our Board at its meeting held on August 12, 2014, our Non-Executive Directors are entitled to a sitting fee of ₹ 60,000 for each Board meeting, ₹ 50,000 for each Audit Committee meeting and ₹ 25,000 for each meeting of other committees of the Board.

Further, pursuant to resolutions passed by the Board and shareholders on May 28, 2014 and September 25, 2014, our Non-Executive Directors are entitled to remuneration not exceeding 1% of the annual net profits of the Company.

Pursuant to resolutions passed by the Board and shareholders dated May 19, 2021 and August 27, 2021 respectively, Bharat Hari Singhania, upon completion of his term as a Managing Director on September 30, 2021, continued to be a Non-Executive Director of the Company with effect from October 1, 2021. His appointment is governed by the terms of the resolutions of the Board and shareholders dated May 19, 2021 and August 27, 2021, respectively, whereunder he is entitled to:

- Payment of remuneration of ₹ 0.34 crore per month (along with other remuneration as may be applicable to the directors of the Company who are neither Managing Directors nor Whole-time Directors) for a period of three years commencing from October 1, 2021 which may be over and above the limit of: (i) 1% of the net profits (for remuneration payable to Non-Executive Directors); and (ii) 11% of the net profits specified under Section 197 of the Companies Act, 2013, in respect of any financial year.

The following table sets forth the remuneration paid by our Company to Bharat Hari Singhania in his capacity as Managing Director during Fiscal 2021 and Fiscal 2022.

(in ₹ crore)

	Bharat Hari Singhania				
Fiscal/ Period	**Fixed Salary**	**Perquisites**	**Retirement benefits (including provident fund, etc.)**	**Commission**	**Total**
Fiscal 2021	3.13	0.04	0.07	8.00	11.24
Fiscal 2022 (From April 1, 2021 to September 30, 2021)	1.98	-	0.04	1.50	3.52

The following table sets forth the remuneration paid by our Company to Bharat Hari Singhania in his capacity as Non-Executive Director during Fiscals 2022 and 2023 and the six months ended September 30, 2023:

(in ₹ crore)

	Bharat Hari Singhania			
Fiscal/ Period	**Remuneration**	**Sitting fees**	**Commission**	**Total**
Fiscal 2022 (From October 1, 2021 to March 31, 2022)	2.01	0.02	0.50	2.53
Fiscal 2023	4.02	0.04	1.55	5.61
April 1, 2023 – September 30, 2023	2.01	0.01	-	2.02

The following table sets forth the sitting fees paid by our Company to our current Non-Executive Directors (except Bharat Hari Singhania) during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

(in ₹ crore)

Name of the Director	**Total sitting fees**			
	Fiscal 2021	**Fiscal 2022**	**Fiscal 2023**	**April 1, 2023 – September 30, 2023**
Sunanda Singhania	0.02	0.02	0.02	0.01
Vimal Bhandari	0.04	0.04	0.04	0.01
Shreekant Somany	0.06	0.06	0.06	0.03
Kalpataru Tripathy	0.04	0.05	0.05	0.02
Subhrakant Panda*	-	-	0.01	0.01
Meera Shankar	0.03	0.04	0.03	0.01
Dr. Jorg Nohl **	-	-	-	-

***** *Subhrakant Panda was appointed with effect from November 2, 2022. Hence no sitting fees was paid during Fiscals 2021and 2022.*
****** *Dr. Jorg Nohl was appointed with effect from November 21, 2023. Hence no sitting fees was paid during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023.*

The following table sets forth the commission paid by our Company to our Non-Executive Directors (except Bharat Hari Singhania) during Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

(in ₹ crore)

Name of the Director	**Total commission**			
	Fiscal 2021	**Fiscal 2022**	**Fiscal 2023**	**April 1, 2023 – September 30, 2023**
Sunanda Singhania	0.16	0.14	0.16	-
Vimal Bhandari	0.16	0.14	0.16	-
Shreekant Somany	0.16	0.14	0.16	-
Kalpataru Tripathy	0.16	0.14	0.16	-
Subhrakant Panda*	-	-	0.07	-
Meera Shankar	0.16	0.14	0.16	-
Dr. Jorg Nohl**	-	-	-	-

**Appointed with effect from November 2, 2022. Commission paid to Subhrakant Panda was proportionate to his tenure in Fiscal 2023.*
*** Appointed with effect from November 21, 2023.*

Corporate Governance

As on the date of this Placement Document, we have 11 Directors on our Board, comprising of three Executive Directors, and eight Non-Executive Directors including six Independent Directors. Of the six Independent

Directors, one is a woman Independent Director. The Chairman of our Board, Dr. Raghupati Singhania is an Executive Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Company has constituted the following five committees in terms of the SEBI Listing Regulations and the Companies Act, 2013 each of which functions in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as applicable:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee;

(iv) Corporate Social Responsibility and Sustainability Committee; and

(v) Risk Management Committee.

The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

Sr. No.	Director	Designation
1.	Shreekant Somany *Independent Director*	Chairman
2.	Kalpataru Tripathy *Independent Director*	Member
3.	Arun Kumar Bajoria *Whole-time Director*	Member

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Director	Designation
1.	Shreekant Somany *Independent Director*	Chairman
2.	Vimal Bhandari *Independent Director*	Member
3.	Kalpataru Tripathy *Independent Director*	Member

C. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Director	Designation
1.	Meera Shankar *Independent Director*	Chairperson
2.	Shreekant Somany *Independent Director*	Member
3.	Arun Kumar Bajoria *Whole-time Director*	Member

D. Corporate Social Responsibility and Sustainability Committee

The members of the Corporate Social Responsibility and Sustainability Committee are:

Sr. No.	Director	Designation
1.	Dr. Raghupati Singhania *Chairman and Managing Director*	Chairman
2.	Arun Kumar Bajoria *Whole-time Director*	Member
3.	Meera Shankar *Independent Director*	Member

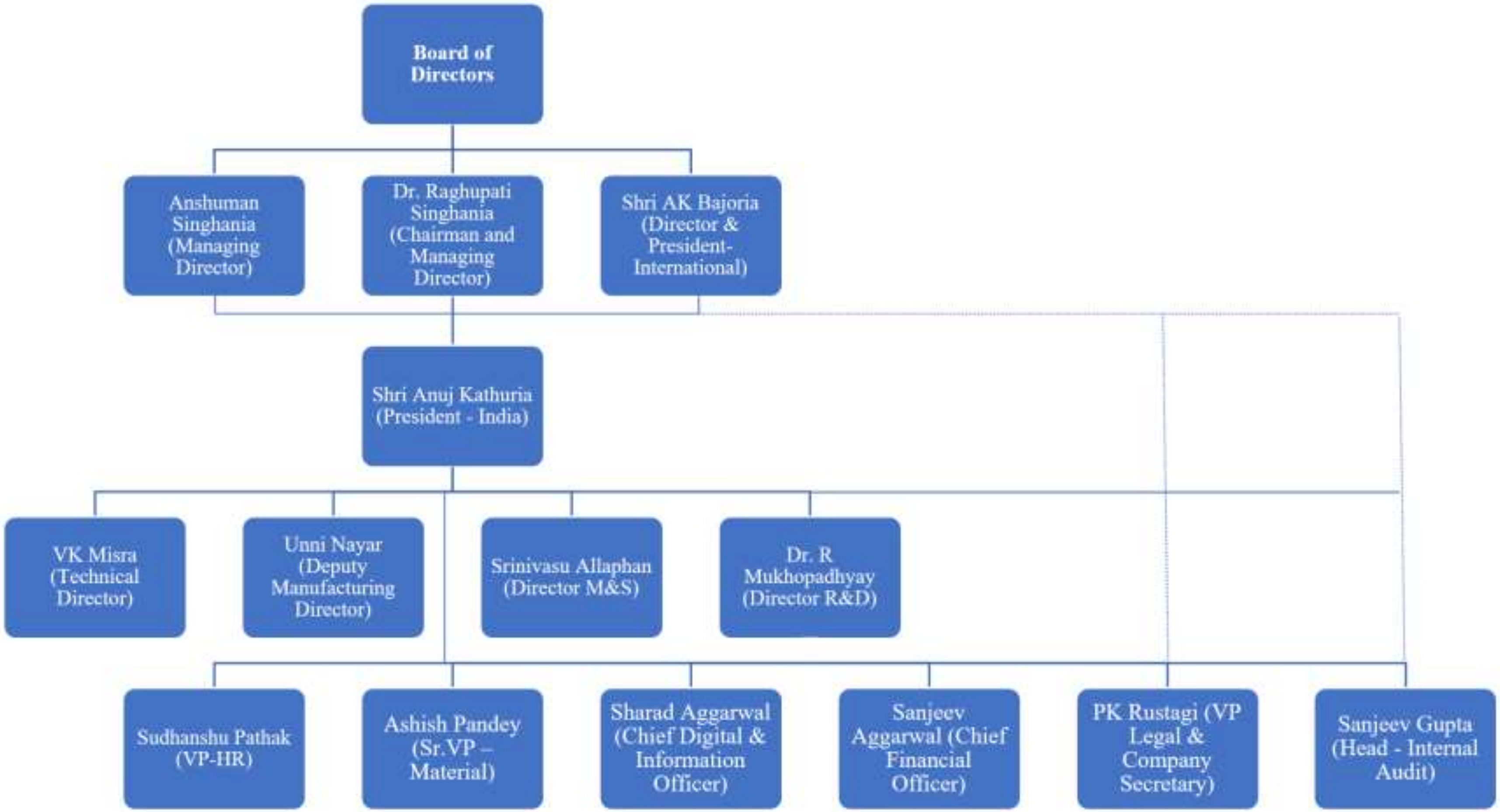
E. Risk Management Committee

The members of the Risk Management Committee are:

Sr. No.	Director	Designation
1.	Shreekant Somany *Independent Director*	Chairman
2.	Kalpataru Tripathy *Independent Director*	Member
3.	Anshuman Singhania *Managing Director*	Member
4.	Arun Kumar Bajoria *Whole-time Director*	Member
5.	Anuj Kathuria *President (India)*	Member
6.	Sanjeev Kumar Aggarwal *Chief Financial Officer*	Member

[*Remainder of the page left blank intentionally*]

Management Organisation Chart



Key Managerial Personnel and Senior Management

The following table sets forth the details of our Key Managerial Personnel and Senior Management, other than Dr. Raghupati Singhania, Chairman and Managing Director and Anshuman Singhania, Managing Director:

Key Managerial Personnel

S. No.	Name	Designation
1.	Arun Kumar Bajoria	Whole-time Director and Director & President – International
2.	Sanjeev Aggarwal	Chief Financial Officer
3.	Pawan Kumar Rustagi	Vice President (Legal), Company Secretary and Compliance Officer

Senior Management

S. No.	Name	Designation
1.	Anuj Kathuria	President (India)
2.	Sanjeev Aggarwal	Chief Financial Officer
3.	V.K. Misra	Technical Director
4.	Srinivasu Allaphan	Sales and Marketing Director
5.	A.K. Makkar	Group Chief Sustainability Officer (CSO)
6.	Pawan Kumar Rustagi	Vice President (Legal), Company Secretary and Compliance Officer
7.	Ashish Pandey	Senior Vice President (Materials)
8.	Sanjeev Gupta	Head of Internal Audit
9.	Dr. Sudhanshu Pathak	Vice President (HR)
10.	Sharad Agarwal	CDIO (Chief Digital & Information Officer)

Shareholding of Key Managerial Personnel and Senior Management

The following table sets forth the details of shareholding of our Key Managerial Personnel and Senior Management, other than Dr. Raghupati Singhania, Chairman and Managing Director and Anshuman Singhania, Managing Director, as of the date of this Placement Document:

Name	No. of Equity Shares	Percentage (%)
Arun Kumar Bajoria	500	Negligible
Sanjeev Aggarwal	Nil	-
Pawan Kumar Rustagi	11	Negligible
Anuj Kathuria	Nil	-
V.K. Misra	560	Negligible
Srinivasu Allaphan	Nil	-
A.K. Makkar	Nil	-
Ashish Pandey	Nil	-
Sanjeev Gupta	1,000	Negligible
Sudhanshu Pathak	Nil	-
Sharad Agarwal	Nil	-

Interest of Key Managerial Personnel and Senior Management

Other than to the extent of the remuneration, benefits, reimbursement of expenses incurred in the ordinary course of business, shareholding in our Company, if any, and any benefits arising out of such shareholding, our Key Managerial Personnel and Senior Management do not have any other interest in our Company.

None of the Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented a code of conduct for regulating, monitoring and reporting of trades and prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, our Company Secretary, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading. As required, the code of practices and procedures for fair disclosure of unpublished price sensitive information is uploaded on the website of the Company at the link: https://www.jktyre.com/Code-for-fair-disclosure-of-UPSI.pdf.

Other confirmation

Except as otherwise stated above in "***– Interests of our Directors***" and "***– Interest of Key Managerial Personnel and Senior Management***", none of our Promoter or Directors or Key Managerial Personnel and Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company nor our Promoter or Directors have been identified as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoter or Directors have been declared as Fugitive Economic Offenders.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any order or direction made by SEBI.

None of the Directors, Promoter or Key Managerial Personnel and Senior Management of our Company intends to subscribe to the Issue.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was originally incorporated under the provisions of the Indian Companies Act, 1913 as amended, as "J.K. Industries Private Limited", pursuant to which a certificate of incorporation dated February 14, 1951 was issued by the Registrar of Companies, West Bengal. Thereafter, our Company was converted into a public limited company pursuant to resolution passed by our shareholders on April 18, 1974 and consequently the name of our Company was changed to "J.K. Industries Limited" and a fresh certificate of incorporation dated May 24, 1974 was issued by the Registrar of Companies, West Bengal. Pursuant to resolutions passed by our Board and shareholders on January 30, 2007 and March 28, 2007, respectively, the name of our Company was subsequently changed to "JK Tyre & Industries Limited" and a fresh certificate of incorporation dated April 2, 2007 was issued by the Registrar of Companies, West Bengal. Our Company's CIN is L67120RJ1951PLC045966.

Subsequently, our registered office was shifted from West Bengal to Rajasthan pursuant to a resolution passed by our shareholders on March 14, 2014 and consequently a certificate of registration for Regional Director order for change of state dated July 28, 2014 was issued by the RoC. See "***General Information***" on page 341.

Organizational Structure

Holding Company: Bengal & Assam Company Limited[1]

Our Company: JK Tyre & Industries Limited

Our Subsidiaries:

Direct Subsidiaries:

- Cavendish Industries Limited
- Lankros Holdings Limited
- JK Asia Pacific Limited
- JK International Limited
- 3D Innovations Private Limited

Indirect Subsidiaries

- JK Tornel S.A. de C.V
- Sarvi Holdings Switzerland AG, Switzerland
- JK Asia Pacific (S) Private Limited, Singapore
- Compañía Hulera Tacuba, S.A. de C.V.
- Compañía Hulera Tornel, S.A. de C.V.
- General de Inmuebles Industriales, S.A. de C.V.
- Hules y Procesos Tornel, S.A. de C.V.
- Gintor Administración, S.A. de C.V.
- Compañía Inmobiliaria Norida, S.A. de C.V.
- Comercializadora América Universal, S.A. de C.V.

Our Associate Companies:

- Valiant Pacific LLC
- Hari Shankar Singhania Elastomer and Tyre Research Institute
- Western Tires Inc.
- Western Tire Holdings Inc.
- Dwarkesh Energy Limited
- Treel Mobility Solutions Private Limited

Subsidiaries

As on the date of this Placement Document, our Company has 15 Subsidiaries.

1. 3D Innovations Private Limited ("3D Innovations") *(Formerly known as Natext Biosciences Private*

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[1]*As on date of the Placement Document, the Promoter is the holding company of our Company and pursuant to the allotment of Equity Shares in the Issue, the shareholding of the Promoter will be 49.86%.*

Limited)

Incorporation and Business

3D Innovations was incorporated under the Companies Act, 1956 on January 18, 2007, with the Registrar of Companies, Delhi.

Its corporate identity number is U74110DL2007PTC158104 and its registered office is situated at Link House, 3, Bahadur Shah Zafar Marg, New Delhi – 110 002, India. 3D Innovations is authorized to engage in the business of manufacturing, fabricating, designing, developing, formulating, buying, selling, processing, dealing, importing, exporting, or otherwise dealing in printing of all kinds and types including specialty printing, additive manufacturing, 3-dimensional printing, reverse engineering services and direct digital manufacturing.

2. Cavendish Industries Limited ("CIL")

Incorporation and Business

CIL was incorporated under the Companies Act, 2013 on January 12, 2015, with the Registrar of Companies, West Bengal at Kolkata.

Its corporate identity number is U74900WB2015PLC204899 and its registered office is situated at 7, Council House Street, Kolkata 700 001, West Bengal, India. CIL is authorized to engage in the business of makers, manufacturers, processors, producers, importers, exporters, buyers, sellers, dealers, stockists, distributors, suppliers, agents, merchants, fabricators, processors, and concessionaires of all kinds of rubber, tyres, tubes, flaps, tyrecord, vehicles, wheels, automobile parts and components, automobile accessories, automobile consultants and the compounds, substances, derivatives, substitutes and by – products of the aforesaid materials and to prepare, press, vulcanize, repair and retreat such of them as are considered expedient.

3. J.K. International Ltd. ("J.K. International")

Incorporation and Business

J.K. International was incorporated under the Companies Act, 1985 (United Kingdom) on March 22, 1991 with the Companies House, Cardiff, United Kingdom.

Its registration number is 02594572 and its registered office is situated at Oakthurst House, 57 Ashbourne Road, Derby, Derbyshire, DE22 3FS. J.K. International is authorized to engage in the business of importers, exporters, designers, manufacturers, manufacturer's agents and representatives, buyers, sellers, distributors, factors, wholesalers, retailers, and shippers of and dealers in produce, products, goods, wares and merchandise of every description.

4. J.K. Asia Pacific Limited ("J.K. Pacific")

Incorporation and Business

J.K. Asia Pacific was incorporated under the Companies Ordinance, Hong Kong on May 2, 1991 with the Registrar of Companies, Hong Kong.

Its registration number is 308256, and its registered office is situated at Room 908, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong, Kong. J.K. Asia Pacific is authorized to engage in the business of general merchants, traders, commission agents, importers, exporters, manufacturers, shippers and ship-owners, refrigerators, charters, forwarding agents, sales agents, and sub-agents for manufacturers, agents and sub-agents for carriers, brokers and agents for brokers, purchasing agents, wharfingers, warehousemen, furnishers, tourist and travel agents, auctioneers, appraisers valuers, surveyors, del credere agents, personal and promotional representatives, factors, shopkeepers, antique dealers, stevedores, packers, stores, fisher-men and trawlers, saddlers, builders, contractors,

5. J. K. Asia Pacific (S) Private Limited ("JKAP")

Incorporation and Business

JKAP was incorporated under the Companies Ordinance, Hong Kong on May 2, 1991 with the Registrar of Companies, Hong Kong.

Its registration no. is 200000114 and its registered office is situated at 10, Jalan Besar,10-12 Sim Lim Tower, Singapore 208787. JKAP is authorized to engage in the business of import, export, buying, preparing, treating, manufacturing, rendering marketable, selling, exchange, barter, pledge, charge, making advances on and otherwise dealing in or turning to account produce, goods, materials, commodities, and merchandise generally in their prepared, manufactured or raw state and to undertake, carry on and execute all kinds of financial, commercial, trading, engineering and other manufacturing operations and all businesses wholesale or retail.

6. Lankros Holdings Ltd. ("Lankros")

Incorporation and Business

Lankros was incorporated under the Companies Law, Cap. 113, Republic of Cyprus on March 5, 2008 with the Registrar of Companies, Republic of Cyprus.

Its registration number is HE 224619 and its registered office is situated at Lambousas 1 Nicosia, 1095, Cyprus. Lankros is authorized to engage in the business of holding and investment company.

7. Sarvi Holdings Switzerland AG. ("Sarvi")

Incorporation and Business

Sarvi was incorporated validly under the laws of Switzerland on May 5, 2008.

It is registered in the Swiss commercial register under the number CHE-114.289 and its registered office is situated at c/o Acton, Treuhand AG, Gotthardstrasse 28, 6302 Zug.. Sarvi is authorized to engage in the business to invest either directly or indirectly in companies engaged in manufacture or trade of tyres, tubes & flaps.

8. ***JK Tornel S.A. de C.V.***

Incorporation and Business

JK Tornel S.A. de C.V**.** was incorporated under the Mexican law April 16, 2008, as evidenced in the public deed 41,551, dated April 16, 2008, granted before the authority of Mr. Erik Namur Campesino, notary public 94 of Mexico City.

The registration number of the company is 380883 as registered in the Public Register of Mexico City and its principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México. The company changed its name from 'Sunrise Hold Co México, S.A.', to 'JK Tornel, S.A. de C.V.', as evidenced in the public deed 48,518 dated August 20, 2010, granted before the authority of Mr. Erik Namur Campesino, notary public 94 of Mexico City.

JK Tornel S.A. de C.V**.** is authorized to engage in: (i) the manufacturing and sale of tires and tubes, tire ties, as well as investing in any type of companies; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

9. Comercializadora América Universal, S.A. de C.V.

Incorporation and Business

Comercializadora América Universal, S.A. de C.V. was incorporated under the Mexican law on September 7, 1982, as evidenced in the public deed 19,406, granted before the authority of Mr. Salomon Vasquez Vela, notary public 30 of the State of Mexico.

The registration number of the company is 52977 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México. The company changed its name from 'Comercial Tormur, S.A. de C. V.', to

‘Comercializadora América Universal, S.A. de C. V.’, as evidenced in the public deed 45,504 dated May 26, 2000, granted before the authority of Mr. Javier del Valle Palazuelos, notary public 61 of Mexico City.

Comercializadora América Universal, S.A. de C.V. is authorized to engage in: (i) the purchase, sale, import, export, distribution, and marketing of products and raw materials in general; among the products, but not limited to, there are tires, inner tubes, and rubber tie for trucks, vans, cars, and all kinds of motor vehicles as well as for bicycles, wheelbarrows, and other uses, in accordance with applicable legal provisions; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

10. Compañía Hulera Tacuba, S.A. de C.V.

Incorporation and Business

Compañía Hulera Tacuba, S.A. de C.V. was incorporated under the Mexican law on October 13, 2000, as evidenced in the public deed 45,781, granted before the authority of Mr. Javier del Valle Palazuelos, notary public 61 of Mexico City. The registration number of the company is 269243 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México.

Compañía Hulera Tacuba, S.A. de C.V. is authorized to engage in: (i) the manufacturing, purchase, sale, outsourcing, commission, representation, distribution, import, and export of all kinds of rubber products and raw materials related to the rubber industry, for commercial, industrial, and household use; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

11. Compañía Hulera Tornel, S.A. de C.V.

Incorporation and Business

Compañía Hulera Tornel, S.A. de C.V. was incorporated under the Mexican law on November 9, 1951, as evidenced in the public deed 2,370, granted before the authority of Mr. Rafael Guizar Mendoza, notary public 81 of Mexico City. The registration number of the company is 47742 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México.

Compañía Hulera Tornel, S.A. de C.V. is authorized to engage in: (i) the manufacturing, purchase, sale, import, export, storage, and distribution of all kinds of goods related to the objects of the company. The company may, therefore, engage in business including but not limited to, import, buy, sell, lease, mortgage, encumber, assign, etc., all kinds of intangible movable and immovable assets it acquires in whole or in part. It can also install, acquire, and lease machinery, as well as rent, manage, and operate factories or plants, patents, or trademarks, whether it manufactures articles for sale or processes raw materials, in accordance with applicable legal provisions (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purposes of the company.

12. Compañía Inmobiliaria Norida, S.A. de C.V.

Incorporation and Business

Compañía Inmobiliaria Norida, S.A. de C.V. was incorporated under the Mexican law on September 6, 1969, as evidenced in the public deed 30,727, granted before the authority of Mr. José Vicente Vértiz, notary public 111 of Mexico City, acting in the protocol of notary public 48 of Mexico City. The registration number of the company is 31793 of the Public Registry of Commerce of Mexico City and the principal place of business is located at Via José Lopez Portillo, No. 085, Col. San Francisco Chilpan, C.P. 54944, Estado de México, México.

Compañía Inmobiliaria Norida, S.A. de C.V. is authorized to engage in: (i) buying and selling and traffic in general with all kinds of real estate; construction of all kinds of public or private works; the exploitation of all kinds of urban property, in accordance with applicable legal provisions; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

13. General de Inmuebles Industriales, S.A. de C.V.

Incorporation and Business

General de Inmuebles Industriales, S.A. de C.V. was incorporated under the Mexican law on July 26, 1971, as evidenced in the public deed 17,718, granted before the authority of Mr. Rafael Guizar Mendoza, notary public 81 of Mexico City. The registration number of the company is 49273 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México.

General de Inmuebles Industriales, S.A. de C.V. is authorized to engage in: (i) the purchase, construction, and reconstruction, leasing, administration, subdivision, etc., of real estate, whether they are rural or urban properties, industrial or residential, as well as all kinds of works and installations, whether on the company's own properties or those of third parties, and in general, all acts related and connected to the main purpose, in accordance with applicable legal provisions; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

14. Gintor Administración, S.A. de C.V.

Incorporation and Business

Gintor Administración, S.A. de C.V. was incorporated under the Mexican law on September 5, 1983, as evidenced in the public deed 23,809, granted before the authority of Mr. Salomon Våzquez Valera, notary public 30 of the State of Mexico. The registration number of the company is 62158 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México.

Gintor Administración, S.A. de C.V. is authorized to engage in: (i) the provision of administration, marketing, consultancy in purchases, production, and any other kind of services, as well as the provision of collection services, technical assistance, and any type of consultancy to companies, all of the above in accordance with applicable legal provisions.; (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

15. Hules y Procesos Tornel, S.A. de C.V.

Incorporation and Business

Hules y Procesos Tornel, S.A. de C.V. was incorporated under the Mexican law on September 20, 1983, as evidenced in the public deed 11,726, granted before the authority of Mr. Manuel Borja Soriano, notary public 47 of Mexico City. The registration number of the company is 65985 registered in the Public Registry of Mexico City and the principal place of business is located at Santa Lucia 311, Col. Santa Cruz Acayucan, Azcapotzalco, C.P. 02770, Ciudad de México, México.

Hules y Procesos Tornel, S.A. de C.V. is authorized to engage in: (i) the industrial and commercial activities of any kind, primarily those related to the rubber industry, and all related acts and contracts. The company may, therefore, but not limited to, import, buy, sell, lease, mortgage, encumber, assign, etc., all kinds of tangible or intangible movable and immovable assets it acquires in whole or in part. It can also install, acquire, and lease machinery, as well as rent, manage, and operate factories or plants, patents, or trademarks, whether it manufactures articles for sale or processes raw materials, in accordance with applicable legal provisions (ii) the acquisition, purchase, sale, import, export, storage, and distribution of all types of goods related to the corporate purpose of the company.

Associate Companies

1. Valiant Pacific LLC

Incorporation and Business

Valiant Pacific LLC is registered in accordance with the U.A.E. Federal Law No. 2 of 2015. The Department lf Economic Development Dubai, U.A.E. has issued the Commercial Registration Certificate No. 59841 dated July

6, 2002 and commercial license no. 535598.

The registered office of the company is located at 305, Al Masraf Tower, Baniyas Road, Delra, Dubai, U.A.E. Valiant Pacific LLC is engaged in the business to carry on business of auto spares and components trading, auto accessories trading and tyres and rims trading, which shall include carrying on of all activities as are related or ancillary thereto.

2. Hari Shankar Singhania Elastomer and Tyre Research Institute ("HASETRI")

Incorporation and Business

HASETRI was incorporated under Section 25 of the Companies Act, 1956 on October 11, 1991 with the RoC.

Its corporate identity number is U73100RJ1991NPL006245 and its registered office is situated at Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India. HASTERI is authorized to undertake, engage in, promote, assist or otherwise further, research and development in the field of, relating to or connected with, automotive and other tyres, tubes, flaps, valves, belts, seals, hoses and all or any other elastomer, polymer or other products in all their form and variations, including basic and applied research, development and evaluation of technology, processes, machinery, equipment and instruments, quality, standardization, testing, cost control and market research and development.

3. Western Tires Inc.

Incorporation and Business

Western Tires Inc. was incorporated under the laws of the State of Texas (USA) with effect from July 1, 2016 with the Office of the Secretary of State of Texas, U.S.A.

Its state registration no. is 802489157 The registered office is situated at 222 Pennbright Drive, Suite 135, Houston, TX 77090 . Western Tires Inc. is authorized to engage in the business of import and wholesale trading of tyres..

4. Western Tire Holdings Inc.

Incorporation and Business

Western Tires Inc. was incorporated under the General Corporation Law of the State of Delaware, with effect from July 1, 2016, with the Office of the Secretary of State of Texas, U.S.A.

Its state registration no. is 6077497 and its registered office is situated at 960 Holmdel Road, Suite 202, Holmdel, NJ 07733. Western Tires Holdings Inc. is authorized to engage in any lawful business, to promote any lawful purpose, and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

5. Dwarkesh Energy Limited

Incorporation and Business

Dwarkesh Energy Limited was incorporated under the Companies Act 1956, on August 8, 2005 with the RoC.

Its corporate identity number is U31200DL2005PLC278945 and its registered office is situated at Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi, 110 002, India. Dwarkesh Energy Limited is authorized to engage in as power producer either individually or as holding company or in collaboration, consortium, partnership, joint venture, majority or minority or equal equity participation with another person or a special purpose vehicle or entity, corporate or otherwise and in that capacity to develop, assemble, modify, restructure, generate, accumulate, transmit, distribute, purchase, sell and supply in India and/or abroad efficient thermal, hydroelectric and wind power generated electric energy including steam from conventional/non-conventional renewable/ non renewable energy sources or any other form of energy for captive use/ consumption or to other enterprises on commercial basis and to undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring power plants, wind energy plants.

6. Treel Mobility Solutions Private Limited

Incorporation and Business

Treel Mobility Solutions Private Limited was incorporated under the Companies Act, 2013 on April 12, 2018 with the Registrar of Companies, Maharashtra at Pune.

Its corporate identity number is U72900PN2018PTC175996 and its registered office is situated at Laxmi Vishnupuram Amenities Business, S. No. 6/1 B, 6/4, 7/4 Plot No. 02, NDA Road, Village Shivane, Tal. Haveli Pune 411 023, India. Treel Mobility Solutions Private Limited is authorized to carry on the activity of developing/manufacturing/supply of various kinds of electronic, electromechanical products, web & cloud based software & mobile applications suitable for automotive vehicles for the purpose of achieving healthier, safer & efficient transportation by providing solutions for tyre lifecycle management, vehicular movement monitoring, identification and analysis of its various safety measures, inter-alia for the purpose of achieving better field efficiency and vehicle safety, vehicle performance and matters connected therewith, whether on its own or in collaboration with any other entity or person and whether in India or abroad.

