



29th August 2018

JKTIL: SECTL: SE: 2018

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Through: BSE Listing Centre SCRIP CODE:530007	National Stock Exchange of India Ltd. Exchange Plaza, Bandra -Kurla Complex, Bandra(E), Mumbai -400 051 Through: NEAPS SCRIP CODE:JKTYRE
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Dear Sir(s),

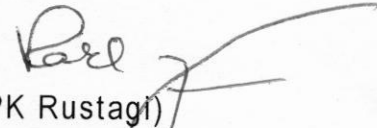
Re. **Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**
- Annual Report for the Financial Year ended 31st March 2018

With reference to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report of the Company for the Financial Year ended 31st March 2018.

We may inform that the same has been approved and adopted in the 65th Annual General Meeting of the Company held on 22nd August 2018 at Kankroli, Rajasthan.

Thanking You,

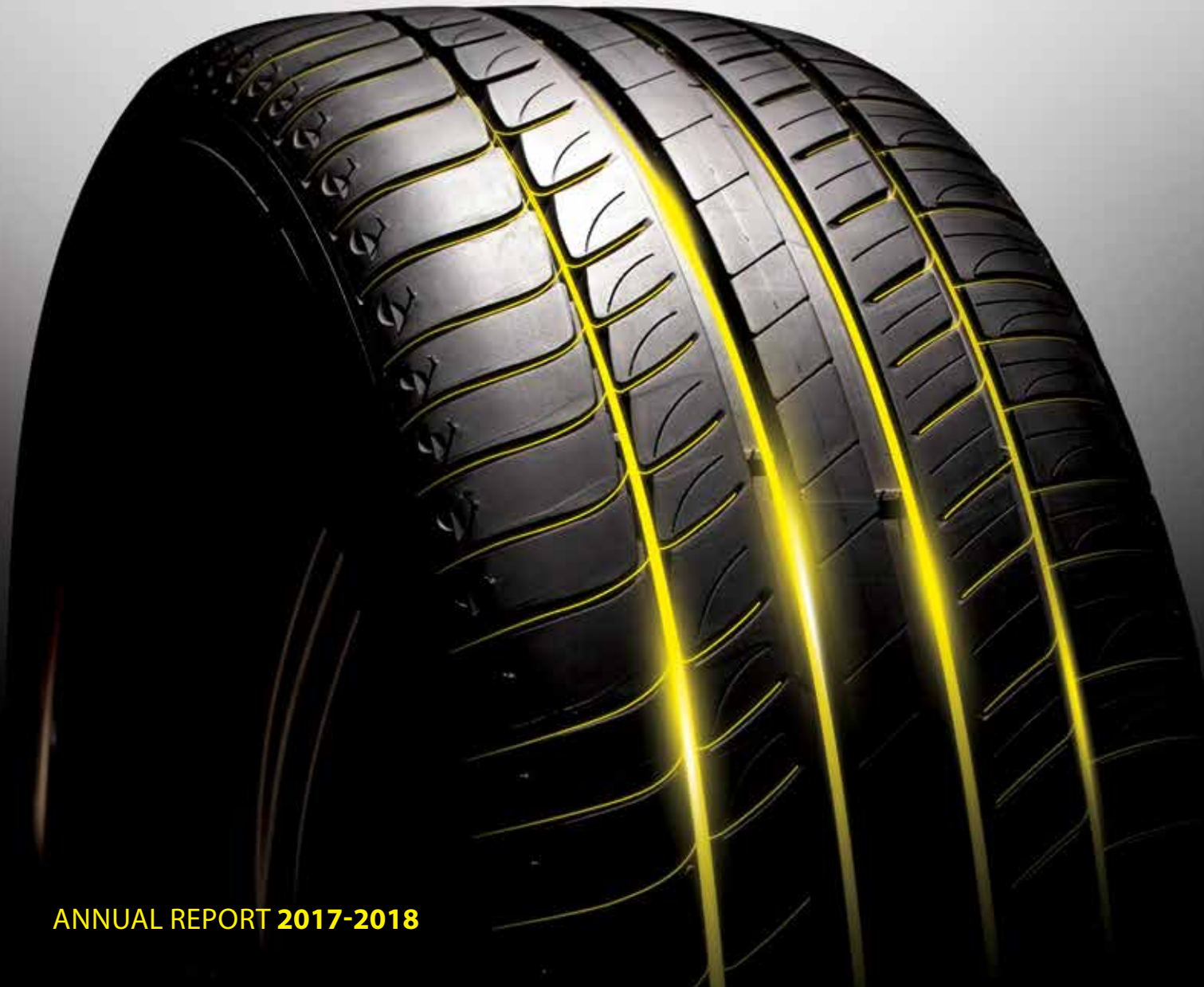
Yours' faithfully,
For JK Tyre & Industries Ltd.


(PK Rustagi)
Vice President (Legal) & Company Secretary
FCS: 3815 29/8/2018

Encl: as above



*FUTURE
DRIVEN*



ANNUAL REPORT 2017-2018

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ABOUT JK TYRE & INDUSTRIES LTD.

JK Tyre, part of the JK Organisation, is among India's leading tyre manufacturers and among the top 25 tyre manufacturers in the world. The company offers a wide range of products catering to diverse business segments in the automobile industry. The company operates 12 plants, including nine in India and three in Mexico. Currently, the total capacity of all its plants together is around 32 million tyres per annum. It is listed on major stock exchanges in India and provides direct and indirect employment to nearly 300,000 people. JK Tyre is the only Indian tyre manufacturer to be included in the list of Superbrands India in 2017 for the sixth consecutive year.



TYRES DO NOT JUST MOVE VEHICLES, THEY ARE THE DRIVING FORCE BEHIND A PROGRESSIVE ECONOMY.

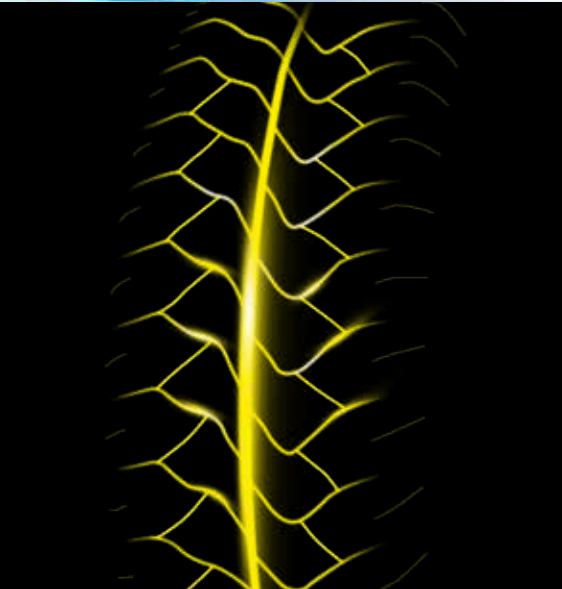
India is already the fourth largest automobile market in the world, backed by rapid urbanisation, improved economic parameters and increased consumer spending. The industry is at an inflection point with rapid evolution of technology, newer laws and more globally-aligned emission norms, leading to a fast-growing market for everything related to mobility.

At JK Tyre, we are cognisant of these trends and are fortifying our business and recalibrating our strategy to leverage these positive trends. We feel gratified that as envisaged by us in 1999, the radialisation of the truck/bus segment has moved rapidly and today, with the evolution of technology, 47% of this segment in India is radialised. There is a definite push towards making mobility greener, safer and more sustainable, and tyres have a significant role to play in it. This is why, we are consistently investing in augmenting our capacities across segments and strengthening our market linkages.

Despite the temporary headwinds in the form of high raw material costs, ban on non BS IV vehicles and destocking by dealers

due to the introduction of the Goods and Services Tax (GST), we continued to remain steadfast in our belief that what we have created is sustainable and value accretive for the long-term. During the year, we focused on improving efficiencies, growing capacities, launching new products, expanding our global reach and enhancing our brand recall. We have demonstrated the strength of our business model and an indefatigable spirit to focus on the future.

**We are driven by a new energy and conviction.
We are driven by a belief in our products and market presence.
We are driven by tomorrow.**



BOARD OF DIRECTORS

LEADING WITH FORESIGHT



1 Dr. Raghupati Singhania
Chairman & Managing Director

2 Bharat Hari Singhania
Managing Director

3 Arvind Singh Mewar
Director

4 Vimal Bhandari
Director

5 Kalpataru Tripathy
Director

6 Bakul Jain
Director

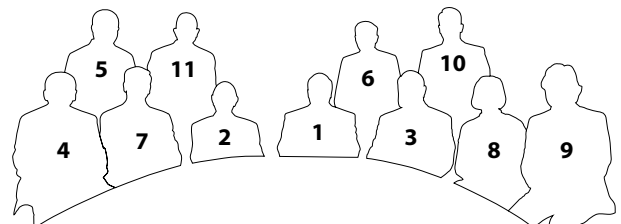
7 Shreekant Somany
Director

8 Sunanda Singhania
Director

9 Dr. Wolfgang Holzbach
Director

10 Anshuman Singhania
Whole-time Director

11 Arun K. Bajoria
Director & President-
International Operations





ADMINISTRATIVE OFFICE

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

REGISTERED OFFICE

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

AUDITORS

S.S. Kothari Mehta & Co.
Chartered Accountants

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Pawan Kumar Rustagi

CIN: L67120RJ1951PLC045966

Website: www.jktyre.com

ABOUT US

YOUR COMPANION ON ROAD



Our mission

- Be a Customer Obsessed Company– Customer First 24x7
- No. 1 Tyre Brand in India
- Most profitable Tyre Company in India
- Motivated and Committed team for excellence in performance
- Be a Green Company
- Deliver Enhanced Value to all the stakeholders
- Enhance global presence through Acquisition / JV / Strategic Partnerships

Our brand suite

JK Tyre has an extensive portfolio of brands, catering to multiple segments:



'JK Tyre' is the flagship premium brand of tyres catering to the Truck Bus Radial (TBR), Truck Bus Bias (TBB), Small Commercial Vehicle (SCV), Light Commercial Vehicle (LCV), Farm Vehicle and Passenger Car Radial (PCR) segments, both in India and overseas. The brand also caters to Off the Road (OTR) and two- and three-wheeler segments in India.



'Vikrant' is the mid-range tyre brand catering to the TBR and TBB segments in India and overseas.



'Tornel' is the economy range of tyres catering to the TBB and PCR segments in the international market.



'Challenger' is the newly launched economy range of tyres catering to the TBR, TBB, PCR and two- and three-wheeler segments in India.

Our core values

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



Our acquisitions



VIKRANT

Vikrant Tyres, acquired from Government of Karnataka in 1997 has grown multifold over the years. Its capacity has grown from 100 to nearly 400 Tonnes per day and turnover has grown over six times. Today with three manufacturing plants, it is the largest manufacturing facility in Mysore and contributes significantly to the local economy and surrounding areas. Important milestone in the journey of Vikrant has been the roll out of 10 million truck / bus radial tyre becoming the first and only Indian tyre manufacturer to do so.



TORNEL

In 2008, we acquired Tornel, a tyre company with three manufacturing plants in Mexico (Azcapotzalco, Tultitlan and Hidalgo), with a combined annual capacity of 7.9 million tyres. In the first year of acquisition, we turned around the operations, improved plant efficiencies and enhanced market share across all products. This acquisition enabled us to widen our global footprint through free access to the North American Free Trade Agreement (NAFTA) and other trade blocks. It also gave us greater access to North America and the emerging Latin America markets, where we already had a substantial presence.

Our Original Equipment Manufacturer (OEM) partners

Our constant endeavour to serve our customers has made us the preferred partner to leading automotive OEMs such as:

Maruti Suzuki	Tata Motors	Honda	Ashok Leyland	Mahindra & Mahindra	Volvo
Eicher	General Motors	Volkswagen	Force	Bajaj	Renault
Swaraj Mazda	Fiat	Nissan	TAFE	BEML	Caterpillar India
JCB	John Deere				



CAVENDISH

In 2016, we acquired Cavendish Industries Ltd. (CIL), a tyre company that was a part of Birla Tyres. It has three state-of-the-art plants located at Laksar (Haridwar), with an annual capacity of 8.5 million tyres. The plant is in an excise benefit zone, with excise exemption of 10 years (up to 2020). This acquisition enabled us to further consolidate Cavendish's leadership position in the TBR segment and mark our foray into the two- and three-wheeler tyre categories. We achieved operational turnaround in the first year of acquisition. We also launched Blaze, premium two-/three-wheeler tyres, which were well received in the market. The demand for this range of tyres is growing exponentially each month.



Key highlights in 2017-18

180+

Products launched

9%

Growth in net sales (value)

10%

Growth in volume (numbers)

3.5 lakh

TBR tyres sold in Q4 of 2017-18 – highest ever sales to the OEM segment

Key performance indicators

REVENUE (₹ in crore)

8,543

9.8% ↑
10-year CAGR

EBIDTA (₹ in crore)

883

12.1% ↑
10-year CAGR

GROSS BLOCK (₹ in crore)

8,849

14.4% ↑
10-year CAGR

CAPACITY (Mn tyre p.a.)

31.73

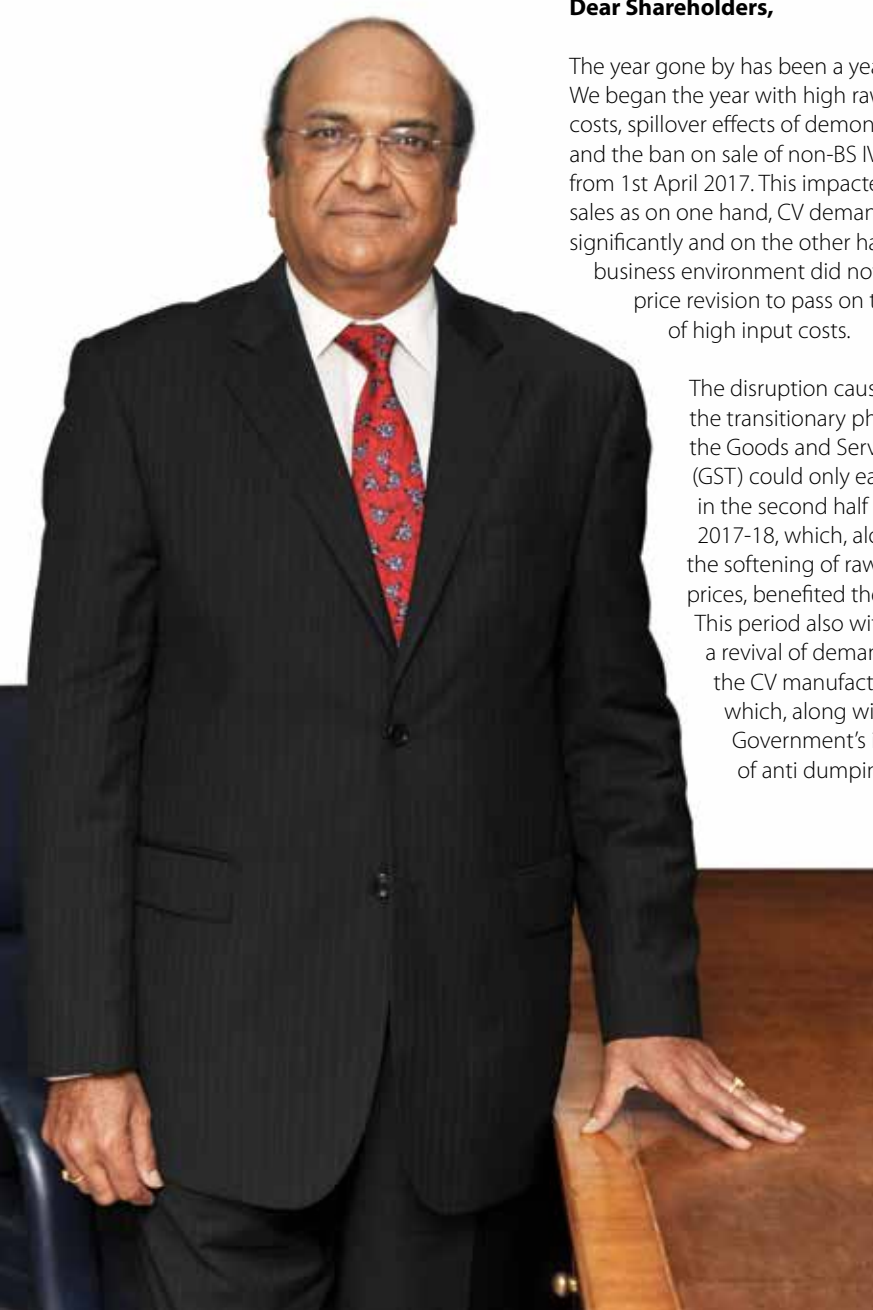
13.1% ↑
10-year CAGR

Our quality accreditation

- Our manufacturing facilities are certified for Total Productive Maintenance (TPM) by ISO/TS 16949, ISO 14001, OHSAS 18001 and ISO 50001 (Energy Management System).
- We have also been accredited by SA 8000 for social accountability, ISO 27001 for our information security management system and laboratory management system and ISO 17025 for our tyre testing laboratory.