Joint ventures

As on the date of this Placement Document, our Company does not have any joint venture.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on September 30, 2023 is set forth below:

Table I - Summary Statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % Assuming full conversion of convertible securities (as a percentage of diluted share capital) As a% of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
					Class eg: X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held	
(A) Promoter & Promoter Group	**20**	**13,85,25,055**	**13,85,25,055**	**56.26**	**13,85,25,055**	**56.26**	**-**	**53.12**	**-**	**-**	**-**	**-**	**13,85,25,055**
(B) Public	**1,88,379**	**10,77,05,825**	**10,77,05,825**	**43.74**	**10,77,05,825**	**43.74**	**1,45,44,745**	**46.88**	**-**	**-**	**NA**		**10,68,30,033**
(C) Non Promoter-Non Public	**-**	**-**	**-**	**0.00**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**NA**		**-**
(C1) Shares underlying DR	**-**	**-**	**-**	**NA**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**NA**		**-**
(C2) Shares held by Employee Trusts	**-**	**-**	**-**	**0.00**	**-**	**0.00**	**-**	**0.00**	**-**	**-**	**NA**		**-**
Total	**1,88,399**	**24,62,30,880**	**24,62,30,880**	**100.00**	**24,62,30,880**	**100.00**	**1,45,44,745**	**100.00**	**-**	**-**	**-**	**-**	**24,53,55,088**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category and name of the Shareholders	Entity type (Promoter or promoter group)	No. of Shareholders	Nos. of fully paid up equity shares held	Total nos. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						Class eg: X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held	
A1) Indian														
Individuals/Hindu undivided Family		15	84,59,105	84,59,105	3.44	84,59,105	3.44	-	3.24	-	-	-	-	84,59,105
BHARAT HARI SINGHANIA	Promoter Group	1	10,94,723	10,94,723	0.44	10,94,723	0.44	-	0.42	-	-	-	-	10,94,723
RAGHUPATI SINGHANIA	Promoter Group	1	16,43,990	16,43,990	0.67	16,43,990	0.67	-	0.63	-	-	-	-	16,43,990
VIKRAM PATI SINGHANIA	Promoter Group	1	3,64,030	3,64,030	0.15	3,64,030	0.15	-	0.14	-	-	-	-	3,64,030
VINITA SINGHANIA	Promoter Group	1	14,03,485	14,03,485	0.57	14,03,485	0.57	-	0.54	-	-	-	-	14,03,485
SUNANDA SINGHANIA	Promoter Group	1	6,27,500	6,27,500	0.25	6,27,500	0.25	-	0.24	-	-	-	-	6,27,500
HARSH PATI SINGHANIA	Promoter Group	1	3,63,990	3,63,990	0.15	3,63,990	0.15	-	0.14	-	-	-	-	3,63,990
ANSHUMAN SINGHANIA	Promoter Group	1	2,44,875	2,44,875	0.10	2,44,875	0.10	-	0.09	-	-	-	-	2,44,875
SHARDA SINGHANIA	Promoter Group	1	97,449	97,449	0.04	97,449	0.04	-	0.04	-	-	-	-	97,449
RAGHUPATI SINGHANIA (Karta of Raghupati Singhania HUF)	Promoter Group	1	2,75,000	2,75,000	0.11	2,75,000	0.11	-	0.11	-	-	-	-	2,75,000
SHRIVATS SINGHANIA	Promoter Group	1	2,07,375	2,07,375	0.08	2,07,375	0.08	-	0.08	-	-	-	-	2,07,375
HARSH PATI SINGHANIA (Karta of Harshpati Singhania HUF)	Promoter Group	1	3,11,194	3,11,194	0.13	3,11,194	0.13	-	0.12	-	-	-	-	3,11,194
VIKRAM PATI SINGHANIA (Karta of Vikrampati Singhania HUF)	Promoter Group	1	3,08,379	3,08,379	0.13	3,08,379	0.13	-	0.12	-	-	-	-	3,08,379
ANSHUMAN SINGHANIA (Karta of Shripati Singhania	Promoter Group	1	15,13,245	15,13,245	0.61	15,13,245	0.61	-	0.58	-	-	-	-	15,13,245

Category and name of the Shareholders	Entity type (Promoter or promoter group)	No. of Shareholders	Nos. of fully paid up equity shares held	Total nos. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						Class eg: X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held	
HUF)														
DURGAVATI JAIN	Promoter Group	1	2,000	2,000	0.00	2,000	0.00	-	0.00	-	-	-	-	2,000
SHUBHA KANORIA	Promoter Group	1	1,870	1,870	0.00	1,870	0.00	-	0.00	-	-	-	-	1,870
Any Other (specify)		5	13,00,65,950	13,00,65,950	52.82	13,00,65,950	52.82	-	49.88	-	-	-	-	13,00,65,950
BENGAL & ASSAM COMPANY LTD.	Promoter	1	13,00,03,250	13,00,03,250	52.80	13,00,03,250	52.80	-	49.85	-	-	-	-	13,00,03,250
HARI SHANKAR SINGHANIA HOLDINGS PRIVATE LIMITED	Promoter Group	1	49,200	49,200	0.02	49,200	0.02	-	0.02	-	-	-	-	49,200
SIDHIVINAYAK TRADING AND INVESTMENT LIMITED	Promoter Group	1	10,000	10,000	0.00	10,000	0.00	-	0.00	-	-	-	-	10,000
ACCURATE FINMAN SERVICES LIMITED	Promoter Group	1	1,000	1,000	0.00	1,000	0.00	-	0.00	-	-	-	-	1,000
NAV BHARAT VANIJYA LIMITED	Promoter Group	1	2,500	2,500	0.00	2,500	0.00	-	0.00	-	-	-	-	2,500
Sub-Total (A)(1)		20	13,85,25,055	13,85,25,055	56.26	13,85,25,055	56.26	-	53.12	-	-		-	13,85,25,055
A2) Foreign		-	-	-	0.00	-	0.00	-	0.00	-	-		-	-
A=A1+A2		20	13,85,25,055	13,85,25,055	56.26	13,85,25,055	56.26	-	53.12	-	-	-	-	13,85,25,055

Table III - Statement showing shareholding pattern of the public shareholder

Category and name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares Shareholding (No. of shares) under		
					Class X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held		Sub-Category I	Sub-Category II	Sub-Category III
B1) Institutions (Domestic)																
Mutual Funds	5	97,531	97,531	0.04	97,531	0.04	-	0.04	-	-		NA	96,271	-	-	-
Alternate Investment Funds	3	1,47,883	1,47,883	0.06	1,47,883	0.06	-	0.06	-	-		NA	1,47,883	-	-	-
Banks	16	15,929	15,929	0.01	15,929	0.01	-	0.01	-	-		NA	2,139	-	-	-
Insurance Companies	3	28,61,045	28,61,045	1.16	28,61,045	1.16	-	1.10	-	-		NA	28,61,045	-	-	-
THE NEW INDIA ASSURANCE COMPANY LIMITED	1	28,56,045	28,56,045	1.16	28,56,045	1.16	-	1.10	-	-		NA	28,56,045	-	-	-
NBFCs registered with RBI	7	7,66,003	7,66,003	0.31	7,66,003	0.31	-	0.29	-	-		NA	7,66,003	-	-	-
Other Financial Institutions	1	1,515	1,515	0.00	1,515	0.00	-	0.00	-	-		NA	-	-	-	-
Sub Total B1	35	38,89,906	38,89,906	1.58	38,89,906	1.58	-	1.49	-	-		NA	38,73,341	-	-	-
B2) Institutions (Foreign)																
Foreign Portfolio Investors Category I	118	2,44,31,630	2,44,31,630	9.92	2,44,31,630	9.92	-	9.37	-	-		NA	2,44,31,630	-	-	-
CASSINI PARTNERS, L.P. MANAGED BY HABROK CAPITAL MANAGEMENT LLP	1	28,86,102	28,86,102	1.17	28,86,102	1.17	-	1.11	-	-		NA	28,86,102	-	-	-
Foreign Portfolio Investors Category II	13	9,07,180	9,07,180	0.37	9,07,180	0.37	-	0.35	-	-		NA	9,07,180	-	-	-
Any Other (Institutions (Foreign))	1	0	0	0.00	0	0.00	1,45,44,745	5.58	-	-		NA	0	-	-	

Category and name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares Shareholding (No. of shares) under		
					Class X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held		Sub-Category I	Sub-Category II	Sub-Category III
INTERNATIONAL FINANCE CORPORATION	1	0	0	0.00	0	0.00	1,45,44,745	5.58	-	-		NA	0	-	-	-
Sub-Total B2	132	2,53,38,810	2,53,38,810	10.29	2,53,38,810	10.29	1,45,44,745	15.29	-	-		NA	2,53,38,810	-	-	-
B3) Central Government / State Government(s) / President of India																
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	1	455	455	0.00	455	0.00	-	0.00	-	-		NA	455	-	-	-
Sub Total B3	1	455	455	0.00	455	0.00	-	0.00	-	-		NA	455	-	-	-
B4) Non-Institutions																
Directors and their relatives (excluding independent directors and nominee directors	2	600	600	0.00	600	0.00	-	0.00	-	-		NA	600	-	-	-
Key Managerial Personnel	2	11	11	0.00	11	0.00	-	0.00	-	-		NA	11	-	-	-
Investor Education and Protection Fund (IEPF)	1	9,81,737	9,81,737	0.40	9,81,737	0.40	-	0.38	-	-		NA	9,81,737	-	-	-
Resident Individuals holding nominal share capital up to ₹ 2 lakhs	1,83,990	3,12,11,866	3,12,11,866	12.68	3,12,11,866	12.68	-	11.97	-	-		NA	3,04,59,634	-	-	-
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	29	2,58,04,180	2,58,04,180	10.48	2,58,04,180	10.48	-	9.90	-	-		NA	2,58,04,180	-	-	-

Category and name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total nos. of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares Shareholding (No. of shares) under		
					Class X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held		Sub-Category I	Sub-Category II	Sub-Category III
SACHIN BANSAL	1	52,00,000	52,00,000	2.11	52,00,000	2.11	-	1.99	-	-		NA	52,00,000	-	-	-
SACHIN BANSAL	1	67,90,000	67,90,000	2.76	67,90,000	2.76	-	2.60	-	-		NA	67,90,000	-	-	-
DEEPAK BHAGNANI	1	35,98,558	35,98,558	1.46	35,98,558	1.46	-	1.38	-	-		NA	35,98,558	-	-	-
Non Resident Indians (NRIs)	2,153	16,63,376	16,63,376	0.68	16,63,376	0.68	-	0.64	-	-		NA	15,59,056	-	-	-
Foreign Nationals	1	500	500	0.00	500	0.00	-	0.00	-	-		NA	500	-	-	-
Bodies Corporate	448	1,21,83,652	1,21,83,652	4.95	1,21,83,652	4.95	-	4.67	-	-		NA	1,21,80,977	-	-	-
TASHA INVESTMENT ADVISORS LLP	1	48,59,392	48,59,392	1.97	48,59,392	1.97	-	1.86	-	-		NA	48,59,392	-	-	-
Any Other (specify)	1,585	66,30,732	66,30,732	2.69	66,30,732	2.69	-	2.54	-	-		NA	66,30,732	-	-	-
HUF	1,543	15,91,194	15,91,194	0.65	15,91,194	0.65	-	0.61	-	-		NA	15,91,194	-	-	-
Unclaimed or Suspense or Escrow Account	1	18,505	18,505	0.01	18,505	0.01	-	0.01	-	-		NA	18,505	-	-	-
Trusts	3	8,399	8,399	0.00	8,399	0.00	-	0.00	-	-		NA	8,399	-	-	-
Overseas Corporate Bodies	1	47,37,500	47,37,500	1.92	47,37,500	1.92	-	1.82	-	-		NA	47,37,500	-	-	-
EDGEFIELD SECURITIES LIMITED	1	47,37,500	47,37,500	1.92	47,37,500	1.92	-	1.82	-	-		NA	47,37,500	-	-	-
Clearing Members	37	2,75,134	2,75,134	0.11	2,75,134	0.11	-	0.11	-	-		NA	2,75,134	-	-	-
Sub-Total B4	1,88,211	7,84,76,654	7,84,76,654	31.87	7,84,76,654	31.87	-	30.09	-	-		NA	7,76,17,427	-	-	-
Total Public Shareholding B=B1+B2+B3+B4	1,88,379	10,77,05,825	10,77,05,825	43.74	10,77,05,825	43.74	1,45,44,745	46.88	-	-		NA	10,68,30,033	-	-	-

Notes:

1. In Promoter Group category, 8,15,000 equity shares are held by Yashodhan Enterprises(YE) which are registered in the name of Sh. Anshuman Singhania (Karta of Shripati Singhania HUF, a partner of YE).
2 The Company allotted 24,000 Compulsorily Convertible Debentures to International Finance Corporation (IFC) on 20.3.2023, convertible into equity shares within 18 months from date of allotment, which shall not exceed 1,45,44,745 equity shares pursuant to Shareholders' Agreement dated 20.2.23.

Table IV - Statement showing shareholding pattern of the non Promoter - non public Shareholder

Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR, 1957 (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					Class X	Total as a % of Total Voting rights			No.	As a % of total shares held	No.	As a % of total shares held	
C1) Custodian/DR Holder	0	0	-	0	-	-	-	-	-	-	NA		-
C2) Employee Benefit Trust / Employee Welfare Trust under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	0	0	-	0	-	-	-	-	-	-	NA		-
Total Non-Promoter- Non Public Shareholding (C)= C1+C2	-	-	-	-	-	-	-	-	-	-			-

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the bidding application, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Lead Manager. Bidders that applied in the Issue were required to confirm and were deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, associates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and consult their respective advisors in this regard. *Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 204 and 211, respectively.*

Our Company, the Lead Manager and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates, associates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must inter alia, specify (a) that the allotment of Equity Shares is proposed to be made pursuant to a QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue, including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of the Issue, the contribution made by the Promoter or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, Equity Shares of the same class of our Company, which are proposed to be allotted pursuant to the Issue, have been listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- the invitation to apply in the Issue must be made through a private placement offer cum application letter (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made;

- either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law, and our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., the Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- in accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees; and

- the Promoter and Directors of our Company are not declared as Willful Defaulters and are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued to Eligible QIBs shall be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the relevant stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the Shareholders passed at the EGM on December 18, 2023 our Company has offered a discount of 3.89% on the Floor Price in accordance with the SEBI ICDR Regulations at the time of determination of the Issue Price.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the QIP and within 60 days from the date of receipt of Application Amount from the Successful Bidders. See "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" on page 201.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under the PAS Rules, including under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the respective websites of the Stock Exchanges and our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to this Issue.

This Issue was authorized and approved by our Board of Directors on November 1, 2023 and approved by our Shareholders through a special resolution passed at the EGM dated December 18, 2023.

The minimum number of allottees with respect to a QIP shall be at least:

- two, where the issue size is less than or equal to ₹ 250 crore; and

- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see "***– Bid Process – Application Form***" on pages 196.

The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance upon Regulation S under the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 204 and 211, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has also filed a copy of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on BSE and NSE, each dated December 19, 2023. We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013, including under the PAS Rules.

Issue Procedure

1. Our Company in consultation with the Lead Manager have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered has been determined by our Company in consultation with the Lead Manager.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount was to be deposited, were addressed to a particular QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs were required to submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Application Amount were transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorized

to do so. Eligible QIBs submitted the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Issue Period to the Lead Manager. The Application Form were signed physically or digitally, as required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN, phone number and bank account details;

- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- equity shares held by the Bidder in our Company prior to the Issue;

- an undertaking that they will deliver an offshore transaction letter to our Company prior to any sale of Equity Shares confirming that they will not re-offer, re-sell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S under the Securities Act;

- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue; and

- a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and it has agreed to certain other representations, acknowledgements and warranties set forth in "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 1, 4, 190, 204, and 211, respectively, and in the Application Form.

Note: *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were specifically required to state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not required to be treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were treated to be as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law.*

5. Each Bidder was required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment and the filing of return of Allotment by our Company with the RoC or receipt of final listing and trading approval from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***– Refunds***" on page 201.

6. Once a duly completed Application Form was submitted by a Bidder and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision

before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledged that in accordance with the requirements of the Companies Act, 2013, upon Allocation, the Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and consented to such disclosure, if any Equity Shares are allocated to it.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with the Lead Manager determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Lead Manager sent the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Lead Manager, shall, on our behalf, send a serially numbered Placement Document, either in electronic form or through physical delivery, to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price, refund details in case of partial refunds and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been at the absolute discretion of our Company in consultation with the Lead Manager.**

9. Upon dispatch of serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

10. After passing of the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only Eligible QIBs were eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;

- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 25 crore registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 25 crore;
- public financial institutions as defined under the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Eligible FPIs were permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules, in this Issue. Eligible FPIs were permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs did not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs were required to participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid-up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as an FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, the Promoter, or any person related to the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board of the Company.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the Lead Manager and any of their respective shareholders, investors, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document or this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Note: *Affiliates or associates of the Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document. The Application Form could be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorized to do so. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB were deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 4, 204 and 211, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The Eligible QIB confirms that it is not a promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

- The Eligible QIB confirms and consents to its name and percentage of post-Issue shareholding (assuming full subscription in the Issue) to be included as a 'proposed allottee' in the Issue in this Placement Document;

- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

- The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

- The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by it, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in this Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Manager;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that it is outside the United States, is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;
- The Eligible QIB who is not a resident of India (Eligible FPIs) confirms that it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;
- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations;
- The Eligible QIB acknowledges that no Allotment shall be made to them if the price at which they have Bid for in this Issue is lower than the Issue Price; and
- The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE LEAD MANAGER, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given in the Application Form as mentioned above. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire amounts for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form was required to include details of the Escrow Account into which the Application Amount was required to be deposited. The Application Amount was required to be deposited in the Escrow Account was is specified in the Application Form and the Application Form was required to be submitted to the Lead Manager either through electronic form or through physical delivery at either of the following addresses:

Emkay Global Financial Services Limited
7th Floor, Senapati Bapat Marg,
Dadar – West, Mumbai 400 028,
Maharashtra, India
Contact Person: Pranav Nagar/Deepak Yadav
E-mail: jktyre.qip@emkayglobal.com
Tel: + 91 22 6612 1212

The Application Form was required to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount was paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Application Amount was transferred to the Escrow Account, such application constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorized to do so. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

The Lead Manager was not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, were required to pay the entire Application Amount along with the submission of the Application Form within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "**JK Tyre & Industries Limited QIP Escrow Account**" with HDFC Bank Limited, our Escrow Bank, in terms of the Escrow Agreement. Bidders were required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments were to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment was not made favouring the "**JK Tyre & Industries Limited QIP Escrow Account**" within the Issue Period stipulated in the Application Form, the Application Form of the QIB was liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "**JK Tyre & Industries Limited QIP Escrow Account**" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***– Refunds***" below.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the Income Tax Act in the Application Form. Applications without this information were considered to be incomplete and were liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Application Amount was being made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. Our Company, in consultation with the Lead Manager, has determined the Issue Price, which shall be at or above the Floor Price. The Floor Price was not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company has offered a discount of 3.89% on the Floor Price in accordance with the approval of the Shareholders of our Company accorded through special resolution dated December 18, 2023, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Build-up of the Book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Manager. Such Bids could not be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Lead Manager, has determined the Issue Price, which shall be at or above the Floor Price. However, our Company has offered a discount of 3.89% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders through a special resolution passed at the EGM dated December 18, 2023.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and is filing the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Eligible QIBs was required to be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with the Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGER IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allotment Notice ("**CAN**")

Based on receipt of the Application Forms and Application Amount, our Company, in consultation with the Lead Manager, in their sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price, the Application Amount paid and Refund Amount, if any, has been notified to such Successful Bidders.

The Successful Bidders have also been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board (or a duly constituted committee thereof) will approve the Allotment of the Equity Shares to the Allottees.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would have deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

Our Company will ensure that the Allotment of Equity Shares is completed by the Designated Date provided in the respective CANs. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final listing and trading approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company has been disclosed in this Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Lead Manager and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC, whichever is later.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and is filing the same with the Stock Exchanges as this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation/CAN (as applicable). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Lead Manager, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Lead Manager in relation to the rejection of Bids is final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – "***Bid Process***" and – "***Refund***" on pages 196 and 201 respectively.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to Successful Bidders will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the Successful Bidders, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "**JK Tyre & Industries Limited QIP Escrow Account**" to our Company until receipt of notice from the Lead Manager, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC, whichever is later.

PLACEMENT AND LOCK-UP

Placement Agreement

The Lead Manager and our Company have entered into the Placement Agreement dated December 19, 2023 ("**Placement Agreement**"), pursuant to which the Manager have agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and Placement Document have not been, and will not be, filed as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by the Company outside the United States, in offshore transactions, in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 204 and 211, respectively.

Relationship with the Lead Manager

In connection with the Issue, the Lead Manager (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Lead Manager may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure have been made of such positions. Affiliates of the Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "***Representations by Investors***" and "***Offshore Derivative Instruments***" on pages 4 and 10 respectively.

From time to time, the Lead Manager and its respective affiliates, associates, etc. may engage in transactions with and perform services for our Company or its affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates or shareholders, for which they have received compensation and may in the future receive compensation.

Lock-Up

The Equity Shares of the Company and the Equity Shares held by the Promoter shall not be subject to any lock-up under the Placement Agreement.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document or this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document or this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Preliminary Placement Document or this Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of the Preliminary Placement Document or this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required, except in India. The Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each subscriber of the Equity Shares offered in the Issue has been deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions***" on pages 1, 4 and 211, respectively.

Republic of India

The Issue has been made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Manager of such fact in writing and has received the consent of the Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Manager are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded

Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the

UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "***Transfer Restrictions***" on page 211.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares Allotted in the Issue, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to purchasing Equity Shares or making any resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 204.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, the investor has deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Lead Manager for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to the Preliminary Placement Document this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Lead Manager liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the LM and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the LM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time, such company shall increase its public shareholding to at least 25%, within a period of twelve months from the date of such fall, respectively, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 5%, 10% and 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE on-line trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform (**"BOLT+"**) through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. These relaxations have been given on account of implementation of the System Driven Disclosures ("**SDD**").

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of 10 lakh rupees over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Placement Document is ₹1,80,00,00,000.00 divided into 62,50,00,000 Equity Shares of face value of ₹ 2 each and 55,00,000 Preference Shares of face value of ₹ 100 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, our Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by our Board, but in our Company in a general meeting, may declare a lesser dividend. Subject to the provisions of the Companies Act, 2013, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Equity Shares of our Company) as our Board may, from time to time, think fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve. Our Board may retain dividends payable upon share in respect of which any person is, entitled to become a Shareholder, until such person shall become a Shareholder in respect of such shares.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend, but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution in its general meetings, undertake any of the following:

- increase the share capital by such sum, to be divided into shares of such amounts as it thinks expedient;
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- cancel any shares which are the date of the passing of the resolution, have not been taken or agreed to be taken by any person;

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption subject to the conditions provided in the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended.

Our Articles of Association provide that our Board shall have power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted in one of more security(ies)/ instruments or to equity shares, on such terms and conditions and in such manner as determined by our Board in accordance with the Companies Act, 2013, subject to the provisions of the Companies Act, 2013 and consent of our Board, any preference shares on the terms that they are, or at the option of our Company, liable to be redeemed, or converted on such terms and in any manner permissible under the Companies Act, 2013 and the Directors may, subject to the applicable provisions of the Companies Act, 2013, exercise such power as they deem fit and provide for redemption at a premium or otherwise as they deem fit.

General Meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and

(ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold its Annual General Meetings within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 and subject to the provisions of Section 96(2) of the Companies Act, 2013 at such times and places as may be determined by our Board.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting in accordance with the provisions of the Companies Act, 2013 by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and /or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company.

On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares in our Company shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, any one of such holders may vote at any meeting personally or by proxy in respect of such share, as if he were solely entitled thereto, and if more than one of such members be present at any meeting, either personally or by proxy, then one of the said members so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Further, upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions of Section 47 of the Companies Act, 2013. A member who is of unsound mind may vote whether on a show of hands or a poll by his committee or any other legal guardian and such person may give their votes by proxy.

Any business other than upon which a poll has been demanded may be proceeded with, pending the taking of the poll. No Shareholder shall be entitled to exercise any voting right, either personally or by proxy at any meeting of the Company unless all calls or other sums presently payable by him in respect of the shares in the Company have been paid, or in regard to which the Company has exercised any right of lien. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the meeting, whose determination made in good faith shall be final and conclusive.

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Registered Office of our Company at least 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by our Company at the Registered Office before the vote is given. However, the chairman of that meeting shall be entitled to require such evidence as he may think fit, of the due execution of the instrument of proxy and that such instrument has not been revoked.

Transfer and Transmission of Equity Shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold). Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

The executor or administrator of a deceased member (not being one of the several joint holders) shall be the only person recognized in the name of such member, and in case of the death of anyone or more of the joint holders of any registered Equity Share, the survivor shall be the only person recognized by the Company as having any title to or interest in such Equity Share. However, the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

If any person becoming entitled to Equity Shares in consequence of the death of a Shareholder, elects to be registered as holder of the Equity Share himself, he shall deliver or send to the Company, a notice signed by him stating that he so elects. If the said person elects to transfer the Equity Shares, he shall testify his election by executing an instrument of transfer of the Equity Shares. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, lunatic, insolvent, bankrupt shareholder had transferred the Equity Share(s) before his death, lunacy, bankruptcy or insolvency.

Any person becoming entitled to Equity Shares by reason of the death, lunacy, bankruptcy or insolvency of a Shareholder shall, subject to Section 123 of the Companies Act, 2013, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Equity Shares.

Acquisition by our Company of its own Equity Shares

The Company is permitted to buy-back its securities including shares in accordance with the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 (including any future amendments or re-enactments) and as per the rules and procedures prescribed therein and in compliance with the prevailing regulatory provisions and guidelines.

Winding up

As per the provisions of our Articles of Association, our Company may be wound up in accordance with the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, as amended (to the extent applicable).

TAXATION

Date: December 22, 2023

To,

The Board of Directors,
JK Tyre & Industries Limited
Jaykaygram, PO - Tyre Factory
Rajsamand, Kankroli 313 342
Rajasthan, India
(the "**Company**")

Dear Sir/Madam

Re: Qualified Institutions Placement of equity shares of face value ₹ 2 each ("Equity Shares") (such placement, the "Issue") by JK Tyre & Industries Limited (the "Company")

1. We, SS Kothari Mehta & Co., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as **Annexure A**, prepared by the Company and initialled by us and the Company (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) presently in force in India pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in connection thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto and tax laws presently in force in the country of incorporation in respect of overseas material subsidiaries ("**Taxation Laws**"), as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its Indian material subsidiaries &its shareholders and calendar year 2023 available to the overseas material subsidiaries

Management responsibility:

2. The preparation of this Statement as mentioned in Annexure A as on the date of our report which is to be included in the issue document is the responsibility of the management of the Company for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors responsibility:

3. Our examination of the Statement has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) as issued by the Institute of Chartered Accountants of India ("**ICAI**") and accordingly, we confirm that we have complied with ethical requirements stipulated within the Code of Ethics issued by the ICAI.

4. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

5. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") in connection with the proposed issue.

6. The contents of the Statement as mentioned in Annexure A are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. In respect of all material subsidiaries, the benefits are based on the representation and explanations received from the auditors of the respective material subsidiaries.

Inherent Limitations:

7. Several of such possible special tax benefits forming part of the Statement are dependent on the Company, its material subsidiaries and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Company, its material subsidiaries and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Company, its material subsidiaries and/or its shareholders, as applicable which based on business imperatives the Company faces in the future, the Company and/or its shareholders may or may not choose to fulfil.

8. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Statement. The benefits discussed in the Statement cover the possible special tax benefits available to the Company, its material subsidiaries and its shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement.

9. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Company, its material subsidiaries and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

10. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the Taxation Laws and its interpretation, which are subject to change from time to time.

Opinion:

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, to the Company, its shareholders and its material subsidiaries, in accordance with the Taxation Laws as at the date of our report.

    Considering the matters referred in paragraph above, we do not express any opinion or provide any assurance as to whether the:

    a) Company, its material Subsidiaries and/or its shareholders will continue to obtain such special tax benefits in the future; or
    b) conditions prescribed for availing such special tax benefits where applicable, have been/would be complied with.

Restriction on use:

12. The enclosed statement is intended solely for your information and for inclusion in the Preliminary Placement Document to be filed with the BSE Limited and National Stock Exchange of India Limited and any other material in connection with the Offer and is not used, referred to or distributed for any other purpose without our prior written consent.

13. We hereby consent to this certificate being disclosed by the Lead Manager, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

Yours faithfully,

For and on behalf of **SS Kothari Mehta & Co., Chartered Accountants**
ICAI Firm Registration No.: 000756N

Vijay Kumar
Partner
Membership No.: 092671
UDIN: 23092671BGSIHG6885

Place: New Delhi
Date: December 22, 2023

ANNEXURE A

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY & ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Direct Taxation

Outlined below are the possible special tax benefits available to JK Tyre & Industries Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India and direct tax laws presently in force in the country of incorporation in respect of overseas material subsidiaries.

I. Special tax benefits available to the Company, JK Tyre and Industries Limited-
As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21).

The Company has yet not adopted the said tax rate. Therefore, it is eligible to claim following deductions/ exemptions. However, such option, once exercised, shall apply to subsequent assessment years. In such a case, the Company will not be allowed to claim any of the following deductions/exemptions:

i. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone
ii. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above.
viii. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to clause i) to vii) above. Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2nd October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.
ix. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M

a) **Section 80JJAA of the Act – Deduction in respect of employment of new employees -** The provisions of section 80JJAA of the Act provides for deduction from the business income of the Assese of an amount equal to thirty per cent (30%) of additional employee cost per year for three consecutive assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

b) **Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961 -** Earlier, company was liable to pay Dividend Distribution Tax ("DDT") on the dividend paid by it to a shareholder and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT has been abolished and dividend received by shareholders on or after 1st April, 2020 is liable to be taxed in the their respective hands. The Company is required to deduct Tax at Source ("TDS") at applicable rate specified under the Act for both resident and non-resident shareholders. For non-resident shareholders, the rate specified under the Act would be subject to benefit available under applicable Double Taxation Avoidance Agreement (if any) and multi-lateral instruments.

With respect to a resident corporate shareholder, section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. This section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall be allowed deduction of an amount which will be lower of the following: -

- Dividends received from such other domestic company or foreign company or business trust; or
- Amount of dividend distributed by it on or before the due date.

The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. Special tax benefits available to its material Subsidiary – Cavendish Industries Ltd.

As per section 115BAA, the Subsidiary Company has adopted the concessional tax rate of 25.168% (including applicable surcharge and cess) with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall also apply to subsequent assessment years. In such a case, the subsidiary Company will not be allowed to claim any of the above deductions/exemptions as mentioned in I above, except deductions available under the provisions of section 80JJAA or Section 80M.

III.Special tax benefits available to its other material overseas Subsidiaries - JK Tornel S.A. de C.V.& Compañía Hulera Tornel, S.A. de C.V. Mexico –

There are no special tax benefits available to the other overseas material subsidiaries under direct tax laws presently in force in their country of incorporation.

IV. Special tax benefits available to the Shareholders of the Company

a) As per Section 112A of the Act, long-term capital gains arising from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at ten percent (without indexation), subject to fulfilment of prescribed conditions under the Act. It is pertinent to note here that no tax shall be levied where such capital gains are up-to Rs. 1,00,000/-.

b) As per Section 111A of the Act, short term capital gains arising from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15%, subject to fulfilment of prescribed conditions under the Act.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India and direct tax laws presently in force in the country of incorporation in respect of overseas material subsidiaries..

3. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits

available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

6. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company, its material subsidiaries and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24, Trade Policy, presently in force in India, if applicable or based on direct and indirect tax regulation of the countries where in the companies where incorporated and indirect tax laws presently in force in the country of incorporation in respect of overseas material subsidiaries.

I. Special tax benefits available to the Company, JK Tyre and Industries Limited-

The Company is availing the following benefits under Indirect Taxes:

1. Advance authorization Scheme benefit under Foreign Trade Policy that allows duty free Import of Inputs which are physically used in manufacturing the product meant for export. The Inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education cess, Anti-Dumping duty, Safeguard Duty and Transition Product-specific safeguard duty, Integrated tax, and compensation Cess, wherever applicable, subject to certain conditions.

2. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

3. Export Promotion Capital Goods (EPCG) Scheme benefit under Foreign Trade Policy which allows import of Capital goods that are used in Pre-production, production and post-production without payment of Customs duty. The benefit is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods to be achieved within 6 years from the date of issuance of the Authorization.

4. Remission of Duty and Taxes on Exported Products ("RODTEP") under Foreign Trade Policy. It entitles to a certain percentage of an export price as a scrip, which however gets limited to the embedded taxes.

5. Reimbursement of SGST subject to certain limit under State Industrial Incentive policy of Tamil Nadu state.

6. Project Import scheme which facilitates imports of machinery, instrument and apparatus etc. under concessional rate of duty.

II. Special tax benefits available to the material subsidiary of the Company -Cavendish Industries Ltd.-

All special tax benefits available to the Company- JK Tyre & Industries Ltd mentioned above except Reimbursement of SGST subject to certain limit under State Industrial Incentive policy of Tamil Nadu state are also available to Cavendish Industries Ltd.

III. Special tax benefits available to its other material overseas Subsidiaries - JK Tornel S.A. de C.V.& Compañía Hulera Tornel, S.A. de C.V. Mexico -

Compañía Hulera Tornel

Rule 8. It is the license or permit issued by the Ministry of Economy in relation to any of the tariff items as mentioned at fraction 98.02 of the Tariff of the Law of General Import and Export Taxes that allows companies to import machinery and equipment, materials, inputs, parts and components in order to obtain administrative facilities and preferential tariffs.

Rule 8 establishes that, with prior authorization from the Ministry of Economy, companies having manufacturer's registration may import inputs, materials, parts and components to be used solely and exclusively for specifically designated purposes such as to expand an industrial plant, replace equipment or integrate an article manufactured or assembled in Mexico. The goods to be imported under Rule 8 are inputs, materials, parts, components, machinery and equipment, including packing and packaging material and, in general, those for the manufacture of the products established in the PROSEC decree.

There are no special tax benefits available to the other material overseas subsidiaries under indirect tax laws presently in force in their country of incorporation.

IV. Special tax benefits available to the Shareholders of the Company-

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company, its material subsidiaries and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2023 applicable for the Financial Year 2023-24 and tax laws presently in force in the country of incorporation in respect of overseas material subsidiaries.

2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.

3. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

4. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent upon such changes.

Authorized Signatory

For **JK Tyre & Industries Limited**
Sanjeev Kumar Aggarwal
Chief Financial Officer

Date: December 22, 2023

LEGAL PROCEEDINGS

Our Company and Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of civil suits, tax disputes and petitions pending before various authorities.

As on date of this Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's 'Policy on disclosure of Material Events and Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Notwithstanding such materiality policy approved by the Board, solely for the purpose of the Issue, in accordance with the resolution passed by the committee of directors of our Board on December 19, 2023, we have disclosed to the extent applicable in this section: (i) outstanding criminal proceedings against our Company and/or our Subsidiaries; (ii) outstanding actions by statutory or regulatory authorities against our Company and/or our Subsidiaries; (iii) outstanding civil and tax proceedings involving our Company and/or our Subsidiaries, which involve an amount equivalent to or above ₹ 13.25 crore, which is 5% of the average of absolute value of profit or loss after tax, as per the Audited Consolidated Financial Statements ("**Materiality Threshold**");and (iv) other civil and tax proceedings involving our Company and/or our Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the Materiality Threshold and which if results in an adverse outcome, would have a material adverse effect on the financial position, business, operations, prospects or reputation of our Company.*

Further, as on the date of this Placement Document, except as disclosed in this section, (i) there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoter during the three years immediately preceding the year of this Placement Document and no directions have been issued by any such ministry or department of statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the three years immediately preceding the year of this Placement Document involving our Company and our Subsidiaries, and no prosecutions filed (whether pending or not), fines imposed, compounding of offences in last three years immediately preceding the year of this Placement Document involving our Company and Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to instrument holders like holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Placement document; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our Audited Consolidated Financial Statements for the last five Fiscals preceding the date of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or from third parties (excluding statutory / regulatory /governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalized terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

A. LITIGATION INVOLVING OUR COMPANY

Material civil proceedings involving our Company

1. Our Company, along with JK Tornel S.A. De CV and Cavendish Industries Ltd., ("**CIL**") our Subsidiaries, and Valiant Pacific LLC., UAE, our associate/ group companies (together, the "**Claimants**") initiated arbitration proceedings in connection with a share purchase agreement dated October 28, 2015 ("**SPA**"). The Company, along with the Claimants and others, had entered into the SPA with Kesoram Industries Limited ("**KIL**") to acquire the entire shareholding of KIL in CIL (i.e. then a 100% subsidiary of KIL). Prior to the execution of this SPA, KIL had entered into a business transfer agreement with CIL dated

March 26, 2015, and amended on October 27, 2015, and March 22, 2016 (“**BTA**”), for sale of CIL’s tyre manufacturing plant at Laksar, Haridwar, Uttarakhand (“**Laksar Plant**”) to KIL. Therefore, pursuant to the SPA, ownership and control of the Laksar Plant, came to vest in the Claimants. Subsequently, we and the remainder of the Claimants received a notice dated June 1, 2017 from the Upper Collector (Finance and Revenue), Haridwar (“**Collector**”) for payment of deficit stamp duty amounting to ₹ 9.03 crore on the sale deed executed pursuant to the BTA, and notice dated June 21, 2017 for payment of deficit stamp duty of ₹ 43.9 crore on the SPA. Further, certain other issues pertaining to breach of representations and warranties by KIL under the SPA came to the Claimants’ attention (e.g. non-receipt of certain permissions in Uttarakhand for the transfer of land parcels). Resultantly, we issued a notice dated February 25, 2020 to KIL for invocation of arbitration under the SPA on all of these grounds, including that KIL is liable for payment of stamp duty, along with penalty and interest, under the terms of the SPA. The financial impact of these stamp duty proceedings is estimated at ₹ 582.24 crore plus any interest that may be levied. As part of the arbitration proceedings, KIL has additionally filed counter claims against us relating to payment of variation in working capital estimated at approximately ₹ 10.63 crore and income tax refund of ₹ 6.5 crore pertaining to the assessment year 2016-2017. The financial impact of the counter claims filed by KIL is estimated to be ₹10 crore to ₹17.1 crore plus any interest that may be levied. The arbitration proceedings are currently pending.