CHAIRMAN AND MD'S MESSAGE

BUILDING A FUTURE-READY BUSINESS



Dear Shareholders,

The year gone by has been a year of halves. We began the year with high raw material costs, spillover effects of demonetisation and the ban on sale of non-BS IV vehicles from 1st April 2017. This impacted our sales as on one hand, CV demand fell significantly and on the other hand, the business environment did not permit price revision to pass on the burden of high input costs.

The disruption caused in the transitional phase of the Goods and Services Tax (GST) could only ease out in the second half of FY 2017-18, which, along with the softening of raw material prices, benefited the industry. This period also witnessed a revival of demand from the CV manufacturers, which, along with the Government's imposition of anti dumping duty on

cheap TBR imports, provided tailwinds to the business.

At JK Tyre, we have always pursued a strategy with an eye on the future. Despite the external challenges, we improved our sales volume by recording an impressive 11% growth in FY 2017-18, higher than the industry at large. By adopting differentiated strategies, JK Tyre could increase its market presence across the categories, thereby further strengthening its brand presence in the market.

Reinventing ourselves on a consistent basis is ingrained in our business process. We revisited our internal efficiencies and delivery systems across the business to become future ready. We undertook our first-ever labour restructuring programme at JK Tormel, Mexico, by streamlining our workforce and performance parameters, which have reduced our manpower cost by a third. This step itself will bring in rich dividends in the coming period and will add to our overall profitability.

"Despite the external challenges, we improved our sales volume by recording an impressive 11% growth in FY 2017-18, higher than the industry at large."

"Reinventing ourselves on a consistent basis is ingrained in our business process. We revisited our internal efficiencies and delivery systems across the business to become future ready."

Our strategic initiatives on sustainability are fructifying, as result of which 37% of our power requirements are now met from renewable energy sources, both wind and solar. Our water consumption levels are global benchmarks. Thus, today, we are placed among the top four energy-efficient tyre manufacturers in the world.

Leveraging on our futuristic thinking, we launched new products, took steps to digitalise our processes across the value chain and reinforced our focus on premiumisation of the portfolio.

After our acquisition, Cavendish Industries Ltd (CIL) saw the first full year of operations in FY 2017-18 and has been performing well. The acquisition marked our entry into the two and three-wheeler segments. I am happy to share that during the year, several two-wheeler makers expressed interest in our tyres and we are confident of expanding our reach in this segment in the coming year.

Moreover, the takeover of CIL further strengthened our market leadership in the growing TBR segment. The truck/bus radialisation, which we had pioneered in 1999, increased to 47% during FY 2017-18. We are expanding our TBR capacity at CIL to meet the rising demand for JK Tyres in this category.

Emerging technologies are modifying the automotive space. At JK Tyre, we believe in remaining ahead of the curve; hence, we are readying our products for the new era in mobility, to be future ready. To give further boost to our R&D endeavours, we have recently set up the Raghupati Singhania Center of Excellence (RPSCOE) at Mysuru. This R&D Centre is equipped with advanced testing and evaluation infrastructure. It is engaged in developing global-level tyres that are fit for future and at the same time, in line with our mission to be 'Customer Obsessed' and a 'Green' company.

We believe in investing in people development and have built internal pipelines of talent, which enable us to deliver superior and distinct values to our customers. Team JK Tyre's dedicated efforts and commitment have established us as one of India's most trusted tyre brands.

Our inherent value systems drive our commitment towards the society. We have touched the lives of more than 1,20,000 people in one way or the other, through our Corporate Social Responsibility (CSR) initiatives focused on the areas of healthcare, education, livelihood enhancement and environment.

Motorsport has been an integral part of JK Tyre. FY 2017-18 was a landmark year with JK Tyre FMSCI National Racing Championship completing 20 years. We have been very active in the motorsport segment as it reinforces our brand positioning of youthfulness, technology leadership and adventure.

The recent structural reforms have put India on a growth momentum, making it the world's 6th largest economy. It has opened up a plethora of opportunities for businesses to grow and also contribute towards national progress.

I would like to mention that the automotive industry is keeping pace with the economic growth and this augurs well for the tyre industry. At JK Tyre, we are committed to growth, driven by our brand strength, manufacturing prowess and continuous innovation. We are future-ready to cater to the tyre demand that has the potential to increase sharply in the coming years. We remain committed to enhance shareholder value as we keep making progress in our endeavours.

Dr. Raghupati Singhania
Chairman and Managing Director

PRODUCT PORTFOLIO

A TYRE FOR EVERY NEED



Off the Road



Farm



Truck Bus Radial



Truck Bus Bias



Light Commercial Vehicle

(Bias / Radial)



Small Commercial Vehicle

(Bias / Radial)



Passenger Car

(Bias / Radial)



Two / Three-Wheeler

We have an extensive range of Stock Keeping Units (SKUs) enabling us to cater to a wide cross-section of industry requirements. We are focusing on selling more and more value-added SKUs, ensuring profitable growth.

Stock Keeping Units (SKUs) in each category

115

Off the Road

163

Farm

150

Truck Bus Radial

120

Truck Bus Bias

35

Light Commercial Vehicle

21

Small Commercial Vehicle

260

Passenger Car

79

Two / Three-Wheeler



JK TYRE FIRSTS

PROUD OF OUR MANY FIRSTS

1

Technology

- First tyre company in India to install the 'On-level Tyre Test Machine', generating real-time data in tyre testing
- First tyre company in India to install an anechoic chamber for noise measurement
- First Indian tyre company to launch an eco-friendly 'green' tyre



2

Knowledge

First tyre company in India to commission an independent Research and Development (R&D) centre - 'Hari Shankar Singhania Elastomer & Tyre Research Institute' (HASETRI) - a one-of-its-kind modern R&D centre recognised under Scientific and Industrial Research Organisation (SIRO) by the Department of Scientific and Industrial Research (DSIR), Government of India



3

Original Equipment (OE) relationships

First Indian tyre company selected by Suzuki Motor Corporation to work on its Swift model, right from the drawing board



4

Certification

- First tyre company in Asia to receive the ISO 50001 certification for Energy Management and second in the world
- First Indian tyre company to have verified carbon footprint as per ISO 14064



5

Product

- First tyre company in India to launch radial technology for the entire range (Passenger Car, LCV, Bus, Truck and Tractor)
- First company in India with OE fitment of tubeless passenger radials
- First tyre company in India to launch high-performance H-, V- and Z-rated passenger radial tyres



6

Overseas

- First tyre company in Mexico to manufacture collapsible spare tyre and temp tyre
- First tyre company in Mexico to supply OE tyres to Nissan/Chrysler



OUR STRENGTHS

DRIVEN BY STRONG FUNDAMENTALS

Our intricate business model is focussed on creating long-term value for stakeholders and is driven by our core strengths.

Experience

36+ years

We have over 36 years of time-honoured rich experience in the global tyre industry.

Leadership

No. 1

We enjoy leadership in Truck Bus Radial (TBR) tyre.

Presence

100+

We have a global presence in over 100 countries across six continents.

Assets

12 plants

We have 12 modern plants – nine in India and three in Mexico.

Scale

32 mn tyres/annum

We have a capacity of around 32 million tyres per annum across all our plants.

Position

22nd

We are ranked as the 22nd largest tyre manufacturing company globally.

Products

2,000+

We have over 2,000 Stock Keeping Unit (SKU) products across all categories.

Range

2.1 to 3.5 tonne

We offer tyres starting from a 2.1 kg two-wheeler tyre to a 3.5 tonne OTR tyre.



Touch points

4,000+

We have a countrywide network of over 4,000 dealers (300+ JK Steel Wheels, 60+ JK Xpress Wheels, 40 JK Truck Wheels and 28 JK Retread Centres).

CAPEX

₹4,850_{crore}

We deployed a Capex of ₹ 4,837 crore outlay in the last five years, preceding 2017-18 (including the acquisition of CIL).

Partners

75+

We work with over 75 OEM partners in India and Mexico.

Energy efficient

10.1_{Gj/tonne}

We are among the top four energy-efficient tyre companies in the world (10.1 Gj/tonne).

Water consumption

2.42_{cu.m/tonne}

We are one of the world's lowest consumers of water per tonne of tyre manufactured (2.42 cu.m/tonne).

Shareholder return

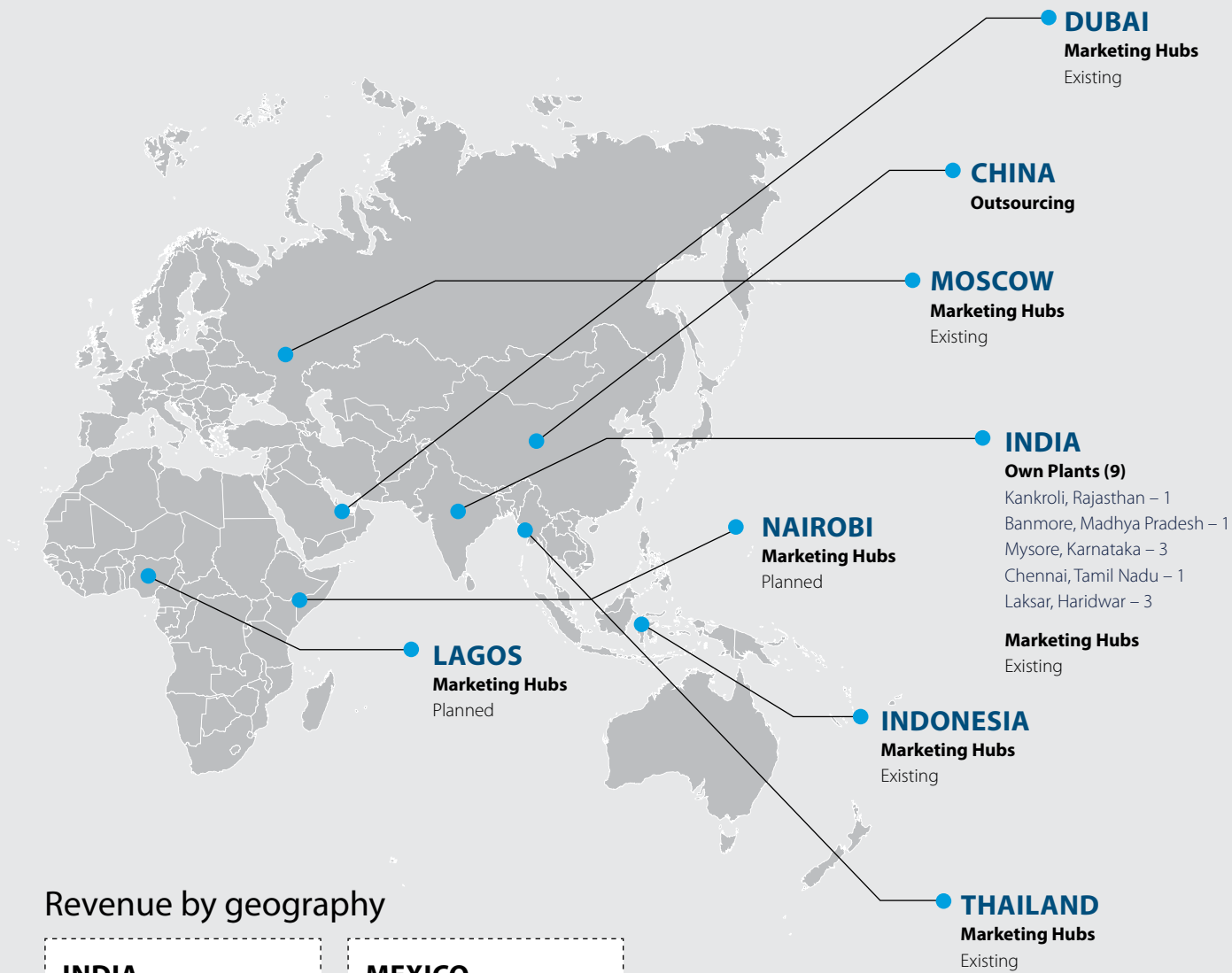
50%_{CAGR}

We have consistently rewarded our shareholders with 50% CAGR in market capitalisation during the last five years.

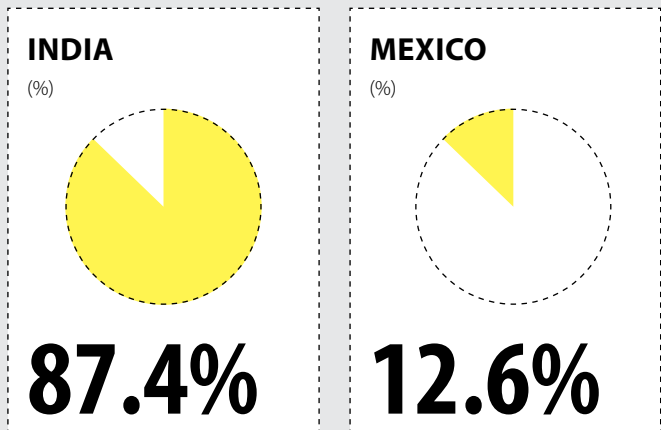
GLOBAL FOOTPRINT

GROWING GLOBAL SCALE





Revenue by geography



MEGA TRENDS SHAPING OUR FUTURE

4

**INDUSTRY
4.0 DRIVING
DIGITALISATION AND
INTEGRATION OF
VALUE CHAINS AND
PRODUCTS WITH THE
HELP OF INTERNET OF
THINGS (IOT)**

**ADVENT OF CONNECTED
TYRES – ONE CAN
ESTIMATE FOR ROTATION
CYCLE, REPLACEMENT
AND MUCH MORE**

3

**EMERGENCE OF
ELECTRIC VEHICLES
ACROSS CATEGORIES
IS PUSHING GREEN
MOBILITY**

2

**FUTURE OF MOBILITY
IS AUTONOMOUS
– SELF-DRIVEN
VEHICLES**

1



The automotive industry will be faced with several challenges due to modernisation and digitalisation. However, we, at JK Tyre, are in 'Total Control' and future driven through our:

- Robust operational canvas
- Relentless focus on innovation
- Reinforced brand recall
- Enhanced global presence
- Empowered team

GROWING TREND OF TRUCK RADIAL CONVERSION FROM TUBE TYPE TO TUBELESS

5

AUTOMOTIVE RETAIL MOVES TOWARDS A CUSTOMER-CENTRIC, MULTI-CHANNEL AND MULTIFORM NETWORK

6

STRINGENT GLOBAL EMISSION NORMS TO BRING DOWN GLOBAL EMISSION LEVELS

7





ROBUST OPERATIONAL CANVAS

With the emergence of Industry 4.0, the manufacturing and supply chain landscape is going through a dramatic shift. Interoperability, information transparency, technical assistance and decentralised decision making are becoming the key drivers for operational excellence. At JK Tyre, we believe in futuristic thinking and have been embracing new technologies in our operations at a steady pace.

AUTOMATION

We have undertaken low-cost automation at various levels of manufacturing and supply chain to derive operational excellence. While we are equipping our manufacturing units to be smarter and leaner, we are also realigning our warehouse to make them hi-tech and future ready.

We are paying significant attention to predictive and preventive maintenance to avert major failures. Our production planning system is SAP-enabled for better efficiency. To ensure smooth functioning of our export operations, we have opened new SAP-enabled depots at Mumbai, Chennai and Kolkata. We are continuously upgrading our systems with the latest technology.

It is our belief that a company's workforce should play an intrinsic role in process improvement. In this line, we constantly encourage and empower our people and are proud to state that over 30 teams across plants participated in various Quality Circle competitions and came out with flying colours.

GST-LED EFFICIENCIES

Our aim is to seamlessly work towards achieving better results at each level and keep costs under control. In this regard, we have realigned our feeder godowns or stocking points as per the GST provisions. We are also aligning our efforts to use larger warehouses and distribution networks to provide services at lower costs. We are also gradually streamlining the OE order fulfilment and material flow processes in accordance with the GST provisions.

GREEN EFFICIENCIES

At JK Tyre, we believe in using multiple approaches to conquer a challenge. It is this mindset that drives us in pursuit of efficiency and excellence. While launching futuristic tyres is our mission, making processes cleaner is integral to our business.

Today, 37% of our power requirements are met by renewable energy sources, including wind and solar. JK Tyre is one of the few companies that has the lowest consumption of energy per tonne of tyres manufactured in the world. Our water consumption levels are also as low as 2.42 litres per kg. Our efforts to curb our Greenhouse Gas (GHG) generation and contribute to a better climate have resulted in a 27% reduction in specific eCO₂.

In addition, we are focusing on strengthening our Reduce-Recycle-Reuse (RRR) philosophy and have achieved the lowest ever plant waste. To further our efficiencies, we have set up teams across our plants for cross-learning in the fields of energy and waste management.

PROCESS EFFICIENCIES

We have been on a constant endeavour to achieve improved process excellence.

Our processes contribute to better output on the back of smart manufacturing, value engineering and digitalisation. We have been implementing automation and IoT on the shop floors and other key areas for better capacity utilisation and optimised use of resources.

RECOGNITIONS

We are proud to share that one of our plants have received TPM Consistency Certification from JIPM Japan, which has motivated us to achieve the highest level of quality consistency and robust operations.

OUTLOOK

Our endeavour is to further increase our dependency on renewable sources in the coming years and also improve our efforts of waste reduction and technology enhancement.



OUR PROGRESS SO FAR

Particulars	Unit	FY 17	FY 18
Renewable Power	% of total power consumed	21.4	37
Water Consumption	Ltrs/kg	2.79	2.42
Power Consumption	Kwh/kg	0.885	0.854
Steam Consumption	Kg/kg	2.11	1.989

RELENTLESS FOCUS ON INNOVATION

The automotive industry is witnessing a game-changing phase. Be it electrification or shared mobility, tyres have a key role to play in many areas of technological progress. These technological advancements and their integration into tyres are leading the future innovations in the industry.



Today, tyre technology and innovation are defined by a smart, connected and efficient design/development ecosystem. Therefore, we have been engaging rich technological expertise and processes to create tyres for the future.

EXCELLING IN R&D

Raghupati Singhania Centre of Excellence, Mysuru, Karnataka

The state-of-the-art R&D centre at Mysuru – Raghupati Singhania Centre of Excellence (RPSCOE) – is a step towards creating a global hub for R&D. Spread across 10,000 sq. mts, the R&D centre houses two of our most advanced tyre technology entities:

- **'Hari Shankar Singhania Elastomer & Tyre Research Institute' (HASTERI):** HASTERI is an independent research institute established to fulfil India's need for developing newer and better technologies for elastomer and tyres.
- **'JK Tyre Tech Centre':** This product development centre caters to the current and emerging needs of customers. The Centre is engaged in product design, development, validation and industrialisation using the most sophisticated tools and techniques covering categories such as passenger car radial, light truck radial, light truck bias, TBR, farm and OTR tyres.

RPSCOE for Tyre and Vehicle Mechanics

This centre is a perfect example of an industry-institute collaboration. It is an R&D centre set up in collaboration with Indian Institute of Technology (IIT), Madras.

We are India's first company to install an anechoic chamber to monitor Noise, Vibration and Harshness (NVH) at the centre.

At JK Tyre, we focus on advanced and alternate materials, nano technology, process and product simulation, predictive technology, advanced tyre mechanics, tyre characterisation, optimisation of raw material consumption and recyclable resources and their efficient usage.

Global GHG emissions are on the rise and there is a dire need to curb them. As a responsible tyre manufacturer, we are working towards developing tyres with reduced rolling resistance and traction (wet and dry), without affecting the mileage. We are thus contributing in reducing GHG emissions.

Category-driven technology plan

We have crafted strategic technology plans for each unique category of tyre. A pioneer in radial technology in India, we have been enhancing our reach to OEMs with a wider range of products, expanding to newer vehicle segments and markets. We have also drawn up plans to adapt to the changes brought about by electric mobility and other future technologies.

Compliance to global regulations

To realise our innovation expertise, we have been in the pursuit of certifying our products of global standards. With the recent compliances to global certification and subsequent country-specific developments, we have a strong product offering for every continent. Our products meet all the stringent performance requirements by the US, Europe, Gulf

Cooperation Council (GCC), Brazil, Russia and other countries. Some of our key certifications are:

- Nom Certification, China
- SNI Certification, Indonesia
- INMETRO Certification, Brazil
- GCC Standardization Organization, GCC
- Department of Transportation, USA
- Saudi Standards, Metrology and Quality Organization, Saudi Arabia
- The complete product range of TBR and PLT complies with the requirement of ECE R117

OUTLOOK

Since inception, we are strongly committed to a comprehensive technology growth. To strengthen our technological know-how, we have harboured an inhouse talent pool and also aspire to engage global technology expats. We aim to be a global tyre maker driven by pure technology excellence as we make our products future-ready.

22

New sizes of tyres were launched in our premium two-wheeler brand, **'Blaze'**



Innovation focus areas

Product (TBR)

- Best-in-class products ensuring mileage and durability.
- Innovative value engineering.
- Enhanced product range for Global markets meeting international standards.
- Digitisation for superior performance.
- Strategic milestones to achieve eco-friendly products.

Product (Passenger Car Radials and Light Truck Radials)

- Continuous enhancement of product range for each segment.
- Critical focus on eco-friendly products.
- Enhanced presence in global markets through globally competitive products
- Aggressive penetration in Latin America (LATAM) and NAFTA OEMs.
- Innovative development of new technologies to establish digitisation concepts and enhanced safety approach
- Leadership through innovation.

Process technology excellence

- Application of connected enterprise for process excellence.
- Focused approach towards zero defects.
- Enhanced automation and robotisation for quality consistency.
- Focused energy conservation to be world-class.
- Skill development through continuous training for quality excellence.
- Global benchmarking to achieve best-in-class process control parameters.

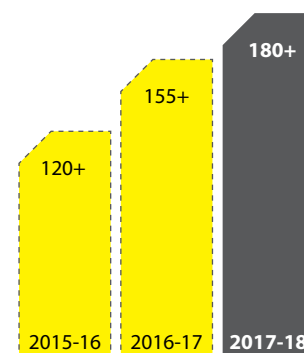


Key product launches

- 'Jetway JUH5', an unbeatable range of Rib Tyres in India, is performing extremely well in the market place.
- 'Jet Racing', a truck radial tyre, which has been commended for its top speed of 164 km per hour, has been approved for the British Truck Racing Championship.
- Tyre of Bajaj Platina Comfortec offers one of the lowest rolling resistance in the two / three-wheeler segment.
- Shresth is an innovative design technology in farm tyre – patented by Design Centre. The tyre ensures higher traction, maximum hourage, dual application, biggest dimensions and aesthetics.
- Special premium 'white-lettered' tyres were launched under the Ranger brand for SUV tyres, which have been appreciated by customers.
- The 'Taxi Max' range was introduced with a promise of 1 lakh+ km mileage, backed by an unconditional warranty.
- The flagship two-wheeler product 'Blaze Rydr' was launched for high-end, high-speed motorcycles.

PRODUCT LAUNCH

(Numbers)



A photograph of two men in a modern, brightly lit showroom. The man on the left is wearing a grey suit jacket over a light-colored shirt and blue jeans. The man on the right is wearing a grey polo shirt with yellow accents and a JK Tyre logo, and dark trousers. They are both looking at a display of tires. The man on the right is gesturing with his hands as if explaining something. The background is a plain, light-colored wall with a large window on the left.

REINFORCED BRAND RECALL

At JK Tyre, we do not just sell tyres, we build legacies. With our extensive distribution and service network, we are the consistent companion of our customers on road. As a brand, we are committed to be an end-to-end global tyre solutions expert.

DIGITAL

Today, digital marketing is emerging as a strong pillar for building conversations, engaging customers and driving preference, loyalty and a stronger equity for us. In our efforts to be one of the most prominent brands on the digital medium, we have been expanding our social presence and engagement with target audiences through innovative digital activations.

RADIO

Radio is a very effective medium for us to promote newer schemes and build brand awareness. 'Radio Khushhaali' is a unique initiative by JK Tyre to reach out to the farmers of Rajasthan, Uttar Pradesh, Haryana, Maharashtra, Punjab, Bihar and Madhya Pradesh through humourous and entertaining content. This first-of-its-kind initiative in the Indian tyre industry has helped us reach out to the farmers in an innovative way and improve our brand image among them.

CAMPAIGNS

'Ab se tyres main sirf JK is OK' is one of our high-visibility campaigns for the two-wheeler category, which has been well received by the trader community and customers. Our campaigns for the PCR tyre category have also received substantial brand visibility, with high efficacy.

To build awareness among the mechanics, we also rolled out the '2 Wheeler ka Don' van campaign across India in a phased manner. The idea was to connect with the mechanics and teach them puncture-repair techniques and showcase the two-wheeler range.

DISTRIBUTION NETWORK

We have a strong distribution and service network in India and overseas. We also have a strong pan-India distribution network of over 4,000 channel partners.

JK TYRE TRUCK WHEELS

We have 40 JK Tyre Truck Wheels, which are fully equipped truck tyre service centres, offering 'Total Tyre Solutions'. They are located at strategic locations along the highways.

JK TYRE STEEL WHEELS

JK Tyre Steel Wheels exclusively deal in PCR tyre retailing. There are 300+ such outlets currently and they contribute significantly to our total PCR sales.

JK TYRE XPRESS WHEELS

JK Tyre Xpress Wheels service customers in rural, small town and semi-urban markets. Currently, there are 60+ Xpress Wheels. In addition to PCR tyres, Xpress Wheels also retail farm and two and three-wheeler tyres.

FLEET MANAGEMENT

JK Tyre's Fleet Management (FM) programme provides a comprehensive mobility solution to the customers. The objective of the programme is to provide the 'right support at the right time, for long-term gains'. We have over 1,500 fleet operators associated with us.

FUEL RETAIL OUTLETS

Our products are also sold through over 450 fuel retail outlets of IOCL, HPCL and Essar Oil Limited across India. This gives us the opportunity to reach out to customers in the interiors of the country.

MASS MERCHANDISE OUTLETS

In Mexico, we have tied-up with Walmart, Chedraui and Coppel, where our products are displayed and retailed through malls.

OUTLOOK

We aspire to be a complete tyre solutions provider for our customers. We have been strengthening our brand positioning and awareness with a larger portfolio, more focused marketing and larger distribution network.

100+

JK Tyre Steel Wheel brand shops were added during 2017-18



ICOTY/ IMOTY Awards 2018

POPULARISING MOTORSPORTS

JK Tyre has been championing the role of promoting motorsports in India since the last three decades. Be it charting roads to nations with JK Himalayan Drive, burning rubber at the drag racing in Bengaluru or supporting the cause of road safety at the Constitution Rally for parliamentarians, we continue to invest extensively in developing an infrastructure for motorsports in India.





We have played a pioneering role in unearthing fresh talent and readying India's top drivers for the global stage. Our well-established JK Tyre National Racing Championship is the talk of the town and completed 20 years of its eventful journey.

In 2017-18, we collaborated with the global two-wheeler giant, Suzuki, to include for the first time two-wheeler racing series in the National Racing Championship. The association has helped us connect with our potential customers in the two-wheeler segment and establish our brand in the segment.

Our association with motorsports reinforces our brand commitment and positioning of being a youthful and adventurous leader in the tyre industry.



Celebrated 20 years of JK Tyre National Racing Championship, which was attended by around 30,000 people



EXPANDING OUR GLOBAL HORIZON

We are a globally renowned tyre manufacturer, with our customer base spread across six continents. We have been expanding our global reach and business share with our manufacturing plants based out of India and Mexico.

ACHIEVEMENTS DURING FY 2017-18

- Our exports grew by 34% to ₹1,258 crore in FY 2017-18 compared to ₹937 crore in FY 2016-17, driven by newer products and a wider reach in the North American market.
- We have enhanced our OEM presence with Chrysler, Nissan (Car / Light Truck Radial), John Deere (Farm) and Case New Holland with Tornel.
- We now have greater access to the North American and emerging Latin American markets with Tornel.
- We expanded mass merchandise initiatives with Walmart in Mexico.
- We opened a new office in North America (region) that enabled us to tap the market more efficiently, along with the Mexican operations, bringing about synergies and a more focused approach towards the development of the product mix.
- We plan to open new marketing hubs in South America and Africa for enhanced focus on these markets.

FURTHER PENETRATION IN THE OEM SALE

Currently, we predominantly cater to the replacement market in the export market. The replacement market includes the TBR, TBB and PCR segments. We have been

driving our plans to further develop market-specific products for direct OEM sales. Our Mexican operations are now selling directly to OEMs, including Chrysler, New Holland, Nissan, John Deere and Renault. The Mexican portfolio is largely dominated by passenger car tyres, followed by trucks, LCVs, Farm and industrial tyres.