2. One of our dealer partners filed a civil suit (“**Plaintiff**”) against us before the Court of the Principal Senior Civil Judge, Vijaywada, contending that they had placed several security deposits with us and we refused to pay interest and handling charges due on such deposits. The Court of the Principal Senior Civil Judge, Vijaywada, by order dated July 10, 2023 decreed the suit against us directing us to pay a sum of ₹ 70.69 crores. We have filed an appeal before the High Court of Andhra Pradesh at Amravati against the aforesaid order dated July 10, 2023 contending, inter alia, that the claim was already settled with the Plaintiff. In the meanwhile, the Plaintiff has filed an application dated September 11, 2023 under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal (“**NCLT Jaipur**”) to initiate corporate insolvency resolution process against us for the purpose of recovering a sum of ₹ 142.40 crore including interest and handling charges pursuant to the order dated July 10, 2023. The counsel for the Plaintiff has submitted before the High Court on December 19, 2023 that they will not press further proceedings before the NCLT Jaipur till the time the High Court passes orders in the stay application and petition under Order VII, Rule 11 of the CPC against order dated July 10, 2023 filed by us.

3. Our Company has instituted recovery proceedings against GP Catarinense Comercio Importacao e Exportacao Ltda, J.S. Comercio de Pneus Ltda., and Brumel Distribuidora de Pneus Ltda. (“**GPP Companies**”), in Brazil, for recovery of approximately USD 6.7 million in relation to non-payment of dues by the GPP Companies for tyres exported to them by us. The case is currently pending before the Regional Court of Sao Jose dos Pinhais, Metropolitan Region of Curitiba – Parana, Brazil.

Material tax proceedings involving our Company

1. Our Company received notices dated December 10, 2004, March 10, 2010 and March 25, 2013 and March 21, 2014 from the Commercial Taxes Department (Anti Evasion Branch), Bhilwara (“**CTO Bhilwara**”) for recovery of ₹ 9.94 crore alleged to have been wrongfully claimed as exemptions on tax under the Central Sales Tax Act, 1956, as amended, by us for the period between 1999 and 2008. The CTO Bhilwara passed an order dated March 21, 2014 against us. We filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) challenging the order passed by the CTO Bhilwara. The High Court of Rajasthan (Jodhpur Bench) passed order dated Jun 29, 2015 quashing the notices dated December 10, 2004, March 10, 2010 and March 25, 2013 and March 21, 2014 issued by the CTO Bhilwara. Consequently, the State Government of of Rajasthan and CTO Bhilwara have filed a special leave petition before the Supreme Court of India challenging the order dated June 29, 2015 passed by High Court of Rajasthan (Jodhpur Bench), which is currently pending. The financial impact of this case is estimated to be ₹ 9.94 crore as duty plus any interest and penalty that may be levied.

2. We received a show cause on October 6, 2021 (“**Show Cause Notice**”) from the Principal Commissioner CGST & Central Excise, Bhopal (“**Principal Commissioner**”) requiring us to pay central value added tax (“**CENVAT**”) credit under the Cenvat Credit Rules, 2004, as amended, in relation to sale by our Company

of certain capital goods to Rent Alpha Private Limited and J.K. Credit & Finance Limited amounting to ₹ 14.4 crore. We deposited an amount of ₹ 1.00 crore on December 2, 2019 under protest during the course of investigation preceding the Show Cause Notice. Further, we filed reply dated May 18, 2022 to the Show Cause Notice wherein we contested payment of ₹ 14.40 crore. The Principal Commissioner subsequently issued a letter August 31, 2022 wherein they intimated the matter was transferred to the call book under the directions of the Principal Commissioner as a similar matter is pending before the Madras High Court. We have not received any further notices from the Principal Commissioner in relation to the Show Cause Notice.

3. The Directorate General of GST Intelligence ("**DGGI**") issued a show cause notice dated April 12, 2022 to our Company alleging, *inter alia*, that we had not paid composite tax on supply of tubes, tyres and flaps as applicable under the Central Goods and Services Tax Act, 2017 ("**CGST Act**") and had supplied tubes/flaps at a lower GST rate by wilfully misdeclaring the supply as non-composite supply. It is further alleged that we had belatedly paid ₹ 81.90 crores towards such differential tax liability on February 21, 2019 after investigation was initiated by the DGGI. We have filed our reply against the show cause notice dated April 12, 2022 before the Additional Commissioner of Central Tax, Chennai South Central Tax Commissionerate. We have also filed a writ petition on May 19, 2022 before the High Court of Delhi in relation to the show cause notice dated April 12, 2022. The financial impact of this case is estimated to be ₹ 81.90 crore along with applicable interest, and penalty amount equal to the tax. The matters are currently pending.

Outstanding actions by statutory or regulatory authorities against our Company

1. The Ministry of Corporate Affairs, Government of India submitted a letter dated December 16, 2013 to the Competition Commission of India ("**CCI**") forwarding a representation from the All India Tyre Dealer's Federation, alleging that our Company and certain other domestic tyre manufacturing companies were engaging in cartelisation. The CCI by order dated June 24, 2014 instructed the office of the Director General ("**DG Office**") to investigate into the affairs of our Company and other domestic tyre manufacturing companies in relation to this matter. The DG Office submitted its report on December 8, 2015, and subsequently the CCI vide its order dated August 31, 2018 ("**CCI Order**") held that, we, acting in concert with other tyre manufacturers, had indulged in cartelization and increased the prices of cross ply/bias tyres variants sold by each of us in the replacement market belonging to the truck/bus segment, and have also limited and controlled the production and supply in the said market, thereby contravening the provisions of Section 3 of the Competition Act, 2002. The CCI Order imposed a penalty of ₹ 309.95 crore on us. We filed an appeal against the CCI Order along with the other concerned domestic tyre manufacturing companies before the National Company Law Appellate Tribunal, Principal Bench, New Delhi ("**NCLAT**"). The NCLAT vide order dated December 1, 2022 ("**NCLAT Order**") remitted the matter to the CCI, directing the CCI to re-examine arithmetical errors by the DG Office in the case, and to consider reviewing the penalty imposed on us keeping in mind promotion of the domestic tyre industry. The CCI and another tyre manufacturer have filed an appeal before the Supreme Court of India against the NCLAT Order, which are currently pending.

2. In Reference Case No. 1 of 2019, the CCI passed a *prima facie* order directing the DG Office to investigate JK Tyre & Industries Ltd. ("**JK Tyre**") for alleged cartelization in respect of a tender issued by the Director, State Transport, Haryana, for purchase of new steel radial tyres of different sizes and specifications. Notices were issued to JK Tyre seeking certain information from us, including copies of all the emails of certain employees for a specific period. We submitted the information sought by way of the notices, in so far as it related to the scope of the investigation. The CCI also issued show cause notices to JK Tyre asking us to show cause as to why proceedings should not be initiated for failure to submit the complete emails of these employees. Subsequently, JK Tyre complied and provided copies of the requested emails to the CCI. We have not yet received a copy of the investigation report as of 15 December 2023. Separately, we filed a writ petition before the High Court of Punjab and Haryana on the issue of providing copies of all the emails of employees that are beyond the scope of the investigation. The matter is currently *sub judice* before the High Court of Punjab and Haryana.

3. The Directorate of Enforcement ("**ED**") passed an order dated July 13, 2020 ("**Freezing Order 1**") for freezing our bank account under the Prevention of Money Laundering Act, 2002 ("**PMLA**") following a letter of request for assistance in criminal matters dated September 26, 2018 received from the Office of

the Prosecutor General, Rio De Janeiro, Brazil under the United Nations Convention Against Corruption (Merida Convention – Decree No. 5.687/2006) and United Nations Convention Against Transnational Organised Crime (Palermo Convention – Decree No. 5,015/2004). We challenged the Freezing Order 1 in a writ petition and the Freezing Order 1 was set-aside by the Hon'ble High Court of Delhi by order dated October 27, 2021 for procedural impropriety. With consent of parties to the proceedings, the Hon'ble High Court's order also contained directions for ED to consider the submission of all parties and then pass fresh orders in accordance with law. Subsequently, ED passed another freezing order dated April 29, 2022, ("**Freezing Order 2**") for freezing an amount of ₹ 2.85 crores (approx.) held in our bank account. The Adjudicating Authority under PMLA, by order dated October 21, 2022, allowed the continuation of Freezing Order 2. We have filed an appeal before the Appellate Tribunal under PMLA against the order of the Adjudicating Authority dated October 21, 2022. We have also filed a writ petition before the Hon'ble High Court of Delhi challenging the Freezing Order 2. In the said writ petition, by order dated August 05, 2022, the Hon'ble High Court lifted the freeze on our bank account pursuant to us furnishing a fixed deposit of approximately ₹ 2.85 crores. The proceedings before the Appellate Tribunal and the Hon'ble High Court of Delhi are *sub-judice*.

4. Norton Intec Rubber Private Limited filed a claim before the MSME Council, Chennai against our Company for recovery of outstanding amount of approximately ₹ 29.53 crore comprising principal of approximately ₹ 0.91 crore and interest amounting to approximately ₹ 28.62 crore calculated in accordance with the requirements of the Micro, Small and Medium Enterprises Development Act, 2006, as amended ("**MSME Act**"). The MSME Council, Chennai pursuant to order dated June 3, 2010 rejected the objections filed by us against the aforementioned claim. Against such order dated June 3, 2010, we filed a writ petition before the Madras High Court. The Madras High Court dismissed the writ petition filed by us, pursuant to order dated August 20, 2010. We filed an appeal before a division bench of the Madras High Court challenging such order passed by the single-judge bench. In the meantime, the MSME Council, Chennai passed its final award on September 20, 2010 ("**Final Award**") directing us to pay Norton Intec Rubber Private Limited an amount of approximately ₹ 10.81 crore. Further, the division bench of the Madras High Court dismissed the appeal filed by us pursuant to order dated November 20, 2012, against which, we have filed an appeal before the Supreme Court of India. The Supreme Court of India pursuant to its orders dated January 28, 2013 and March 20, 2013 stayed the execution of the Final Award subject to the deposit of 50% of the award amount, further to which, we deposited ₹ 6.00 crore. The matter is currently pending hearing before the Supreme Court of India. The financial impact of this case is estimated to be ₹ 12.21 crore including ₹ 1.40 crore towards balance interest.

5. The Directorate of Revenue Intelligence, Ahmedabad Zonal Unit issued a show cause notice on September 27, 2013 and a demand notice on October 3, 2013 ("**Demand Notices**") to our Company alleging that our Company had wrongfully claimed exemption from safeguard duty on import of carbon black from China under the Customs Tariffs Act, 1975. Pursuant to the Demand Notices, the Commissioner of Customs, Chennai-IV passed an order dated February 25, 2015 against us, which we challenged by way of writ petition filed before the High Court of Rajasthan (Jodhpur Bench). The matter is currently pending before the High Court of Rajasthan (Jodhpur Bench). The financial impact of this case is estimated to be ₹ 3.12 crore as duty plus any interest and penalty that may be levied.

6. Our Company received notices on June 13, 2017 and January 22, 2018 from the Additional Director General, Directorate of Revenue Intelligence ("**ADG**, **DRI**") alleging non-payment of customs duty on import of metal boxes used by foreign suppliers for raw material packaging, against which, we filed an appeal with the Additional Director General (Adjudication), Directorate of Revenue Intelligence, Mumbai ("**ADG (Adjudication)**"). The ADG (Adjudication) by way of order dated June 17, 2020 upheld the notice issued by the ADG, DRI, against which order, we filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT, Mumbai**"), which is currently pending. The financial impact of this case is estimated at ₹ 8.75 crore as duty plus interest and penalty payable under the Customs Act.

7. Our Company received notices on February 27, 2017 and April 26, 2018 from the Investigation Department, Directorate of Revenue Intelligence ("**Investigation Department**, **DRI**") alleging non-payment of customs duty on import of spools, separators and pallets used for packaging of imported steel

tyre cords, against which we filed an appeal with the ADG (Adjudication). The ADG (Adjudication) by way of order dated January 2, 2020 upheld the notice issued by the Investigation Department, DRI, against which order, we have filed an appeal before the CESTAT, Mumbai, which is currently pending. The financial impact of this case is estimated at ₹ 18.29 crore as duty plus any interest and penalty that may be levied.

8. We had entered into lease deeds dated August 5, 1975 and November 19, 1975, and transfer deed dated August 12, 1975, with the State Government of Rajasthan for the purposes of acquiring land for our Kankroli Tyre Plant in District Rajsamand, whereunder it was stated that the annual rent shall be subject to revision after every thirty years and the enhancement in rent at each revision shall not exceed 25% of the rent payable for the period immediately preceding such revision. The Revenue Department of the State Government of Rajasthan amended the Rajasthan Land Revenue (Industrial Areas Allotment) Rules, 1959 pursuant to notifications dated November 25, 1987 and August 13, 2009 ("**Notifications**"), prescribing certain rental rates based on the population of the concerned town/city/village. The District Collector, Rajsamand by way of order dated June 12, 2012 issued a demand notice ("**Demand Notice**") for recovery of difference in annual lease rent charges on our land retrospectively from 1987 till December 12, 2013 based on the rate prescribed in the Notifications. Subsequently, the Tehsildar, District Rajsamand issued notice dated June 18, 2012 under Form No. II, Rule 24 of Rajasthan Land Revenue (Payments, Credits, Refunds & Recovery) Rules, 1958 alleging dues of ₹ 0.34 crore in lieu of lease rent charges outstanding in our name. The Tehsildar further issued notice dated August 27, 2012 ("**Attachment Notice**") for the attachment and sale of property under the provisions of Section 230 of the Rajasthan Land Revenue Act, 1956 calling upon us to deposit the impugned lease rent charges failing which our movable property shall be attached and sold. We have filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) praying for setting aside the Demand Notice and Attachment Notice, which is currently pending.

9. We had entered into power delivery agreement dated July 10, 2007 with V.S. Lignite Power Private Limited ("**VSPPL**") whereunder we were entitled to consume 4.44% of the energy generated by VSPPL at its captive thermal power plant at Bikaner, in proportion to our shareholding in VSPPL. The State Government of Rajasthan had issued Notification No. F.12(14)FD/Tax/2006-143 dated March 8, 2006 in exercise of powers conferred by Section 3(3) of the Rajasthan Electricity (Duty) Act, 1962, whereunder persons generating energy for their own use and consumption were exempt from payment of electricity duty. However, we received electricity bills dated March 1, 2013 for the billing month of February 2013 ("**Electricity Notice 1**") from Ajmer Vidyut Vitaran Nigam Limited ("**AVVNL**") which included levy of electricity duty. We filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) praying for the quashing of the Electricity Notice 1 issued by AVVNL. Subsequently, we received another notice dated July 23, 2015 from the Chief Engineer (Commercial), AVVNL ("**Electricity Notice 2**") alleging that VSPPL had failed to meet the eligibility conditions of a captive power plant and accordingly, the exemption of electricity duty and water conservation cess was not available to us. We received a bill dated August 1, 2015 from AVVNL for recovery of the aforesaid charges set out in the Electricity Notice 2. We have filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) challenging the recovery of late payment surcharge and praying for quashing of the Electricity Notice 2, which is currently pending.

10. The Rajasthan Electricity Regulation Commission ("**RERC**") passed order dated March 23, 2017 against our Company and other entities directing payment of deficit in renewable purchase obligations (payment for minimum percentage of renewable energy by end users) under the RERC (Renewable Energy Certificate and Renewable Purchase Obligation Compliance Framework) Regulations, 2010 for the period from for the period from March 23, 2007 to December 22, 2010. We have filed an appeal against the order of the RERC dated March 23, 2017 before the Appellate Tribunal for Electricity, New Delhi.

11. The RERC pursuant to order dated September 1, 2022 permitted AVVNL and other electricity distribution companies in the State to impose special fuel surcharge on consumers (including us, being industrial consumers) at the rate of Rs. 0.07 per unit (KWh) per month for 60 months with effect from the billing month of October, 2022 onwards. Accordingly, the Chief Engineer, AVVNL passed order dated September 20, 2022 (together with the RERC order dated September 1, 2022, the "**Recovery Orders**") for recovery of the aforesaid special fuel recharge. We have filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) praying for quashing of the Recovery Orders, which is currently pending.

12. We had entered into agreement with Zorya Distributed Power Services Private Limited for setting up a solar power plant at our Kankroli Tyre Plant for exclusive supply of power. The Additional Chief Engineer (HQ), AVVNL pursuant to letter-cum-order dated November 23, 2021 ("**Surcharge Order**") levied cross-subsidy surcharge on third party sale of solar power under the RERC (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020. We have filed a writ petition before the High Court of Rajasthan (Jodhpur Bench) praying for quashing of the Surcharge Order, which is currently pending.

13. The Tehsildar, Rajasmand, Rajasthan by notice dated March 17, 2003 directed recovery of ₹ 49, 320 under the Rajasthan Land Revenue Act, 1956 for deficit in lease rate payment. We have filed an appeal against the notice dated March 17, 2003 before the District Collector, Rajasmand, which is currently pending.

B. LITIGATION INVOLVING OUR SUBSIDIARIES

Outstanding criminal proceedings against our Subsidiaries

1. On January 30, 2022 one of the employees of our Subsidiary CIL died as a result of fire on the premises of our Laksar Plant. The Chowki-in-charge, Laksar, Haridwar, Uttarakhand registered a FIR dated March 16, 2022 under Sections 304-A, 201 and 176 of the Indian Penal Code, 1860 wherein it was alleged that the management of CIL had cleaned the incident spot and evidence as a result of which proper investigation into the cause of fire could not be conducted, and accordingly action was directed to be taken against the management of CIL. Subsequently, the investigating officer has submitted a final report dated June 13, 2023 before the relevant court submitting that no evidence was found against the concerned employees of CIL. The matter is pending hearing.

Material civil proceedings involving our Subsidiaries

1. JK Tornel S.A. De CV and CIL, our Subsidiaries, and Valiant Pacific LLC., UAE, our Associate (together, the "**Claimants**") along with our Company, have initiated arbitration proceedings in connection with a share purchase agreement dated October 28, 2015 ("**SPA**") against Kesoram Industries Limited ("**KIL**"). For further details, see "***—Litigation involving our Company - Material civil proceedings involving our Company*.**"

Material tax proceedings involving our Subsidiaries

1. Compañía Hulera Tornel, S.A. de C.V ("**CHT**"), our Subsidiary, is party to tax proceedings pending before the 4th Federal Circuit Court, Mexico with the file number 767/2022. In the year 2011, CHT had sustained a tax loss and was therefore not required to give a share of the profits (since there were none) to its union workers, which is a requirement under Mexican law for companies making profits during a fiscal year. On account of non-payment of profit-sharing, the union workers filed a complaint with the Servicio de Administracion Tributaria ("**SAT**"), asking it to review the annual tax declaration filed by CHT for the fiscal year 2011. The SAT commenced a fiscal audit of CHT by issuing a letter dated December 11, 2014, and issued an observation letter to CHT on December 10, 2015 wherein it disallowed expenditure deductions claimed by CHT amounting to approximately Mexican Pesos 263,819,735 on the grounds that such expenses arose out of related party transactions. In December 2017, the SAT passed an order against CHT and issued a tax demand notice to CHT and directed CHT to pay an amount of approximately Mexican Pesos 259,861,937 as tax and Mexican Pesos 9,983,819 as additional distribution of profits for the fiscal year 2011. In February 2018, CHT filed an appeal before the Federal Tax Court to set aside: (i) the order passed by SAT; and (ii) the tax demand notice issued by the SAT in December 2017. In July 2021, the Federal Tax Court held that CHT was entitled to claim deductions for expenses incurred in relation to: (i) interest payments; (ii) foreign exchange loss from the capital borrowed; (iii) returns, rebates and discounts on sales; and (iv) leases. However, per this order, CHT was not entitled to claim deductions for: (i) interest charged from the capital borrowed as well as financing interest and late payment interest; (ii) foreign exchange loss from the loan granted; and (iii) expenses arising out of administrative services ("**July 2021 Order**"). CHT filed an appeal before Fourteenth Collegiate Court on Administrative Matters of the First Circuit challenging the July 2021 Order. Simultaneously, the SAT also filed an appeal for review before the Fourteenth Collegiate Court in Administrative Matters of the First Circuit on the grounds that CHT was not entitled to claim deductions for expenses arising out of related party transactions. The case was remanded back

to the Federal Tax Court to revisit the evidence and determine the validity of the claim filed by CHT. Subsequently, the Federal Tax Court passed an order in July 2022 ("**July 2022 Order**") wherein it was held that CHT was not entitled to claim deductions for: (i) interest charged from capital borrowed; (ii) financing interest and late payment interest; (iii) foreign exchange loss from the loan granted; (iv) expenses arising out of administrative services; and (v) expenses in relation to returns, rebates and discounts for the products, resulting in a tax liability of approximately Mexican Pesos 384,151,618. CHT has filed an appeal to the Federal Circuit Court challenging the July 2022 Order. By executive order dated August 31, 2023 protection was denied against the July 2022 Order where the legality of some concepts and the validity was resolved of others determined by SAT, which must issue a new resolution once the sentence is declared final. The financial impact of this case is estimated at 340,381,983 Mexican Pesos.

Outstanding actions by statutory or regulatory authorities against our Subsidiaries

Nil

C. Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last three years

Nil

D. Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three years or prosecutions filed, fines imposed or compounding of offences in the last three years in respect of the Company or its Subsidiaries

Nil

E. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Nil

F. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

Nil

G. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

Nil

H. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

I. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

Except as mentioned below, there are no reservations, qualifications, emphasis of matter or adverse remarks, included in the respective audit reports of the unaudited consolidated financial results of the Company for the six month period ended September 30, 2023 and the audited consolidated financial statements of the Company as at and for the years ended March 31, 2023, 2022, 2021, 2020 and 2019 and the audited standalone financial statements of the Company as at and for the years ended March 31, 2023, 2022, 2021, 2020 and 2019, with audit reports issued thereon, prepared in accordance with the Companies Act, 2013 and Indian accounting standards and the reports issued thereon:

Extract from our current statutory auditors' report on the audited consolidated financial statements of our Company for Fiscal 2020

Emphasis of Matter:

"*We draw attention to Note No. 38 of consolidated financial statement, which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations, and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management of the Holding Company & of a subsidiary located in India could not perform year-end physical verification of inventories at various locations. Further, our attendance as well as of the auditors of the subsidiary located in India at the physical Inventory verification done by the respective management was impracticable under the lock-down restrictions imposed by the government. Consequently, we and the auditors of the subsidiary located in India have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.*

Our opinion is not modified in respect of this matter."

Extract from our current statutory auditors' report on the audited standalone financial statements of our Company for Fiscal 2020

Emphasis of Matter:

"*We draw attention to Note No. 42 of the standalone financial statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lockdown restrictions, management could not perform year-end physical verification of inventories at various locations. Further, our attendance at the physical Inventory verification done by the management subsequently was impracticable under the lockdown restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.*

Our opinion is not modified in respect of this matter."

Extract from our current statutory auditors' report on the audited standalone financial statements of Cavendish Industries Limited for Fiscal 2020

Emphasis of Matter:

"*Attention is drawn to Note no. 36 of the financial statements which describes the uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation and assessment of the impact on the financial statements of the company as at the balance sheet date. On account of the COVID-19 related lock-down restrictions, management could not perform year end physical verification of inventories at various locations. Also, we were not able to physically observe the verification of inventory that was carried out by the Management near to year end. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Standalone Financial Statements.*

Our report on the financial statements is not modified in respect of this matter."

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, S S Kothari Mehta & Co., Chartered Accountants, were re-appointed as our Company's Statutory Auditors pursuant a resolution passed by our Shareholders at the annual general meeting held on September 22, 2020 for a period of five years, until the conclusion of the annual general meeting to be held in the year 2025.

S S Kothari Mehta & Co., Chartered Accountants, have performed limited review of the Statement of Unaudited Standalone Financial Results and the Unaudited Consolidated Financial Results and have issued a limited review report dated November 1, 2023, thereon, which is included in this Placement Document in "***Financial Information***" on page 238. S S Kothari Mehta & Co, Chartered Accountants have also audited the Audited Consolidated Financial Statements and have issued their audit reports on such financial statements which are included in this Placement Document in "***Financial Information***" on page 238.

FINANCIAL INFORMATION

Financial Statement	Page Number
Fiscal 2021 Audited Consolidated Financial Statements	239 to 275
Fiscal 2022 Audited Consolidated Financial Statements	276 to 302
Fiscal 2023 Audited Consolidated Financial Statements	303 to 332
Unaudited Consolidated Financial Results	333 to 339

Independent Auditor's Report

To the Members of
JK Tyre & Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **JK Tyre & Industries Limited** (herein referred to as "the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue Recognition	**Principal Audit Procedures**
The Group recognises revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer. For the year ended 31st March, 2021, the Group's Statement of Profit & Loss included Sales of ₹ 9043.05 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated.	• 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 recognised in the correct accounting period. We also tested journal entries recognised in revenue focusing on unusual or irregular transactions.

Key Audit Matter	Auditor's Response
Refer Note No. 27 of the Consolidated Financial Statements.	• We validated the appropriateness and completeness of the related disclosures in Note No. 27 of the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 14 subsidiaries (including 12 subsidiaries incorporated outside India) whose financial statements reflect total assets of ₹ 5377.14 crores as at 31st March, 2021, total revenue of ₹ 4448.36 crores, total net profit after tax of ₹ 79.72 crores, total comprehensive income of ₹ 79.04 crores and net cash inflow of ₹ 6.28 crores for the year ended on that date, as considered in the Consolidated financial statements. The Consolidated financial statements also include the Group's share of net (loss) after tax of ₹ (1.99) crores and total comprehensive income/(loss) of ₹ (2.01) crores for the year ended 31st March, 2021, as considered in the Consolidated financial statements, in respect of three associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of the other auditors.

(b) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹ 0.01 crore as at 31st March, 2021, total revenue - Nil, total net loss after tax - Nil, total comprehensive income - Nil as considered in the Consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

(c) The Consolidated financial statements include the Group share of net profit after tax of ₹ 0.20 crore and total comprehensive income of ₹ 0.27 crore for the year ended 31st March, 2021, as considered in the Consolidated financial statements, in respect of two associates whose financial statements have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by the Board of Directors and our opinion on the financial statements, to the extent they have been derived from such financial statements is based solely on the certificate furnished by the Board of Directors.

(d) The financial statements of an associate, namely, Hari Shankar Singhania Elastomer and Tyre Research Institute has not been considered for consolidation as stated in Note No. 1.3(a)(ii) of the accompanying Consolidated financial statements.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements/ financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associates incorporated in India, none of the directors of the Group companies and it associates companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company, its subsidiary companies and its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statement of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note No. 33 and 36 to the consolidated financial statements.

   ii. The Group and its associates have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and its associates incorporated in India.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm's Registration Number: 000756N

HARISH GUPTA
Partner
Membership Number: 098336

New Delhi, the 19th May, 2021

Annexure 'A' to the Independent Auditor's Report

of even date on the Consolidated financial statements of JK Tyre & Industries Limited.

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of JK Tyre & Industries Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated financial statements of the company as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of **JK Tyre & Industries Limited** ('the Holding Company') and its subsidiary companies and its associates company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary Companies and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary Companies and its associate Companies, which are incorporated in India, have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiaries and two associate Companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm's Registration Number: 000756N

HARISH GUPTA
Partner
Membership Number: 098336

New Delhi, the 19th May, 2021

Consolidated Balance Sheet as at 31st March, 2021

₹ in Crores (10 Million)

	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	**6018.94**	6171.10
(b) Capital Work-in-progress		**286.42**	277.21
(c) Investment Property	3	**5.73**	5.83
(d) Other Intangible Assets	4	**217.71**	204.74
(e) Intangible Assets under Development		**12.70**	7.09
(f) Financial Assets			
– Investments accounted using Equity Method	5	**59.91**	63.03
– Other Investments	6	**87.11**	77.20
– Loans	7	**50.51**	52.31
– Other Financial Assets	8	**90.82**	113.46
(g) Deferred Tax Assets (Net)	9	**46.25**	76.93
(h) Other Non-current Assets	10	**18.59**	36.02
		6894.69	**7084.92**
(2) Current Assets			
(a) Inventories	11	**1789.29**	1617.84
(b) Financial Assets			
– Trade Receivables	12	**1575.42**	1848.42
– Cash and Cash Equivalents	13	**88.66**	65.39
– Other Bank Balances	14	**85.13**	71.13
– Other Financial Assets	15	**136.01**	120.87
(c) Current Tax Assets (Net)	16	**83.26**	81.82
(d) Other Current Assets	17	**334.23**	399.78
		4092.00	**4205.25**
TOTAL ASSETS		**10986.69**	**11290.17**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	**49.25**	49.25
(b) Other Equity	SOCE - II	**2623.49**	2282.10
Equity Attributable to Owners of the Parent		**2672.74**	2331.35
(c) Non-controlling Interest	SOCE - II	**106.29**	94.71
		2779.03	**2426.06**
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
– Borrowings	18	**2860.74**	3150.42
– Other Financial Liabilities	19	**706.04**	605.46
(b) Provisions	20	**103.88**	94.43
(c) Deferred Tax Liabilities (Net)	21	**368.31**	279.88
		4038.97	**4130.19**
(2) Current Liabilities			
(a) Financial Liabilities			
– Borrowings	22	**1155.57**	1973.64
– Trade Payables			
Micro & Small Enterprises		**36.18**	22.69
Others		**1537.89**	1665.72
– Other Financial Liabilities	23	**1225.96**	909.92
(b) Other Current Liabilities	24	**203.69**	122.53
(c) Provisions	25	**7.83**	25.13
(d) Current Tax Liabilities (Net)	26	**1.57**	14.29
		4168.69	**4733.92**
TOTAL EQUITY AND LIABILITIES		**10986.69**	**11290.17**
Group Overview, Basis of Preparation and Significant Accounting Policies.	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania — *Chairman & Managing Director*
Bharat Hari Singhania — *Managing Director*
Anshuman Singhania — *Managing Director*

HARISH GUPTA
Partner
Membership No. - 098336

P. K. RUSTAGI
Company Secretary

Kalpataru Tripathy
Arun K. Bajoria
Directors

New Delhi, the 19th May, 2021

Consolidated Statement of Profit & Loss for the year ended 31st March, 2021

₹ in Crores (10 Million)

		Note No.	2020-2021	2019-2020
I.	Revenue from Operations	27	**9102.20**	8722.70
II.	Other Income	28	**43.07**	30.59
III.	**Total Income (I+II)**		**9145.27**	**8753.29**
IV.	**Expenses**			
	Cost of Materials Consumed		**5246.89**	5095.33
	Purchases of Stock-in-Trade		**117.96**	256.14
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		**103.85**	(14.46)
	Employee Benefits Expense	29	**922.74**	923.18
	Finance Costs	30	**465.85**	548.99
	Depreciation and Amortisation Expense		**386.69**	377.83
	Other Expenses	31	**1404.42**	1477.15
	Total Expenses (IV)		**8648.40**	**8664.16**
V.	**Profit before Interest, Depreciation & Tax (PBIDT)**		**1349.41**	**1015.95**
VI.	**Profit/(loss) before Exceptional Items and Tax (III-IV)**		**496.87**	89.13
VII.	Exceptional Items	37	**37.48**	(105.90)
VIII.	**Profit/(Loss) before Tax (VI+VII)**		**534.35**	(16.77)
IX.	Tax Expense			
	(1) Current Tax		**140.06**	34.38
	(2) Deferred Tax		**60.85**	(200.16)
X.	**Profit / (Loss) after tax (VIII-IX)**		**333.44**	149.01
XI.	**Share in Profit/(Loss) of Associates**		**(2.51)**	(7.70)
XII.	**Profit /(Loss) for the year (X+XI)**		**330.93**	**141.31**
XIII.	**Profit/(loss) for the year attributable to:**			
	Owners of the Parent		**319.34**	150.76
	Non-controlling Interest		**11.59**	(9.45)
XIV.	**Other Comprehensive Income**			
	(A) Items that will not be reclassified to Profit or Loss:			
	Re-measurement losses on Defined Benefit Plans		**(6.07)**	(31.16)
	Share of Other Comprehensive Income in Associates		**(0.02)**	-
	Income Tax Relating to Items that will not be reclassified to Profit or Loss		**2.07**	8.42
	(B) Items that will be reclassified to Profit or Loss:			
	Exchange Differences on Translating the Financial Statements of Foreign Operations		**39.66**	(47.51)
	Total Other Comprehensive Income		**35.64**	**(70.25)**
XV.	**Total Comprehensive Income for the year (XII+XIV)**		**366.57**	**71.06**
XVI.	**Other Comprehensive Income for the year attributable to:**			
	Owners of the Parent		**35.65**	(69.90)
	Non-controlling Interest		**(0.01)**	(0.35)
XVII.	**Total Comprehensive Income for the year attributable to:**			
	Owners of the Parent		**354.99**	80.86
	Non-controlling Interest		**11.58**	(9.80)
XVIII.	**Earnings per equity share of ₹ 2 each**			
	Basic / Diluted (₹)	39	**12.97**	6.12

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania — *Chairman & Managing Director*
Bharat Hari Singhania — *Managing Director*
Anshuman Singhania — *Managing Director*

HARISH GUPTA
Partner
Membership No. - 098336

P. K. RUSTAGI
Company Secretary

Kalpataru Tripathy
Arun K. Bajoria
Directors

New Delhi, the 19th May, 2021

Consolidated Statement of Changes in Equity (SOCE) for the year ended 31st March, 2021

I. EQUITY SHARE CAPITAL

Equity Shares - 24,62,30,880 of ₹ 2 each

As at 01.04.2019	Change during the year	As at 31.03.2020
49.25	-	49.25
As at 01.04.2020	**Change during the year**	**As at 31.03.2021**
49.25	**-**	**49.25**

II. OTHER EQUITY

₹ in Crores (10 Million)

Particulars	Reserves & Surplus							Other Comprehensive Income	Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings					
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations			
As at 1st April, 2019	455.92	7.66	7.00	9.82	903.46	921.23	(62.56)	(7.38)	2235.15	136.23	2371.38
Profit for the year						150.76			150.76	(9.45)	141.31
Other Comprehensive Income (Net of Taxes)							(22.39)	(47.51)	(69.90)	(0.35)	(70.25)
Cash Dividends						(36.93)			(36.93)		(36.93)
Dividend Distribution Tax on Cash Dividend						(7.59)			(7.59)		(7.59)
Reinstatement Gain / (Loss) of Reserve on Consolidation		18.89							18.89		18.89
Changes in NCI consequent upon increase in Parent's Holding					(8.28)				(8.28)	(31.72)	(40.00)
As at 31st March, 2020	455.92	26.55	7.00	9.82	895.18	1027.47	(84.95)	(54.89)	2282.10	94.71	2376.81
Profit for the year						**319.34**			**319.34**	**11.59**	**330.93**
Other Comprehensive Income (Net of Taxes)							**(4.01)**	**39.66**	**35.65**	**(0.01)**	**35.64**
Cash Dividends						**(17.24)**			**(17.24)**		**(17.24)**
Reinstatement Gain / (Loss) of Reserve on Consolidation		**3.64**							**3.64**		**3.64**
As at 31st March, 2021	**455.92**	**30.19**	**7.00**	**9.82**	**895.18**	**1329.57**	**(88.96)**	**(15.23)**	**2623.49**	**106.29**	**2729.78**

Component of equity	**Nature and Purpose**
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Reserve	Represents Capital Reserve on Consolidation.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
Legal Reserve	Represents the statutory reserve created in Subsidiaries, registered in Mexico, out of the current year profits upto a prescribed limit.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or/and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania — *Chairman & Managing Director*
Bharat Hari Singhania — *Managing Director*
Anshuman Singhania — *Managing Director*

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 19th May, 2021

P. K. RUSTAGI
Company Secretary

Kalpataru Tripathy
Arun K. Bajoria
Directors

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 19th May, 2021.