BRAND POSITIONING

We have three marquee brands catering to multiple segments in the international markets – JK Tyre, Vikrant and Tornel. While JK Tyre and Vikrant are placed in the premium segments of TBR, TBB and PCR, Tornel caters to the economy range of TBB and PCR.

DISTRIBUTION NETWORK

With replacement market being the key segment, we have webbed a distribution network of 250 dealers in the overseas market, including 100 exclusive dealers for our brands. We also engaged 200 distributors in the international market for an extensive coverage in addition to our marketing hubs in Mexico, Colombia, USA, Indonesia, Dubai and Moscow. We also have mass merchandise tie-ups with Walmart, Chedraui and Coppel in Mexico for retailing our tyres from these setups.

EMPOWERED TEAM



We believe our people are the foundation of our success and it is their passion, skills and knowledge that have driven the organisation. We are making strategies to create an exciting work culture that nurtures a dependable team and works towards long-term value creation for us.

5.1

Person-days of training per employee in FY 2017-18

Our talent management processes and systems are aligned to directly support our business requirements. Simultaneously, they are designed to help create a sustainable and inclusive culture within the organisation.

ACQUIRING TALENT

'Merit' is our criterion for recruitment. Therefore, our organisation has people from diverse cultures, castes, age groups, values, languages and nationalities. Our people appreciate this merit-based culture, which adds to the dynamic and competitive environment. We continue to induct young talented post graduates and graduates from premier institutions annually.

FOSTERING TEAMS

At JK Tyre, we invest in people strategies to help our people grow. Over the years, we have adopted several strategies to develop capabilities through learning programmes across all levels. These initiatives comprise competency-based assessment and coaching programmes for managers and skill-based training programmes for operator personnel at our plants. We also have a structured approach for employee engagement.

MAPPING PERFORMANCE

We have developed a competence framework aligned to performance management through which we identify the learning and development needs of our people. We also use it to build structured training programmes. Besides, we follow a structured approach for performance and compensation management, competency mapping and assessment, competency-based development and 360-degree feedback.

NURTURING A CULTURE OF COACHING

We encourage a culture of coaching in the Company to encourage employees who have leadership potential and to retain top talent. This way, we develop our organisational bench strength to establish a promising succession pipeline and empower our people to assist in their decision making. The coaching culture

is visible in the behaviour of our people and is steadily becoming a part of the organisational DNA.

MAINTAINING DIALOGUE BETWEEN PEOPLE AND MANAGEMENT

We aim to establish open and transparent communication between our people and our management to gauge their aspirations and feelings and ensure people retention. In this line, we organise monthly webcasts, townhall meetings and other such programmes.

DIGITALISATION OF PEOPLE PROCESSES

We invested in the digitalisation of our people processes and new-age systems for our young employees. Today, we use webinars, live webcast (called V-Connect), Skype for Business, internal social networking, online people processes and other digital tools that help our people perform better.

GOING FORWARD

Training people, improving communication and providing better support tools to enhance productivity, workplace vibrancy and competitiveness are our major focus areas. In the coming years, we will engage more with our people and continue to make the workplace an abode of learning, creativity and innovation.



37 years

Average age of
team JK Tyre

CORPORATE SOCIAL RESPONSIBILITY

TOUCHING LIVES

In this connected world, the success of a business is weighed not only by its profits, but also by its efforts to make the world a better place to live. With this belief, we have been transforming lives with our explicit Corporate Social Responsibility (CSR) programmes. We call these programmes 'Social Investments'.



In FY 2017-18, our various social initiatives in the areas of education, livelihood, health and water conservation benefited 1,20,000 people. These beneficiaries were largely women and people from the underprivileged communities.

LIVELIHOOD ENHANCEMENT

In rural India, agriculture and livestock are the major sources of livelihood. In a bid to enhance farm and off-farm incomes of poor and marginal farmers, we initiated various agricultural and cattle breed improvement programmes.

Livestock development project in Morena

Under the livestock development programme, we used artificial insemination to improve cattle breed in 50 villages

of Morena. We also provided fodder development and animal healthcare services at farmers' doorsteps.

Highlights for FY 2017-18

- 4,452 artificial inseminations performed this year, reaching a total of 7,537
- 820 hybrid calves born this year, reaching a total of 1,200
- More than 20,000 cattle attended in health camps
- More than 5,000 farmers benefited directly

Agricultural improvement

In a bid to make agriculture more inclusive, technologically advanced and sustainable, we undertook efforts to train farmers, especially the women farmers, on modern

agricultural practices, including access to the latest technology, high-yielding variety seeds, optimum fertiliser regime and pesticides, etc. These initiatives have substantially improved agricultural production.

Highlights for FY 2017-18

- More than 500 farmers trained in advanced agricultural practices
- 2,700 mango saplings planted by 50 farmers

Self-Help Groups (SHGs)

Since availability of credit is the biggest challenge faced by the poor and marginal people, we formed SHGs to promote inter-lending and bank linkages. There are around 40 functional SHGs today, with more than 600 women members, who together generated savings during the last year.



Skill development

We initiated location-specific and market-oriented trainings under our skill development programme to enhance the entrepreneurial and employability skills of the unemployed youth. The youth were trained in mobile repairing, motor winding, beautician courses, tailoring and Light Motor Vehicle (LMV) driving for fork lift operators. Around 500 unemployed youths have benefited from the programme. Today, the small ventures started by these youths have the potential to grow into successful and profitable independent enterprises in the future.

HEALTH AND SANITATION

Adequate sanitation, coupled with good hygiene and safe drinking water, and easy access to healthcare facilities are pivotal for the good health and socio-economic development of a country. At JK Tyre, we partner with stakeholders in each of these areas to make a positive impact on the society.

Sanitation management

We partnered with the Government of India in its ambitious 'Swachh Bharat Mission' to make India open-defecation free. During the year, we built more than 1,200 toilets in rural areas as part of our efforts towards a cleaner and greener India, taking the tally to 2,300 toilets. Through various meetings, rallies, awareness drives, posters and banners, our

team has been ensuring that communities are using and maintaining these newly built toilets.

Prevention of HIV/AIDS among the trucker community

We are actively engaged in the prevention of HIV/AIDS among the trucker community. Our partner NGOs are running ten health clinics at high-risk HIV/AIDS locations. These include 'Khushi Clinics' in association with TCI Foundation at five locations and 'Jeevan Kiran Clinics' along with our partner NGO, Vatsalya, functioning at Jaipur, Shahpura, VKI Nagar, Udaipur and Gwalior. The project has benefited more than 20,000 patients, especially truckers, during FY 2017-18.

We supported a network of People Living with HIV/AIDS (PLHIV) in Rajsamand district of Rajasthan and also provided emotional support, guidance, medicines and nutritional supplements to HIV-positive people.

There are 1,034 PLHIV enrolled in the network and many of them have been also linked with various Government social schemes such as Antyodaya and Palanhar, among others.

Parivartan

'Parivartan', the reproductive and child healthcare project, has been running since 2004 in the tribal-dominated Rajsamand

district of Rajasthan. The project has significantly reduced the Infant Mortality Rate (IMR) and Maternity Mortality Rate (MMR) prevalent in the area. It has also inculcated health-seeking behaviour among the marginal and disadvantaged communities. During FY 2017-18, more than 9,000 patients have been provided medical support and free medicines under this programme.

Pushpawati Singhania Hospital & Research Institute, New Delhi

Pushpawati Singhania Hospital & Research Institute is a multi-specialty hospital, co-promoted by us. The hospital extends its services for the well-being of common public and is a not-for-profit organisation. Since the last two decades, more than one lakh patients each year are availing affordable and best-in-class healthcare services at the hospital.

Sustainable Drinking Water Project at Kankroli

Safe drinking water is still a scarcity in the interiors of India. Under our project at Kankroli, we have built a sustainable and regular drinking water supply system that has benefited more than 2,000 poor and marginal ethnic groups.

CORPORATE SOCIAL RESPONSIBILITY



WATER CONSERVATION

We have achieved the distinction of being one of the lowest water-consuming companies and have established a new benchmark for water consumption in the global tyre industry.

We have initiated various water conservation initiatives in villages located close to our manufacturing plants to enable the local communities become water sufficient. A total of 25 community water tanks, six check dams and 38 farm ponds have been developed to harvest a large amount of water for irrigation, ground water recharge and for animals to drink.

Other water conservation activities such as farm bunding, borewell recharge and soak pits have also been implemented to conserve water and benefit more than 10,000 local people.

Highlights for FY 2017-18

- More than 10,000 farmers benefited from water tanks.
- Actively participated in Jal Sawavlamban Abhiyan of the Government of Rajasthan and constructed six check dams.

EDUCATION

Education is the driving force behind a country's growth. At JK Tyre, we believe in inclusive growth. Our programmes are focused on building a conducive environment for knowledge sharing and development.



Adult literacy

The adult literacy programme being run at all our manufacturing locations has transformed the lives of more than 50,000 rural illiterate women. These women are now functionally literate and can read and write with ease. They can do basic calculations and help their children in studies. Many have also started income-generation activities and progressed towards prosperity.

The adult literacy programme at Central Prison, Mysuru, is a unique initiative that helped more than 5,500 prison inmates to become functionally literate.

We adopted three Government Industrial Training Institutes (ITIs) under the Public Private Partnership (PPP) model to impart job-oriented quality vocational education for the benefit of more than 500 local students each academic year. Today, campus interviews in these ITIs are conducted by reputed corporates, thereby enhancing the reputation of the adopted ITIs. The initiative has also resulted in providing almost 100% employment to the local students.



Support to schools

Apart from running our own school at Jaykaygram, we are supporting many schools to bring about an improvement in pedagogy, learning outcomes, digital learning and ensuring better infrastructure. Remedial classes are run for weaker students after the school hours to bring them at par with other students.

Highlights for FY 2017-18

- 3,895 women have become literate this year, while the total is more than 50,683 so far.
- 570 Mysuru prison inmates educated this year, while the total is more than 5,500 so far.
- LPS School at Jaykaygram – 1,450 students.
- Nine schools in the vicinity of the Kankroli Tyre Plant (KTP), benefiting more than 400 children.
- Distributed 150 laptops in Government College, Karnataka.

UCCI PP Singhal CSR
Excellence Award 2018

*STATUTORY AND
FINANCIAL SECTION*

Directors' Report

To The Members

Your Directors are pleased to present the Annual Report of your Company, along with Audited Financial Statements for the year ended 31st March, 2018.

OPERATIONS

The year witnessed remarkable policy and structural reforms. The implementation of Goods and Services Tax (GST), recapitalization of Public Sector Banks and other fiscal initiatives will strengthen the Indian economy. In the backdrop of various reforms and developments, the international credit rating agency, Moody's, upgraded India's rating after a gap of about 13 years.

During this fiscal, the Indian economy has grown by 6.75%. With the continued focus on rural economy, healthcare, education, infrastructure and digitalization, the GDP is expected to surge ahead in the range of 7 - 7.5% in FY19 leading to a modern, strong and confident India.

The Tyre Industry grew by 7% in volume. JK Tyre outgrew the Industry ending the year with a growth of 11%, and increased its market presence across categories especially in Truck, PCR, Light Truck, Small Commercial Vehicles, Farm and OTR tyres. Truck radialization further accelerated to 47% during the year and is expected to cross 50% in the year ahead.

The year 2017-18 witnessed an unprecedented increase in the oil prices which together with pre and transitory GST implementation effect had a major impact on production costs and margins of the Tyre Industry as a whole. JK Tyre was no exception.

The Company alongwith its subsidiaries, on a consolidated basis, recorded a Turnover of ₹ 8,543.41 Crores with Profit Before Tax (PBT) at ₹ 106.81 Crores.

On a standalone basis, the Company achieved a turnover of ₹ 6,610.95 Crores with PBT of ₹ 63.85 Crores.

RAW MATERIALS

The year under review witnessed overall raw material cost increase by 13%, while tyre prices increased marginally.

The first half of the year saw raw materials prices spiraling by as much as 23% over the corresponding period. Oil prices did not abate and surged to a high of US\$ 75/barrel. This impacted all the petro based raw materials, particularly carbon black where prices increased by as much as 35%. Natural Rubber prices too remained high throughout the year besides constrained availability.

R&D AND TECHNOLOGY

Technology & innovation play significant role in performance and growth of any organization. To innovate, your organization relies on R&D and technology teams, who passionately work on consistently improving process and products through their knowledge and skill. They create innovative products by understanding application needs and attributes required, through basic & applied research in laboratory and in manufacturing. Innovation and creativity are driving forces behind the R&D and Technology efforts of your organization.

JK Tyre in association with Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI) and "RPS Centre of Excellence for Tyre and Vehicle Mechanics" located at IIT Madras is continuously working on advanced material, alternate material, nano technology, process and product simulation, predictive technology, advanced tyre mechanics, tyre characterization including working towards reduction of raw material consumption. For reduction of greenhouse gas emissions (carbon dioxide), HASETRI in association with JK Tyre's product development group is developing tyres with reduced rolling resistance & traction (wet & dry) without affecting mileage.

These efforts helped your Company offer various high performance tyres for new generation vehicles, which were successfully commercialized across categories.

AWARDS

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

1. Certified as **Great Place to Work** for the year 2018
2. **Best Supplier Quality Excellence Award 2016** from General Motors
3. **Quality Performance Award** received from Volkswagen
4. **Golden Peacock Award for Energy Efficiency 2017**
5. **National Award for Excellence in Energy Management 2017**
6. **National Award for Excellence in Water Management 2017**
7. **National Award for Manufacturing Competitiveness 2016-17 – GOLD MEDAL**
8. **UCCI PP Singhal Excellence Award in CSR – Large Enterprises Category 2018**
9. **16th Annual Green Tech Safety Award 2017 – Gold category**

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share of ₹ 2 each (i.e. 75%) on the equity share capital

of ₹ 45.36 crores for the financial year ended 31st March 2018. The dividend outgo will be ₹ 41.01 crores (inclusive of a dividend tax of ₹ 6.99 crores). The dividend payout is in accordance with the Dividend Distribution Policy of the Company.

APPROPRIATIONS

The amount available for appropriation, including surplus from the previous year, stood at ₹ 446.55 crores and the same has been carried forward to Balance Sheet.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return, as on 31st March 2018, in the prescribed form MGT 9, is attached as Annexure 'A' with this Report and forms a part of it.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2018, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

The Related Party Transaction Policy, as approved by the Board, is available on the Company's website.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company re-appointed Shri Arun K. Bajoria as Whole-time Director of the Company with the designation, Director & President – International Operations, for a term of three years commencing 1st January 2019, subject to the approval of the members of the Company at the ensuing Annual General Meeting (AGM).

Smt. Sunanda Singhania retires by rotation and, being eligible, offers herself for re-appointment at the ensuing AGM.

Declarations have been received from all Independent Directors of the Company that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

CONSERVATION OF ENERGY, ETC.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

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

Name of Company	₹ crores	
	Turnover	PBT
- Cavendish Industries Ltd.	1,670.47	(21.18)
- JK Tornel (together with its subsidiaries)	1,073.29	56.81

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

During the financial year under review, Western Tire Holdings, Inc. (USA) has become an associate of the Company. Except this, no Company has become or ceased to be your Company's subsidiary or associate during the said financial year. The Company does not have any Joint Venture.

DEPOSITS

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

The particulars with respect to deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2018 are:

(a) accepted during the year - ₹ 38.93 crores; (b) remained unclaimed as at the end of the year - ₹ 0.97 crores; (c) default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - Nil and (d) details of deposits which are not in compliance with the requirements of Chapter V of the said Act - Nil.

AUDITORS

(a) Statutory Auditors and their Report

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

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the secretarial audit of the Company for the financial year 2017-18. The Report, given by him for the said financial year in the prescribed format, is annexed to this Report as Annexure 'C'. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

(c) Cost Auditor and Cost Audit Report

The Cost Audit for the financial year ended 31st March 2017 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi, and as required, the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2018 is also being conducted by the said firm.

PARTICULARS OF REMUNERATION

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

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

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, the Company has been undertaking and participating in the socially important projects in the fields of health, education, rural development, adult literacy, renewable energy, among others - ever since it commenced

operations i.e., even before Corporate Social Responsibility (CSR) was mandated by law.

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

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

INTERNAL FINANCIAL CONTROLS

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

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

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

MATERIAL CHANGES AND COMMITMENTS

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

CHANGE IN THE NATURE OF BUSINESS

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

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Sustainability & Business Responsibility Report of the Company for the financial year ended 31st March 2018 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms part of it.

CORPORATE GOVERNANCE - Including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism

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

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

- (a) Particulars of the four Board Meetings held during the financial year under review.
- (b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of directors.
- (c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- (d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- (e) Details regarding Risk Management.
- (f) Dividend Distribution Policy.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

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

ACKNOWLEDGEMENTS

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

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

On behalf of the Board of Directors

17th May, 2018
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

FORM NO. MGT-9**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2018

*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN	:	L67120RJ1951PLC045966
(ii)	Registration Date	:	14th February 1951
(iii)	Name of the Company	:	JK Tyre & Industries Ltd.
(iv)	Category/Sub-Category of the Company	:	Public Company/Limited by Shares
(v)	Address of the Registered Office and Contact Details-	:	Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) Ph. No. : 02952-302400/330011 Fax No. : 02952-232018 Email id : investorjkyre@jkmil.com Website : www.jktyre.com
(vi)	Whether Listed Company	:	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent	:	Alankit Assignments Ltd. Alankit Heights,1E/13, Jhandewalan Extension, New Delhi - 110 055 Ph. No. : 91-11-42541234; 23541234 Fax No. : 91-11-41543474 Email id : rta@alankit.com Website : www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

S.no	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held [■]	Applic- able Section
4	Lankros Holdings Ltd. Lampousas, 1 Nicosia 1095 Cyprus	Not Applicable	Subsidiary	100	2(87)
5	Sarvi Holdings Switzerland AG Acton Treuhand AG, Gotthardstrasse 28, Postfach 7163 CH – 6302 Zug	Not Applicable	Subsidiary	100	2(87)
6	JK Tornel S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
7	Comercializadora America Universal, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
8	Compania Hulera Tacuba, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
9	Compania Hulera Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
10	Compania Inmobiliaria Norida, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
11	General de Inmuebles Industriales, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
12	Gintor Administracion, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
13	Hules Y Procesos Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
14	Cavendish Industries Ltd. 7, Council House Street, Kolkata -700 001 West Bengal	U74900WB2015PLC204899	Subsidiary	80	2(87)
15	3DInnovations Private Ltd (formerly Natext Biosciences Private Ltd.) 3, Bahadur Shah Zafar Marg, New Delhi -110 002	U24295DL2007PTC158104	Subsidiary	100	2(87)
16	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi - 110 002	U31200DL2005PLC278945	Associate	Equity -35 OCCRPS [^] - 33.33	2(6)
17	Hari Shankar Singhania Elastomer and Tyre Research Institute(HASETRI) Jaykaygram, P.O. Tyre Factory, Kankroli, Rajasthan	U73100RJ1991NPL006245	Associate	24 *	2(6)
18	Valiant Pacific LLC P.O. Box 48679, 305, Al Masraf, Dubai, UAE	Not Applicable	Associate	49	2(6)
19	Western Tire Holdings, Inc 222, Pennbright Drive, Houston, TX, State of Texas	Not Applicable	Associate	40	2(6)

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

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

[■] Represents aggregate % of shares held by the Company and/or its subsidiaries.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (as on 31st March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters **									
(1) Indian									
a) Individual/HUF	4374105	-	4374105	1.93	4691105	-	4691105	2.07	0.14
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	114343550	-	114343550	50.41	114343550	-	114343550	50.41	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	118717655	-	118717655	52.34	119034655	-	119034655	52.48	0.14
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)**	118717655	-	118717655	52.34	119034655	-	119034655	52.48	0.14

** The total shareholding of Promoters at (A) above includes 6,20,59,560 Equity Shares (27.36%) as on 1st April 2017 and 6,21,91,560 Equity Shares (27.42%) as on 31st March 2018, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (as on 31st March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	293465	4840	298305	0.13	3378359	1260	3379619	1.49	1.36
b) Banks/FI	238463	18160	256623	0.11	313336	15385	328721	0.14	0.03
c) Central Govt.	455	-	455	-	642885	-	642885	0.28	0.28
d) State Govt. (s)	1427600	-	1427600	0.63	1427600	-	1427600	0.63	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2481875	135	2482010	1.09	2281875	135	2282010	1.01	(0.08)
g) FIs	26383524	-	26383524	11.63	24302995	-	24302995	10.71	(0.92)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):-	30825382	23135	30848517	13.60	32347050	16780	32363830	14.27	0.67
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	18884299	20515	18904814	8.33	19144985	19275	19164260	8.45	0.12
ii) Overseas	17437500	-	17437500	7.69	17437500	-	17437500	7.69	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	31971885	1614357	33586242	14.81	27396434	1224862	28621296	12.61	(2.20)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4628131	-	4628131	2.04	6975002	99500	7074502	3.12	1.08

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1st April 2017)				No. of Shares held at the end of the year (as on 31st March 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Clearing Members	728424	-	728424	0.32	666684	-	666684	0.29	(0.03)
ii) Foreign National	500	-	500	-	500	-	500	-	-
iii) Non-Resident Indians	1631987	122790	1754777	0.77	2301733	119515	2421248	1.07	0.30
iv) Trust	206920	-	206920	0.09	29005	-	29005	0.01	(0.08)
Sub-Total (B)(2):-	75489646	1757662	77247308	34.06	73951843	1463152	75414995	33.25	(0.81)
Total Public shareholding (B)=(B)(1)+(B)(2)	106315028	1780797	108095825	47.66	106298893	1479932	107778825	47.52	(0.14)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	225032683	1780797	226813480	100.00	225333548	1479932	226813480	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2017)			Shareholding at the end of the year (as on 31st March 2018)			% change in share-holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Bengal & Assam Company Ltd.	55074250	24.28	-	55074250	24.28	-	-
2	Shri Bharat Hari Singhania	718325	0.32	-	773325	0.34	-	0.02
3	Dr. Raghupati Singhania	818990	0.36	-	923990	0.41	-	0.05
4	Shri Vikrampati Singhania	46530	0.02	-	71530	0.03	-	0.01
	TOTAL	56658095	24.98	-	56843095	25.06	-	0.08

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

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Bengal & Assam Company Ltd.				
	At the beginning of the year	55074250	24.28	55074250	24.28
	Date wise Increase/Decrease in Promoters' Shareholding during the year			NO CHANGE	
	At the end of the year i.e., 31st March 2018			55074250	24.28
2.	Shri Bharat Hari Singhania				
	At the beginning of the year	718325	0.32	718325	0.32
	Date wise Increase in Promoters' Shareholding during the year				
	• Market Purchase on 17th August 2017 - 55000 Equity Shares			773325	0.34
	At the end of the year i.e., 31st March 2018			773325	0.34
3.	Dr. Raghupati Singhania				
	At the beginning of the year	818990	0.36	818990	0.36
	Date wise Increase in Promoters' Shareholding during the year				
	• Market Purchase on 17th August 2017 - 105000 Equity Shares			923990	0.41
	At the end of the year i.e., 31st March 2018			923990	0.41
4.	Shri Vikrampati Singhania				
	At the beginning of the year	46530	0.02	46530	0.02
	Date wise Increase in Promoters' Shareholding during the year				
	• Market Purchases on:				
	17th August 2017 - 7000 Equity Shares			53530	0.02
	18th August 2017 - 18000 Equity Shares			71530	0.03
	At the end of the year i.e., 31st March 2018			71530	0.03

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2017)		Shareholding at the end of the year (31st March 2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Florence Investech Ltd.	32659100	14.40	32659100	14.40
2	BMF Investments Ltd.	25807500	11.38	25807500	11.38
3	Edgefield Securities Ltd.	17437500	7.69	17437500	7.69
4	Tasha Investment Advisors LLP	3364939	1.48	4701198	2.07
5	Abu Dhabi Investment Authority - Behave	-	-	4536634	2.00
6	HSBC Global Investment Funds – Asia Ex Japan Equity Smaller Companies	-	-	3659253	1.61
7	Societe Generale	-	-	2096229	0.92
8	SBI Life Insurance Co. Ltd.	-	-	2028108	0.89
9	Life Insurance Corporation of India	1980445	0.87	1980445	0.87
10	SBI Contra Fund	-	-	1700000	0.75

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Dr. Raghupati Singhania, Chairman & Managing Director				
	At the beginning of the year	818990	0.36	818990	0.36
	Date wise Increase in Shareholding during the year				
	• Market Purchase on 17th August 2017- 105000 Equity Shares			923990	0.41
	At the end of the year i.e., 31st March 2018			923990	0.41
2.	Shri Bakul Jain, Director				
	At the beginning of the year	6000	0.00	6000	0.00
	Date wise Decrease in Shareholding during the year				
	- Transfer to a Relative (Gift) on 28th March 2018 - 2,000 Equity Shares			4000	0.00
	At the end of the year i.e., 31st March 2018			4000	0.00
3.	Shri Shreekant Somany, Director				
	At the beginning of the year	7000	0.00	7000	0.00
	Date wise Increase in Shareholding during the year				
	• Transmission on 6th November 2017 - 500 Equity Shares			7500	0.00
	At the end of the year i.e., 31st March 2018			7500	0.00
4.	Smt. Sunanda Singhania, Director				
	At the beginning of the year	562500	0.25	562500	0.25
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2018			562500	0.25

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1st April 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5.	Shri Bharat Hari Singhania, Managing Director				
	At the beginning of the year	718325	0.32	718325	0.32
	Date wise Increase in Shareholding during the year				
	• Market Purchase on 17th August 2017- 55000 Equity Shares			773325	0.34
	At the end of the year i.e., 31st March 2018			773325	0.34
6.	Shri Anshuman Singhania, Whole-time Director				
	At the beginning of the year	43375	0.02	43375	0.02
	Date wise Increase in Shareholding during the year				
	• Market Purchases on:				
	17th August 2017 - 7000 Equity Shares			50375	0.02
	18th August 2017 - 13000 Equity Shares			63375	0.03
	At the end of the year i.e., 31st March 2018			63375	0.03
7.	Shri Arun K. Bajoria, Director & President – International Operations				
	At the beginning of the year	500	0.00	500	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2018			500	0.00
8.	Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary				
	At the beginning of the year	250	0.00	250	0.00
	Date wise Decrease in Shareholding during the year				
	• Market Sales on 26th May 2017 – 240 Equity Shares			10	0.00
	At the end of the year i.e., 31st March 2018			10	0.00
9.	Shri Ashok Kumar Kinra, Chief Financial Officer				
	At the beginning of the year	1870	0.00	1870	0.00
	Date wise Increase/Decrease in Shareholding during the year		NO CHANGE		
	At the end of the year i.e., 31st March 2018			1870	0.00

Note: Shri Arvind Singh Mewar, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2017 and at the end of the year i.e., as on 31st March 2018. Also, there was no increase/decrease in their shareholding during the financial year.

V. INDEBTEDNESS

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

	(₹ Crores)			
	Secured Loans Excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 1st April 2017)				
(i) Principal Amount	2,852.05	423.77	99.03	3,374.85
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	9.78	1.76	4.52	16.06
TOTAL (i+ii+iii)	2,861.83	425.53	103.55	3,390.91
Change in indebtedness during the financial year				
• Addition	192.50	350.22	41.75	584.47
• Reduction	(321.87)	(118.66)	(21.21)	(461.74)
Net Change	(129.37)	231.56	20.54	122.73
Indebtedness at the end of the financial year (As on 31st March 2018)				
(i) Principal Amount	2,726.22	655.11	116.75	3,498.08
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	6.24	1.98	7.34	15.56
TOTAL (i+ii+iii)	2,732.46	657.09	124.09	3,513.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ Crores)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Dr. Raghupati Singhania (Chairman & Managing Director)	Shri Bharat Hari Singhania (Managing Director)	Shri Arun K. Bajoria (Director & President - International Operations)	Shri Anshuman Singhania (Whole-time Director)	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	5.09	0.65	3.76	1.82	11.32
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.22	-	0.03	0.18	0.43
2.	Commission - as % of profit	-	-	-	-	-
3.	Others (mainly contribution to Provident Fund)	0.52	0.06	0.17	0.20	0.95
	TOTAL (A)	5.83	0.71	3.96	2.20	12.70
	Ceiling as per the Act	₹ 8.45 Crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				

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

B. Remuneration to other Directors:

(₹ Crores)

Sl. No	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Arvind Singh Mewar	Shri Bakul Jain	Smt. Sunanda Singhania	Shri Shreekanth Somany	Shri Vimal Bhandari	Shri Kalpataru Tripathy	Dr. Wolfgang Holzbach	
1.	Independent Directors								
	• Fee for attending Board/ Committee Meetings	0.05	0.06	-	0.03	0.04	0.04	0.02	0.24
	• Commission	0.10	0.10	-	0.10	0.10	0.10	0.10	0.60
	TOTAL (1)	0.15	0.16	-	0.13	0.14	0.14	0.12	0.84
2.	Other Non-executive Directors								
	• Fee for attending Board/ Committee Meetings	-	-	0.02	-	-	-	-	0.02
	• Commission	-	-	0.10	-	-	-	-	0.10
	TOTAL (2)	-	-	0.12	-	-	-	-	0.12
	TOTAL(B)=(1+2)	0.15	0.16	0.12	0.13	0.14	0.14	0.12	0.96
	Total Managerial Remuneration ((A)+(B))								13.66*
	Overall Ceiling as per the Act	₹ 9.29 Crores (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

*Total Remuneration to Managing Directors, Whole-time Directors and other Directors (being the total of A and B), includes sitting fees of ₹ 0.26 Crore.

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

(₹ Crores)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Pawan Kumar Rustagi Vice President (Legal) & Company Secretary	Shri Ashok Kumar Kinra Chief Financial Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.05	2.31	3.36
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0.01	0.12	0.13
2.	Others (mainly contribution to Provident Fund)	-	0.07	0.07
	TOTAL	1.06	2.50	3.56

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March 2018.