1.2 Statement of compliance:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended time to time and other relevant provisions of the Companies Act, 2013.

1.3 Basis of preparation of Consolidated financial statements:

a) The Consolidated Financial Statements comprise of the financial statements of JK Tyre & Industries Limited (Parent Company) and the following as on 31.03.2021:

i) **Subsidiaries:** The Control in subsidiary is gained when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights, it considers all relevant facts and circumstances in assessing the control including the contractual arrangements, potential voting rights, right to direct relevant activities of entity.

Name	Proportion of Ownership Interest
	As on 31.03.2021 & 31.02.2020
J. K. International Ltd., U.K.	100.00%
J. K. Asia Pacific Ltd., Hong Kong	100.00%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100.00%
Lankros Holdings Ltd., Cyprus	100.00%
Sarvi Holdings Switzerland AG., Switzerland	100.00%
JK Tornel S.A. de C.V., Mexico	99.98%
Comercializadora América Universal, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.98%
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.98%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.98%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.98%
Gintor Administración, S.A. de C.V., Mexico	99.98%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.98%
3DInnovations Pvt. Ltd.	100.00%
Cavendish Industries Ltd., India	86.41%

ii) **Associates:** An associate is entity over which the Company or its subsidiaries has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Associates, where the Company holds directly or indirectly through subsidiaries 20% or more equity or/ and exercises significant influence, are as follows:

Name	Status	Ownership Interest
Valiant Pacific LLC., UAE	Audited	49.00%
Dwarkesh Energy Limited, India	Audited	35.00%
Western Tire Holdings, Inc., USA	Unaudited	40.00%
Treel Mobility Solutions Pvt. Ltd., India (w.e.f. 31st December, 2019)	Audited	26.00%
Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)*	Audited	24.00%

* Approved Scientific and Research Institute, which cannot be consolidated as the equity of the said Institute is not available for distribution to its members.

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.

Notes to the consolidated financial statements

1.4 Significant accounting policies: The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combination:

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

b) Deferred Tax:

The Company does not recognise deferred tax liability with respect to undistributed retained earnings of subsidiaries and associate and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries and associates as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation / Amortisation					Net Value	
	As at 31.03.2020	Additions/ Adjustment^	Sales / Adjustments	Translation Adjustment@	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment@	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land:												
– Freehold #	**556.03**	**6.83**	**-**	**(14.63)**	**577.49**	**-**	**-**	**-**	**-**	**-**	**577.49**	**556.03**
	(570.75)	-	-	(14.72)	(556.03)	-	-	-	-	-	(556.03)	(570.75)
– Leasehold -Right of use$	**10.96**	**-**	**-**	**-**	**10.96**	**2.39**	**0.13**	**-**	**-**	**2.52**	**8.44**	**8.57**
	(10.96)	-	-	-	(10.96)	(2.26)	(0.13)	-	-	(2.39)	(8.57)	(8.70)
Buildings:												
– Owned*	**1186.44**	**0.68**	**0.40**	**(15.06)**	**1201.78**	**287.59**	**23.50**	**-**	**(9.92)**	**321.01**	**880.77**	**898.85**
	(1192.18)	(9.38)	-	(15.12)	(1186.44)	(271.63)	(25.80)	-	(9.84)	(287.59)	(898.85)	(920.55)
– On Lease-Right of Use$	**59.62**	**16.54**	**6.02**	**(0.03)**	**70.17**	**13.11**	**12.79**	**1.83**	**-**	**24.07**	**46.10**	**46.51**
	-	(59.62)	-	-	(59.62)	-	(13.11)	-	-	(13.11)	(46.51)	-
Plant & Equipments:												
– Owned	**7325.03**	**171.99**	**16.35**	**(67.00)**	**7547.67**	**2836.90**	**285.18**	**8.90**	**(53.31)**	**3166.49**	**4381.18**	**4488.13**
	(7061.29)	(341.76)	(10.96)	(67.06)	(7325.03)	(2626.60)	(272.53)	(9.12)	(53.11)	(2836.90)	(4488.13)	(4434.69)
– On Lease-Right of Use$	**178.21**	**-**	**-**	**-**	**178.21**	**42.08**	**42.65**	**-**	**-**	**84.73**	**93.48**	**136.13**
	-	(178.21)	-	-	(178.21)	-	(42.08)	-	-	(42.08)	(136.13)	-
Furniture and Fixtures	**29.62**	**0.48**	**-**	**(0.75)**	**30.85**	**20.98**	**1.56**	**-**	**(0.69)**	**23.23**	**7.62**	**8.64**
	(29.87)	(0.52)	(0.01)	(0.76)	(29.62)	(19.75)	(1.91)	(0.01)	(0.67)	(20.98)	(8.64)	(10.12)
Office Equipments	**33.27**	**0.83**	**0.24**	**(1.51)**	**35.37**	**27.04**	**2.51**	**0.22**	**(1.37)**	**30.70**	**4.67**	**6.23**
	(33.08)	(2.12)	(0.42)	(1.51)	(33.27)	(26.20)	(2.59)	(0.39)	(1.36)	(27.04)	(6.23)	(6.88)
Vehicles:												
– Owned	**39.43**	**2.55**	**3.24**	**(0.34)**	**39.08**	**17.71**	**4.04**	**1.90**	**(0.36)**	**20.21**	**18.87**	**21.72**
	(39.49)	(5.27)	(5.24)	(0.09)	(39.43)	(16.35)	(4.24)	(2.56)	(0.32)	(17.71)	(21.72)	(23.14)
– On Lease-Right of Use$	**0.38**	**0.06**	**-**	**(0.06)**	**0.50**	**0.09**	**0.08**	**-**	**(0.01)**	**0.18**	**0.32**	**0.29**
	-	(0.45)	-	(0.07)	(0.38)	-	(0.10)	-	(0.01)	(0.09)	(0.29)	-
Total	**9418.99**	**199.96**	**26.25**	**(99.38)**	**9692.08**	**3247.89**	**372.44**	**12.85**	**(65.66)**	**3673.14**	**6018.94**	**6171.10**
Previous Year	(8937.62)	(597.33)	(16.63)	(99.33)	(9418.99)	(2962.79)	(362.49)	(12.08)	(65.31)	(3247.89)	(6171.10)	(5974.83)

Figures in Brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

^ Includes forex reinstatement - Nil (Previous Year: ₹24.78 crores). Unamortised forex reinstatement as on 31.03.2021: ₹109.04 crores (Previous Year: ₹115.06 crores).

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

As at 31st March 2021, title deed of 4.75 acres of land amounting to ₹2.32 crores (Previous year: ₹2.32 crores) is yet to be executed in favour of the subsidiary.

* Buildings include 32 shares held in co-operative housing societies.

$ Refer Note No. 34.

Factory & Service Buildings and Plant and Equipments at Jaykaygram unit, were revalued as at 1st January 1985 & 1st April 1991. On 1st April 1997, the revaluation of such assets was updated along with similar assets of Banmore unit. The revaluation of said assets of Jaykaygram and Banmore was further updated along with Factory Land and Township Building as at 1st April 2002 based on replacement cost by a Valuer. Further, Property, plant and equipment of certain foreign subsidiaries at Mexico were revalued as at 12th June, 2008 on the basis of report of a certified valuer. The Gross Value includes revaluation of ₹747.60 crores (Previous year: ₹711.27 crores).

Notes to the consolidated financial statements

NOTE - 3 INVESTMENT PROPERTY

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation					Net Value	
	As at 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Buildings	**6.53**	**-**	**-**	**-**	**6.53**	**0.70**	**0.10**	**-**	**-**	**0.80**	**5.73**	**5.83**
	(6.53)	-	-	-	(6.53)	(0.60)	(0.10)	-	-	(0.70)	(5.83)	(5.93)
Total	**6.53**	**-**	**-**	**-**	**6.53**	**0.70**	**0.10**	**-**	**-**	**0.80**	**5.73**	**5.83**
Previous Year	(6.53)	-	-	-	(6.53)	(0.60)	(0.10)	-	-	(0.70)	(5.83)	(5.93)

Figures in Brackets represent amounts pertaining to previous year.

Rental Income: ₹ 0.09 crore (Previous Year: ₹ 0.28 crore). No material expenses were incurred for maintenance.

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value					Amortisation					Net Value	
	As at 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment@	As at 31.03.2021	Upto 31.03.2020	Additions	Sales / Adjustments	Translation Adjustment@	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Software #	**22.03**	**0.27**	**-**	**-**	**22.30**	**18.47**	**1.60**	**-**	**-**	**20.07**	**2.23**	**3.56**
	(21.64)	(0.39)	-	-	(22.03)	(16.55)	(1.92)	-	-	(18.47)	(3.56)	(5.09)
Industrial Commercial Benefit *	**229.92**	**-**	**-**	**(31.27)**	**261.19**	**28.74**	**12.55**	**-**	**(4.42)**	**45.71**	**215.48**	**201.18**
	(261.36)	-	-	(31.44)	(229.92)	(19.60)	(13.32)	-	(4.18)	(28.74)	(201.18)	(241.76)
Total	**251.95**	**0.27**	**-**	**(31.27)**	**283.49**	**47.21**	**14.15**	**-**	**(4.42)**	**65.78**	**217.71**	**204.74**
Previous Year	(283.00)	(0.39)	-	(31.44)	(251.95)	(36.15)	(15.24)	-	(4.18)	(47.21)	(204.74)	(246.85)

Figures in Brackets represent amounts pertaining to previous year.

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

Being amortised over a period of 5 years.

* Being amortised over a period of 20 years.

NOTE - 5 INVESTMENTS ACCOUNTED USING EQUITY METHOD [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Investments in Equity Shares of Associates*:		
– Equity Investments - At Cost	**6.86**	6.86
– Share in Net Assets	**53.05**	56.17
	59.91	**63.03**

* Carrying amount of investment in associates includes ₹5.08 crores (Previous year: ₹5.08 crores) towards Goodwill.

NOTE - 6 OTHER INVESTMENTS [NON-CURRENT] (Other than Trade)

At fair value through P & L:		
– Equity Shares	**8.30**	4.68
– Preference Shares:		
in Associate	**12.09**	10.89
– Mutual Funds	**0.85**	0.56
At amortised cost:		
– Preference Shares:	**65.87**	61.07
	87.11	**77.20**

NOTE - 7 LOANS [NON-CURRENT]

Unsecured, Considered Good:		
Security Deposits	**50.51**	52.31
	50.51	**52.31**

Notes to the consolidated financial statements

NOTE - 8 OTHER FINANCIAL ASSETS [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Deferred Receivable	**90.77**	106.92
Deposit Accounts*	**0.05**	6.54
	90.82	**113.46**

* Represent fixed deposits having maturity more than 12 months as security deposit with Sales Tax department -Nil (Previous year: ₹0.01 crore) and with banks as DSRA ₹0.05 crore (Previous year: ₹6.53 crores).

NOTE - 9 DEFERRED TAX ASSET (NET)

Deferred tax Asset are as under:		
Deferred Tax Assets		
– Expenses / Provision Allowable	**45.30**	32.25
– Unabsorbed depreciation / Loss	**0.95**	329.33
Deferred Tax Liability related to Property, Plant & Equipment	**-**	(292.22)
Deferred Tax Asset - Net	**46.25**	69.36
MAT Credit Entitlement	**-**	7.57
	46.25	**76.93**

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 10 OTHER NON-CURRENT ASSETS

Advances - Project related	**4.87**	17.01
Deferred Expenditure for financial instruments	**12.27**	14.85
Others	**1.45**	4.16
	18.59	**36.02**

NOTE - 11 INVENTORIES *(Valued at lower of cost or net realisable value)*

Raw Materials*	**782.61**	512.74
Work-in-Progress	**90.41**	53.59
Finished Goods**	**748.12**	864.72
Stock-in-trade	**81.91**	93.39
Stores and Spares	**86.24**	93.40
	1789.29	**1617.84**

* Includes raw materials in transit ₹235.23 crores (Previous year: ₹114.08 crores).
** Includes finished goods in transit ₹14.84 crores (Previous year: ₹ 1.29 crores).
Provision for write down of inventories during the year ₹ 5.41 crores (Previous year ₹ 2.08 crores).

NOTE - 12 TRADE RECEIVABLES [CURRENT] *(Unsecured)*

Considered Good[$]	**1575.42**	1848.42
Credit Impaired	**22.08**	18.54
Less: Allowance for Bad and Doubtful debts	**(22.08)**	(18.54)
	1575.42	**1848.42**

[$] Refer Note No. 41 for Trade Receivable from related parties.

Notes to the consolidated financial statements

NOTE - 13 CASH AND CASH EQUIVALENTS

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Balances with Banks:		
– Current Accounts	**74.63**	54.18
– Deposit Accounts	**0.14**	2.15
Remittances in transit and Cheques on hand	**13.79**	8.76
Cash on hand	**0.10**	0.30
	88.66	**65.39**

NOTE - 14 OTHER BANK BALANCES

Unclaimed Dividend Accounts	**1.73**	1.76
Deposit Accounts*	**83.40**	69.37
	85.13	**71.13**

* Represent DSRA ₹ 54.96 crores, Deposit Repayment Reserve Account ₹11.07 crores, security deposit with Sales Tax department ₹0.01 crore, deposits with banks under lien towards margin money against bank guarantee ₹9.95 crores and against Letter of Credit ₹7.10 crores (Previous year: ₹42.61 crores, ₹16.60 crores, Nil, ₹7.87 crores and ₹2.25 crores, respectively).

NOTE - 15 OTHER FINANCIAL ASSET [CURRENT]

Unsecured, Considered Good:		
Interest Recoverable	**7.02**	9.66
Due from Related Parties (Refer Note No. 41)	**-**	0.39
Balance with Government Authorities	**90.06**	71.98
Deferred Receivable	**20.05**	27.48
Advances to Employees	**8.32**	8.92
Derivative Instruments measured at fair value	**5.33**	-
Others	**5.23**	2.44
	136.01	**120.87**

NOTE - 16 CURRENT TAX ASSETS (NET)

Current Tax Assets (Net)	**83.26**	81.82
	83.26	**81.82**

NOTE - 17 OTHER CURRENT ASSETS

Balances with Government Authorities	**258.09**	246.11
Prepaid Expenses	**37.86**	29.32
Advances to Related Parties (Refer Note No. 41)	**7.85**	39.33
Advances to Suppliers	**26.45**	73.04
Deferred Expenditure for financial instruments	**2.52**	2.52
Others	**1.46**	9.46
	334.23	**399.78**

Notes to the consolidated financial statements

NOTE - 18 BORROWINGS [NON-CURRENT]

₹ in Crores (10 Million)

	Non-Current		Current*	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Secured Loans				
Term Loans: **				
– Financial Institutions	**681.31**	832.89	**131.09**	92.76
– Bank	**2102.08**	2248.37	**475.43**	302.46
	2783.39	**3081.26**	**606.52**	**395.22**
Unsecured Loans				
Fixed Deposits	**77.35**	69.16	**32.89**	27.52
Loan from Body Corporate (Refer Note No. 41)	**-**	-	**0.77**	1.91
	77.35	**69.16**	**33.66**	**29.43**
Total	**2860.74**	**3150.42**	**640.18**	**424.65**

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 23).

** Net of ₹17.63 crores (As at 31.03.2020: ₹17.30 crores) for unamortised processing charges.

NOTE - 19 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Trade Deposits & Others	**612.06**	460.19
Lease Liabilities (Refer Note No. 34)	**93.98**	145.27
	706.04	**605.46**

NOTE - 20 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	**103.88**	94.43
	103.88	**94.43**

NOTE - 21 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability are as under:		
Deferred Tax Liability related to Property, Plant and Equipment	**927.41**	725.76
Deferred Tax Assets:		
– Expenses / Provision Allowable	**(129.01)**	(179.90)
– Unabsorbed Depreciation / Loss	**(231.55)**	(9.01)
Deferred Tax Liability - Net	**566.85**	536.85
MAT Credit Entitlement	**(198.54)**	(256.97)
	368.31	**279.88**

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 22 BORROWINGS [CURRENT]

Secured Loans		
Repayable on Demand from Banks	**801.07**	1596.99
Buyers Credit	**121.05**	72.42
	922.12	**1669.41**
Unsecured Loans		
Fixed Deposits	**14.79**	10.51
Loan from Banks	**218.66**	293.72
	233.45	**304.23**
	1155.57	**1973.64**

Notes to the consolidated financial statements

NOTE - 23 OTHER FINANCIAL LIABILITIES [CURRENT]

₹ in Crores (10 Million)

	As at 31.03.2021	As at 31.03.2020
Current Maturities of Long Term Borrowings	**640.18**	424.65
Interest Accrued but not due on Borrowings	**18.88**	54.57
Unclaimed Dividends #	**1.73**	1.76
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	**2.48**	3.05
Lease Liabilities (Refer Note No. 34)	**50.23**	41.11
Liabilities for Expenses	**481.27**	348.05
Contract Liabilities	**27.64**	25.34
Derivative Instruments measured at fair value	**3.55**	11.39
	1225.96	**909.92**

Investor Education & Protection Fund will be credited as and when due.

NOTE - 24 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	**172.52**	93.82
Recoveries under Company Schemes	**29.97**	27.65
Others	**1.20**	1.06
	203.69	**122.53**

NOTE - 25 PROVISIONS [CURRENT]

Provision for Employee Benefits	**7.83**	25.13
	7.83	**25.13**

NOTE - 26 CURRENT TAX LIABILITIES (NET)

Current Tax Liabilities (Net)	**1.57**	14.29
	1.57	**14.29**

NOTE - 27 REVENUE FROM OPERATIONS

	2020-2021	2019-2020
Sale of:		
– Products	**9001.41**	8558.74
– Services	**41.64**	42.54
Other operating revenues:		
– Miscellaneous Income #	**59.15**	121.42
	9102.20	**8722.70**

Includes Government Incentive of ₹28.74 crores (Previous Year: ₹87.12 crores)
Refer Note No. 40 for disclosure regarding Revenue recognised under contracts.

Notes to the consolidated financial statements

NOTE - 28 OTHER INCOME

₹ in Crores (10 Million)

	2020-2021	2019-2020
Interest Income from Financial Assets valued at:		
– Amortised Cost	**23.35**	22.47
– Fair Value through Profit & Loss (FVTPL)	**1.20**	1.10
Other Interest Income	**8.76**	1.64
Dividend Income	**0.70**	0.74
Fair Value changes in Investments valued at FVTPL	**3.70**	0.42
Profit on Sale of Fixed Assets (Net)	**0.82**	-
Rent Income	**1.76**	2.03
Other Non-operating Income*	**2.78**	2.19
	43.07	**30.59**

* includes ₹0.06 crore grant received by JKAP(S) from Singapore Government under Job Support Scheme.

NOTE - 29 EMPLOYEE BENEFITS EXPENSES

	2020-2021	2019-2020
Salaries and Wages	**685.75**	676.41
Contribution to Provident and other Funds	**63.78**	59.14
Employees' Welfare and other Benefits	**173.21**	187.63
	922.74	**923.18**

NOTE - 30 FINANCE COSTS

	2020-2021	2019-2020
Interest on Borrowings & Others	**441.81**	525.71
Interest on Lease Liabilities	**16.75**	19.57
Other Borrowing Costs	**7.29**	3.71
	465.85	**548.99**

NOTE - 31 OTHER EXPENSES

	2020-2021	2019-2020
Consumption of Stores and spares	**107.86**	120.78
Power and Fuel	**355.48**	379.32
Freight and Transportation	**369.78**	374.17
Advertisement and Sales Promotion	**79.66**	142.37
Conversion Charges	**51.68**	47.11
Tyre Servicing & Retreating Charges	**29.90**	35.26
Legal & Professional Charges	**82.26**	28.73
Repair & Maintenance Expenses	**44.64**	49.45
Insurance	**19.58**	16.51
Lease Rent	**15.88**	18.85
Loss on Sale of Fixed Assets (Net)	**-**	0.24
Allowance for Doubtful Debts / Advances	**2.50**	2.00
Corporate Social Responsibility Expenses	**2.90**	4.97
Miscellaneous Expenses	**242.30**	257.39
	1404.42	**1477.15**

NOTE - 32

Estimated amount of contracts remaining to be executed on capital account ₹196.81 crores (Previous year: ₹121.46 crores).

NOTE - 33

Contingent liabilities in respect of claims not accepted and not provided for ₹177.76 crores (Previous year: ₹137.57 crores), pertaining to Excise & Customs duty matters in appeal ₹99.28 crores, Service Tax matters ₹0.76 crore, Sales Tax matters in appeal ₹2.65 crores, Income Tax matters in appeal ₹4.97 crores & other matters ₹70.10 crores (Previous year: ₹69.03 crores, ₹0.18 crore, ₹2.94 crores, ₹4.97 crores & ₹60.45 crores respectively).

NOTE - 34

The Company has lease contracts for various assets, land, buildings and plant & equipment. These are recognised as Right of use assets and lease liabilities, in accordance with accounting policy of the Company.

a) The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.

b) The movement in lease liabilities (including in Other Financial Liabilities) during the year is as follows:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
As at beginning of the year	**186.38**	152.08
Additions	**16.60**	81.29
Accretion of Interest	**16.75**	19.57
Less: Payments	**(70.85)**	(66.87)
Less: Discount Received	**(0.32)**	-
Less: Leases Terminated	**(4.43)**	-
Add: Foreign Currency Translation Difference	**0.08**	0.31
Balance at the end of the year	**144.21**	**186.38**
Current	**50.23**	41.11
Non-current	**93.98**	145.27

c) The amounts recognised in profit and loss during the year:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Depreciation expenses of right of use assets	**55.65**	55.42
Interest expense on Lease liabilities	**16.75**	19.57
Lease Rent recognised as expense for short term leases	**10.40**	13.30
Lease Rent recognised as expense for low value asset leases	**5.48**	5.55
	88.28	**93.84**

d) Cash outflows in regard to Lease contracts, as Leasee:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Operating activities		
Short term / low value assets Lease payments	**15.88**	18.85
Financing activities		
Repayment of Principal portion of Lease Liabilities	**54.42**	47.30
Repayment of Interest portion of Lease Liabilities	**16.75**	19.57

e) The contractual maturities of lease liabilities as at year 31st March, 2021 and 31st March, 2020 on undiscounted basis are given below:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Not later than one year	**59.73**	64.59
Later than one year and not later than five years	**104.97**	153.19
Later than five years	**5.88**	15.46

f) As at 31st March, 2021, the future minimum lease payments under non-cancellable operating leases contracted but not recognised as liabilities are Nil, payable not later than one year (Previous Year: ₹0.08 crores).

Notes to the consolidated financial statements

NOTE - 35

Debts /Advances include ₹77.39 crores (Previous year: ₹76.58 crores) for which legal and other necessary action has been taken. In the opinion of the Management, these debts are recoverable and the same have been classified as good.

NOTE - 36

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

NOTE - 37

Exceptional items include net impact of favorable foreign exchange fluctuation ₹40.35 crores (Previous year: Unfavorable - ₹97.50 crores) and expenditure on VRS for the employees ₹2.87 crores (Previous Year: ₹8.40 crores).

NOTE - 38

COVID-19 pandemic has caused serious disruptions on the global economic and business environment. Government of India declared lockdown on 24th March, 2020 which has impacted the business activities of the Company. Consequent to this, upon restrictions being eased, the production resumed at all plants in stages considering necessary statutory approvals and precautions. Resumption of operations and improved business environment from 2nd quarter onwards resulted in Company attaining healthy sales and profitability.

Based on the indicators of future economic conditions, the company expects to recover the carrying amount of these assets and ensure that sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date 31st March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognised prospectively.

NOTE - 39 EARNINGS PER SHARE (EPS)

₹ in Crores (10 Million)

	Particulars	2020-2021	2019-2020
a.	Profit for the year attributable to equity shareholders	**319.34**	150.76
b.	Weighted average number of Equity Shares for Basic/ Diluted EPS	**24,62,30,880**	24,62,30,880
c.	Earnings per share of ₹2 each		
	– Basic/Diluted (₹)	**12.97**	6.12

NOTE - 40 REVENUE RECOGNISED UNDER CONTRACTS

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Category-wise		
Revenue recognised at the point of time:		
Tyres, Tubes & Flaps	**8918.60**	8473.97
Other goods	**82.81**	84.77
Revenue recognised over the period of time:		
Services	**41.64**	42.54
	9043.05	**8601.28**
Geography-wise		
Within India	**6968.55**	6397.95
Outside India	**2074.50**	2203.33
	9043.05	**8601.28**

b) Revenue-related receivables and contract liabilities at the year end:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables (Refer Note No. 12)	**1575.42**	1848.42
Contract liabilities (Refer Note No. 23)	**27.64**	25.34

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Revenue as per contracted price	**9516.22**	9020.99
Reductions towards variable consideration components*	**(473.17)**	(419.71)
Revenue from contracts with customers	**9043.05**	**8601.28**

* The reduction towards variable consideration comprises of discounts, claims against obligations, etc.

d) Impairment in Trade Receivables are disclosed as 'Allowance for Bad and Doubtful debts' amounting ₹22.08 crores (Previous year: ₹18.54 crores).

NOTE - 41 RELATED PARTIES

a) Holding Company:

Bengal & Assam Company Ltd. (BACL-H)*

b) Fellow Subsidiaries (with which, the Company has transactions):

JK Agri Genetics Ltd. (JKAGL)*

J.K. Fenner (India) Ltd. (JKFIL)*

Umang Dairies Ltd. (UDL)*

c) Associates (with which, the Company has transactions):

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL – Associate of JKAPPL)

Western Tire Holdings, Inc. (WTHI –Associate of CHT)

Western Tires, Inc. (WTI –Subs. of WTHI - Associate of CHT)

Treel Mobility Solutions Pvt. Ltd., India (TREEL) (w.e.f. 31st December, 2019)

JK Lakshmi Cement Ltd (JKLCL - Associate of BACL-H)*

JK Paper Ltd. (JKPL - Associate of BACL-H)*

d) Key Management Personnel (KMP) (with which, the Company has transactions):

(i)	Dr. Raghupati Singhania	Chairman & Managing Director
(ii)	Shri Bharat Hari Singhania	Managing Director
(iii)	Shri Anshuman Singhania	Managing Director
(iv)	Shri Arun Kumar Bajoria	Director & President – International Operations
(v)	Smt. Sunanda Singhania	Non-Executive Non- Independent Director
(vi)	Shri Arvind Singh Mewar	Independent Director
(vii)	Shri Bakul Jain	Independent Director
(viii)	Shri Shreekant Somany	Independent Director
(ix)	Shri Vimal Bhandari	Independent Director
(x)	Shri Kalpataru Tripathy	Independent Director
(xi)	Dr. Wolfgang Holzbach	Independent Director
(xii)	Smt. Meera Shankar	Independent Director (w.e.f. 30th January, 2020)
(xiii)	Shri Sanjeev Aggarwal	Chief Financial Officer
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xv)	Shri Ashok Kumar Kinra	Non-Executive Director of BACL-H*

* w.e.f. 24th May, 2019

e) Post - Employment Benefit Plan Entities:

JK Tyre & Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata (JKEPFK)

JK Tyre & Industries Ltd. Officers Superannuation Fund, Kolkata (JKOSFK)

JK Tyre & Industries Ltd. Employees Gratuity Fund, Kolkata (JKEGFK)

JK Tyre & Industries Ltd. Employees Provident Fund Trust, Mysuru (JKEPFV)

JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust, Mysuru (JKOSFV)

JK Tyre & Industries Ltd. Employees Gratuity Fund Trust, Mysuru (JKEGFV)

CIL Employees Gratuity Fund, Kolkata (CILEGF)

f) Other Related Party (with which, the Company has transactions):

Bengal & Assam Company Ltd. (BACL) – Holds more than 20% shares in the company (till 23rd May, 2019)

Niyojit Properties Pvt. Ltd. (NPPL – controlled by KMP of BACL-H)*

* w.e.f. 24th May, 2019

(I) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 239.38, WTI- 39.89, JKLCL			**279.28**		**279.28**
Sale of Tyres to VPL- 274.98, JKLCL			(275.03)		(275.03)
Sale of Goods to JKFIL, TREEL		**0.09**	**1.69**		**1.78**
Sale of Goods to TREEL			(0.59)		(0.59)
Purchase of Goods from JKFIL, VPL-13.19, TREEL		**0.05**	**22.50**		**22.55**
Purchase of Goods from JKFIL, VPL-4.54, TREEL-2.64, JKLCL		(0.01)	(7.34)		(7.35)
Sharing of Expenses received from BACL-H, JKFIL-0.76, JKAGL, HASETRI-3.50, JKPL-0.74, JKLCL	**0.02**	**0.83**	**4.87**		**5.72**
Sharing of Expenses received from BACL-H, JKFIL-0.68, JKAGL-0.08, UDL, HASETRI-3.83, JKPL-0.71, JKLCL, BACL (₹18653)	(0.02)	(0.77)	(5.24)		(6.03)
Purchase of CIL's Equity Shares	(40.00)				(40.00)
Sharing of Expenses paid to BACL-H, JKLCL-0.44, JKPL-0.15, TREEL, NPPL-0.54	**0.75**		**0.64**	**0.54**	**1.93**
Sharing of Expenses paid to BACL-H, JKLCL-0.31, JKPL-0.10, TREEL (₹11541), NPPL-0.54, BACL	(0.64)		(0.41)	(0.64)	(1.69)
Services Availed - JKFIL, HASETRI-41.92, VPL- 2.15, TREEL		**17.42**	**44.07**		**61.49**
Services Availed - BACL-H, JKFIL, HASETRI-27.08, JKLCL-0.37, VPL	(13.00)	(16.95)	(27.64)		(57.59)
Interest from JKFIL		**3.89**			**3.89**
Interest Income from JKFIL		(4.17)			(4.17)
Interest Paid to VPL			**0.04**		**0.04**
Interest Paid to VPL			(0.04)		(0.04)
Royalty from VPL			**0.01**		**0.01**
Royalty income from VPL			(0.24)		(0.24)
Dividend from JKFIL		**0.70**			**0.70**
Dividend from JKFIL		(0.70)			(0.70)
Contribution to Trusts- JKEPFK- 7.45, JKOSFK- 0.49, JKEGFK- 2.23, JKEPFV - 18.90, JKOSFV- 0.25, JKEGFV-2.59, CILEGF				**35.09**	**35.09**
Contribution to Trusts- JKEPFK- 6.91, JKOSFK- 0.36, JKEGFK- 16.27, JKEPFV - 21.14, JKOSFV- 0.30, JKEGFV- 2.99, CILEGF				(53.13)	(53.13)

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Outstanding as at year end:					
Due from WTHI – 0.39			(0.39)		(0.39)
Advances to HASETRI - 7.85			**7.85**		**7.85**
Advances to HASETRI-29.40,VPL – 9.93			(39.33)		(39.33)
Trade Receivables:					
- VPL – 170.42, WTI – 14.59			**185.01**		**185.01**
- VPL– 95.88, WTI – 0.03			(95.91)		(95.91)
Other Receivables:					
- BACL-H – 0.66, JKFIL-33.90, VPL-14.72, JKEGFV-4.83, NPPL-0.54	**0.66**	**33.90**	**14.72**	**5.37**	**54.65**
- BACL-H – 0.66, JKFIL – 48.55, UDL – 0.01, JKEGFV – 5.38, NPPL-0.54	(0.66)	(48.56)		(5.92)	(55.14)
Loan from VPL – 0.77			**0.77**		**0.77**
Loan from VPL – 1.91			(1.91)		(1.91)
Other Payables:					
- VPL – 2.45, TREEL – 0.74, HASETRI – 0.21, CILEGF – 11.42, JKEGFK – 0.20, JKOSFV – 0.01			**3.40**	**11.63**	**15.03**
- JKFIL – 15.91, HASETRI – 1.26, TREEL – 0.27, JKEGFK – 15.25, CILEGF – 12.80		(15.91)	(1.53)	(28.05)	(45.49)

Figures in brackets represent amounts pertaining to previous year.