On behalf of the Board of Directors

17th May 2018
New Delhi**Dr. Raghupati Singhania**
Chairman & Managing Director

Conservation of Energy, etc.

A. ENERGY CONSERVATION

To be a "green company" is one of the key mission of JK Tyre and, this is pursued rigorously, thus focusing on sustainable use of energy. JK Tyre continues to establish milestones in energy conservation and it is a matter of satisfaction that during FY' 2017-18, total energy benchmark level of 10.01 GJ/ton of production was established and JK Tyre is one of the top 5 companies in this sector worldwide.

Our journey of continuously conserving energy is rigorously monitored and course correction identified. JK Tyre is the first Indian Tyre Company, which is yearly certified by BSI for CFV as per Standard ISO 14064, and this focus on GHG emission has resulted in over 34% reduction in emission over base year. JK Tyre has now achieved a new benchmark by achieving water consumption of 2.42 ltr/kg of production (14% reduction over last year).

At JK Tyre, thrust for usage of renewable energy is one of the key approaches towards energy efficiency. As a result, today 37% of its total power requirement is being met from renewable energy sources both Solar and Wind.

B. TECHNOLOGY ABSORPTION

a) Research & Development

i) Areas of R&D activities

Mobility of today and tomorrow in a sustainable way is the key concern in today's economy. Research and development has a high level of strategic importance to achieve such goals. With a well defined technology strategy, Company is developing products, solutions and services to offer better value for our customers on a continuous basis.

Our research and development teams are developing technology towards the major automotive trends in mobility like EV, emission requirement, digitalization and increased urbanisation. Considering wide range of products in your Company from 2/3 wheeler to ultra large OTR, individual teams focus on innovative and value added products in each category. Our approach is

to work jointly with vehicle manufacturers and develop differentiated products which also enhance JK Tyre brand image in the market place.

Development and use of predictive technology continues to be a core strength and key focus area of the Company. This has helped us in developing some of the best in class products. We are working towards enhancing the benefit of this technology to work with OEM's from early stage of vehicle design and homologation of our product with the vehicle geometry. "Centre of Excellence" at Mysuru with state-of-the-art infrastructure is supporting the innovative developments through exhaustive in-house validation.

b) Expenditure on R&D

The expenditure on R&D during the year was ₹ 60.96 Crores, which was 0.92% of the turnover.

c) Technology, Absorption And Innovation

i) Efforts towards Technology Absorption, Adaptation and Innovation

To be able to continuously compete with the Global giants and match product performance, your Company's In-House R&D Centre is keenly pursuing Technology development through the concept of "Technology Self Reliance". We are also engaging global experts in this field to support our R&D endeavour.

R&D team is working to support technology development in order to enable the Company to introduce best in class products. Particular emphasis is laid on lowering Rolling Resistance in radial tyres. Our highly competent and professionally qualified teams of Scientists, Engineers and Technologists are successfully interacting and adopting latest global technologies as well as best practice for improving processes and products.

In view of multi-location activity in India & Mexico, a continuous and interactive support to all our facilities is another area of key activity of our experts.

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

The Company has derived immense benefits as a result of the above efforts in the areas of new product development, green Technology, product performance improvement, cost optimization, improved product reliability and optimization of material usage.

Key new Product Developments:

- 184 New Products Launched for domestic and International markets (OE and Replacement)
- Additional 44 new products launched in 2/3 wheeler category to cater to high end bikes for Indian Market.
- New four rib pattern JUH 5 launched with best in class product performance.
- 29 New Products specifically for Americas launched in PCR Category.
- Export oriented products in PCR and TBR were tested and approved for ECE - Reg 117 meeting the Rolling resistance, Wet Grip and Noise limits of European regulation.

- JK Tyre's returns are one of the lowest in the Tyre industry as indicated by low replacement loss which is amongst one of the best in the Indian Tyre Industry.

iii) **Details of imported technology (Imported during the last 3 years reckoned from the beginning of the financial year):**

No technology was imported during the previous 3 financial years.

C. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(₹ crores)	
	2017-18	2016-17
Export, Foreign Exchange Earnings	902.39	647.47
Foreign Exchange Outgo	1,357.32	1,441.42

On behalf of the Board of Directors

17th May 2018
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company which have been complied with:-
 - (a) Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control) Order, 2009;

- (b) Bureau of Indian Standards Act, 1986 and the Rules made thereunder as applicable to Tyre Industry; and
- (c) Rubber Act, 1947 and Rubber Rules, 1955.

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

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

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

I further report that:

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

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

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

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

I further report that during the audit period, the Company has transferred 6,42,430 Equity Shares of ₹ 2 each of the Company to the demat account of Investor Education and Protection Fund Authority, in respect of which the dividend had not been claimed for seven consecutive years or more, in accordance with Section 124(6) of the Act and rules thereto.

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

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

Place : New Delhi
Date : 20th April 2018

Namo Narain Agarwal
Secretarial Auditor
CP No. 3331; FCS No. 234

Annual Report on the CSR Activities Undertaken by the Company During the Financial year ended 31st March 2018

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

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

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

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

2. The Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

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

3. Average Net Profit of the Company for last three financial years: ₹ 46,273.11 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 925.46 Lacs

5. Details of CSR spent during the financial year

- Total amount to be spent for financial year : ₹ 925.46 Lacs
- Amount unspent, if any : ₹ 469.64 Lacs
- Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2)Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lacs)	Amount spent on the projects or programs Sub Heads: (1)Direct expenditure on projects or programs (2)Overheads (₹ in Lacs)	Cumulative (2 years) expenditure on the identified projects or activities upto the reporting period (₹ in Lacs)	Amount Spent Direct or through implementing agency
1	Prevention of HIV/AIDS through Khushi & Jeevan Kiran Clinics and support to PLHIV network	Cl.(i) Promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Ludhiana & Chandigarh (Punjab); Haridwar (Uttarakhand); Bhiwandi & Vashi (Maharashtra); Jaipur, Kankroli & Udaipur (Rajasthan) & Gwalior (MP)	57.00	59.40	115.56	TCI Foundation, Vatsalya Society & Rajsamand Network of PLHIV
2	Health camps		Banmore (MP) & Mysuru (Karnataka)	4.00	7.12	7.12	Mansa Karuna Trust, Shri Vijay Raghav Sarkar Trust & Direct
3	Sanitation & Safe drinking water		Kankroli (Rajasthan); Banmore (MP) & Mysuru (Karnataka)	149.00	92.82	111.97	FINISH Society & MYKAPS
4	Project 'Parivartan' for providing better reproductive and child healthcare services		Kankroli (Rajasthan)	25.00	22.83	47.45	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2)Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in Lacs)	Amount spent on the projects or programs Sub Heads: (1)Direct expenditure on projects or programs (2)Overheads (₹ in Lacs)	Cumulative (2 years) expenditure on the identified projects or activities upto the reporting period (₹ in Lacs)	Amount Spent Direct or through implementing agency
5	Adult Literacy Project	Cl. (ii) Promoting education including	Kankroli (Rajasthan) & Mysuru (Karnataka)	13.00	13.52	33.89	Direct
6	Support to Schools, ITIs & Educational Institutes	special education and employment enhancing vocational skills	Kankroli (Rajasthan); Banmore (MP); Mysuru, Karwar (Karnataka) & Delhi	30.00	35.05	35.05	Madhav Seva Sansthan, DMRS Foundation & Direct
7	Road Safety Awareness Programs			6.00	-	-	-
8	Livestock development project for cattle breed improvement	Cl.(ii) Promoting livelihood enhancement projects Cl. (x) Rural development projects	Banmore (MP)	22.00	17.26	32.07	JK Trust
9	Livelihood enhancement & water conservation project	Cl (i) Eradicating hunger, poverty, making available safe drinking water Cl.(ii) Promoting Livelihood enhancement projects Cl. (iv) Conservation of natural resources	Kankroli (Rajasthan); Banmore (MP); Mysuru (Karnataka) & Sriperumbudur (Tamil Nadu)	196.00	129.82	248.97	Seva Mandir, CARD, BIRD- Karnataka & Hand in Hand
10	Green Cover & environment conservation	Cl. (iv) Ensuring environmental sustainability and ecological balance, Conservation of natural resources	Kankroli (Rajasthan); Mysuru (Karnataka) & Delhi	22.60	30.26	30.26	WWF- India & Direct
11	Promoting sports	Cl. (vii) Training to promote rural sports	Kankroli (Rajasthan); Banmore (MP) & Delhi	3.00	3.21	3.21	Direct
12	Infrastructure Development	Cl. (x) Rural development projects Cl. (vi) Measures for the benefit of armed forces veterans	Kankroli (Rajasthan); Banmore (MP); Mysuru & Karwar (Karnataka) & Sriperumbudur (Tamil Nadu)	13.00	22.82	42.38	Zilla Nirmithi Kendra & Direct
13	Administrative Expenses	5% of total CSR Expenditure			21.71	21.71	
TOTAL					(1) 434.11 (2) 21.71 Total= 455.82	729.64	

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

As a socially responsible corporate citizen, the Company has been one of the foremost proponents of inclusive growth ever since its inception and has been spending sizeable amount, and is committed to continue to play a larger role in the Country's sustainable development. In this backdrop, the Company is in the process of identifying certain key projects for implementing which can have larger societal impact and can make a difference to the lives, particularly in and around the areas of its operations.

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

Arun K. Bajoria

Director & President-International Operations

Dr. Raghupati Singhania

Chairman, CSR Committee

Management Discussion and Analysis

ECONOMIC & BUSINESS ENVIRONMENT

The year under review has been a challenging period for India's economy, with some disruptions during the first half of the financial year. During FY 2017-18, the Government of India introduced several key reforms to power the nation's long-term growth. Among them, the most important was the implementation of Goods and Services Tax (GST) in July 2017, which radically transformed India's markets with more accessibility and a tech-driven, uniform indirect tax infrastructure. The second half of the year witnessed the economy showing signs of revival and stabilisation post implementation of GST. Moreover, international credit rating agency Moody's upgraded the country's sovereign rating from Baa3 to Baa2 revising the outlook from stable to positive during this phase. In the last five quarters, India's economy grew at its fastest pace and in Q3 it regained the status of 'fastest growing major economy in the world' with annual growth close to 7%. Coupled with controlled inflation and favourable monsoons led to improved agricultural performance, resulting in a rise in rural income. Besides, positive investor sentiments across industries helped the overall economy grow.

However, the increase in global crude oil prices are likely to have a cascading inflationary effect on the economy as prices of petrol and diesel are at a four-year high. Moreover, international trade wars and protectionism policies across the world are also a growing concern for India's economy as it may influence exports and imports, going forward. Nevertheless, the overall outlook for India's economy is positive with the Government of India pushing for long-due economic reforms in the country.

INDIAN AUTOMOTIVE INDUSTRY

The revival of India's economy was reflected through the increased sale of vehicles across segments.

India has the world's fourth largest automobile market that is growing rapidly. The country's automotive industry is set to witness major transformations due to evolution of electric vehicles (EVs), shared mobility, Bharat Stage VI (BSVI) emission and enhanced road safety norms. With the migration to BSVI standards well on its way, green mobility by 2030 is the new target on the horizon. Besides, the proposed vehicle scrap policy is also likely to propel demand in India's automotive industry. Also, higher cost of inputs across the industry has compelled most vehicle manufacturers to increase prices.

During FY 2017-18, India's overall vehicles sales registered a double-digit growth — after a gap of five years — at ~15%. While truck/bus segment grew by 12%, sales in light commercial vehicles (LCV)

segment rose by 25%. The small commercial vehicles (SCV) segment, which had been decelerating for the past few years, expanded by 30% in FY 2017-18, thereby indicating that last mile transportation is on the rise. At the same time, passenger vehicles (PV) recorded a nominal growth rate of 2%, riding on the popularity of compact SUVs. The MUV/SUV segment surged at 19%, crossing the 'million' sales mark during the year under review. Moreover, for the second consecutive year, tractor sales remained positive while increasing at the rate of 20%. The two- and three-wheeler segment, which is the largest segment by volume, expanded by 16%.

These factors demonstrate a positive run for the automotive business in future, thereby ushering in an encouraging phase for the tyre industry.

TYRE INDUSTRY SCENARIO

The long-term benefits of GST will continue to accrue in the coming years, although its implementation led to temporary disruptions in the first half of FY 2017-18. This coincided with the increase in input costs of carbon black, chemicals and steel wires. In addition, the price of natural rubber remained consistently high throughout the year under review.

The supply chain of the tyre industry continued to be adversely affected by the shortage of domestically available natural rubber and carbon black. These factors influenced margins and profitability as the incremental cost could not be passed on to the end users due to intense competition in the market.

The overall tyre market registered a growth of 7% by volume. The truck/bus segment declined marginally at less than 2%, while the truck radial segment grew by 7%. The overall level of radialisation in the truck/bus segment increased to 48%. Additionally, the imposition of anti-dumping duty for truck/bus radials (Chinese tyres) in September 2017 came as a relief to the industry.

The passenger tyre segment grew, albeit at a slower rate of 8%. The LCV tyre segment bounced back with a growth of 11%, after a substantial dip in the previous year, which was primarily due to the uptick in the radial segment. The SCV tyre market witnessed an upward movement of ~9%. Besides, the recovery in India's agriculture sector helped Farm tyres segment register a growth of 10%. The two- and three-wheeler tyres segment forms a large part of tyre sales and during FY 2017-18 it rose by 8%. Earthmover (also known as OTR) tyres had a substantial rise in demand of ~21%, for the second year in a row.

JK Tyre - A Snapshot

- Grew in volume by 11% vis-à-vis the industry growth rate of 7%
- Increased market presence across categories especially in truck, light truck, SCV, farm and OTR tyre categories
- Enhanced outreach significantly by channel growth through JK Steel Wheels – the Company’s brand outlets
- Enhanced brand mindshare and customer involvement with differentiated communication strategy, brand activations and consistent presence in the media
- Augmented brand connectivity and engagement with customers across segments through new digital platforms
- Leveraged digital media to amplify various marketing initiatives
- Increased the Company’s renewable energy usage to 37%
- Bagged ‘**Extraordinary Brand**’ recognition at the Brand Vision Summit 2018 and remained India’s **only Tyre ‘Super Brand’**

Dr. Raghupati Singhania, Chairman & Managing Director, was also recognised as ‘**The Extraordinaire**’ for his leadership and contribution to the industry by Brand Vision Summit 2018.

CATEGORY WISE BUSINESS OVERVIEW & INITIATIVES

Truck/Bus Bias And Radial

JK Tyre continues to be innovative and pioneering in its truck radial segment by offering best-in-class products to its customers and increasing its geographical reach of services. The Company has increased its total number of customer touchpoints through the growing ‘JK Tyre Truck Wheels’ network. These centres provide complete tyre care solutions to truck customers such as alignment/balancing/tyre changing and inflation/air-care with quick turnaround times and more.

The unique three-tiered offerings and brand strategy in truck radials and two-tiered structure in truck bias, enabled JK Tyre to widen its footprint and further strengthen its presence in the largest business category. In line with changing market needs and consumer preferences, JK Tyre introduced products for the moderate- to heavy-load segment both in bias and radial. During FY 2017-18, the Company launched:

- Jet Xtra-XLM — designed to cater to both load and mileage needs — in the bias segment
- Jet Steel JDE — with extra mileage and load capability — in the radial segment
- Jet Way-JUM — a superior product for universal application in buses and select application in trucks — in the truck radial tubeless segment.

The Company further enhanced its customer connect activities through regular product specific campaigns in target markets. It strengthened customer communication through interactive meetings, road shows, retail displays and wall paintings.

The JK Tyre Fleet Management programme has benefitted a large number of fleets for more than a decade. Dedicated JK Tyre personnel continue to provide technical consultancy and awareness on tyre usage, enabling the customers to save on tyre costs.

During FY 2017-18, the Company further engaged with its fleet customers from across the country by organising Regional Fleet Meets and showcasing the state-of-the-art Chennai tyre plant. Moreover, India’s top fleets were invited to participate in the National Fleet Conference for the 9th year in a row.

Besides, the long-standing CRM programmes ‘JK Star’ for channel partners and ‘JK Badshah’ for fleet customers continued to successfully engage with them.

PASSENGER VEHICLE TYRE

For the PV tyres segment, JK Tyre sustained a multi-pronged strategy focussed on amplifying the brand, widening retail reach and enhancing customer connect throughout the year.

During FY 2017-18, the emphasis was on retail expansion. The Company added over 100 JK Tyre Steel Wheels’ brand shops, forging a network of 300+ Steel Wheels in cities and more than 60 Xpress Wheels in small towns and semi-urban markets. This expansion has enabled JK Tyre to increase its total number of customer touchpoints, thereby enhancing brand visibility and access to its products and services.

During FY 2017-18, the Company launched special premium ‘White lettered’ tyres in Ranger SUV tyres, which delighted customers.

JK Tyre also introduced ‘Taxi Max’ to cater specifically for the requirements of taxis with a promise of 1 lakh+ kms mileage, backed by an unconditional warranty. The product garnered very encouraging response.

For smaller markets, which are catered through the distribution network, the economy brand ‘Challenger’ was introduced in select sizes.

Two/Three-Wheeler

The campaign ‘Ab Se Tyres Mein Sirf JK is OK’ caught the imagination of target audiences and set the tone for the year. JK Tyre registered a growth of 63% in this category, consolidating the gains in its second year of operations in the segment. The Company utilised the aforementioned theme to deliver a seamless marketing campaign encompassing electronic media and below-the-line activities that included high visibility through retail merchandising. JK Tyre further conducted a field campaign ‘2 Wheeler Ka Don’ for market influencers such as mechanics and fitters across different states.

The Company further partnered with its distributors to organise sub-dealer meets to increase secondary sale and build confidence in the Brand. This brought good traction in a highly competitive but potential market.

JK Tyre 'Blaze Zone' at Auto Expo 2018 was well appreciated by visitors. The Company used digital media, as well as other innovative mobile campaigns to build a great connect with the target audience.

JK Tyre further introduced a new flagship product 'BLAZE RYDR' for high-end, high-speed motorcycles.

New and innovative patterns launched in scooter tyre range were highly appreciated by customers. During FY 2017-18, 22 new sizes were unveiled in the premium brand 'Blaze' and four sizes in the 'Challenger' series. Brand JK Tyre has also made an entry into the two-wheeler OEM segment.

JK Tyre, being a youth focussed brand, associated with the 'Suzuki Gixxer Racing Cup'. The Championship offered a good platform to garner well publicised selection rounds across the country at zonal locations. The selected riders/participants were invited to participate in the JK Tyre National Racing Championship.

LIGHT AND SMALL COMMERCIAL VEHICLES

The growth in e-commerce, education, hospital and hospitality sectors led to an upsurge in LCV sales.

During FY 2017-18, the Company conducted customer-centric marketing campaigns in top 800 LCV and SCV stands and unions across various states in India. Moreover, JK Tyre targeted large school bus fleets through in 'Back to School' campaign. The campaign focussed on 'driver training' and 'maintenance drive' with top schools across the country to raise awareness about the Company and its commitment to ensure safety of school buses.

JK Tyre continued its dominance in the fast growing 'pickup segment' with the introduction of new products. The Company is also geared to meet future demands of OEMs. There was also a significant growth in sales of LCV/SCV categories from JK Tyre brand shops, which deliver enhanced customer experience. Additionally, there has been strategic impetus on selling increased volume of premium products and several new products were introduced in LCV and SCV segment.

FARM TYRE

The Company focussed on promoting a premium range of tractor tyres — SONA-1, through innovative customer campaign called 'Jagriti Se Pragati' by using virtual technology. The campaign has been recognised as the 'Best Rural marketing Campaign for Brand Development' by CMO Asia.

Radio is still a popular medium in rural areas, thus JK Tyre used the 'Radio Khushali' campaign to promote farm range tyres to a large customer base in all key markets of the country.

Tractor mechanics were oriented to guide customers on JK Tyre farm range under JK USTAD programme. Team JK Tyre also connected with local community leaders to create JK Tyre product awareness.

JK Tyre increased reach with new OEMs partnerships with Escorts and Sonalika for supply of SONA-1 tyres, in addition to existing OEM partners like Mahindra & Mahindra (M&M), John Deere, TAFE, Eicher and Captain Tractor.

JK Tyre engagement programmes with OEMs and replacement market customers have yielded 70% sale of premium tyres. Its efforts in the farm category had been recognised by CNBC Awaaz and the Company was felicitated with 'Gold Award' in 7th Customer Engagement Forum.

OFF THE ROAD

JK Tyre with wide range of OTR tyres surpassed industry growth in the year under review. Product quality and customers preference has made JK Tyre a preferred partner of JCB, Caterpillar and Coal India.

RETREAD BUSINESS

JK Tyres has expanded its chain of retread centres to all commercial hubs of the country, as part of the strategic vision for providing end-to-end solutions. These centres are outfitted with ultra-modern equipment and provide comprehensive linkages to all channel partners, truck wheels and fleet owners to ensure viability of the outfits. Such retreading solutions have also been extended to large OEMs and State Transport Undertakings (STUs).

ALTERNATIVE CHANNEL

JK Tyre has strategic marketing alliances with oil marketing companies — Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. and Essar Oil Ltd. — to retail its entire tyre range across India. This has significantly increased the Company's market reach and visibility in hitherto unrepresented markets.

SERVE TO SUCCEED - CUSTOMER FIRST INITIATIVES

JK Tyre believes in the mantra of 'Customer First'. Therefore, its Technical Service teams constantly provide pre and post-sales services in terms of customer education and engagement. JK Tyres major share of business is being contributed by OEM partners like TATA Motors, Maruti Suzuki, Ashok Leyland, M&M, TAFE, John Deere and TMTL. The Company uses this association to reach a large number of end users through different activities of training, product demonstration and education, among others.

EXPORTS

JK Tyre's export business faced several geo-political and economic headwinds in FY 2017-18 across several international markets. The Company satisfactorily met these challenges with adroit handling and strong customer relationships. This enabled it to cultivate its exports, resulting in revenues of ₹ 889 Crores, which is an increase of 41% over the previous year.

JK Tyre continued expansion of its radial markets in Latin America, North America, Africa and the Middle East. In addition, a renewed thrust enabled growth in bias tyre business across the select bias markets.

MANUFACTURING EXCELLENCE AT JK TYRE

At JK Tyre, manufacturing continues to be strong pillar of growth and it has taken new strides in manufacturing excellence during FY 2017-

18. The Company received TPM Consistency Certification from JIPM Japan for one of its plants, which has enhanced motivation to achieve the highest level of quality consistency and robust operations.

JKTyre has also been recognised at various platforms for its excellence in manufacturing, some of the important ones are:

- National Award for Excellence in Water Management
- Gold Award by National Awards for Manufacturing Competitiveness
- Rashtra Vibhushan Award 2017 — Platinum award for Environment Protection by FAME India
- CII National Award for Excellence in Energy Management

The Company continues to improve its energy efficacy and efficiencies, and thereby being recognised by national and international forums. Today, JK Tyre is contributing to a better climate with 37% use of green energy, controlled greenhouse gases (GHG) generation and 27% reduced specific eCO₂. In addition, it is also focussed on plant process waste to further strengthen the 'RRR' (reduce – recycle – reuse) philosophy and achieved lowest-ever plant waste figures in FY 2017-18.

People are the core of any manufacturing process, and the Company is consistently focussing on people involvement in processes. During the year under review, over 30 teams across plants participated in various Quality Circle competition and came out with flying colours. Going forward, JK Tyre will continue with such initiatives to excel in manufacturing.

RAW MATERIALS

FY 2017-18 opened on a volatile note for the tyre industry with high raw material prices, reflecting the momentum of peak prices between January and March 2017. The high prices prevailed during the early part of FY 2017-18 but softened slightly as the year progressed.

During September and October 2017, again there was a spurt in raw material prices owing to various factors across the globe. In between, natural rubber (NR) producing countries, through a common forum, tried to curtail export of NR from their countries, which included the leading producer of NR like Thailand. This led to further strengthening of NR prices. The other key inputs like steel wire, chemicals, carbon black and others also witnessed constrained supplies.

The constraint compressed margins, though to some extent the damage could be controlled by careful advance planning and taking pro-active actions in procuring raw material in advance.

FINANCIAL PERFORMANCE

Mentioned hereunder is a brief summary of the Company's performance for the financial year ended 31st March, 2018:

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Turnover	6,610.95	6,667.17	8,543.41	8,383.28
Operating Profit (PBIDT)	519.79	805.62	883.18	1,197.84
Finance costs	274.12	267.58	465.50	440.36
Profit before Tax (PBT)	63.85	459.70	106.81	535.24
Tax expenses	20.76	127.57	43.89	155.42
Profit after Tax (PAT)	43.09	332.13	62.92	379.82

The year witnessed increase in input costs on account of surge in raw material prices, especially petro products that impacted operating margins.

JK TORNEL

JK Tornel, Mexico recorded a turnover of ₹ 1,073.29 Crores. The Company successfully implemented labour restructuring during FY 2017-18. The strategy is expected to reduce labour costs and thus improve the profitability in future.

CAVENDISH INDUSTRIES LTD.

The operations of Cavendish Industries Ltd. are now well integrated with its parent, JK Tyre. The Company's turnover increased from ₹ 1,171.28 Crores to ₹ 1,670.47 Crores, recording a rise of 43%. During FY 2017-18, its capacity utilisation also increased significantly indicating that operations have stabilised and the Company is poised to further establish new benchmarks in various operating parameters.

R&D AND TECHNOLOGY

JK Tyre relies on research and development (R&D) and its technology team to consistently improve its product range. Innovation and

creativity are driving forces behind the R&D and technology efforts of the Company.

JK Tyre's R&D and technology activities are a key to pursue its growth strategies by consistently driving processes and product improvements. Besides, these initiatives encourage assessment of new opportunities for sustainable development of the Company and all its stakeholders.

JK Tyre, in association with 'Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI), a premier Scientific and Industrial Research Organisation (SIRO) and 'RPS Centre of Excellence for Tyre and Vehicle Mechanics' located at IIT Madras is enhancing its R&D activities. The Company is continuously steering towards the development of advanced and alternate materials. Moreover, it is working on nano-technology, processes and product simulation, predictive technology, advanced tyre mechanics, tyre characterisation including rationalization of raw material consumption, recycle

resources and their efficient usage. For reduction of GHG emissions (CO₂), HASETRI in association with JK Tyre's Tech Centre is working towards developing tyres with reduced rolling resistance and traction (wet and dry) without affecting mileage. JK Tyre with support from HASETRI is working towards invention of ultra-low rolling resistance (fuel efficient) tyres, without affecting the dry/wet traction (safety) and ride and handling.

The above efforts of the Company culminated in development of various high-performance tyres for new generation vehicles in PCR/LTR and TBR categories.

MOTORSPORTS

During FY 2017-18, the flagship event JK Tyre-FMSCI National Racing Championship, celebrated its 20th year in a manner befitting the occasion at the iconic Buddh International Circuit in Delhi-NCR. The programme hosted over 25,000 spectators who witnessed the thrilling Euro JK 17 cars in action at the grand finale of the 20th JK Tyre FMSCI National Racing Championship. Besides, during the event, several newcomers debuted, among whom 17-year-old Mira Erda emerged as the first Indian girl to race in the International Euro JK 17 formula car.

JK Tyre in partnership with Suzuki launched the exciting Suzuki Gixxer Cup, a two-wheeler racing platform, which also marked its entry into the two-wheeler tyre business.

The Championship also saw some of Asia's finest bikers participate in the Asia Cup of Road Racing, with India's Sai Rahil scoring a double to grab the title. For bike-lovers there was pulsating action in the form of the JK Super Bike races in two categories: 600cc and 1000cc.

There was a separate leg for youngsters too in the form of the JK Tyre Red Bull Road to Rookie Cup, with the winner getting a chance to race against the world's best in Spain.

The Drag Racing Championship in Bangalore, JK Tyre Vroom 2018 attracted the best drag racers from all over the country. The dash over the quarter-mile saw Hayabusas and Lamborghinis in action. In a significant effort to bring motorsport to North-East India, the Company has launched JK Tyre Orange 4x4 Fury and the Festival of Speed in Arunachal Pradesh. These Championships have become sought after events where India's top off-roaders and rallyists compete in tough, unknown terrains. The JK Himalayan Drive is the only tri-nation TSD rally of India, where participants drive across borders through Nepal and Bhutan.

JK Tyre further promoted the cause of road safety through another event — Rally for Parliamentarians — in the national capital, where over 50 Members of Parliament participated. India's honourable sports minister Rajyavardhan Singh Rathore graced the grand prize distribution ceremony.

HUMAN RESOURCE DEVELOPMENT

The Company firmly believes that in the borderless and fast-evolving global business landscape competition is the order of the day. The

key differentiators for any organisation is its talented and engaged employees, who provide the fuel for growth. Therefore, JK Tyre continuously adds to its talent pool and sources the best talent in the industry. It provides unique learning and development opportunities to employees for continuous high performance, seamless succession planning and talent retention.

At JK Tyre, managing future human capital means more than just reacting to changing trends. The Company consistently monitors workforce issues, including developing talent, implementing learning programmes and succession planning. Human resource uses structured approaches for employee engagement, resourcing, performance and compensation management, competency mapping and assessment centres, career planning, 360-degree feedback, management development programmes and others.

The Company has been certified as 'Great Place to Work' for the year 2018. It's a recognition of efforts of building a high-trust, high-performance culture in the organisation and also a mark of trust, pride and camaraderie, which all employees enjoy at JK Tyre.

RISKS AND CONCERNS

Risk is an inherent and inevitable component of business. In today's fiercely competitive environment, it is crucial to mitigate risks. Common risks in tyre business include risks of: regulatory changes; intense competition; business risk; technology obsolescence; investment risk; retention of talent, especially skilled manpower; economic cycles; availability of raw material; crude prices and others. Business risk, inter alia, further includes financial risk, political risk and legal risk. To manage risks more efficiently, the Company has identified key risks that can have a significant impact on its performance and has devised strategies to minimise impact of each risk. In a nutshell, the Company has identified the following risks:

Economic risks

Regulatory changes impact business in domestic as well as overseas markets. During FY 2017-18, the world's trade environment witnessed uncertainty due to regional tensions and renegotiations of trade treaties. This also impacted the purchasing power in certain countries where the Company exports its products. To reduce these risks, the Company identifies markets, which are relatively stable and makes every effort to enhance sales there. It also expands its product range in various segments and deploys new/additional sales and service teams. The Chinese imports continued to impact the domestic market, though the threat was partially mitigated by imposition of anti-dumping duty.