(II)

₹ in Crores (10 Million)

Remuneration paid to Key Managerial Personnel	2020-2021	2019-2020
Short-term Employee Benefits	**47.29**	22.43
Post-employment Benefits*	**0.44**	1.70
Other Payments	**1.66**	1.29

*Excludes gratuity and leave encashment, as the same is considered on actuarial valuation basis for the Company as a whole.

NOTE - 42

Sharing of expenses received during the year from BMF – Nil [Previous year – ₹3000)] and FINVL – Nil [Previous year – (₹15000)]. There had been no outstanding balances as at year end (Previous Year: Nil). These transactions were carried out with aforesaid parties in the ordinary course of business and on arm's length basis.

NOTE - 43 OPERATING SEGMENT

a. Basis for segmentation

An operating segment is component of the Company that engages in the business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. All operating segments' results are reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance.

The Company has reportable segments based on geographical location (India, Mexico and Others), which are the Group's strategic business units. These business units are engaged in developing, manufacturing, marketing and distribution of automotive Tyre, Tubes, Flaps, etc. For each of the business units, the Company's chief operating decision maker reviews internal management reports at least on quarterly basis.

b. Information about reportable segment

Inter segment pricing is determined on an arm's length basis. Information regarding the results of each reportable segment is included below:

₹ in Crores (10 Million)

Particulars	India		Mexico		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1. Revenue								
Total Sales	**8218.87**	7646.91	**1133.48**	1191.07	**1.88**	1.92	**9354.23**	8839.90
Inter Segment Sales	**(251.26)**	(115.28)	**-**	-	**(0.77)**	(1.92)	**(252.03)**	(117.20)
External Revenue from Operation	**7967.61**	7531.63	**1133.48**	1191.07	**1.11**	-	**9102.20**	8722.70
Other Income	**41.16**	30.57	**1.85**	0.01	**0.06**	0.01	**43.07**	30.59
Total Revenue	**8008.77**	**7562.20**	**1135.33**	**1191.08**	**1.17**	**0.01**	**9145.27**	**8753.29**
2. Result								
Segment Result (PBIT) before Exceptional Items	**937.20**	603.70	**25.70**	35.29	**(0.18)**	(0.87)	**962.72**	638.12
Less: Finance Costs	**438.67**	512.03	**27.12**	36.91	**0.06**	0.05	**465.85**	548.99
Profit/ (Loss) before Exceptional Items	**498.53**	91.67	**(1.42)**	(1.62)	**(0.24)**	(0.92)	**496.87**	89.13
Exceptional Items	**34.89**	(96.36)	**2.67**	(9.52)	**(0.08)**	(0.02)	**37.48**	(105.90)
Profit/ (Loss) before Tax	**533.42**	(4.69)	**1.25**	(11.14)	**(0.32)**	(0.94)	**534.35**	(16.77)
Less: Income Taxes	**194.48**	(174.85)	**6.43**	9.07	**-**	-	**200.91**	(165.78)
Profit/ (Loss) after Tax	**338.94**	170.16	**(5.18)**	(20.21)	**(0.32)**	(0.94)	**333.44**	149.01
Share of Profit in Associates	**0.09**	0.09	**(0.52)**	(0.37)	**(2.08)**	(7.42)	**(2.51)**	(7.70)
Less: Non-controlling Interest	**11.59**	(9.45)	**-**	**-**	**-**	-	**11.59**	(9.45)
Net Profit	**327.44**	**179.70**	**(5.70)**	**(20.58)**	**(2.40)**	**(8.36)**	**319.34**	**150.76**
3. Other Information								
Segment Assets	**9809.91**	9954.34	**1118.97**	1273.57	**57.81**	62.26	**10986.69**	**11290.17**
Segment Assets include:								
- Investments accounted for using Equity Method	**6.81**	6.74	**-**	-	**53.10**	56.29	**59.91**	63.03
Capital Expenditure	**182.52**	359.28	**15.92**	14.70	**0.01**	-	**198.45**	373.98
Depreciation & Amortisation	**342.14**	329.95	**43.92**	47.27	**0.63**	0.61	**386.69**	377.83
Segment Liabilities	**7504.23**	7918.11	**702.05**	943.12	**1.38**	2.88	**8207.66**	8864.11

c. Major Customer:

There is no single customer with whom the Company has more than 10 percent of the Group's total revenue.

NOTE - 44 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Current Tax	**140.06**	34.38
Deferred Tax		
– Relating to Origination and Reversal of Temporary Differences	**53.28**	(201.16)
– MAT Credit Entitlement	**7.57**	1.00
Total	**60.85**	(200.16)
Income Tax Expense Reported in the Statement of Profit or Loss	**200.91**	**(165.78)**

(B) Income Tax recognised in Other Comprehensive Income

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Deferred tax on Re-measurement Losses on Defined Benefit Plans	**(2.07)**	(8.42)

(C) Reconciliation of Effective Tax Rate

₹ in Crores (10 Million)

Particulars		2020-2021	2019-2020
Accounting Profit Before Income Tax		**534.35**	(16.77)
At applicable Statutory Income Tax Rate @ 34.944%		**186.72**	(5.86)
House R&D Expenses u/s 35(2AB)		**-**	(12.04)
Contribution u/s 35(1)(ii)		**-**	(0.52)
Exempt Income		**-**	(0.48)
Differential Tax Rates of Subsidiaries		**(13.96)**	0.71
Others		**7.16**	10.45
Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years)	**(A)**	**179.92**	(7.74)
Effective Tax Rate		**33.67%**	46.15%
Reversal of Deferred Tax Liabilities and MAT Credit Entitlement pertaining to earlier years*	**(B)**	**20.99**	(158.04)
Income Tax Expense reported for the year	**(A+B)**	**200.91**	**(165.78)**

* In view of reduction in Corporate Tax Rate to 22% (effective 25.17% including Surcharge & Education Cess) as per Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019 read with Notification dated 1st October 2020 and based upon expert opinion, the Company and its subsidiary re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier). Accordingly, during the year, reversal had been made for MAT credit of ₹7.57 crores and Deferred Tax Liability of ₹13.42 crores no longer required (Previous year: ₹158.04 crores).

(D) Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Opening Balance	**202.95**	410.01
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	**60.85**	(200.16)
Other Comprehensive Income	**(2.07)**	(8.42)
Foreign Currency Translation Difference	**1.90**	(1.93)
Deferred Tax Liabilities/(Assets)	**263.63**	199.50
MAT Credit Utilisation	**58.43**	3.45
Deferred Tax Liabilities (Net)	**322.06**	**202.95**

Notes to the consolidated financial statements

NOTE - 45 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
– Investments	**21.24**	**21.24**	16.13	16.13
– Others	**5.33**	**5.33**	-	-
(b) At Amortised Cost				
– Investments	**65.87**	**65.87**	61.07	61.07
– Trade Receivables	**1575.42**	**1575.42**	1848.42	1848.42
– Others	**445.80**	**445.80**	423.16	423.16
Total	**2113.66**	**2113.66**	**2348.78**	**2348.78**
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss	**3.55**	**3.55**	11.39	11.39
(b) At Amortised Cost				
– Borrowings	**4656.49**	**4656.49**	5548.71	5548.71
– Trade Payables	**1574.07**	**1574.07**	1688.41	1688.41
– Others	**1288.27**	**1288.27**	1079.34	1079.34
Total	**7522.38**	**7522.38**	**8327.85**	**8327.85**

The following methods and assumptions were used to estimate the fair values:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities, which have been measured subsequent to initial recognition at fair value as at 31st March, 2021 and 31st March 2020:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
31st March, 2021			
Financial Assets			
– Quoted Equity Shares	**3.08**	**-**	**-**
– Unquoted Equity Shares	**-**	**-**	**5.22**
– Unquoted Preference Shares	**-**	**-**	**12.09**
– Mutual Funds	**0.85**	**-**	**-**
– Forward Contracts	**-**	**5.33**	**-**
Financial Liabilities			
– Option Contracts	**-**	**3.55**	**-**
31st March, 2020			
Financial Assets			
– Quoted Equity Shares	2.26	-	-
– Unquoted Equity Shares	-	-	2.42
– Unquoted Preference Shares	-	-	10.89
– Mutual Funds	0.56	-	-
Financial Liabilities			
– Option Contracts	-	8.59	-
– Forward Contracts	-	2.80	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2021.

NOTE - 46

The fair value of Investment property as at 31st March, 2021 is ₹12.41 crores (as at 31st March, 2020: ₹12.41 crores) after considering the rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions.

NOTE - 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

  - **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

    After taking cognisance the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

    Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on the Company's profit before tax due to changes in the foreign exchange rate is as follows:

    ₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Change in USD	**+ ₹ 0.25**	+ ₹ 0.25
Effect on Profit before Tax	**(3.06)**	(2.62)
Change in USD	**- ₹ 0.25**	- ₹ 0.25
Effect on Profit before Tax	**3.06**	2.62

  - **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost-effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Change in Basis Points	**+ 25**	+ 25
Effect on Profit before Tax	**(11.64)**	(13.87)
Change in Basis Points	**- 25**	- 25
Effect on Profit before Tax	**11.64**	13.87

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, bead wire rubber chemicals etc., To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

➢ **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

- **Trade Receivables:** Customer credit risk is managed based on the Company's established policy, procedures and controls. The Company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

  Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimise its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

  Credit Risk Exposure: The allowance for expected credit loss on customer balances for the year ended 31st March, 2021 and 31st March, 2020:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning	**18.54**	17.58
Add: Provision created during the Year	**2.50**	2.00
Foreign Currency Translation Difference	**1.04**	(1.04)
Balance at the end	**22.08**	**18.54**

- **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

➢ **Liquidity Risk:** Liquidity risk is the risk where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises maturity profile of the Company's financial liabilities based on contractual payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
As at 31st March 2021		
Borrowings*	**3525.69**	**1130.80**
Trade and Other Payables	**1574.07**	**-**
Lease Liabilities	**134.71**	**9.50**
Other Financial Liabilities	**535.55**	**612.06**
Total	**5770.02**	**1752.36**
As at 31st March 2020		
Borrowings *	4093.86	1454.85
Trade and Other Payables	1688.41	-
Lease Liabilities	174.68	11.70
Other Financial Liabilities	444.16	460.19
Total	**6401.11**	**1926.74**

* Including working capital facility from consortium banks renewed every year.

NOTE - 48 CAPITAL MANAGEMENT

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce capital, as the case may be.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Borrowings	**4656.49**	5548.71
Less: Cash and Cash equivalents	**88.66**	65.39
Net debt	**4567.83**	5483.32
Equity Share Capital	**49.25**	49.25
Other Equity	**2623.49**	2282.10
Total Capital	**2672.74**	2331.35
Capital and Net Debt	**7240.57**	7814.67
Gearing Ratio	**63.09%**	**70.17%**

NOTE - 49 MATERIAL NON-CONTROLLING INTEREST IN SUBSIDIARY

Summarised financial information of Cavendish Industries Limited, which has material non-controlling interest:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Assets		
Non-current Assets	**2642.47**	2709.52
Current Assets	**890.88**	706.23
Liabilities		
Non-current Liabilities	**1789.04**	1714.51
Current Liabilities	**962.35**	1004.48
Equity	**781.96**	696.76
Percentage of Ownership held by Non-controlling Interest	**13.59%**	13.59%
Accumulated Non-controlling interest	**106.29**	94.71

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Revenue	**2570.72**	2221.14
Net Profit/(Loss)	**85.26**	(57.32)
Other Comprehensive Income	**(0.06)**	(2.05)
Total Comprehensive Income	**85.20**	(59.37)
Total Comprehensive Income allocated to Non-controlling Interests	**11.58**	(9.80)

₹ in Crores (10 Million)

Particulars	2020-2021	2019-2020
Net Cash Inflow/(Outflow) from Operating Activities	**174.81**	307.92
Net Cash Inflow/(Outflow) from Investing Activities	**(106.08)**	(124.79)
Net Cash Inflow/(Outflow) from Financing Activities	**(57.39)**	(193.53)
Net Cash Inflow/(Outflow)	**11.34**	(10.40)

Notes to the consolidated financial statements

NOTE - 50 INTEREST IN ASSOCIATES

The summarised aggregate financial information of individually immaterial associates as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Carrying Amount of Interests in Associates	**72.00**	73.92
Share in Profit / (Loss)	**(2.51)**	(7.70)
Share in Total Comprehensive Income	**(3.57)**	(3.64)

NOTE - 51 CONSOLIDATED NET ASSETS AND SHARE IN CONSOLIDATED PROFIT & LOSS

₹ in Crores (10 Million)

Sl. No.	Name of the entity	Net Assets, (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A	Parent								
	JK Tyre & Industries Limited	55.49%	1482.91	79.22%	252.99	-9.31%	(3.32)	70.33%	249.67
B	Subsidiaries								
(a)	Indian								
1	3DInnovations Pvt. Ltd.	0.03%	0.67	0.00%	0.01	-	-	0.00%	0.01
2	Cavendish Industries Limited	30.75%	821.94	26.91%	85.94	-0.17%	(0.06)	24.19%	85.88
(b)	Foreign								
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.11%	3.06	0.13%	0.42	-0.08%	(0.03)	0.11%	0.39
3	J. K. Asia Pacific (S) Pte. Ltd.	0.02%	0.65	-0.09%	(0.28)	0.11%	0.04	-0.07%	(0.24)
4	Lankros Holdings Ltd.	0.00%	(0.06)	-0.07%	(0.23)	0.17%	0.06	-0.05%	(0.17)
5	Sarvi Holdings Switzerland AG.	0.00%	(0.12)	-0.07%	(0.23)	0.03%	0.01	-0.06%	(0.22)
6	**JK Tornel SA de CV & its Subsidiaries**	**15.64%**	**417.94**	**-1.62%**	**(5.18)**	**112.19%**	**40.00**	**9.81%**	**34.82**
6.1	JK Tornel S.A. de C.V. (JKTSA)	-9.78%	(261.27)	-31.26%	(99.80)	-	-	-28.11%	(99.80)
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	(0.03)	0.02%	0.05	-	-	0.01%	0.05
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.61%	42.90	0.97%	3.10	-	-	0.87%	3.10
6.4	Compañía Hulera Tornel, S.A. de C.V.*	21.18%	565.71	25.99%	82.99	112.16%	39.99	34.65%	122.98
6.5	Compañía Inmobiliaria Norida, S.A. de C.V.*	2.61%	69.89	0.19%	0.60	-	-	0.17%	0.60
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.23%	6.22	0.49%	1.56	-	-	0.44%	1.56
6.7	Gintor Administración, S.A. de C.V.*	-0.33%	(8.71)	1.69%	5.40	0.03%	0.01	1.52%	5.41
6.8	Hules y Procesos Tornel, S.A. de C.V.*	0.12%	3.23	0.29%	0.92	-	-	0.26%	0.92
	Less: Non-controlling Interest @	-3.98%	(106.29)	-3.63%	(11.59)	0.03%	0.01	-3.26%	(11.58)
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	0.01%	0.02	-	-	0.01%	0.02
3	Treel Mobility Solutions Pvt. Ltd.	0.00%	0.13	0.02%	0.07	-0.06%	(0.02)	0.01%	0.05
	Foreign								
1	Valiant Pacific LLC	1.98%	52.89	-0.65%	(2.08)	-3.11%	(1.11)	-0.89%	(3.19)
2	Western Tire Holdings, Inc.	-0.04%	(1.02)	-0.16%	(0.52)	0.20%	0.07	-0.13%	(0.45)
	TOTAL	**100.00%**	**2672.74**	**100.00%**	**319.34**	**100.00%**	**35.65**	**100.00%**	**354.99**

* 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 - 52
Figures less than ₹50000 have been shown at actual in bracket.

NOTE - 53
Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

NOTE - 54
Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY *Chartered Accountants* Firm Registration No. - 000756N	SANJEEV AGGARWAL *Chief Financial Officer*	Dr. Raghupati Singhania Bharat Hari Singhania Anshuman Singhania	*Chairman & Managing Director* *Managing Director* *Managing Director*
HARISH GUPTA *Partner* Membership No. - 098336	P. K. RUSTAGI *Company Secretary*	Kalpataru Tripathy Arun K. Bajoria	*Directors*

New Delhi, the 19th May, 2021

Consolidated Cash Flow Statement for the year ended 31st March, 2021

₹ in Crores (10 Million)

		2020-2021	2019-2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Tax	**534.35**	(16.77)
	Adjustment for:		
	Depreciation and Amortisation Expense	**386.69**	377.83
	Finance Costs	**465.85**	548.99
	(Profit) / Loss on sale of Property, Plant and Equipment	**(0.82)**	0.24
	Fair Value Changes in Non-current Investments	**(3.70)**	(0.42)
	Unrealised Foreign Exchange Fluctuation	**(117.79)**	77.38
	Foreign Currency Translation gain / (loss) on Consolidation	**2.52**	(3.15)
	Interest / Dividend Received	**(34.01)**	(25.95)
	Allowance for Doubtful Debts / Advances and Bad debts written off	**2.50**	2.00
	Operating Profit before Working Capital changes	**1235.59**	960.15
	(Increase) / Decrease in Trade and Other Receivables	**398.10**	124.75
	(Increase) / Decrease in Inventories	**(150.66)**	48.46
	Increase / (Decrease) in Trade and Other Payables	**204.34**	137.64
	Cash generated from Operations	**1687.37**	1,271.00
	Direct Taxes (net)	**(88.93)**	(33.65)
	Net Cash from Operating Activities	**1598.44**	**1237.35**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, Plant and Equipment	**(193.09)**	(279.78)
	Sale of Property, Plant and Equipment	**33.37**	5.99
	Investment in Subsidiary & Associate	**-**	(46.30)
	Investment in Other Securities	**(0.21)**	-
	Deposit Accounts with Banks	**(7.54)**	(14.16)
	Interest Received	**28.85**	15.91
	Dividend Received	**0.70**	0.74
	Net Cash used in Investing activities	**(137.92)**	**(317.60)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds / (Utilisation) from Short-term Borrowings (Net)	**(817.57)**	42.51
	Proceeds from Long-term Borrowings	**620.17**	76.78
	Repayment of Long-term Borrowings	**(700.74)**	(465.23)
	Payment of Lease Liabilities	**(54.42)**	(47.30)
	Finance Costs paid	**(470.96)**	(524.81)
	Dividend paid (including Dividend Tax)	**(17.24)**	(44.52)
	Net Cash used in Financing Activities	**(1440.76)**	**(962.57)**
	Net increase / (decrease) in Cash and Cash Equivalents	**19.76**	(42.82)
	Cash and Cash Equivalents as at the beginning of the year	**65.39**	109.33
	Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	**3.51**	(1.12)
	Cash and Cash Equivalents as at the end of the year	**88.66**	**65.39**

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Notes: ₹ in Crores (10 Million)

	2020-2021	2019-2020
1. Cash and Cash Equivalents Include:		
– Cash, Cheques on hand and Remittances in transit	**13.89**	9.06
– Balances with Banks	**71.26**	57.45
– Unrealised Translation gain / (loss) on Foreign Currency balances	**3.51**	(1.12)
Total	**88.66**	**65.39**

2. Non Cash Changes in liabilities arising from financing activities:

Particulars	As At 31.03.2020	Cash Flows	Non- Cash Changes		As At 31.03.2021
			Foreign Exchange Movement	Others	
Short-term Borrowings	**1973.64**	**(817.57)**	**(37.44)**	**36.94**	**1155.57**
	(1904.29)	(42.51)	(68.93)	(-42.09)	(1973.64)
Long-term Borrowings	**3575.06**	**(80.57)**	**(50.99)**	**57.42**	**3500.92**
	(3853.22)	(-388.45)	(131.40)	(-21.10)	(3575.07)
Lease Liabilities	**186.38**	**(54.42)**	**-**	**12.25**	**144.21**
	(152.08)	(-47.30)	-	(81.60)	(186.38)
Total Liabilities from Financing Activities	**5735.08**	**(952.56)**	**(88.43)**	**106.61**	**4800.70**
Previous Year	(5909.59)	(-393.24)	(200.33)	(18.41)	(5735.09)

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania — *Chairman & Managing Director*
Bharat Hari Singhania — *Managing Director*
Anshuman Singhania — *Managing Director*

HARISH GUPTA
Partner
Membership No. - 098336

P. K. RUSTAGI
Company Secretary

Kalpataru Tripathy
Arun K. Bajoria — *Directors*

New Delhi, the 19th May, 2021

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules , 2014)

PART "A": SUBSIDIARIES

₹ in Crores (10 Million)

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of Shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	J. K. International Ltd.	N.A	Pound	100.9050	1.87	(1.86)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N.A	HKD $	9.4280	1.89	0.04	4.39	4.39	0.56	1.10	(0.17)	-	(0.17)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A	SGD $	54.4779	0.71	0.40	1.48	1.48	0.40	0.77	0.01	-	0.01	-	100.00
4	3DInnovations Pvt. Ltd.	N.A	INR	N.A	1.50	(0.83)	0.67	0.67	-	0.01	-	-	-	-	100.00
5	Cavendish Industries Ltd.	N.A	INR	N.A	55.17	726.79	3533.35	3533.35	-	2570.72	142.15	56.89	85.26	-	86.41
6	Lankros Holdings Ltd.	N.A	Euro	85.9611	36.93	47.04	84.28	84.28	82.72	0.03	(0.24)	-	(0.24)	-	100.00
7	Sarvi Holdings Switzerland AG.	N.A	CHF	77.7055	53.14	45.11	98.65	98.65	98.49	-	(0.24)	-	(0.24)	-	100.00
8	JK Tornel, S.A. de C.V.	N.A	MXN PESO	3.5734	66.58	(298.17)	444.69	444.69	227.53	698.11	(123.83)	(19.96)	(103.87)	-	99.98
9	Comercializadora América Universal, S.A. de C.V.	N.A	MXN PESO	3.5734	0.01	3.53	3.77	3.77	-	0.08	0.08	0.03	0.05	-	99.98
10	Compañía Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	3.5734	0.36	42.36	69.53	69.53	-	6.05	3.61	0.38	3.22	-	99.98
11	Compañía Hulera Tornel, S.A. de C.V.	N.A	MXN PESO	3.5734	120.62	278.27	903.56	903.56	0.00	1191.17	111.44	22.84	88.60	-	99.98
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A	MXN PESO	3.5734	1.29	116.43	146.67	146.67	-	6.73	1.26	0.64	0.63	-	99.98
13	General de Inmuebles Industriales, S.A. de C.V.	N.A	MXN PESO	3.5734	0.04	36.18	45.73	45.73	-	3.59	1.89	0.27	1.62	-	99.98
14	Gintor Administración, S.A. de C.V.	N.A	MXN PESO	3.5734	0.01	37.38	63.67	63.67	-	44.15	7.87	2.25	5.62	-	99.98
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹ 1787)	N.A	MXN PESO	3.5734	*	11.80	15.23	15.23	-	1.81	1.23	0.28	0.96	-	99.98

Notes

1. Name of subsidiaries which are yet to commence operations - N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year - N.A.

PART "B": ASSOCIATES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

₹ in Crores (10 Million)

Sl. No.	Name of Associates	Valiant Pacific LLC	Hari Shankar Singhania Elastomer & Tyre Research Institute (HASETRI)	Dwarkesh Energy Ltd.	Treel Mobility Solutions Pvt. Ltd.	Western Tire Holdings, Inc.
1	Latest audited Balance Sheet Date	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021*
2	Share of Associates held by the Company on the year end					
	No. of Shares	147	24	350000	3737	400
	Amount of Investment in Associates	0.21	(₹ 2400)	0.35	6.30	(₹ 26204)
	Extent of Holding %	49.00%	24.00%	35.00%	26.00%	40.00%
3	Description of how there is significant influence	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %
4	Reason why the Associate is not consolidated	N.A	HASTERI, an approved Scientific and Research Institute (a non-profit organisation) cannot be consolidated as the equity of the said Institute is not available for distribution.	N.A	N.A	N.A
5	Networth attributable to shareholding as per latest audited Balance Sheet	53.10	13.42 @	0.38	1.63	-
6	Profit / (Loss) for the year					
	Considered in Consolidation	(2.08)	-	0.02	0.07	0.20
	Not Considered in Consolidation	(2.16)	(0.08)	0.03	0.21	0.30

* Exempt from audit.

@ Not Considered in Consolidation

1. Name of Associates which are yet to commence operations - Dwarkesh Energy Limited is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.
2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Dr. Raghupati Singhania — *Chairman & Managing Director*
Bharat Hari Singhania — *Managing Director*
Anshuman Singhania — *Managing Director*

HARISH GUPTA
Partner
Membership No. - 098336

P. K. RUSTAGI
Company Secretary

Kalpataru Tripathy
Arun K. Bajoria
Directors

New Delhi, the 19th May, 2021

THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021, AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Non-executive Directors: Shri Arvind Singh Mewar – 3.2, Shri Bakul Jain – 3.2, Smt. Sunanda Singhania – 3.2, Shri Kalpataru Tripathy – 3.2, Shri Vimal Bhandari – 3.2, Dr. Wolfgang Holzbach – 3.2, Shri Shreekant Somany – 3.2 and Smt. Meera Shankar – 3.2.

Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 296.4; Shri Bharat Hari Singhania; Managing Director – 223.5; Shri Anshuman Singhania, Managing Director – 231.7 and Shri Arun K. Bajoria, Director & President - International Operations – 85.2.

(b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer and company secretary in the financial year: During the financial year, remuneration of Dr. Raghupati Singhania, Chairman & Managing Director; Shri Bharat Hari Singhania, Managing Director; and Shri Anshuman Singhania, Managing Director increased by 95.9%, 198.1% and 286.1% respectively and remuneration of Shri Arun K. Bajoria, Director & President - International Operations decreased by 3.6%. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy and Shri Shreekant Somany increased by 60.0%. Smt. Meera Shankar was appointed as non-executive director w.e.f. 30.01.2020, being her remuneration were for part of the year, the same was not comparable. The remuneration of Shri Sanjeev Agarwal, Chief Financial Officer increased by 7.4% and Shri P. K. Rustagi, Company Secretary decreased by 3.3%.

(c) The percentage increase in the median remuneration of employees in the financial year: 5.3%

(d) The number of permanent employees on the rolls of the Company: 5,938

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During the financial year 2020-21, average increase in the salaries of employees other than the Managerial Personnel was 5.6% and increase for Managerial Personnel was 107.6%. Such increase was mainly attributable to increase in profits for the year, resulting in payment of higher commission.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

Cash Flow Statement for the year ended 31st March, 2022

Notes:

₹ in Crores (10 Million)

Sl. No.	Particulars	2021-2022	2020-2021
1.	Cash and Cash Equivalents Include:		
	- Cash, Cheques on hand and Remittances in transit	9.00	7.94
	- Balances with Banks	44.16	33.17
	Total	**53.16**	**41.11**

2. Non Cash Changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

Particulars	As At 31.03.2021	Cash Flows	Non- Cash Changes		As At 31.03.2022
			Foreign Exchange Movement	Others	
Short-term Borrowings	748.25	773.83	5.19	-	1527.27
	(1528.13)	(-780.38)	(0.50)	-	(748.25)
Long-term Borrowings	1585.82	(306.19)	12.95	1.08	1293.66
	(1680.77)	(-82.01)	(-13.84)	(0.90)	(1585.82)
Lease Liabilities	137.35	(48.22)	-	7.19	96.32
	(185.48)	(-53.37)	-	(5.24)	(137.35)
Total Liabilities from Financing Activities	**2471.42**	**419.42**	**18.14**	**8.27**	**2917.25**
Previous Year	**(3394.38)**	**(-915.76)**	**(-13.34)**	**(6.14)**	**(2471.42)**

Figures in brackets represent amounts pertaining to previous year.

As per our report of even date

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
} *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, 2022, 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, 2022, 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
Recognition of Revenue	**Principal Audit Procedures**
The Group recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer. For the year ended 31st March, 2022, the Group's Statement of Profit & Loss included Sales of ₹11852.90 crores. Some terms of sales arrangements are governed by Incoterms, including the timing of transfer of control. The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated. Refer Note No. 27 of the Consolidated Financial Statements.	• We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 27 of the Consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 14 subsidiaries (including 12 subsidiaries incorporated outside India) whose financial statements reflect total assets of ₹5791.25 crores as at 31st March, 2022, total revenue of ₹6069.50 crores, total net profit after tax of ₹17.58 crores, total comprehensive income of ₹19.76 crores and net cash outflow of ₹17.74 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 after tax of ₹0.64 crore and total comprehensive income of ₹0.64 crore for the year ended 31st March, 2022, as considered in the Consolidated financial statements, in respect of three associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report of the other auditors.

(b) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of ₹0.01 crore as at 31st March, 2022, total revenue -Nil, total net profit after tax -Nil, total comprehensive income - Nil as considered in the Consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

(c) The Consolidated financial statements include the Group share of net profit after tax of ₹2.34 crores and total comprehensive income of ₹2.30 crores for the year ended 31st March, 2022, 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

1. 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.

2. As required by Section 143(3) of the Act, we report that:

I. 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.

II. 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.

III. 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.

IV. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

V. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 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 it associates companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

VI. 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.

VII. 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.

VIII. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note No. 34, 35 and 39 to the consolidated financial statements.

ii. The Group and its associates have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and its associates incorporated in India.

iv. (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.

(b) 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.

(c) 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. 48 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.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm's Registration Number: 000756N

HARISH GUPTA
Partner
Membership Number: 098336

New Delhi, the 20th May, 2022

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, 2022, we have audited the internal financial controls with reference to financial statements of **JK Tyre & Industries Limited** ('the Holding Company') and its subsidiary companies and its associates company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary Companies and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary Companies and its associate Companies, which are incorporated in India, have maintained, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2022, 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 two subsidiaries and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm's Registration Number: 000756N

HARISH GUPTA
Partner
Membership Number: 098336

New Delhi, the 20th May, 2022

Consolidated Balance Sheet as at 31st March, 2022

₹ in Crores (10 Million)

	Note No.	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	6197.97	6018.94
(b) Capital Work-in-progress		100.56	286.42
(c) Investment Property	3	5.63	5.73
(d) Other Intangible Assets	4	225.40	217.71
(e) Intangible Assets under Development		5.67	12.70
(f) Financial Assets			
- Investments accounted using Equity Method	5	61.84	59.91
- Other Investments	6	70.91	87.11
- Other Financial Assets	7	137.62	141.33
(g) Deferred Tax Assets (Net)	8	86.92	46.25
(h) Other Non-current Assets	9	21.26	18.59
		6913.78	6894.69
(2) Current Assets			
(a) Inventories	10	2432.62	1789.29
(b) Financial Assets			
- Trade Receivables	11	1979.86	1575.42
- Cash and Cash Equivalents	12	94.05	88.66
- Other Bank Balances	13	81.60	85.13
- Other Financial Assets	14	208.84	136.01
(c) Current Tax Assets (Net)	15	79.93	83.26
(d) Other Current Assets	16	456.97	334.23
		5333.87	4092.00
TOTAL ASSETS		12247.65	10986.69
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	49.25	49.25
(b) Other Equity	SOCE - II	2799.06	2623.49
Equity Attributable to Owners of the Parent		2848.31	2672.74
(c) Non-controlling Interest	SOCE - II	99.16	106.29
		2947.47	2779.03
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	17	2475.93	2860.74
- Lease Liabilities		65.00	93.98
- Other Financial Liabilities	18	636.38	612.06
(b) Provisions	19	119.85	103.88
(c) Deferred Tax Liabilities (Net)	20	405.12	368.31
		3702.28	4038.97
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	21	2639.27	1795.75
- Lease Liabilities		40.18	50.23
- Trade Payables			
Micro and Small Enterprises	22	49.00	36.18
Others	22	2139.52	1537.89
- Other Financial Liabilities	23	396.40	507.91
(b) Other Current Liabilities	24	279.31	231.33
(c) Provisions	25	17.42	7.83
(d) Current Tax Liabilities (Net)	26	36.80	1.57
		5597.90	4168.69
TOTAL EQUITY AND LIABILITIES		12247.65	10986.69
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

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

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

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

Consolidated Statement of Profit & Loss for the year ended 31st March, 2022

₹ in Crores (10 Million)

		Note No.	2021-2022	2020-2021
I.	Revenue from Operations	27	11982.96	9102.20
II.	Other Income	28	36.56	43.07
III.	**Total Income (I+II)**		12019.52	9145.27
IV.	**Expenses**			
	Cost of Materials Consumed		8169.60	5246.89
	Purchases of Stock-in-Trade		220.64	117.96
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		(350.95)	103.85
	Employee Benefits Expense	29	1065.35	922.74
	Finance Costs	30	419.09	465.85
	Depreciation and Amortisation Expense		385.36	386.69
	Other Expenses	31	1805.02	1404.42
	Total Expenses (IV)		11714.11	8648.40
V.	**Profit before Interest, Depreciation & Tax (PBIDT)**		1109.86	1349.41
VI.	**Profit / (loss) before Exceptional Items and Tax (III-IV)**		305.41	496.87
VII.	Exceptional Items	41	3.60	37.48
VIII.	**Profit / (Loss) before Tax (VI+VII)**		309.01	534.35
IX.	Tax Expense			
	(1) Current Tax		160.21	140.06
	(2) Deferred Tax		(51.50)	60.85
X.	**Profit / (Loss) after Tax (VIII-IX)**		200.30	333.44
XI.	**Share in Profit / (Loss) of Associates**		0.94	(2.51)
XII.	**Profit / (Loss) for the year (X+XI)**		201.24	330.93
XIII.	**Profit / (loss) for the year attributable to:**			
	Owners of the Parent		210.02	319.34
	Non-controlling Interest		(8.78)	11.59
XIV.	**Other Comprehensive Income**			
	(A) Items that will not be reclassified to Profit or Loss:			
	Re-measurement losses on Defined Benefit Plans		(6.23)	(6.07)
	Share of Other Comprehensive Income in Associates		-	(0.02)
	Income Tax Relating to Items that will not be reclassified to Profit or Loss		2.33	2.07
	(B) Items that will be reclassified to Profit or Loss:			
	Exchange Differences on Translating the Financial Statements of Foreign Operations		18.27	39.66
	Total Other Comprehensive Income		14.37	35.64
XV.	**Total Comprehensive Income for the year (XII+XIV)**		215.61	366.57
XVI.	**Other Comprehensive Income for the year attributable to:**			
	Owners of the Parent		14.36	35.65
	Non-controlling Interest		0.01	(0.01)
XVII.	**Total Comprehensive Income for the year attributable to:**			
	Owners of the Parent		224.38	354.99
	Non-controlling Interest		(8.77)	11.58
XVIII.	**Earnings per equity share of ₹2 each**			
	Basic / Diluted (₹)	43	8.53	12.97

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

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

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

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2022

I. Equity Share Capital

(1) Current reporting period

₹ in Crores (10 Million)

As at 01.04.2021	Change due to prior period errors	Restated Balance as at 01.04.2021	Change during the Current Year	As at 31.03.2022
49.25	-	49.25	-	49.25

(2) Previous reporting period

As at 01.04.2020	Change due to prior period errors	Restated Balance as at 01.04.2020	Change during the Previous Year	As at 31.3.2021
49.25	-	49.25	-	49.25

a. Shareholding of Promoters:

Shares held by promoters at the end of 31.03.2022

S. No.	Promoter Name*	No. of Shares	% of total shares	% Change during FY 2021-2022
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.

S. No.	Promoter Name**	No. of Shares	% of total shares	% Change during FY 2020-2021
1	Bengal & Assam Company Ltd	13,00,03,250	52.80	(0.47)
2	Shri Bharat Hari Singhania	10,94,723	0.44	0.07
3	Dr. Raghupati Singhania	16,43,990	0.67	0.08
	TOTAL**	**13,27,41,963**	**53.91**	**(0.32)**

** In addition, as on 31st March 2021 and 31st March 2020, there are 17 entities holding 57,08,092 Equity Shares (2.32%) and 49,09,490 Equity Shares (1.99%), respectively, who are constituents of the Promoter Group as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

II. Other Equity

(1) Current reporting period

₹ in Crores (10 Million)

Particulars	Reserves & Surplus								Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings		Other Comprehensive Income			
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations			
As at 1st 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, 2022

(2) Previous reporting period

₹ in Crores (10 Million)

Particulars	Reserve & Surplus								Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings		Other Comprehensive Income			
						Surplus in P/L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations			
As at 1st April, 2020	**455.92**	**26.55**	**7.00**	**9.82**	**895.18**	**1027.47**	**(84.95)**	**(54.89)**	**2282.10**	**94.71**	**2376.81**
Profit for the year						319.34			319.34	11.59	330.93
Other Comprehensive Income (Net of Taxes)							(4.01)	39.66	35.65	(0.01)	35.64
Cash Dividends						(17.24)			(17.24)		(17.24)
Reinstatement Gain / (Loss) of Reserve on Consolidation		3.64							3.64		3.64
As at 31st March, 2021	**455.92**	**30.19**	**7.00**	**9.82**	**895.18**	**1329.57**	**(88.96)**	**(15.23)**	**2623.49**	**106.29**	**2729.78**

Component of equity	**Nature and Purpose**
Securities Premium	Represents amounts received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
Capital Reserve	Represents Capital Reserve on Consolidation.
Capital Redemption Reserve	Represents the statutory reserve created at the time of redemption of Preference Share Capital, which can be applied for issuing fully paid-up bonus shares.
Legal Reserve	Represents the statutory reserve created in Subsidiaries, registered in Mexico, out of the current year profits upto a prescribed limit.
General Reserve	Represents accumulated profits set apart by way of transfer from current year Profits or / and Surplus in P/L Statement comprised in Retained Earnings for 'other than specified purposes'.

As per our report of even date

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

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 20th May, 2022.

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 31.03.2022:

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 31.03.2022	As on 31.03.2021
J. K. International Ltd., U.K.	100.00%	100.00%
J. K. Asia Pacific Ltd., Hong Kong	100.00%	100.00%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100.00%	100.00%
Lankros Holdings Ltd., Cyprus	100.00%	100.00%
Sarvi Holdings Switzerland AG., Switzerland	100.00%	100.00%
JK Tornel S.A. de C.V., Mexico (JKTSA)	99.98%	99.98%
Comercializadora América Universal, S.A. de C.V., Mexico	99.98%	99.98%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.98%	99.98%
Compañía Hulera Tornel, S.A. de C.V., Mexico (CHT)	99.98%	99.98%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.98%	99.98%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.98%	99.98%
Gintor Administración, S.A. de C.V., Mexico	99.98%	99.98%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.98%	99.98%
3DInnovations Pvt. Ltd.	100.00%	100.00%
Cavendish Industries Ltd., India (CIL)	87.48%	86.41%

ii) **Associates:** An associate is entity over which the Company or its subsidiaries has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Associates, where the Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, are as follows:

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 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 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

Notes to the consolidated financial statements

the Company will pay normal income tax during the specified period. It is reviewed at the end of each subsequent reporting period.

(x) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period after taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities and Assets:

Contingent liabilities are disclosed after evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

- Financial assets at amortised cost: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss on time proportionate basis. The losses arising from impairment are recognised in the profit or loss.
- Financial assets at fair value through other comprehensive income: At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method on time proportionate basis, impairment 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 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) Revenue:

Revenue is recognised upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

For applying above principle, the Company adopts five step model, which are: a) Identify the contract(s) with customer(s); b) Identify the performance obligations under the contract(s); c) Determine the transaction price; d) Allocate the transaction price to the performance obligations in the contract(s); e) recognise revenue, when or as the entity satisfies a performance obligation.

Contract Liabilities are recognised when there is an entity's obligation to transfer goods or services to a customer for which, the entity has received consideration from the customer. Revenue in excess of invoicing are classified as contract assets.

Sale of Goods:

Revenue from the sale of goods is recognised at the point in time, when control is transferred to the customer.

Interest Income:

Interest income is 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.

(xiv) Grants:

Grants and subsidies from the Government are recognised when there is reasonable assurance that the grant /

subsidy will be received and all attaching conditions will be complied with. Revenue Grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet by deducting the grant from carrying amount of the asset and depreciation is charged on reduced carrying value of asset.

Export incentives are recognised in the Statement of Profit and Loss.

(xv) Impairment:

The carrying amounts of Property, plant and equipment, Intangible assets, Investment property and Investments are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(xvi) Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and Remittances in transit for the purpose of meeting short-term cash commitments.

(xviii) 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

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation / Amortisation					Net Value	
	As at 31.03.2021	Additions / Adjustment^	Sales / Adjustments	Translation Adjustment @	As at 31.03.2022	Upto 31.03.2021	For the year	Sales / Adjustments	Translation Adjustment@	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land:												
- Freehold#	577.49	-	-	(7.78)	585.27	-	-	-	-	-	585.27	577.49
	(556.03)	(6.83)	-	(-14.63)	**(577.49)**	-	-	-	-	-	**(577.49)**	(556.03)
- Leasehold -Right of use$	10.96	-	-	-	10.96	2.52	0.12	-	-	2.64	8.32	8.44
	(10.96)	-	-	-	**(10.96)**	(2.39)	(0.13)	-	-	**(2.52)**	**(8.44)**	(8.57)
Buildings:												
- Owned*	1201.78	5.02	-	(7.99)	1214.79	321.01	23.51	-	(5.74)	350.26	864.53	880.77
	(1186.44)	(0.68)	(0.40)	(-15.06)	**(1201.78)**	(287.59)	(23.50)	-	(-9.92)	**(321.01)**	**(880.77)**	(898.85)
- On Lease-Right of Use$	70.17	10.73	4.23	(0.01)	76.68	24.07	13.02	3.14	-	33.95	42.73	46.10
	(59.62)	(16.54)	(6.02)	(-0.03)	**(70.17)**	(13.11)	(12.79)	(1.83)	-	**(24.07)**	**(46.10)**	(46.51)
Plant & Equipments:												
- Owned	7547.67	506.90	22.80	(36.74)	8068.51	3166.49	280.49	17.90	(30.23)	3459.31	4609.20	4381.18
	(7325.03)	(171.99)	(16.35)	(-67.00)	**(7547.67)**	(2836.90)	(285.18)	(8.90)	(-53.31)	**(3166.49)**	**(4381.18)**	(4488.13)
- On Lease-Right of Use$	178.21	2.28	47.17	-	133.32	84.73	43.07	47.17	-	80.63	52.69	93.48
	(178.21)	-	-	-	**(178.21)**	(42.08)	(42.65)	-	-	**(84.73)**	**(93.48)**	(136.13)
Furniture and Fixtures	30.85	2.63	0.14	(0.50)	33.84	23.23	1.42	0.13	(0.38)	24.90	8.94	7.62
	(29.62)	(0.48)	-	(-0.75)	**(30.85)**	(20.98)	(1.56)	-	(-0.69)	**(23.23)**	**(7.62)**	(8.64)
Office Equipments	35.37	4.15	0.25	(0.93)	40.20	30.70	1.43	0.24	(0.78)	32.67	7.53	4.67
	(33.27)	(0.83)	(0.24)	(-1.51)	**(35.37)**	(27.04)	(2.51)	(0.22)	(-1.37)	**(30.70)**	**(4.67)**	(6.23)
Vehicles:												
- Owned	39.08	5.47	4.42	(0.33)	40.46	20.21	3.91	2.68	(0.26)	21.70	18.76	18.87
	(39.43)	(2.55)	(3.24)	(-0.34)	**(39.08)**	(17.71)	(4.04)	(1.90)	(-0.36)	**(20.21)**	**(18.87)**	(21.72)
- On Lease-Right of Use$	0.50	-	-	(0.04)	0.54	0.18	0.33	-	(0.03)	0.54	-	0.32
	(0.38)	(0.06)	-	(-0.06)	**(0.50)**	(0.09)	(0.08)	-	(-0.01)	**(0.18)**	**(0.32)**	(0.29)
TOTAL	9692.08	537.18	79.01	(54.32)	10204.57	3673.14	367.30	71.26	(37.42)	4006.60	6197.97	6018.94
Previous Year	**(9418.99)**	**(199.96)**	**(26.25)**	**(-99.38)**	**(9692.08)**	**(3247.89)**	**(372.44)**	**(12.85)**	**(-65.66)**	**(3673.14)**	**(6018.94)**	**(6171.10)**

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 31.03.2022: ₹103.02 crores (Previous Year: ₹109.04 crores).

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

As at 31st March 2022, 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. 37.

The Company has not revalued any Property, Plant & Equipment during the year.

For security against borrowings - refer Note No. 17.

Notes to the consolidated financial statements

Note - 3 Investment Property

₹ in Crores (10 Million)

Particulars	Gross Value					Depreciation					Net Value	
	As at 31.03.2021	Additions	Sales / Adjustments	Translation Adjustment	As at 31.03.2022	Upto 31.03.2021	For the year	Sales / Adjustments	Translation Adjustment	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Building	6.53	-	-	-	6.53	0.80	0.10	-	-	0.90	5.63	5.73
	(6.53)	-	-	-	**(6.53)**	(0.70)	(0.10)	-	-	**(0.80)**	**(5.73)**	(5.83)

Figures in Brackets represent amounts pertaining to previous year.

Rental Income: ₹0.12 crore (Previous Year: ₹0.09 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 31.03.2021	Additions / Adjustments	Sales / Adjustments	Translation Adjustment@	As at 31.03.2022	Upto 31.03.2021	For the year	Sales / Adjustments	Translation Adjustment@	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software#	22.30	12.19	-	(0.37)	34.86	20.07	4.57	-	(0.12)	24.76	10.10	2.23
	(22.03)	(0.27)	-	-	**(22.30)**	(18.47)	(1.60)	-	-	**(20.07)**	**(2.23)**	(3.56)
Industrial Commercial Benefit*	261.19	-	-	(16.61)	277.80	45.71	13.39	-	(3.40)	62.50	215.30	215.48
	(229.92)	-	-	(-31.27)	**(261.19)**	(28.74)	(12.55)	-	(-4.42)	**(45.71)**	**(215.48)**	(201.18)
TOTAL	283.49	12.19	-	(16.98)	312.66	65.78	17.96	-	(3.52)	87.26	225.40	217.71
Previous Year	**(251.95)**	**(0.27)**	**-**	**(-31.27)**	**(283.49)**	**(47.21)**	**(14.15)**	**-**	**(-4.42)**	**(65.78)**	**(217.71)**	**(204.74)**

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]

	As at 31.03.2022		As at 31.03.2021	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Associate Companies:				
Dwarkesh Energy Ltd.				
- Equity Investment - At Cost (₹10 each)	3,50,000	0.35	3,50,000	0.35
- Share in Net Assets		0.03		0.03
Valiant Pacific LLC				
- Equity Investment - At Cost (AED 1000 each)	147	0.21	147	0.21
- Share in Net Assets		55.09		52.89
Western Tire Holdings, Inc*				
- Equity Investment - At Cost (USD 1 each): (₹26204; Previous year: ₹26204)	400		400	
- Share in Net Assets: (₹-26204; Previous year: ₹-26204)				
Treel Mobility Solutions Pvt. Ltd.**				
- Equity Investment - At Cost (₹10 each)	3,737	6.30	3,737	6.30
- Share in Net Assets		(0.14)		0.13
		61.84		**59.91**

* 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 [Non-Current *(Other than Trade)*]

	As at 31.03.2022		As at 31.03.2021	
	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	1.47	10,000	1.49
Bengal & Assam Company Ltd. (₹10 each)*	11,641	2.74	11,641	1.59
V. S. Lignite Power Pvt. Ltd. (₹10 each)	-	-	12,56,039	-
J.K.I. Employees Co-operative Credit Society Ltd. (₹1000 each) (₹5000; Previous year: ₹5000)	5		5	
Vaayu Renewable Energy (Godavari) Pvt. Ltd. (₹10 each)	49,400	6.30	49,400	4.79
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	15,700	0.21	15,700	0.21
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	42,000	0.05	42,000	0.22
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	13.42	11,00,000	12.09
Others:				
V. S. Lignite Power Pvt. Ltd. (0.01% Cumulative Redeemable) (₹10 each)	-	-	11,14,222	-
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	45.71	70,00,000	65.87
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	1.01	2,50,000	0.85
		70.91		**87.11**
Aggregate amount of quoted Investments / market value thereof		5.22		3.93
Aggregate amount of unquoted Investments		65.69		83.18
Aggregate provision for impairment in value of Investments		-		-

* Acquired before becoming subsidiary of BACL.

Note - 7 Other Financial Assets [Non-Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Deferred Receivable	73.39	90.77
Security Deposits	54.89	50.51
Bank deposits*	9.34	0.05
	137.62	**141.33**

* Represent fixed deposits having maturity more than 12 months as DSRA ₹8.52 crores, deposits with banks under lien towards margin money ₹0.81 crore and security deposit with Sales Tax department ₹0.01 crore (Previous Year: ₹0.05 crore, Nil and Nil, respectively).

Notes to the consolidated financial statements

Note - 8 Deferred Tax Asset (Net)

Deferred tax Asset are as under:

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Deferred Tax Assets		
- Expenses / Provision Allowable	80.56	45.30
- Unabsorbed depreciation / Loss	252.00	0.95
Deferred Tax Liability related to Property, Plant & Equipment	(245.64)	-
Deferred Tax Asset - Net	86.92	46.25
MAT Credit Entitlement	-	-
	86.92	46.25

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 31.03.2022	As at 31.03.2021
Advances - Project related	13.16	4.87
Deferred Expenditure for financial instruments	7.05	12.27
Others	1.05	1.45
	21.26	18.59

Note - 10 Inventories *(Valued at lower of cost or net realisable value)*

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Raw Materials*	1044.51	782.61
Work-in-Progress	127.11	90.41
Finished Goods**	1072.63	748.12
Stock-in-trade	79.64	81.91
Stores and Spares	108.73	86.24
	2432.62	1789.29

* Includes raw materials in transit ₹307.06 crores (Previous year: ₹235.23 crores)

** Includes finished goods in transit ₹22.01 crores (Previous year: ₹14.84 crores)

Provision for write down of inventories during the year ₹2.86 crores (Previous year ₹5.41 crores)

Note - 11 Trade Receivables [Current] *(Unsecured)*

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Considered Good[$]	1979.86	1575.42
Credit Impaired	30.63	22.08
Less: Allowance for Bad and Doubtful debts	(30.63)	(22.08)
	1979.86	1575.42

[$] Refer Note no. 46 for Trade Receivable from related parties.

Ageing of Trade Receivables as at 31.03.2022 and 31.03.2021:

₹ 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					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	TOTAL
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

Particulars	Not Due as on 31.03.2021	Outstanding as at 31.03.2021 for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	TOTAL
Undisputed Trade Receivable:							
(i) considered good	1096.12	329.32	41.18	32.15	6.09	5.59	1510.45
(ii) credit impaired	-	0.03	0.13	1.91	0.84	6.75	9.66
Disputed Trade Receivable:							
(i) considered good	-	0.08	-	1.37	8.88	54.64	64.97
(ii) credit impaired	-	-	-	-	0.03	12.39	12.42
TOTAL	1096.12	329.43	41.31	35.43	15.84	79.37	1597.50

Note - 12 Cash and Cash Equivalents

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Balances with Banks:		
- Current Accounts	68.48	74.63
- Deposit Accounts	0.14	0.14
Remittances in transit and Cheques on hand	25.32	13.79
Cash on hand	0.11	0.10
	94.05	88.66

Note - 13 Other Bank Balances

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Unclaimed Dividend Accounts	1.75	1.73
Deposit Accounts*	79.85	83.40
	81.60	85.13

* Include DSRA ₹53.76 crores, Deposit Repayment Reserve Account ₹11.27 crores, security deposit with Sales Tax department (₹10000), deposits with banks under lien towards margin money against bank guarantee ₹11.02 crores and aganist Letter of Credit ₹3.48 crores (Previous year: ₹54.96 crores, ₹11.07 crores, ₹0.01 crore, ₹9.95 crores and ₹7.10 crores, respectively).

Notes to the consolidated financial statements

Note - 14 Other Financial Asset [Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Unsecured, Considered Good:		
Interest Recoverable	5.87	7.02
Due from Related Parties (Refer Note No. 46)	0.77	-
Balance with Government Authorities	148.64	90.06
Deferred Receivable	21.66	20.05
Advances to Employees	11.00	8.32
Derivative Instruments measured at fair value	19.47	5.33
Others	1.43	5.23
	208.84	136.01

Note - 15 Current Tax Assets (Net)

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Current Tax Assets (Net)	79.93	83.26
	79.93	83.26

Note - 16 Other Current Assets

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Balances with Government Authorities	368.98	258.09
Prepaid Expenses	32.79	37.86
Advances to Related Parties (Refer Note No. 46)	17.17	7.85
Advances to Suppliers	26.72	26.45
Deferred Expenditure for financial instruments	1.79	2.52
Others	9.52	1.46
	456.97	334.23

Note - 17 Borrowings [Non-Current]

₹ in Crores (10 Million)

	Non - Current		Current *	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Secured Loans				
Term Loans: **				
- Financial Institutions	567.84	681.31	135.20	131.09
- Bank	1810.84	2102.08	404.29	475.43
	2378.68	2783.39	539.49	606.52
Unsecured Loans				
Loan from Bank	30.41	-	15.20	-
Fixed Deposits	66.84	77.35	40.36	32.89
Loan from Body Corporate (Refer Note No. 46)	-	-	-	0.77
	97.25	77.35	55.56	33.66
	2475.93	2860.74	595.05	640.18

* Amount payable during next 12 months is included under the head "Borrowings [Current]" (Note No. 21).

** Net of ₹24.22 crores (As at 31.03.2021: ₹17.63 crores) for unamortised processing charges.

(i) Rupee Term Loan of ₹6.90 crores from a Bank, secured by a first pari passu charge on movable and immovable assets at a Company's Plant in Karnataka, both present and future is repayable in 5 equal quarterly instalments.

(ii) Rupee Term Loan of ₹23.89 crores, ₹13.51 crores and ₹35.84 crores from Banks and Foreign Currency Loan of ₹48.75 crores (including ₹15.77 crores due to forex reinstatement) from a Financial Institution aggregating to ₹121.99 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 4, 5, 6 and 6 equal quarterly instalments respectively.

(iii) Rupee Term Loan of ₹290.25 crores, ₹34.33 crores, and ₹42.97 crores from Banks and Foreign Currency Loan of ₹143.94 crores (including ₹23.46 crores due to forex reinstatement) from a Financial Institution aggregating to ₹511.49 crores, secured by a first pari passu charge created / to be created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 46 quarterly instalments, 14, 22 and 24 equal quarterly instalments respectively.

(iv) Rupee Term Loan of ₹223.50 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 46 quarterly instalments.

(v) Foreign Currency Loan of ₹44.27 crores (including ₹7.95 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 9 equal quarterly instalments.

(vi) Foreign Currency Loan of ₹138.19 crores (including ₹19.02 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, ₹51.33 crores and Tranche – II, ₹86.86 crores are repayable in 9 and 12 quarterly instalments respectively.

(vii) Rupee Term Loan of ₹88.33 crores from a Bank, secured by a first pari passu charge to be 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 24 equal quarterly instalments commencing from December 2022.

(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 ₹20 crores from a Bank, secured by a first pari passu charge on movable fixed assets at a Company's Plant in Madhya Pradesh, both present and future is repayable in June 2022.

(x) Rupee Term Loan of ₹35.02 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 17 equal monthly instalments.

(xi) Fixed Deposits of ₹40.36 crores, ₹42.52 crores and ₹24.32 crores (aggregating ₹107.20 crores) are due for repayment in 2022-23, 2023-24 and 2024-25 respectively.

(xii) Term Loans aggregating ₹1589.72 crores are secured with first pari passu charge on movable and immovable assets of its plants at Laksar, Uttrakhand, 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 ₹511.64 crores (including forex reinstatement of ₹63.48 crores) is repayable in 26 equal quarterly instalments; Rupee Term Loans from Banks aggregating to ₹944.58 crores are repayable in 34 to 41 unequal quarterly instalments; Rupee term loan amounting to ₹32.31 crores from a bank is repayable in 47 equal quarterly instalments; and Buyer's credit of ₹101.22 crores (net of ₹2.15 crores on account of forex reinstatement) availed from other bank, which will be substituted by term loan, is repayable in 48 equal quarterly instalments.

(xiii) Term Loan of ₹0.17 crore from a bank is secured by first pari passu charge on the current assets of CIL and second pari passu charge created / to be created on fixed assets of CIL, both present and future, repayable in April 2022.

(xiv) Term Loan of ₹119.29 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 7 unequal quarterly instalments and from another bank is repayable in 6 bi-annual equal instalments.

(xv) Term Loan of ₹43.49 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.

Note - 18 Other Financial Liabilities [Non-Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Trade Deposits & Others	636.38	612.06
	636.38	612.06

Note - 19 Provisions [Non-Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Provision for Employee Benefits	119.85	103.88
	119.85	103.88

Note - 20 Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liability are as under:		
Deferred Tax Liability related to Property, Plant and Equipment	642.90	927.41
Deferred Tax Assets:		
- Expenses / Provision Allowable	(88.98)	(129.01)
- Unabsorbed Depreciation / Loss	-	(231.55)
Deferred Tax Liability - Net	553.92	566.85
MAT Credit Entitlement	(148.80)	(198.54)
	405.12	368.31

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Note - 21 Borrowings [Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Secured Loans		
Repayable on Demand from Banks*	1476.09	801.07
Buyers' Credit*	93.20	121.05
Current maturities of long term borrowings	539.49	606.52
	2108.78	1528.64
Unsecured Loans		
Fixed Deposits	11.89	14.79
Loan from Banks	463.04	218.66
Current maturities of long term borrowings	55.56	33.66
	530.49	267.11
	2639.27	1795.75

* i. Represent Working Capital borrowings of ₹1425.85 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.

ii. The working capital demand loan of ₹143.44 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.

Notes to the consolidated financial statements

Note - 22 Trade Payables [Current]

Ageing of Trade Payables is as given hereunder:

₹ 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						2188.52

₹ in Crores (10 Million)

Particulars	Not Due as on 31.03.2021	Outstanding as at 31.03.2021 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	36.18	-	-	-	-	36.18
(ii) Others	1377.21	18.57	(0.48)	0.21	0.16	1395.67
(iii) Disputed dues - MSME - Micro & Small	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	1.98	0.20	2.44	4.62
Unbilled Dues						137.60
TOTAL						1574.07

Note - 23 Other Financial Liabilities [Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Interest Accrued but not due on Borrowings	18.21	18.88
Unclaimed Dividends#	1.75	1.73
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon#	1.24	2.48
Liabilities for Expenses	375.20	481.27
Derivative Instruments measured at fair value	-	3.55
	396.40	507.91

Investor Education & Protection Fund will be credited as and when due.

Note - 24 Other Current Liabilities

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Government and Other Statutory Dues	213.63	172.52
Recoveries under Company Schemes	30.97	29.97
Contract Liabilities	34.21	27.64
Others	0.50	1.20
	279.31	231.33

Note - 25 Provisions [Current]

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Provision for Employee Benefits	17.42	7.83
	17.42	7.83

Note - 26 Current Tax Liabilities (Net)

₹ in Crores (10 Million)

	As at 31.03.2022	As at 31.03.2021
Current Tax Liabilities (Net)	36.80	1.57
	36.80	1.57

Note - 27 Revenue from Operations

₹ in Crores (10 Million)

	2021-2022	2020-2021
Sale of:		
- Products	11809.88	9001.41
- Services	43.02	41.64
Other operating revenues:		
- Miscellaneous Income#	130.06	59.15
	11982.96	9102.20

Includes Government Incentive of ₹90.01 crores (Previous Year: ₹28.74 crores)

Refer Note No. 45 for disclosure regarding Revenue recognised under contracts.

Note - 28 Other Income

₹ in Crores (10 Million)

	2021-2022	2020-2021
Interest Income from Financial Assets valued at:		
- Amortised Cost	19.75	23.35
- Fair Value through Profit & Loss (FVTPL)	1.33	1.20
Other Interest Income	6.24	8.76
Dividend Income	0.60	0.70
Fair Value changes in Investments valued at FVTPL	2.64	3.70
Profit on Sale of Fixed Assets (Net)	-	0.82
Rent Income	1.79	1.76
Other Non-operating Income	4.21	2.78
	36.56	43.07

Note - 29 Employee Benefits Expense

₹ in Crores (10 Million)

	2021-2022	2020-2021
Salaries and Wages	797.66	685.75
Contribution to Provident and other Funds	61.64	63.78
Employees' Welfare and other Benefits	206.05	173.21
	1065.35	922.74

Notes to the consolidated financial statements

Note - 30 Finance Costs

₹ in Crores (10 Million)

	2021-2022	2020-2021
Interest on Borrowings & Others	400.51	441.81
Interest on Lease Liabilities	12.57	16.75
Other Borrowing Costs	6.01	7.29
	419.09	465.85

Note - 31 Other Expenses

₹ in Crores (10 Million)

	2021-2022	2020-2021
Consumption of Stores and spares	149.47	107.86
Power and Fuel	493.97	355.48
Freight and Transportation	482.33	369.78
Advertisement and Sales Promotion	132.89	79.66
Conversion Charges	56.98	51.68
Tyre Servicing & Retreading Charges	17.64	29.90
Legal & Professional Charges	81.24	82.26
Repair & Maintenance Expenses	56.51	44.64
Insurance	25.26	19.58
Lease Rent	18.69	15.88
Loss on Sale of Fixed Assets (Net)	0.06	-
Allowance for Doubtful Debts / Advances	8.00	2.50
Corporate Social Responsibility Expenses	5.04	2.90
Miscellaneous Expenses	276.94	242.30
	1805.02	1404.42

Note - 32

Estimated amount of contracts remaining to be executed on capital account ₹270.92 crores (Previous year: ₹196.81 crores).

Note - 33

The Company imported certain equipment under Export Promotion Capital Goods (EPCG) Scheme at a concessional custom duty resulting in a saving of ₹23.59 crores, against which export obligation will be fulfilled.

Note - 34

Contingent liabilities in respect of claims not accepted and not provided for ₹199.01 crores (Previous year: ₹177.76 crores), pertaining to matters in appeal for Excise & Customs duty ₹93.45 crores, Service Tax ₹1.13 crores, Sales Tax ₹2.61 crores, Income Tax ₹13.74 crores & others ₹88.08 crores (Previous year: ₹99.28 crores, ₹0.76 crore, ₹2.65 crores, ₹4.97 crores & ₹70.10 crores respectively).

Note - 35

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 has filed an Appeal before the Hon'ble National Company Law Appellate Tribunal against the said CCI Order and the matter is currently pending. 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.

Notes to the consolidated 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)

Particulars	As at 31.03.2022	As at 31.03.2021
Raw Material Consumption	0.22	-
Stores & Spares	0.02	-
Employee Benefit Expenses	2.30	1.60
Finance Cost	-	6.84
Power & Fuel Consumption	0.20	-
Miscellaneous Expenditure	0.90	1.01
	3.64	**9.45**
Add: Expenditure upto previous year	22.92	41.57
	26.56	**51.02**
Less: Transferred to Property, Plant and Equipment	25.87	28.10
	0.69	**22.92**

b) Ageing of Capital work in progress and Intangible asset under development as on 31.03.2022 & 31.03.2021 is as follows:

₹ in Crores (10 Million)

Category	Particulars	Amount in Capital Work-in-Progress for a period of				TOTAL
		Less than1 year	1-2 years	2-3 years	More than 3 years	
Capital work in progress	**As at 31.03.2022**					
	o Projects in progress	100.56	-	-	-	100.56
	As at 31.03.2021					
	o Projects in progress	115.39	132.16	31.71	7.16	286.42
Intangible asset under development	**As at 31.03.2022**					
	o Projects in progress	2.59	3.08	-	-	5.67
	As at 31.03.2021					
	o Projects in progress	4.65	8.05	-	-	12.70

No Project was temporarily suspended by the Company as at 31.03.2022 and 31.03.2021.

c) The Completion schedule of capital-work-in progress and intangible asset under development, whose completion is overdue or has exceeded its cost compared to its original plan, is as given hereunder:

₹ in Crores (10 Million)

Name of Project	Particulars	To be completed in			
		Less than1 year	1-2 years	2-3 years	More than 3 years
Normal Capex	31.03.2022	-	-	-	-
	31.03.2021	6.17	-	-	-

Note - 37

The Company has lease contracts for various assets, land, buildings and plant & equipment. These are recognised as Right of use assets and lease liabilities, in accordance with accounting policy of the Company.

a) The movements in Right of use assets is shown in Note No. 2, Property, Plant & Equipment.

b) The movement in lease liabilities (including in Other Financial Liabilities) during the year is as follows:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
As at beginning of the year	144.21	186.38
Additions	13.01	16.60
Accretion of Interest	12.57	16.75
Less: Payments	(63.28)	(70.85)
Less: Discount Received	(0.09)	(0.32)
Less: Leases Terminated	(1.25)	(4.43)
Add: Foreign Currency Translation Difference	0.01	0.08
Balance at the end of the year	105.18	**144.21**
Current	65.00	50.23
Non-current	40.18	93.98

c) The amounts recognised in profit and loss during the year:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Depreciation expenses of right of use assets	56.54	55.65
Interest expense on Lease liabilities	12.57	16.75
Lease Rent recognised as expenses for short term leases	13.22	10.40
Lease Rent recognised as expenses for low value asset leases	5.47	5.48
	87.80	**88.28**

d) Cash outflows in regard to Lease contracts, as Leasee:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Operating activities		
Short term / low value assets Lease payments	18.69	15.88
Financing activities		
Repayment of Principal portion of Lease Liabilities	50.80	54.42
Repayment of Interest portion of Lease Liabilities	12.57	16.75

e) The contractual maturities of lease liabilities as at year 31st March, 2022 and 31st March, 2021 on undiscounted basis are given below:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Not later than one year	48.14	59.73
Later than one year and not later than five years	67.02	104.97
Later than five years	5.61	5.88

Note - 38

Debts / Advances include ₹85.52 crores (Previous year: ₹77.39 crores) for which legal and other necessary action has been taken.

Note - 39

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 - 40 Expenditure on Research and Development (R&D) Activities during the year

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
i) Revenue Expenditure*		
1. Employee Cost	24.61	22.02
2. Cost of Materials and Testing Charges	49.65	46.17
3. Other R&D Expenses	13.33	18.41
Subtotal (i)	87.59	**86.60**
ii) Capital Expenditure	1.72	1.36
Total (i+ii)	89.31	**87.96**

* Included in respective revenue accounts.

Note - 41

Exceptional items include net impact of favorable foreign exchange fluctuation ₹13.95 crores (Previous year: ₹40.35 crores) and expenditure on VRS for the employees ₹10.35 crores (Previous Year: ₹2.87 crores).

Note - 42

The Company has evaluated impact of COVID-19 pandemic on its business, performance and financials. The Company expects to recover the carrying amount of various assets and to maintain sufficient liquidity. The impact of subsequent developments, if any, occurring after approval of these financial statements will be recognized prospectively.

Note - 43 Earnings per Share (EPS)

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
a. Profit for the year attributable to equity shareholders	210.02	319.34
b. Weighted average number of Equity Shares for Basic / Diluted EPS	24,62,30,880	24,62,30,880
c. Earnings per share of ₹2 each		
- Basic / Diluted (₹)	8.53	12.97

Notes to the consolidated financial statements

Note - 44

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

(a) Defined Benefit Plan for Indian operations:

(i)

₹ in Crores (10 Million)

Particulars	Leave Encashment (Non-Funded)		Gratuity (Funded)	
	2021-2022	2020-2021	2021-2022	2020-2021
I Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	41.73	43.10	168.54	162.42
2) Current Service Cost	6.37	4.94	10.93	10.47
3) Past Service Cost	-	(0.64)	-	-
4) Interest Cost	2.71	2.71	10.10	10.30
5) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	(2.27)	0.82	(7.99)	2.78
- experience variance (i.e. actual experience vs assumptions)	8.54	7.55	12.22	(0.04)
6) Benefit Paid	(13.14)	(16.75)	(26.34)	(17.39)
7) Present Value of Obligation as at the end	43.94	**41.73**	167.46	**168.54**
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	161.74	139.74
2) Investment Income	-	-	10.24	9.58
3) Employer's Contribution	-	-	18.09	23.88
4) Benefits Paid	-	-	(26.34)	(17.39)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	1.25	5.93
6) Fair value of Plan Assets as at the end	-	**-**	164.98	**161.74**
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	6.37	4.94	10.93	10.47
2) Past Service Cost	-	(0.64)	-	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	2.71	2.71	(0.14)	0.72
4) Expenses recognised in the Income Statement	9.08	**7.01**	10.79	**11.19**
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	(2.27)	0.82	(7.99)	2.78
- experience variance (i.e. actual experience vs assumptions)	8.54	7.55	12.22	(0.04)
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(1.25)	(5.93)
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	6.27	**8.37**	2.98	**(3.19)**

₹ in Crores (10 Million)

Particulars	Leave Encashment (Non-Funded) 2021-2022	Leave Encashment (Non-Funded) 2020-2021	Gratuity (Funded) 2021-2022	Gratuity (Funded) 2020-2021
V Actuarial Assumptions				
1) Discount Rate	7.30% - 6.90%	6.50%	7.30%-6.90%	6.50%
2) Expected rate of return on Plan Assets	-	-	7.30%-6.90%	6.50%
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. 29.

(ii)

₹ in Crores (10 Million)

Particulars	Leave Encashment 2021-22	2020-21	2019-20	2018-19	2017-18	Gratuity 2021-22	2020-21	2019-20	2018-19	2017-18
Present Value of Defined Benefit Obligation	43.94	41.73	43.10	38.26	33.63	167.46	168.54	162.42	151.09	132.48
Fair Value of Plan Assets	-	-	-	-	-	164.98	161.74	156.68	145.42	140.38
Surplus / (Deficit)	(45.94)	(41.73)	(43.10)	(38.26)	(33.63)	(2.48)	(6.80)	(5.74)	(5.67)	7.90
Experience adjustment on Plan Liabilities (Gain) / Loss	8.54	7.55	6.99	6.19	7.74	12.22	(0.04)	2.06	7.81	3.47
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	(1.25)	(5.93)	2.82	(0.17)	1.09

(iii) **Sensitivity analysis**

Reasonably possible changes at the year end, to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as the amounts shown below:-

₹ in Crores (10 Million)

Particulars	Leave Encashment 31st March 2022 Decrease	31st March 2022 Increase	31st March 2021 Decrease	31st March 2021 Increase	Gratuity 31st March 2022 Decrease	31st March 2022 Increase	31st March 2021 Decrease	31st March 2021 Increase
Discount Rate (- / + 1%)	49.68	41.21	46.29	37.92	182.75	154.42	183.88	155.49
Salary Growth Rate (- / + 1%)	41.12	49.72	37.85	46.30	154.49	182.31	155.58	183.45
Attrition Rate (- / + 1%)	44.54	45.73	41.35	42.18	165.78	169.62	167.39	169.96
Mortality Rate (- / + 10% of mortality rates)	45.06	45.11	41.72	41.75	167.39	167.54	168.49	168.59

(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, 2022 of ₹8.95 crores (Previous year: ₹7.88 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 29)

Notes to the consolidated financial statements

(vii) Maturity Profile of Defined Benefit Obligation:

₹ in Crores (10 Million)

Particulars	Leave Encashment 2021-2022	Leave Encashment 2020-2021	Gratuity 2021-2022	Gratuity 2020-2021
Within next 1 Year	5.07	5.33	14.48	14.43
Between 2 - 5 Years	15.06	13.07	69.23	70.19
Between 6 - 10 Years	21.47	19.63	86.49	86.71
More than 10 Years	127.93	110.72	218.82	180.63

b) **Defined Benefit Plan for Foreign operation:**

₹ in Crores (10 Million)

Particulars	Gratuity (Non-Funded) 2021-2022	Gratuity (Non-Funded) 2020-2021
I Change in the Present Value of Obligation		
1) Present Value of Defined Benefit Obligation at the beginning of the year	50.20	38.37
2) Current Service Cost	6.21	4.27
3) Past Service Cost	(6.23)	-
4) Interest Expense or Cost	3.51	2.77
5) Remeasurement (or actuarial) (gain) / loss arising from:		
- change in financial assumptions	(0.21)	(0.27)
- experience variance (i.e. actual experience vs assumptions)	(2.81)	1.16
6) Benefit Paid	(5.72)	(1.57)
7) Foreign Currency Translation Difference	3.00	5.47
8) Present Value of Obligation as at the end	47.95	**50.20**
II Expenses recognised in the Statement of Profit & Loss Account *		
1) Current Service Cost	6.21	4.27
2) Past Service Cost	(6.23)	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	3.51	2.77
4) Expenses recognised in the Income Statement	3.49	**7.04**
III Other Comprehensive Income		
1) Actuarial (Gains) / Losses		
- change in financial assumptions	(0.21)	(0.27)
- experience variance (i.e. actual experience vs assumptions)	(2.81)	1.16
2) Components of Defined Benefit Costs recognised in Other Comprehensive Income	(3.02)	**0.89**
IV Actuarial Assumptions:		
1) Discount Rate	7.65%	6.10%
2) Expected rate of return on Plan Assets	-	-
3) Mortality	Mexican Experience 2000	
4) Salary Escalation	6.56%	6.00%

* Included under the head Employee Benefits Expense – Refer Note No. 29.

Notes to the consolidated financial statements

Note - 45 Revenue Recognised under Contracts:

a) The disaggregation of revenue earned under contracts as per Ind AS-115 is as follows:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Category-wise:		
Revenue recognised at the point of time:		
Tyres, Tubes & Flaps	11666.16	8918.60
Other goods	143.72	82.81
Revenue recognised over the period of time:		
Services	43.02	41.64
	11852.90	9043.05
Geography-wise:		
Within India	8332.81	6968.55
Outside India	3520.09	2074.50
	11852.90	9043.05

b) Revenue-related receivables and contract liabilities at the year end:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade receivables (Refer Note No. 11)	1979.86	1575.42
Contract liabilities (Refer Note No. 24)	34.21	27.64

c) Reconciling the amount of revenue recognised during the year in the statement of profit and loss with the contracted price:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Revenue as per contracted price	12334.82	9516.22
Reductions towards variable consideration components*	(481.92)	(473.17)
Revenue from contracts with customers	11852.90	9043.05

* 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 ₹30.63 crores (Previous year: ₹22.08 crores).

Note - 46 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)

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 30th 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
(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 Sanjeev Aggarwal	Chief Financial Officer
(xiv)	Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary
(xv)	Shri Ashok Kumar Kinra	Non-Executive Director of BACL-H

e) Post-Employment Benefit Plan Entities:

JK Tyre & Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata (JKEPFK)

JK Tyre & Industries Ltd. Officers Superannuation Fund, Kolkata (JKOSFK)

JK Tyre & Industries Ltd. Employees Gratuity Fund, Kolkata (JKEGFK)

JK Tyre & Industries Ltd. Employees Provident Fund Trust, Mysuru (JKEPFV)

JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust, Mysuru (JKOSFV)

JK Tyre & Industries Ltd. Employees Gratuity Fund Trust, Mysuru (JKEGFV)

CIL Employees Gratuity Fund, Kolkata (CILEGF)

f) Other Related Party (with which, the Company has transactions):

Niyojit Properties Pvt. Ltd. (NPPL – controlled by KMP of BACL-H)

CMDS (One Person Company controlled by Dr. Wolfgang Holzbach)

(I) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 312.41, WTI- 167.76, JKLCL			**480.21**		**480.21**
Sale of Tyres to VPL- 239.38, WTI- 39.89, JKLCL			(279.28)		(279.28)
Sale of Goods to TREEL			**0.13**		**0.13**
Sale of Goods to JKFIL, TREEL		(0.09)	(1.69)		(1.78)
Purchase of Goods from JKFIL, VPL-115.72, TREEL-8.84, JKLCL		**0.03**	**124.71**		**124.74**
Purchase of Goods from JKFIL, VPL-13.19, TREEL		(0.05)	(22.50)		(22.55)
Sharing of Expenses received from BACL-H, JKFIL-0.88, JKAGL, HASETRI-4.18, JKPL-0.91, JKLCL	**0.02**	**0.97**	**5.89**		**6.88**
Sharing of Expenses received from BACL-H, JKFIL-0.76, JKAGL, HASETRI-3.50, JKPL-0.74, JKLCL	(0.02)	(0.83)	(4.87)		(5.72)
Sharing of Expenses paid to BACL-H, JKLCL-0.38, JKPL-0.10, TREEL, NPPL	**0.76**		**0.49**	**0.54**	**1.79**
Sharing of Expenses paid to BACL-H, JKLCL-0.44, JKPL-0.15, TREEL, NPPL	(0.75)		(0.64)	(0.54)	(1.93)
Services Availed - JKFIL, HASETRI-28.56, VPL- 0.20, JKLCL-(₹4600), CMDS		**16.46**	**28.76**	**0.03**	**45.25**
Services Availed - JKFIL, HASETRI-41.92, VPL- 2.15, TREEL		(17.42)	(44.07)		(61.49)
Services Rendered to VPL			**0.82**		**0.82**
Services Rendered to VPL			(1.11)		(1.11)
Redemption of JKFIL's Preference Shares		**28.63**			**28.63**
Interest from JKFIL		**2.94**			**2.94**
Interest from JKFIL		(3.89)			(3.89)
Interest Paid to VPL			**0.01**		**0.01**
Interest Paid to VPL			(0.04)		(0.04)
Royalty income from VPL			(0.01)		(0.01)
Dividend from JKFIL		**0.60**			**0.60**
Dividend from JKFIL		(0.70)			(0.70)
Contribution to HASETRI			**10.00**		**10.00**
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**
Contribution to Trusts- JKEPFK- 7.45, JKOSFK- 0.49, JKEGFK- 2.23, JKEPFV - 18.90, JKOSFV- 0.25, JKEGFV-2.59, CILEGF				(35.09)	(35.09)
Outstanding as at year end:					
Due from WTHI – 0.77			**0.77**		**0.77**
Advances to HASETRI – 13.49, TREEL – 3.68			**17.17**		**17.17**
Advances to HASETRI - 7.85			(7.85)		(7.85)
Trade Receivables:					
- VPL – 253.63, WTI – 40.38			**294.01**		**294.01**
- VPL – 170.42, WTI – 14.59			(185.01)		(185.01)

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Other Receivables:					
- BACL-H – 0.66, JKFIL-26.09, JKPL-0.24, HASETRI-(₹41897), JKEGFV-5.96, JKEGFFK-4.85, NPPL-0.54	**0.66**	**26.09**	**0.24**	**11.35**	**38.24**
- BACL-H – 0.66, JKFIL-33.90, VPL-14.72, JKEGFV-4.83, NPPL-0.54	(0.66)	(33.90)	(14.72)	(5.37)	(54.65)
Loan from VPL – 0.77			(0.77)		(0.77)
Other Payables:					
- VPL – 24.77, CILEGF – 13.29, JKOPFV – 0.19			**24.77**	**13.48**	**38.25**
- VPL – 2.45, TREEL – 0.74, HASETRI – 0.21, CILEGF – 11.42, JKEGFK – 0.20, JKOSFV – 0.01			(3.40)	(11.63)	(15.03)

Figures in brackets represent amounts pertaining to previous year.

(II)

₹ in Crores (10 Million)

Remuneration paid to Key Managerial Personnel	2021-2022	2020-2021
Short-term Employee Benefits	36.65	47.29
Post-employment Benefits*	0.46	0.44
Other Payments	4.02	1.66
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 - 47 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)

Particulars	India		Mexico		Others		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
1. Revenue								
Total Sales	10352.83	8218.87	2119.14	1133.48	1.43	1.88	12473.40	9354.23
Inter Segment Sales	(489.83)	(251.26)	-	-	(0.61)	(0.77)	(490.44)	(252.03)
External Revenue from Operation	9863.00	7967.61	2119.14	1133.48	0.82	1.11	11982.96	9102.20
Other Income	35.34	41.16	1.17	1.85	0.05	0.06	36.56	43.07
Total Revenue	9898.34	**8008.77**	2120.31	**1135.33**	0.87	**1.17**	12019.52	**9145.27**

₹ in Crores (10 Million)

Particulars	India		Mexico		Others		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020-2021
2. Result								
Segment Result (PBIT) before Exceptional Items	582.44	937.20	142.06	25.70	(0.00)	(0.18)	724.50	962.72
Less: Finance Costs	401.22	438.67	17.85	27.12	0.02	0.06	419.09	465.85
Profit / (Loss) before Exceptional Items	181.22	**498.53**	124.21	**(1.42)**	(0.02)	**(0.24)**	305.41	**496.87**
Exceptional Items	(3.41)	34.89	6.95	2.67	0.06	(0.08)	3.60	37.48
Profit / (Loss) before Tax	177.81	**533.42**	131.16	**1.25**	0.04	**(0.32)**	309.01	**534.35**
Less: Income Taxes	59.63	194.48	49.07	6.43	0.01	-	108.71	200.91
Profit / (Loss) after Tax	118.18	**338.94**	82.09	**(5.18)**	0.03	**(0.32)**	200.30	**333.44**
Share of Profit in Associates	(0.27)	0.09	0.68	(0.52)	0.53	(2.08)	0.94	(2.51)
Less: Non-controlling Interest	(8.78)	11.59	-	-	-	-	(8.78)	11.59
Net Profit	126.69	**327.44**	82.77	**(5.70)**	0.56	**(2.40)**	210.02	**319.34**
3. Other Information								
Segment Assets	10772.08	9809.91	1415.89	1118.97	59.68	57.81	12247.65	10986.69
Segment Assets include:								
- Investments accounted for using Equity Method	6.54	6.81	-	-	55.30	53.10	61.84	59.91
Capital Expenditure	307.25	182.52	36.22	15.92	-	0.01	343.47	198.45
Depreciation & Amortisation	339.80	342.14	44.92	43.92	0.64	0.63	385.36	386.69
Segment Liabilities	8458.89	7504.23	840.82	702.05	0.47	1.38	9300.18	8207.66

c. **Major Customer:**

Revenue from one customer of the group is ₹839.27 crores (Previous Year: Nil), which is more than 10 percent of the Company's total revenue and belongs to Business Unit – India (Previous Year: None).

Note - 48 Dividends

The following dividends were declared and paid by the company during the year:

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
For the year ended 31st March, 2021 - 100% i.e. ₹2.00 per equity share, (31st March, 2020 - 35% i.e. ₹0.70)	49.25	17.24

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)

Particulars	2021-2022	2020-2021
For the year ended 31st March, 2022 – 75% i.e. ₹1.50 per equity share (31st March, 2021 – 100% i.e. ₹2.00)	36.93	49.25

Notes to the consolidated financial statements

Note - 49 Income Tax

(A) Amounts recognised in Statement of Profit and Loss

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Current Tax	160.21	140.06
Deferred Tax - Relating to Origination and Reversal of Temporary Differences	(51.50)	53.28
- MAT Credit Entitlement	-	7.57
Total Deferred Tax	(51.50)	**60.85**
Income Tax Expense Reported in the Statement of Profit or Loss	108.71	**200.91**

(B) Income Tax recognised in Other Comprehensive Income

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Deferred tax on Re-measurement Losses on Defined Benefit Plans	(2.33)	(2.07)

(C) Reconciliation of Effective Tax Rate

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Accounting Profit Before Income Tax	309.01	534.35
At applicable Statutory Income Tax Rate @ 34.944%	107.98	186.72
Differential Tax Rates of Subsidiaries	(13.88)	(13.96)
Others	14.61	7.16
Income Tax Expense (without taking effect of Deferred Tax Reversal pertaining to earlier years) (A)	108.71	**179.92**
Effective Tax Rate	35.18%	33.67%
Reversal of Deferred Tax Liabilities and MAT Credit Entitlement pertaining to earlier years* **(B)**	-	20.99
Income Tax Expense reported for the year (A+B)	108.71	**200.91**

* In view of reduction in Corporate Tax Rate to 22% (effective 25.17% including Surcharge & Education Cess) as per Taxation Laws (Amendment) Ordinance, 2019 issued on 20th September, 2019 read with Notification dated 1st October 2020 and based upon expert opinion, CIL re-assessed Deferred Tax Liability @25.17% (as against 34.94% earlier). Accordingly, during the previous year, reversal had been made for MAT credit of ₹7.57 crores and Deferred Tax Liability of ₹13.42 crores no longer required.

(D) Reconciliation of Deferred Tax Liabilities (Net)

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance	322.06	202.95
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	(51.50)	60.85
Other Comprehensive Income	(2.33)	(2.07)
Foreign Currency Translation Difference	0.23	1.90
Deferred Tax Liabilities / (Assets)	268.46	**263.63**
MAT Credit Utilisation	49.74	58.43
Deferred Tax Liabilities (Net)	318.20	**322.06**

Note - 50 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	25.20	25.20	21.24	21.24
- Others	19.47	19.47	5.33	5.33
(b) At Amortised Cost				
- Investments	45.71	45.71	65.87	65.87
- Trade Receivables	1979.86	1979.86	1575.42	1575.42
- Others	502.64	502.64	445.80	445.80
Total	2572.88	2572.88	**2113.66**	**2113.66**
(ii) Financial Liabilities				
(a) At Fair Value through Profit and Loss	-	-	3.55	3.55
(b) At Amortised Cost				
- Borrowings	5115.20	5115.20	4656.49	4656.49
- Trade Payables	2188.52	2188.52	1574.07	1574.07
- Others	1137.96	1137.96	1260.63	1260.63
Total	8441.68	8441.68	**7494.74**	**7494.74**

The following methods and assumptions were used to estimate the fair values:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

Notes to the consolidated financial 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, 2022 and 31st March 2021:

₹ in Crores (10 Million)

Particulars	Level 1	Level 2	Level 3
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	-
31st March, 2021			
Financial Assets			
- Quoted Equity Shares	3.08	-	-
- Unquoted Equity Shares	-	-	5.22
- Unquoted Preference Shares	-	-	12.09
- Mutual Funds	0.85	-	-
- Forward Contracts	-	5.33	-
Financial Liabilities			
- Option Contracts	-	3.55	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2022.

Note - 51

The fair value of Investment property as per registered valuer report as at 31st March, 2022 is ₹13.07 crores (as at 31st March, 2021: ₹12.41 crores) after considering the rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions.

Note - 52 Financial Risk Management Objectives And Policies

The Company activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
  - **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

    After taking cognisance the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on the Company's profit before tax due to changes in the foreign exchange rate is as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(4.52)	(4.11)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	4.52	4.11

Forward Contracts for hedging Receivables: US $ 121.80 Million (Previous year: US $ 97.68 Million) are outstanding as at 31.03.2022.

Foreign currency exposure unhedged net payable is ₹1368.71 crores – US $ 180.71 Million (Previous year: ₹1207.67 crores – US $ 164.67 Million) as at 31.03.2022.

- **Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost-effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(12.79)	(11.64)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	12.79	11.64

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, bead wire rubber chemicals etc., To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

- **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

  - **Trade Receivables:** Customer credit risk is managed based on the Company's established policy, procedures and controls. The Company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well- defined sales policy to 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, 2022 and 31st March, 2021:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	22.08	18.54
Add: Provision created during the Year	8.00	2.50
Foreign Currency Translation Difference	0.55	1.04
Balance at the End	**30.63**	**22.08**

  - **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

- **Liquidity Risk:** Liquidity risk is the risk where the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises maturity profile of the Company's financial liabilities based on contractual payments:

₹ in Crores (10 Million)

Particulars	Upto 5 years	> 5 years
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
As at 31st March 2021		
Borrowings *	3525.69	1130.80
Trade and Other Payables	1574.07	-
Lease Liabilities	134.71	9.50
Other Financial Liabilities	507.91	612.06
Total	**5742.38**	**1752.36**

* Including working capital facility from consortium banks renewed every year.

Note - 53 Capital Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce capital, as the case may be.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net Debt is calculated as borrowings less cash and cash equivalents.

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Borrowings	5115.20	4656.49
Less: Cash and Cash equivalents	94.05	88.66
Net debt	**5021.15**	**4567.83**
Equity Share Capital	49.25	49.25
Other Equity	2799.06	2623.49
Total Capital	**2848.31**	**2672.74**
Capital and Net Debt	**7869.46**	**7240.57**
Gearing Ratio	**63.81%**	**63.09%**

Note - 54 Material Non-Controlling Interest in Subsidiary

Summarised financial information of Cavendish Industries Limited, which has material non-controlling interest:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Assets		
Non-current Assets	2622.74	2642.47
Current Assets	1123.95	890.88
Liabilities		
Non-current Liabilities	1631.51	1789.04
Current Liabilities	1323.40	962.35
Equity	791.78	781.96
Percentage of Ownership held by Non-controlling Interest	12.52%	13.59%
Accumulated Non-controlling interest	**99.16**	**106.29**

₹ in Crores (10 Million)

Particulars	2021-2022	2020-2021
Revenue	2988.34	2570.72
Net Profit / (Loss)	(64.61)	85.26
Other Comprehensive Income	0.07	(0.06)
Total Comprehensive Income	(64.54)	85.20
Total Comprehensive Income allocated to Non-controlling Interests	**(8.77)**	**11.58**

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Net Cash Inflow / (Outflow) from Operating Activities	125.63	174.81
Net Cash Inflow / (Outflow) from Investing Activities	(83.15)	(106.08)
Net Cash Inflow / (Outflow) from Financing Activities	(42.97)	(57.39)
Net Cash Inflow / (Outflow)	(0.49)	11.34

Notes to the consolidated financial statements

Note - 55 Interest in Associates

The summarised aggregate financial information of individually immaterial associates as follows:

₹ in Crores (10 Million)

Particulars	As at 31.03.2022	As at 31.03.2021
Carrying Amount of Interests in Associates	75.26	72.00
Share in Profit / (Loss)	0.94	(2.51)
Share in Total Comprehensive Income	0.94	(3.57)

Note - 56 Consolidated Net Assets and Share in Consolidated Profit & Loss

₹ in Crores (10 Million)

Sl. No.	Name of the entity	Net Assets, (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
1	2	3	4	5	6	7	8	9	10
A	**Parent**								
	JK Tyre & Industries Limited	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 Tornel SA de CV & its Subsidiaries**	20.19%	575.38	39.10%	82.09	130.64%	18.76	44.95%	100.85
6.1	JK Tornel S.A. de C.V. (JKTSA)	-8.60%	(245.06)	31.94%	67.07	0.00%	-	29.89%	67.07
6.2	Comercializadora América Universal, S.A. de C.V.*	0.00%	(0.06)	0.03%	0.06	0.00%	-	0.03%	0.06
6.3	Compañía Hulera Tacuba, S.A. de C.V.*	1.69%	48.25	1.25%	2.62	0.00%	-	1.17%	2.62
6.4	Compañía Hulera Tornel, 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	0.00%	-	1.23%	2.75
6.6	General de Inmuebles Industriales, S.A. de C.V.*	0.22%	6.40	0.16%	0.33	0.00%	-	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 Tornel, S.A. de C.V.*	0.12%	3.39	0.44%	0.92	0.00%	-	0.41%	0.92
	Less: Non-controlling Interest[@]	-3.48%	(99.16)	4.18%	8.78	-0.07%	(0.01)	3.91%	8.77

₹ in Crores (10 Million)

Sl. No.	Name of the entity	Net Assets, (i.e., total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
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.

Note - 57

Figures less than ₹50000 have been shown at actual in bracket.

Note - 58

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

Note - 59

Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

P. K. RUSTAGI
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2022

₹ in Crores (10 Million)

Sl. No.	Particulars	2021-2022	2020-2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Tax	309.01	534.35
	Adjustment for:		
	Depreciation and Amortisation Expense	385.36	386.69
	Finance Costs	419.09	465.85
	(Profit) / Loss on sale of Property, Plant and Equipment	0.06	(0.82)
	Fair Value Changes in Non-current Investments	(2.64)	(3.70)
	Unrealised Foreign Exchange Fluctuation	(20.13)	(117.79)
	Foreign Currency Translation gain / (loss) on Consolidation	(4.69)	2.52
	Interest / Dividend Received	(27.92)	(34.01)
	Allowance for Doubtful Debts / Advances and Bad debts written off	8.00	2.50
	Operating Profit before Working Capital changes	1066.14	**1235.59**
	(Increase) / Decrease in Trade and Other Receivables	(553.20)	398.10
	(Increase) / Decrease in Inventories	(627.82)	(150.66)
	Increase / (Decrease) in Trade and Other Payables	530.76	204.34
	Cash generated from Operations	415.88	**1,687.37**
	Direct Taxes (net)	(69.83)	(88.93)
	Net Cash from Operating Activities	346.05	**1,598.44**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, Plant and Equipment	(314.21)	(193.09)
	Sale of Property, Plant and Equipment	22.21	33.37
	Redemption of Investments	25.00	-
	Purchase of Investments	-	(0.21)
	Deposit Accounts with Banks	(5.74)	(7.54)
	Interest Received	26.86	28.85
	Dividend Received	0.60	0.70
	Net Cash used in Investing activities	(245.28)	**(137.92)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds / (Utilisation) from Short-term Borrowings (Net)	876.64	(817.57)
	Proceeds from Long-term Borrowings	513.32	620.17
	Repayment of Long-term Borrowings	(960.88)	(700.74)
	Payment of Lease Liabilities	(50.80)	(54.42)
	Finance Costs paid	(425.37)	(470.96)
	Dividend paid	(49.25)	(17.24)
	Transactions with Non-controlling Interest	0.15	-
	Net Cash used in Financing Activities	(96.19)	**(1440.76)**
	Net increase / (decrease) in Cash and Cash Equivalents	4.58	19.76
	Cash and Cash Equivalents as at the beginning of the year	88.66	65.39
	Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	0.81	3.51
	Cash and Cash Equivalents as at the end of the year	94.05	**88.66**

Consolidated Cash Flow Statement for the year ended 31st March, 2022

Notes:

₹ in Crores (10 Million)

Sl. No.	Particulars	2021-2022	2020-2021
1	**Cash and Cash Equivalents include:**		
	- Cash, Cheques on hand and Remittances in transit	25.43	13.89
	- Balances with Banks	67.81	71.26
	- Unrealised Translation gain / (loss) on Foreign Currency balances	0.81	3.51
	Total	94.05	**88.66**

2. Non Cash Changes in liabilities arising from financing activities:

₹ in Crores (10 Million)

Particulars	As At 31.03.2021	Cash Flows	Non- Cash Changes		As At 31.03.2022
			Foreign Exchange Movement	Others	
Short-term Borrowings	1155.57	876.64	0.04	11.97	2044.22
	(1973.64)	(-817.57)	(-37.44)	(36.94)	**(1155.57)**
Long-term Borrowings	3500.92	(447.56)	17.73	(0.11)	3070.98
	(3575.06)	(-80.57)	(-50.99)	(57.42)	**(3500.92)**
Lease Liabilities	144.21	(50.80)	0.01	11.76	105.18
	(186.38)	(-54.42)	-	(12.25)	**(144.21)**
Total Liabilities from Financing Activities	4800.70	378.28	17.78	23.62	5220.38
Previous year	**(5735.08)**	**(-952.56)**	**(-88.43)**	**(106.61)**	**(4800.70)**

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

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

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

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in Crores (10 Million)

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of Shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	J. K. International Ltd.	N.A	Pound	99.2734	1.84	(1.83)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N.A	HKD $	9.6529	1.93	0.23	3.94	3.94	0.57	0.83	0.19	-	0.19	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A	SGD $	55.8261	0.73	0.49	1.41	1.41	0.41	0.66	0.08	-	0.08	-	100.00
4	3DInnovations Pvt. Ltd.	N.A	INR	N.A	1.50	(0.82)	0.68	0.68	-	0.02	0.02	0.01	0.01	-	100.00
5	Cavendish Industries Ltd.	N.A	INR	N.A	59.97	731.81	3746.69	3746.69	-	2988.34	(86.30)	(21.69)	(64.61)	-	87.48
6	Lankros Holdings Ltd.	N.A	Euro	84.0142	36.09	45.98	82.43	82.43	80.85	0.03	0.01	-	0.01	-	100.00
7	Sarvi Holdings Switzerland AG.	N.A	CHF	81.8518	55.97	47.30	103.92	103.92	103.75	-	(0.21)	0.01	(0.22)	-	100.00
8	JK Tornel, S.A. de C.V.	N.A	MXN PESO	3.8007	70.81	(252.85)	453.22	453.22	233.36	1146.42	88.17	23.89	64.29	-	99.98
9	Comercializadora América Universal, S.A. de C.V.	N.A	MXN PESO	3.8007	0.02	3.82	4.09	4.09	-	0.09	0.08	0.02	0.06	-	99.98
10	Compañía Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	3.8007	0.38	47.77	51.97	51.97	-	6.66	3.54	0.82	2.72	-	99.98
11	Compañía Hulera Tornel, S.A. de C.V.	N.A	MXN PESO	3.8007	128.29	293.53	1102.26	1102.26	0.00	1998.86	20.94	23.32	(2.38)	-	99.98
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A	MXN PESO	3.8007	1.37	126.69	157.80	157.80	-	8.09	2.14	(0.71)	2.86	-	99.98
13	General de Inmuebles Industriales, S.A. de C.V.	N.A	MXN PESO	3.8007	0.04	38.82	47.86	47.86	-	1.96	0.07	(0.27)	0.34	-	99.98
14	Gintor Administración, S.A. de C.V.	N.A	MXN PESO	3.8007	0.01	53.10	60.49	60.49	-	31.08	14.82	3.78	11.04	-	99.98
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹ 1900)	N.A	MXN PESO	3.8007	*	13.50	16.44	16.44	-	1.72	1.03	0.07	0.96	-	99.98

Notes
1. Name of subsidiaries which are yet to commence operations - N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year - N.A.

Part "B": Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

₹ in Crores (10 Million)

Sl. No.	Name of Associates	Valiant Pacific LLC	Hari Shankar Singhania Elastomer & Tyre Research Institute (HASETRI)	Dwarkesh Energy Ltd.	Treel Mobility Solutions Pvt. Ltd.	Western Tire Holdings, Inc.
1	**Latest audited Balance Sheet Date**	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022*
2	**Share of Associates held by the Company on the year end**					
	No. of Shares	147	24	350000	3737	400
	Amount of Investment in Associates	0.21	(₹2400)	0.35	6.30	(₹26204)
	Extent of Holding %	49.00%	24.00%	35.00%	26.00%	40.00%
3	**Description of how there is significant influence**	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %
4	**Reason why the Associate is not consolidated**	N.A	HASTERI, an approved Scientific and Research Institute (a non-profit organisation) cannot be consolidated as the equity of the said Institute is not available for distribution.	N.A	N.A	N.A
5	**Networth attributable to shareholding as per latest audited Balance Sheet**	55.68	15.80@	0.38	1.36	2.07
6	**Profit / (Loss) for the year**					
	Considered in Consolidation	0.91	-	-	(0.27)	2.34
	Not Considered in Consolidation	0.94	(0.07)	-	(0.75)	3.51

* Exempt from audit.

@ Not Considered in Consolidation

1. Name of Associates which are yet to commence operations - Dwarkesh Energy Limited is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.
2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

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

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No. - 000756N

SANJEEV AGGARWAL
Chief Financial Officer

HARISH GUPTA
Partner
Membership No. - 098336
New Delhi, the 20th May, 2022

P. K. RUSTAGI
Company Secretary

Bharat Hari Singhania
Smt. Sunanda Singhania
Shreekant Somany
Kalpataru Tripathy
Bakul Jain
Smt. Meera Shankar
Arun K. Bajoria
Directors

THE DETAILS PERTAINING TO REMUNERATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022, AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Non-executive Directors: Shri Arvind Singh Mewar – 2.7, Shri Bakul Jain – 2.7, Smt. Sunanda Singhania – 2.7, Shri Kalpataru Tripathy – 2.7, Shri Vimal Bhandari – 2.7, Dr. Wolfgang Holzbach – 2.7, Shri Shreekant Somany – 2.7, Smt. Meera Shankar – 2.7 and Shri Bharat Hari Singhania (w.e.f. 1st October, 2021) – 49.1.

Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 242.6; Shri Anshuman Singhania, Managing Director – 173.7, Shri Arun K. Bajoria, Director & President - International Operations – 101.2 and Shri Bharat Hari Singhania; Managing Director (till 30th September, 2021) – 68.9.

(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 and Shri Anshuman Singhania, Managing Director decreased by 16.9% and 23.8% respectively and remuneration of Shri Arun K. Bajoria, Director & President - International Operations increased by 20.5%. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy, Shri Shreekant Somany and Smt. Meera Shankar decreased by 12.5%. 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. The remuneration of Shri Sanjeev Agarwal, Chief Financial Officer increased by 23.4% and Shri P. K. Rustagi, Company Secretary increased by 33.6%.

(c) **The percentage increase in the median remuneration of employees in the financial year:** 1.6%

(d) **The number of permanent employees on the rolls of the Company:** 5,904

(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 2021-22, average increase in the salaries of employees other than the Managerial Personnel was 6.8% and decrease for Managerial Personnel was 36.5%.

(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.

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
Recognition of Revenue The Group recognizes revenue at the point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In determining the transaction price for the sale, the Group considers the effects of variable consideration and consideration receivable from the customer. For the year ended 31st March, 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. Refer Note No. 29 of the Consolidated Financial Statements.	**Principal Audit Procedures** • We performed process walkthrough to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements. • Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Group. • We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind AS 115 requirements. • We performed a detailed testing on transactions, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized in revenue focusing on unusual or irregular transactions. • We validated the appropriateness and completeness of the related disclosures in Note No. 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.

- 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

(a) 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.

(b) 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 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

1. 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.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 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.

f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company, its subsidiary companies and its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statement of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note No. 36, 37 and 41 to the consolidated financial statements.

ii. The Group and its associates have made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries and its associates incorporated in India.

iv. (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.

(b) 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.

(c) 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)

	Note No.	As at 31.03.2023	As at 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

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

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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

P. K. RUSTAGI
Company Secretary

Consolidated 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	29	14644.94	11982.96
II.	Other Income	30	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	31	1218.02	1065.35
	Finance Costs	32	454.50	419.09
	Depreciation and Amortisation Expense		407.06	385.36
	Other Expenses	33	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	43	(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 (₹)	44	10.64	8.53

The accompanying notes are an integral part of the financial statements.

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

Bharat Hari Singhania (DIN: 00041156)
Smt. Sunanda Singhania (DIN: 02356376)
Vimal Bhandari (DIN: 00001318)
Shreekant Somany (DIN: 00021423)
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Arun K. Bajoria (DIN: 00026540)
Directors

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

P. K. RUSTAGI
Company Secretary

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	Securities Premium	Capital Reserve	Capital Redemption Reserve	Legal Reserve	General Reserve	Retained Earnings: Surplus in P/L Statement	Retained Earnings: Re-measurement losses on defined benefit plans	Other Comprehensive Income: Exchange differences on translating the financial statements of foreign operations	Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
As at 1st 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: Surplus in P/L Statement	Retained Earnings: Re-measurement losses on defined benefit plans	Other Comprehensive Income: Exchange differences on translating the financial statements of foreign operations	Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests (NCI)	Total
As at 1st 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	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. The equity shares to be alloted 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. 19.
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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

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)
} *Directors*

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 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 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 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

₹ in Crores (10 Million)

Particulars	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**	**8.20**	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.

Note - 3 Investment Property

₹ in Crores (10 Million)

Particulars	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

₹ in Crores (10 Million)

Particulars	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]

₹ in Crores (10 Million)

	As at 31.03.2023		As at 31.03.2022	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
Associate Companies:				
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*				

₹ 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)

Note - 11 Investments [Current]

₹ in Crores (10 Million)

	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)*

₹ in Crores (10 Million)

	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)
	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:

₹ in Crores (10 Million)

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	TOTAL
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**

₹ 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					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	TOTAL
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

₹ in Crores (10 Million)

	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
	173.15	**94.05**

Note - 14 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*	91.04	79.85
	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 aganist 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]

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Unsecured, Considered Good:		
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
	171.94	**208.84**

Note - 16 Current Tax Assets (Net)

₹ in Crores (10 Million)

	As at 31.03.2023	As at 31.03.2022
Current Tax Assets (Net)	110.00	79.93
	110.00	**79.93**

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 constitutents 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.

(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, Uttrakhand, 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 Uttrakhand.

Note - 24 Trade Payables [Current]

₹ in Crores (10 Million)

Particulars	Not Due as on 31.03.2023	Outstanding as at 31.03.2023 for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(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**

₹ 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				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
(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
Liabilites 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**

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:

₹ in Crores (10 Million)

Category	Particulars	Amount in Capital Work-in-Progress for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
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 31.03.3022.

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.

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

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:

(i)

₹ 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)

₹ 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	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:-

₹ in Crores (10 Million)

	Leave Encashment				Gratuity			
	31st March 2023		31st March 2022		31st March 2023		31st 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:

₹ in Crores (10 Million)

	Leave Encashment		Gratuity	
	2022-2023	2021-2022	2022-2023	2021-2022
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

(b) Defined Contribution Plans:

₹ in Crores (10 Million)

		Gratuity (Non-Funded)	
		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	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:		
Revenue recognised at the point of time:		
Tyres, Tubes & Flaps	14317.94	11666.16
Other goods	147.95	143.72
Revenue recognised over the period of time:		
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)

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 30th 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 25th 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 2nd 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)

(I) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Associates	Other Related Parties	TOTAL
Sale of Tyres to VPL- 345.03, WTI- 218.96, WTHI-3.57, JKLCL			567.63		**567.63**
Sale of Tyres to VPL- 312.41, WTI- 167.76, JKLCL			(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, JKLCL		0.13	155.92		**156.05**
Purchase of Goods from JKFIL, VPL-115.72, TREEL-8.84, JKLCL		(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, JKLCL	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, JKLCL	(0.02)	(0.97)	(5.89)		**(6.88)**
Sharing of Expenses paid to BACL-H, JKFIL, JKLCL-0.59, JKPL-0.63, TREEL, NPPL	0.99	0.06	1.23	0.83	**3.11**
Sharing of Expenses paid to BACL-H, JKLCL-0.38, JKPL-0.10, TREEL, NPPL	(0.76)		(0.49)	(0.54)	**(1.79)**
Services Availed - JKFIL, HASETRI-28.46, VPL- 0.22, JKLCL		15.77	28.70		**44.47**
Services Availed - JKFIL, HASETRI-28.56, VPL- 0.20, JKLCL- (₹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, JKEGFFK-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.

(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

₹ 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 31st March, 2022 - 75% i.e. ₹1.50 per equity share, (31st 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 31st March, 2023 –100% i.e. ₹2.00 per equity share (31st 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**

(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:

1. Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.

4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

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.

- **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.

- o **Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres and therefore require a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, bead wire rubber chemicals etc., To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.

- **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

  - o **Trade Receivables:** Customer credit risk is managed based on the Company's established policy, procedures and controls. The Company assesses the credit quality of the counterparties taking into account their financial position, past experience and other factors.

    Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

    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**

  - 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*	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

₹ 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	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 Tornel SA de CV & its Subsidiaries	20.19%	575.38	39.10%	82.09	130.64%	18.76	44.95%	100.85
6.1	JK Tornel 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 Tornel, 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 Tornel, 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	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.

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) *Chairman & Managing Director*
Anshuman Singhania (DIN: 02356566) *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

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) — *Chairman & Managing Director*
Anshuman Singhania (DIN: 02356566) — *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

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in Crores (10 Million)

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of Share-holding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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	Compañia Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	4.5494	0.45	68.13	69.73	69.73	-	18.02	15.23	4.28	10.95	-	99.98
11	Compañia 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	Compañia 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.

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

1. Name of Associates which are yet to commence operations - Dwarkesh Energy Limited is in the process of setting up the power project of 1320 MW in the state of Madhya Pradesh at Khandwa.

2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

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

VIJAY KUMAR
Partner
Membership No. - 092671
New Delhi, the 17th May, 2023

SANJEEV AGGARWAL
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

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

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.

Independent Auditor's Limited Review Report on Unaudited Consolidated Quarterly and year to date Financial Results of JK Tyre & Industries Limited Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors
JK Tyre & Industries Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **JK Tyre & Industries Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its share of net profit /(loss) after tax and total comprehensive income/ (loss) of its associates, for the quarter ended September 30, 2023 and for the period April 1, 2023 to September 30, 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This statement, which is the responsibility of the Holding Company's Management and approved by the holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statements includes the results of the following entities:

   (a) **<u>Subsidiaries:</u>**

   3DInnovations Private Limited
   J.K. International Limited
   J.K. Asia Pacific Limited (JKAPL)
   J.K. Asia Pacific (S) Pte Ltd (JKAPPL-Subsidiary of JKAPL)
   Cavendish Industries Limited
   Lankros Holdings Limited (LANKROS)
   Sarvi Holdings Switzerland AG (SARVI-Subsidiary of LANKROS)

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

J.K Tornel, S.A. de C.V. (JKTSA-Subsidiary of SARVI)
Comercializadora América Universal, S.A. DE C.V.*
Compañía Hulera Tacuba, S.A de C.V.*
Compañía Hulera Tornel, S.A. de C.V. (CHT)*
Compañía Inmobiliaria Norida, S.A. de C.V.*
General de Inmuebles Industriales, S.A. de C.V.*
Gintor Administración, S.A. de C.V.*
Hules Y Procesos Tornel, S.A. de C.V.*

* Subsidiary of JKTSA

(b) Associates:

Valiant Pacific L.L.C. (Associate of JKAPPL)
Dwarkesh Energy Limited
Western Tire Holdings, Inc. (Associate of CHT)
Treel Mobility Solutions Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. **Other matters:**

(a) We did not review the financial results of 9 subsidiaries and 1 associate (including 8 step down subsidiaries and 1 associate incorporated outside India) included in the unaudited consolidated financial results, whose unaudited consolidated financial results reflect total assets Rs. 6,366.33 Crores as at September 30, 2023 and total revenue of Rs. 1,973.45 Crores and Rs. 3,918.43 Crores, total net profit after tax of Rs. 67.80 Crores and Rs. 125.24 Crores and total comprehensive income of Rs. 67.58 Crores and Rs. 125.01 Crores, for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 respectively and cash outflow (net) of Rs. 21.45 Crores for the period from April 1, 2023 to September 30, 2023, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also include the Group's share of net profit of Rs. 0.28 Crores and Rs. 0.38 Crores and total comprehensive income of Rs. 0.35 Crores and Rs. 0.22 Crores in respect of 1 associate for the quarter ended September 30, 2023 and for the period from April 1, 2023 to September 30, 2023 respectively as considered in the unaudited consolidated financial results, whose financial results have not been verified by us. These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

S S KOTHARI MEHTA & COMPANY NEW DELHI CHARTERED ACCOUNTANTS

(b) The Unaudited Consolidated Financial Statement also includes the financial results of 6 subsidiaries which have not been reviewed by their auditors, whose financial results reflect total Assets of Rs. 150.03 Crores as at September 30, 2023 and total revenue of Rs. 0.02 Crore and Rs. 0.03 Crore, total net loss after tax of Rs. 0.39 Crore and Rs. 0.81 Crore and total comprehensive income/ (loss) of Rs. (0.39) Crore and Rs. (0.81) Crore for the quarter ended September 30, 2023, and for the period from April 1, 2023 to September 30, 2023 respectively and cash inflow (net) Rs. 0.34 Crore for the period from April 1, 2023 to September 30, 2023 as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also include the Group's share of net profit of Rs. 0.98 Crore and Rs. 1.56 Crore and total comprehensive income of Rs. 0.97 Crore and Rs. 1.55 Crore for the quarter ended September 30, 2023 and for the period April 1, 2023 to September 30, 2023, respectively, as considered in the unaudited consolidated financial results, in respect of 3 associates, based on their financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the group.

Our conclusion on the statement is not modified in respect of the above matters.

For **S S Kothari Mehta & Co**
Chartered Accountants
Firm Reg. No. 000756N

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

Vijay Kumar
Partner
Membership No. 092671

UDIN No: 23092671BGSIFY8988

Place: New Delhi
Date: November 01, 2023

JK TYRE & INDUSTRIES LTD.

Statement of Unaudited Consolidated Financial Results for the Quarter and Half Year Ended 30th September, 2023

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
I.	Revenue from Operations	3897.53	3718.08	3756.52	7615.61	7399.55	14644.94
II.	Other Income	7.79	8.33	7.82	16.12	14.37	36.52
III.	**Total Income (I+II)**	**3905.32**	**3726.41**	**3764.34**	**7631.73**	**7413.92**	**14681.46**
IV.	**Expenses**						
	Cost of Materials Consumed	2199.39	2171.89	2419.83	4371.28	5036.41	9600.31
	Purchases of Stock-in-trade	43.39	40.04	174.18	83.43	268.16	471.45
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	91.59	121.29	48.20	212.88	(97.32)	(60.82)
	Employee Benefits Expense	372.47	335.93	294.76	708.40	583.04	1218.02
	Finance Costs	109.22	122.24	109.39	231.46	208.53	454.50
	Depreciation and Amortisation Expense	108.04	105.81	99.16	213.85	199.84	407.06
	Other Expenses	601.55	591.81	522.16	1193.36	1026.99	2118.17
	Total Expenses	**3525.65**	**3489.01**	**3667.68**	**7014.66**	**7225.65**	**14208.69**
V.	**Operating Profit (PBIDT)**	**596.93**	**465.45**	**305.21**	**1062.38**	**596.64**	**1334.33**
VI.	**Profit / (Loss) before Exceptional Items and Tax (III-IV)**	**379.67**	**237.40**	**96.66**	**617.07**	**188.27**	**472.77**
VII.	Exceptional Items	(2.85)	4.35	(23.10)	1.50	(57.60)	(61.52)
VIII.	**Profit / (Loss) before Tax (VI+VII)**	**376.82**	**241.75**	**73.56**	**618.57**	**130.67**	**411.25**
IX.	Tax Expense						
	(1) Current Tax	103.56	73.77	29.54	177.33	66.65	159.82
	(2) Deferred Tax	23.01	8.64	(4.82)	31.65	(18.69)	(13.31)
X.	**Profit / (Loss) after Tax (VIII-IX)**	**250.25**	**159.34**	**48.84**	**409.59**	**82.71**	**264.74**
XI.	Share in Profit / (Loss) of Associates	(1.63)	(0.75)	0.77	(2.38)	2.03	(1.69)
XII.	**Profit / (Loss) for the period (X+XI)**	**248.62**	**158.59**	**49.61**	**407.21**	**84.74**	**263.05**
XIII.	**Profit / (Loss) for the period attributable to:**						
	Owners of the Parent	242.11	153.87	51.31	395.98	88.51	262.48
	Non-controlling Interest	6.51	4.72	(1.70)	11.23	(3.77)	0.57
XIV.	**Other Comprehensive Income**						
(A)	Items that will not be Reclassified to Profit or Loss						
	Re-measurement losses on Defined Benefit Plans	(4.34)	(4.07)	(4.55)	(8.41)	(7.10)	3.52
	Share of Other Comprehensive Income in Associates	(0.01)	-	-	(0.01)	(0.01)	(0.01)
	Income Tax Relating to Items that will not be Reclassified to Profit or Loss	1.48	1.43	1.58	2.91	2.46	(0.27)
(B)	Items that will be Reclassified to Profit or Loss						
	Exchange Differences on Translating the Financial Statements of Foreign Operations	(5.09)	29.55	14.49	24.46	26.36	86.15
	Total Other Comprehensive Income for the period	**(7.96)**	**26.91**	**11.52**	**18.95**	**21.71**	**89.39**
XV.	**Total Comprehensive Income for the period (XII+XIV)**	**240.66**	**185.50**	**61.13**	**426.16**	**106.45**	**352.44**
XVI.	**Other Comprehensive Income for the period attributable to:**						
	Owners of the Parent	(7.93)	26.91	11.53	18.98	21.73	89.40
	Non-controlling Interest	(0.03)	-	(0.01)	(0.03)	(0.02)	(0.01)
XVII.	**Total Comprehensive Income for the period attributable to:**						
	Owners of the Parent	234.18	180.78	62.84	414.96	110.24	351.88
	Non-controlling Interest	6.48	4.72	(1.71)	11.20	(3.79)	0.56
XVIII.	Paid-up Equity Share Capital **(Face Value: ₹ 2/- per share)**	49.25	49.25	49.25	49.25	49.25	49.25
XIX.	Other Equity excluding Revaluation Reserve						3346.91
XX.	Earnings per equity share of ₹ 2 each						
	Basic (₹)	9.33	5.93	2.08	15.26	3.59	10.64
	Diluted (₹)	9.29	5.91	2.08	15.21	3.59	10.64

S S KOTHARI MEHTA & COMPANY
NEW DELHI
CHARTERED ACCOUNTANTS

JK TYRE & INDUSTRIES LTD.

Statement of Consolidated Assets and Liabilities

(₹ in Crores)

Sl. No.	Particulars	As at 30.09.2023 (Unaudited)	As at 31.03.2023 (Audited)
	ASSETS		
(1)	**Non-current Assets**		
(a)	Property, Plant and Equipment	6185.91	6208.81
(b)	Capital Work-in-progress	446.71	190.61
(c)	Investment Property	5.47	5.53
(d)	Other Intangible Assets	253.27	252.77
(e)	Intangible Assets under Development	5.27	4.36
(f)	Financial Assets		
	- Investments accounted using Equity Method	64.49	64.82
	- Other Investments	61.25	67.97
	- Other Financial Assets	68.13	69.12
(g)	Deferred Tax Assets (Net)	94.53	109.52
(h)	Other Non-current Assets	70.78	63.54
		7255.81	**7037.05**
(2)	**Current Assets**		
(a)	Inventories	2082.34	2170.53
(b)	Financial Assets		
	- Investments	10.99	11.17
	- Trade Receivables	2595.83	2283.22
	- Cash and Cash Equivalents	150.62	173.15
	- Other Bank Balances	103.18	92.65
	- Other Financial Assets	154.57	171.94
(c)	Current Tax Assets (Net)	74.39	110.00
(d)	Other Current Assets	459.16	398.85
		5631.08	**5411.51**
	TOTAL ASSETS	**12886.89**	**12448.56**
	EQUITY AND LIABILITIES		
	Equity		
(a)	Equity Share Capital	49.25	49.25
(b)	Other Equity	3714.54	3346.91
	Equity Attributable to Owners of the Parent	**3763.79**	**3396.16**
(c)	Non-controlling Interest	110.92	99.72
		3874.71	**3495.88**
	Liabilities		
(1)	**Non-current Liabilities**		
(a)	Financial Liabilities		
	- Borrowings	2242.54	2360.36
	- Lease Liabilities	63.11	55.26
	- Other Financial Liabilities	837.80	746.04
(b)	Provisions	115.14	99.57
(c)	Deferred Tax Liabilities (Net)	514.66	430.58
		3773.25	**3691.81**
(2)	**Current Liabilities**		
(a)	Financial Liabilities		
	- Borrowings	2097.78	2423.18
	- Lease Liabilities	38.18	43.55
	- Trade Payables		
	Micro & Small Enterprises	20.03	48.19
	Others	2034.34	1771.44
	- Other Financial Liabilities	579.85	459.44
(b)	Other Current Liabilities	428.42	400.87
(c)	Provisions	31.65	52.66
(d)	Current Tax Liabilities (Net)	8.68	61.54
		5238.93	**5260.87**
	TOTAL EQUITY AND LIABILITIES	**12886.89**	**12448.56**

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

JK TYRE & INDUSTRIES LTD.

Information about Operating Segments:

(₹ in Crores)

PARTICULARS	Consolidated Financial Results					
	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. SEGMENT REVENUE						
India	3345.23	3165.45	3149.53	6510.68	6208.10	12375.95
Mexico	711.66	683.29	720.98	1394.95	1394.23	2672.69
Others	0.00	0.00	0.00	0.00	0.00	0.72
Total Segment Revenue	4056.89	3848.74	3870.51	7905.63	7602.33	15049.36
Inter-segment Sales	(159.36)	(130.66)	(113.99)	(290.02)	(202.78)	(404.42)
Income from Operations	**3897.53**	**3718.08**	**3756.52**	**7615.61**	**7399.55**	**14644.94**
2. SEGMENT RESULTS						
Profit / (Loss) before Finance Costs, Exceptional Items & Tax						
India	449.42	317.18	154.88	766.60	298.91	767.49
Mexico	39.90	42.86	51.52	82.76	98.65	160.80
Others	(0.43)	(0.40)	(0.35)	(0.83)	(0.76)	(1.02)
Total	**488.89**	**359.64**	**206.05**	**848.53**	**396.80**	**927.27**
Less: Finance Costs	(109.22)	(122.24)	(109.39)	(231.46)	(208.53)	(454.50)
Profit Before Exceptional Items & Tax	**379.67**	**237.40**	**96.66**	**617.07**	**188.27**	**472.77**
Exceptional Items	(2.85)	4.35	(23.10)	1.50	(57.60)	(61.52)
Profit Before Tax	**376.82**	**241.75**	**73.56**	**618.57**	**130.67**	**411.25**
3. CAPITAL EMPLOYED						
(Segment Assets)						
India	11058.87	10730.57	10985.20	11058.87	10985.20	10668.24
Mexico	1765.48	1855.98	1640.61	1765.48	1640.61	1719.65
Others	62.54	60.55	63.48	62.54	63.48	60.67
Total Assets	**12886.89**	**12647.10**	**12689.29**	**12886.89**	**12689.29**	**12448.56**
(Segment Liabilities)						
India	7971.25	7815.33	8698.57	7971.25	8698.57	7882.60
Mexico	1040.14	1147.46	971.26	1040.14	971.26	1068.98
Others	0.79	0.83	0.36	0.79	0.36	1.10
Total Liabilities	**9012.18**	**8963.62**	**9670.19**	**9012.18**	**9670.19**	**8952.68**
CAPITAL EMPLOYED						
(Segment Assets - Segment Liabilities)						
India	3087.62	2915.24	2286.63	3087.62	2286.63	2785.64
Mexico	725.34	708.52	669.35	725.34	669.35	650.67
Others	61.75	59.72	63.12	61.75	63.12	59.57
Total Capital Employed	**3874.71**	**3683.48**	**3019.10**	**3874.71**	**3019.10**	**3495.88**

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

JK TYRE & INDUSTRIES LTD.

Notes:

* Standalone financial information of the Company: (₹ in Crores)

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
Turnover	2683.51	2462.76	2418.08	5146.27	4757.26	9649.44
Operating Profit (PBIDT)	395.21	282.79	180.77	678.00	357.43	806.33
Profit before Tax	274.90	152.48	47.98	427.38	87.41	270.07
Profit after Tax	179.97	100.15	36.07	280.12	62.74	183.77

Standalone Financial Results for the Quarter and Half year ended 30.09.2023 can be viewed on websites of the Company, National Stock Exchange of India Ltd. and BSE Ltd. at www.jktyre.com, www.nseindia.com and www.bseindia.com respectively.

* The Company operates its business through three operating segments, representing our business on the basis of geographies which are India, Mexico and Others.
* Exceptional items include foreign exchange loss of ₹ 1.63 crores & gain of ₹ 4.96 crores and VRS Expense of ₹ 1.22 crores & ₹ 3.46 crores for the quarter and half year ended 30.09.2023 respectively.
* 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. CCI has since filed an appeal before Hon'ble Supreme Court of India against NCLAT order dated 1st December 2022. 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.
* Statement of cash flow is attached in Annexure-I.
* The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 1st November, 2023. The auditors of the company have carried out a "Limited Review" of the same.
* Figures for the previous periods have been regrouped / rearranged, wherever necessary.

JK Tyre adjudged 'Best in Class' ESG rating from CareEdge

S S KOTHARI MEHTA & COMPANY ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

For JK Tyre & Industries Ltd.

New Delhi
1st November, 2023

Raghupati Singhania
Chairman & Managing Director

Admin. Off.: 3, Bahadur Shah Zafar Marg, New Delhi - 110 002, Fax: 91-11-23322059, Phone: 91-11-66001112, 66001122
Regd. Off.: Jaykaygram, PO- Tyre Factory, Kankroli - 313 342, Rajasthan, Website: www.jktyre.com, Corporate Identity Number: L67120RJ1951PLC045966

JK TYRE & INDUSTRIES LTD.

Annexure -I

Consolidated Cash Flow Statement for the half year ended 30th September, 2023

(₹ in Crores)

Sl. No.	Particulars	Half Year Ended 30.09.2023 (Unaudited)	Half Year Ended 30.09.2022 (Unaudited)
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before Tax	618.57	130.67
	Adjustment for:		
	Depreciation and Amortisation Expense	213.85	199.84
	Finance Costs	231.46	208.53
	(Profit) / Loss on Sale of Property, Plant & Equipment	12.34	(0.60)
	Fair Value Changes in Non-current Investments	(2.04)	(0.79)
	Unrealised Foreign Exchange Fluctuation	(23.73)	40.12
	Foreign Currency Translation gain / (loss) on Consolidation	(1.74)	(1.77)
	Interest / Dividend Received	(11.80)	(10.68)
	Allowance for Doubtful Debts / Advances and Bad debts written off	10.00	3.50
	Operating Profit before Working Capital changes	1,046.91	568.82
	(Increase) / Decrease in Trade and Other Receivables	(325.88)	46.99
	(Increase) / Decrease in Inventories	105.37	(167.75)
	Increase / (Decrease) in Trade and Other Payables	360.05	115.12
	Cash generated from Operations	1,186.45	563.18
	Direct Taxes (net)	(121.98)	(145.86)
	Net Cash flow from Operating Activities	**1,064.47**	**417.32**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Property, Plant and Equipment	(366.25)	(228.99)
	Sale of Property, Plant and Equipment	12.04	32.63
	Deposit Accounts with Banks	11.49	(6.50)
	Interest Received	(3.52)	5.54
	Dividend Received	7.33	0.02
	Net Cash used in Investing activities	**(338.91)**	**(197.30)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds / (Utilisation) from Short-term Borrowings (Net)	(280.31)	211.29
	Proceeds from Long-term Borrowings	115.10	187.06
	Repayment of Long-term Borrowings	(288.27)	(289.96)
	Payment of Lease Liabilities	(16.81)	(13.85)
	Finance Costs paid	(231.88)	(197.98)
	Dividend paid	(49.25)	(36.93)
	Net Cash used in Financing Activities	**(751.42)**	**(140.37)**
	Net increase / (decrease) in Cash and Cash Equivalents	**(25.86)**	**79.65**
	Cash and Cash Equivalents as at the beginning of the period	173.15	94.05
	Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	3.33	0.97
	Cash and Cash Equivalents as at the end of the period	**150.62**	**174.67**
Notes:			
	Cash and Cash Equivalents include:		
	- Cash, Cheques on hand and Remittances in transit	0.11	8.43
	- Balances with Banks	147.18	165.27
	- Unrealised Translation gain / (loss) on Foreign Currency balances	3.33	0.97
	Total	**150.62**	**174.67**

S S KOTHARI MEHTA & COMPANY ★ CHARTERED ACCOUNTANTS ★ NEW DELHI

GENERAL INFORMATION

1. Our Company was originally incorporated under the provisions of the Indian Companies Act, 1913, as amended as "J.K. Industries Private Limited", a private limited company, pursuant to which a certificate of incorporation dated February 14, 1951 was issued by the Registrar of Companies, West Bengal. Thereafter, our Company was converted into a public limited company pursuant to resolution passed by our shareholders on April 18, 1974 and consequently the name of our Company was changed to "J.K. Industries Limited" and a fresh certificate of incorporation dated May 24, 1974 was issued by the Registrar of Companies, West Bengal. Pursuant to resolutions passed by our Board and shareholders on January 30, 2007 and March 28, 2007, the name of our Company was subsequently changed to "JK Tyre & Industries Limited" and a fresh certificate of incorporation dated April 2, 2007 was issued by the Registrar of Companies, West Bengal.

   Subsequently, our registered office was shifted from West Bengal to Rajasthan pursuant to a resolution passed by our shareholders on March 14, 2014 and consequently a certificate of registration for Regional Director order for change of state dated July 28, 2014 was issued by the RoC.

2. Our Company's Registered Office is located at Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India and Corporate Office is located at 3, Bahadur Shah Zafar Marg, New Delhi 110 002, India.

3. The CIN of our Company is L67120RJ1951PLC045966.

4. Our Vice President (Legal), Company Secretary and Compliance Officer is Pawan Kumar Rustagi. His contact details are as follows:

   Pawan Kumar Rustagi
   3, Bahadur Shah Zafar Marg
   New Delhi 110 002
   Delhi, India
   Tel: +91 11 66001112
   E-mail: investorjktyre@jkmail.com

5. The authorized share capital of our Company as of the date of this Placement Document is ₹1,80,00,00,000.00 divided into 62,50,00,000 Equity Shares of face value of ₹ 2 each and 55,00,000 Preference Shares of face value of ₹ 100 each.

6. This Issue was authorized and approved by our Board of Directors on November 1, 2023 and approved by our Shareholders through a special resolution passed at the EGM held on December 18, 2023.

7. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares, issued pursuant to the Issue, on NSE and BSE, each dated December 19, 2023. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on all working days between 10.00 A.M. to 5.00 P.M. at our Registered Office.

9. Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. No change in the control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Placement Document, there has been no material change in our consolidated financial condition or trading position of our Company since September 30, 2023, the date of the latest financial statements prepared and included herein.

12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

13. The Floor Price for the Issue is ₹ 358.96 per Equity Share, calculated in accordance with Regulation 176 of the SEBI ICDR Regulations, as certified by S.S. Kothari Mehta & Co., Chartered Accountants, Statutory Auditors. Our Company has offered a discount of 3.89% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations in accordance with the special resolution of the Shareholders passed through EGM held on December 18, 2023.

14. Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottee	Percentage of the post-Issue share capital (%)*
1.	HDFC MF A/C HDFC HYBRID EQUITY FUND	1.23
2.	HDFC MF A/C HDFC TRANSPORTATION AND LOGISTICS FUND	0.05
3.	JUPITER INDIA FUND-FUND382	0.17
4.	THE JUPITER GLOBAL FUND – JUPITER INDIA SELECT	0.05
5.	TATA MF A/C BUSINESS CYCLE FUND	0.11
6.	KOTAK MAHINDRA ELSS SCH (TAXSAVER SCH)	0.30
7.	KOTAK MF MANUFACTURE IN INDIA FUND	0.08
8.	KOTAK MAHINDRA INDIA EQ CONTRA FUND	0.18
9.	NIPPON INDIA SMALL CAP FUND	0.83
10.	CARNELIAN STRUCTURAL SHIFT FUND	0.11
11.	BANDHAN MF A/C MULTI CAP FUND	0.17
12.	BANDHAN MF A/C SMALL CAP FUND	0.17
13.	BANDHAN MF A/C TRANSPORTATION & LOGISTICS FUND	0.06
14.	KOTAK GLOBAL FUNDS	0.00
15.	KOTAK INFINITY FUND-CLASS AC	0.01
16.	KOTAK FUNDS-INDIA MIDCAP FUND	0.37
17.	QUANT MF A/C MOMENTUM FUND	0.12
18.	QUANT MF A/C DYNAMIC ASSET ALLOCATION FUND	0.31
19.	QUANT MUTUAL FUND - QUANT MANUFACTURING FUND	0.08
20.	BIRLA SUN LIFE INSURANCE CO LTD	0.39
21.	ICICI PRUDENTIAL EQUITY & DEBT FUND	0.56
22.	ICICI PRU MF A/C TRANSPORTATION AND LOGISTICS FUND	0.22

**Based on the beneficiary position as on December 15, 2023 (adjusted for Equity Shares allocated in the Issue). The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Dr. Raghupati Singhania

(Chairman and Managing Director)
Date: December 22, 2023
Place: New Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____

Dr. Raghupati Singhania
(Chairman and Managing Director)

I am authorized by the Committee of Directors, a committee constituted by the Board of Directors of the Company, vide resolution dated December 19, 2023, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Dr. Raghupati Singhania

(Chairman and Managing Director)
Date: December 22, 2023
Place: New Delhi

JK TYRE & INDUSTRIES LIMITED

Registered Office
Jaykaygram, PO - Tyre Factory, Rajsamand
Kankroli 313 342, Rajasthan, India

Corporate Office
3, Bahadur Shah Zafar Marg,
New Delhi 110 002, India

Website: www.jktyre.com

Contact Person: Mr. P. K. Rustagi, Vice President – Legal and Company Secretary

Address:
3, Bahadur Shah Zafar Marg, New Delhi 110 002, Delhi, India

Email: investorjktyre@jkmail.com | **Tel:** +91 11 66001112

LEAD MANAGER

Emkay Global Financial Services Limited
7th Floor, Senapati Bapat Marg,
Dadar – West, Mumbai- 400028,
Maharashtra, India

LEGAL COUNSEL TO THE ISSUE

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020, India

STATUTORY AUDITORS

S S Kothari Mehta & Co.
Plot No 68
Okhla Industrial Area, Phase -III
New Delhi 110020, Delhi, India

INTERNATIONAL LEGAL COUNSEL TO THE LEAD MANAGER WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the Lead Manager, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

APPLICATION FORM

Form No.:

Date:

JK TYRE & INDUSTRIES LIMITED

(JK Tyre & Industries Limited was incorporated in India under the provisions of Indian Companies Act, 1913)

Registered Office: Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India

Corporate Office: 3, Bahadur Shah Zafar Marg, New Delhi 110 002, Delhi, India

Tel No.: +91 11 33001112; **Website**: www.jktyre.com; **Email**: investorjktyre@jkmail.com;

CIN: L67120RJ1951PLC045966 | **LEI:** 33580099JDMRD3G39P82

Name of the Bidder:

____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE AGGREGATING TO APPROXIMATELY ₹ [●] CRORES UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY JK TYRE & INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 358.96 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated December 19, 2023 ("PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)
**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.*			

To,

The Board of Directors
JK TYRE & INDUSTRIES LIMITED
Registered Office: Jaykaygram, PO - Tyre Factory, Rajsamand, Kankroli 313 342, Rajasthan, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with Emkay Global Financial Services Limited (the "**Lead Manager**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Rajasthan at Jaipur (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Lead Manager or from any other source, including publicly available information; (2) we will abide by the Preliminary Placement Document and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the Preliminary Placement Document and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible

QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We confirm that we are eligible to invest and hold the Equity Shares of the Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the Lead Manager.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares held by us in the Company, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the Lead Manager has relied on the information provided by the RoC for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I	N		
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 01:00 PM (IST), [●] ("ISSUE CLOSING DATE")

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	JK Tyre & Industries Limited QIP Escrow Account	**Address of the Branch of the Bank**	HDFC BANK LTD, B-7/3, ASAF ALI ROAD, NEW DELHI - 110002
Name of Bank	HDFC Bank Limited	**NEFT Code**	HDFC0000598
Account No.	57500001396575	**IFSC Code**	HDFC0000598
LEI No.	33580099JDMRD3G39P82		

The demographic details like address, bank account details, etc. will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Application Amount should be transferred pursuant to this Application Form only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Application Amount should be made along with this Application Form on or before the closure of the Issue Period i.e., prior to or on the Issue Closing Date. All payments must be made in favour of "*JK Tyre & Industries Limited QIP Escrow account*". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in this Application Form.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)*	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDA registration certificate
- ☐ Copy of notification as a public financial institution
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify ___________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***It is to be specifically noted that the Bidder should not submit the GIR number or any other identification number instead of the PAN, as the applications are liable to be rejected on this ground, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein. This Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the Lead Manager.