Raw material shortage risks

The Company faces risks of raw material availability when there are domestic and international domestic supply-demand mismatches. For example, during FY 2017-18, carbon black was in shortage due to global and domestic supply constraints. The Company reduces such risks by entering into long-term collaborations with major suppliers apart from continuously exploring and developing new and alternative sources. The Company also reduces this risk by advance procurement of materials which are short in supply.

Operational risks

Operational risks arise in day-to-day functioning of business and include risks like equipment obsolescence, power and water shortages, among others that can impact outputs. To mitigate these risks, the Company consistently undertakes preventive maintenance and monitors equipment obsolescence on a regular basis. It makes continuous investments in modernisation of equipment across all locations. To overcome any power shortage, the Company has backup power arrangements. It has also partnered with various power generation companies to guarantee uninterrupted power supply. The Company addresses water shortage by identifying alternative sources and undertaking measures like rainwater harvesting, water recycling and others. These methods further reduce water consumption levels.

Market risks

The Company actively observes market demand on a real-time basis through automated connectivity with OEMs, dealer network and other stakeholders in the value chain. It consistently expands its network, enters into partnerships with channel partners and launches new products. Moreover, the Company keenly focusses on customer retention and growth, brand building, consumer education and awareness to enhance demand for its products. It has also increased customer connect through e-portals significantly.

Technology risks

The Company incessantly tracks changing customer needs, preferences and accordingly plans for future market requirements. It introduces new technology and continuously develops new competitive edge based on future customer needs and market requirements. Technology risk is mitigated through innovations to increase speed-to-market, constantly evaluating energy consumptions and plant productivity parameters, benchmarking products with world's best and implementing timely capacity expansions. Besides, the Company consistently upgrades its facilities, hones skills of its employees and bolsters its infrastructure. There is also extensive use of available knowledge through international experts/networks.

Risk management forms an integral part of the business planning and review cycle at the Company. Its risk and control policy are designed to provide reasonable assurance that objectives are met by integrating management control into daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. It makes the management responsible for identifying critical business

risks and implementing fit-for-purpose risk responses.

INTERNAL CONTROL SYSTEMS

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

The internal audit is carried out through-out the year based on a systematic plan covering all functions and aspects of the business. The internal audit reports are reviewed by the senior management and are placed before the Audit Committee of the Board of Directors alongwith actions taken. The Audit Committee undertakes a detailed review of the audit observations and the actions, in order to ensure effectiveness of the functioning of the internal audit system and also to ensure that the system always remains commensurate with size and nature of the business. The recommended actions by audit are monitored and improvements are implemented.

The IT system of the Company is based on a robust ERP System ensuring seamless connectivity of plants. Sales Offices and head office facilitating faster and more reliable processing of transactions as well as generating reports for faster decision-making. The Company also has a strong control system and management reporting system which serves as the backbone of the monitoring system of operations to ensure that business results are achieved and continuous improvement projects are undertaken.

CAUTIONARY STATEMENT

The management discussion and analysis report contains forward-looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

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

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

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

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

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

2. BOARD OF DIRECTORS:

The Board of Directors consists of Eleven Directors as on 31st March 2018, of which four are Executive Directors and seven are Non-Executive Directors(NED); out of seven NED, six are Independent Directors(IND). Four Board Meetings were held during the twelve months period from 1st April 2017 to 31st March 2018 i.e., on 15th May 2017, 14th August 2017, 14th November 2017 and 12th February 2018. Attendance and other details as on 31st March 2018 are as given below:-

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

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

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

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

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

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

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

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

The number of Equity Shares of ₹ 2/- each (i.e. Shares) held by the Non-executive Directors as on 31st March 2018 are: Shri Arvind Singh Mewar – Nil Shares, Shri Bakul Jain - 4,000 Shares, Shri Shreekant Somany - 7,500 Shares, Smt. Sunanda Singhania - 5,62,500 Shares, Shri Kalpataru Tripathy - Nil Shares, Shri Vimal Bhandari - Nil Shares and Dr. Wolfgang Holzbach - Nil Shares. The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 12th February 2018. Shri Arvind Singh Mewar was unanimously elected as Chairman of the meeting and five Independent Directors of the Company were present at the said meeting.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is http://www.jktyre.com/Familiarisation_Prog_IND.pdf

5. PERFORMANCE EVALUATION:

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors pursuant to the provisions of the Companies Act, 2013

and the corporate governance requirements as prescribed under Listing Regulations.

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

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

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

In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors since 1986. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee consists of four Directors, out of which three are Non-executive Independent Directors and one is Executive Director.

Four meetings of the Audit Committee were held during the financial year ended 31st March 2018.

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

Date of the Meeting	Number of Members attended
15th May 2017	3
14th August 2017	4
14th November 2017	3
12th February 2018	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Bakul Jain	Chairman	4
Shri A.S. Mewar	Member	3
Shri Shreekant Somany	Member	2
Shri Arun K. Bajoria	Member	4

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

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

Date of the Meeting	Number of Members attended
15th May 2017	2
14th August 2017	3
14th November 2017	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Bakul Jain	Chairman	3
Shri Shreekant Somany	Member	2
Shri Arun K. Bajoria	Member	3

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2018, the Company received two complaints from the investors and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to a 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the financial year ended 31st March 2018, 14 Meetings of the 'Share Transfer Committee' were held.

8. NOMINATION AND REMUNERATION COMMITTEE:

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

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

Date of the Meeting	Number of Members attended
14th August 2017	3
14th November 2017	2
12th February 2018	3

The names of the Members of the Committee and their attendance at the Meetings are as follows:

Name	Status	No. of Meetings attended
Shri Arvind Singh Mewar	Chairman	2
Shri Vimal Bhandari	Member	3
Shri Kalpataru Tripathy	Member	3

9. NOMINATION AND REMUNERATION POLICY:

In accordance with the provisions of the Companies Act 2013 and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:
 - (a) Qualifications & experience.
 - (b) Positive attributes like -respect for Company's core values, professional integrity, strategic capability with business vision, etc.
 - (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations.
 - (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to the Executive Directors subject to the provisions of the Act, Listing Regulations and other

applicable laws & regulations. The Committee shall periodically review compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

- (iii) The Board will review performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time, Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any person for appointment as a Director on the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled in by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10. REMUNERATION PAID TO DIRECTORS:

- (i) Executive Directors: The remuneration comprising of salary, perquisites and retirement benefits, such as contribution to Provident Fund, etc. for the financial year ended 31st March 2018 to the following Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director ₹ 5.83 Crores; Shri Bharat Hari Singhania, Managing Director ₹ 0.71 Crores; Shri Arun K. Bajoria, Director & President - International Operations ₹ 3.96 Crores and Shri Anshuman Singhania, Whole-time Director ₹ 2.20 Crores. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT - 9, which forms part of the Directors' Report.

The tenure of office of the Chairman & Managing Director, Managing Director and Whole-time Director is five years from the respective dates of appointments and three years from the date of appointment in case of Director & President - International Operations. In the case of all

Executive Directors, notice period is six months. Severance Fees for the Chairman & Managing Director and the Managing Director is equivalent to the remuneration for the unexpired residue of respective terms or for three years, whichever is shorter.

- (ii) Non-executive Directors: The Company has paid sitting fees aggregating to ₹ 0.26 Crores to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof. In addition to sitting fees, commission was also payable to Non-executive Directors amounting to ₹ 0.10 Crore each, aggregating to ₹ 0.70 Crore, in accordance with the Special Resolution passed by the members of the Company at the Annual General Meeting held on 25th September 2014.

Non-executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

11. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGM) of the Company were:

Financial Year	Location	Date	Time
2014-15	Jaykaygram, PO-Tyre Factory, Kankroli- 313 342 (Rajasthan)	22.9.2015	11.30 A.M.
2015-16	Same as above	2.9.2016	11.30 A.M.
2016-17	Same as above	4.8.2017	4.15 P.M.

Details of the Special Resolution(SR) passed: Three SRs were passed at the respective AGMs held in the Year 2015 and Year 2016 and no SR was passed at the AGM held in the year 2017.

One SR was required to be put through postal ballot during the financial year ended 31st March 2018. The Company extended e-voting facility through Central Depository Services (India) Ltd. (CDSL), as an alternate for its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Smt. Manisha Agrawal, Company Secretary in practice, was appointed as Scrutinizer for conducting the postal ballot/e-voting process. After receiving the Scrutinizer's Report, it was announced that the Special Resolution was passed with requisite majority on 16th April 2018, for issuing securities specified in the said Resolution(s), in one or more tranches, for an aggregate amount not exceeding ₹ 1,000 Crores. The voting pattern on the said resolution is as under:

% of total valid votes cast in favour of the Resolution: 90.35%
 % of total valid votes cast against the Resolution: 9.65%

12. DISCLOSURE:

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

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

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

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

(ii) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no cases of non-compliance of any matter related to capital markets during the last three years.

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

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

(iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work places to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

(v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by President (India Operations), evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed, from time to time.

(vi) **Disclosure of commodity price risks and commodity hedging activities:** As a part of Risk Management mechanism, the Company has identified fluctuations in commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to ensure availability of raw material and prices under check.

(vii) **Subsidiary Companies:** The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meetings of the Company.

The Company has formulated a Policy for determining material subsidiary. The Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/pdms.pdf>. The Company has one material subsidiary - namely, Cavendish Industries Ltd. and the requirements pertaining to the same are complied with.

viii) **Corporate Social Responsibility Committee:** The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of three Directors out of which one is Independent and two are Executive Directors. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2018 i.e., on 15th May 2017 and on 12th February 2018. All the members of the Committee, namely - Dr. Raghupati Singhania (Chairman of the Committee), Shri Arun K. Bajoria (Member) and Shri Arvind Singh Mewar (Member) attended all the Meetings held during the said financial year.

- (ix) **Dividend Distribution Policy:** The Board at its meeting held on 9th February 2017 has formulated Dividend Distribution Policy as per the requirements of the Listing Regulations. The Policy is as follows:

(1) Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website.

Accordingly the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 9th February, 2017.

(2) Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

(3) Factors to Be Considered While Declaring Dividend

While recommending/declaring Dividend, the Board shall take into account various Internal & External factors which shall inter-alia include:

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

(4) Utilisation of Retained Earnings

The retained earnings will be used inter alia for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

(5) Declaration of Dividend

The Board may declare/recommend Dividend either as an Interim or as Final Dividend during any financial year.

The Dividend shall be declared or paid by the Company for any financial year out of the profits of the Company arrived at in conformity with the Companies Act.

The Board shall endeavour to achieve a Dividend Payout Ratio in the range of 15% - 25% (gross of dividend distribution tax) of Distributable Profits for the year on Standalone Financials under normal circumstances. However, the Board shall continue to have the discretion to recommend a lower Dividend or no Dividend in case the business requirement so warrants.

(6) Review & Modification of Dividend Distribution Policy

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefor.

(7) Disclosure

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

13. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Hindi language Newspaper (published from Rajasthan). The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

14. GENERAL SHAREHOLDER INFORMATION:

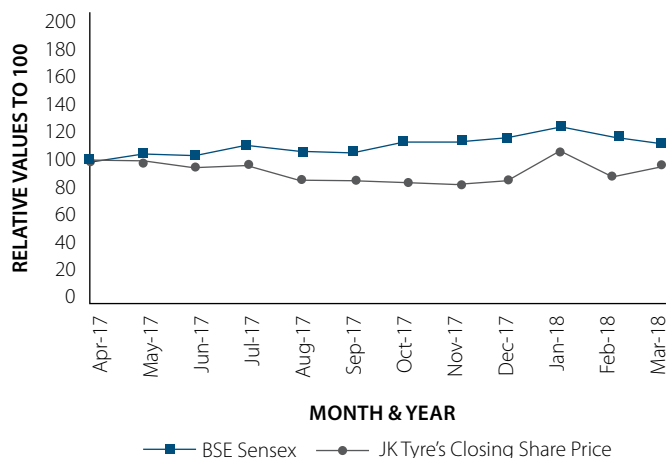
(i) Registered Office	Jaykaygram, PO- Tyre Factory, Kankroli- 313 342 (Rajasthan) Phone No: 02952-302400/330011
(ii) Annual General Meeting (AGM)	
(a) Date, Time & Venue	22nd August, 2018 at the Registered Office of the Company at 11.30 a.m.
(b) A brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.	
(iii) Financial Calendar (tentative)	
Financial Reporting:	
<ul style="list-style-type: none"> ● 1st Quarter ending June 30, 2018 ● 2nd Quarter ending September 30, 2018 ● 3rd Quarter ending December 31, 2018 	} Within 45 days of the end of the quarter
<ul style="list-style-type: none"> ● Annual and 4th Quarter ending March 31, 2019 ● Annual General Meeting for the financial year 2018-19 	
(iv) Dividend Payment Date	Within two weeks of conclusion of AGM
(v) Date of Book Closure	16th August to 22nd August, 2018
(vi) Names and address of Stock Exchanges where equity shares of the Company are listed	<p>The Equity Shares of the Company are listed on the following Stock Exchanges:</p> <ul style="list-style-type: none"> (i) BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 <p>The annual listing fee for the financial year 2018-19 has been paid to both the aforesaid Stock Exchanges.</p> <p>The securities of the Company are not suspended from trading.</p>
(vii) Security Code For Company's Equity Shares on Stock Exchanges and ISIN	BSE – 530007 NSE – JKTYRE ISIN – INE573A01042

(viii) Stock Market Price Data

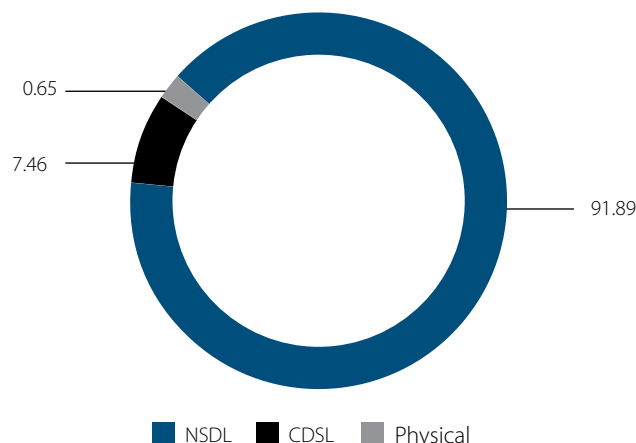
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2017	166.90	131.50	167.00	131.35
May-2017	184.75	160.00	184.80	160.20
June-2017	186.55	155.00	186.30	155.00
July-2017	174.15	159.60	174.20	160.00
August-2017	170.75	140.00	170.60	140.00
September-2017	165.00	140.70	165.35	143.00
October-2017	154.50	144.10	154.80	144.55
November-2017	156.00	142.50	155.40	143.00
December-2017	152.95	128.00	152.95	128.10
January-2018	183.35	144.05	183.35	143.70
February-2018	192.95	146.00	193.00	146.00
March-2018	163.50	139.00	166.80	141.20

JK Tyre & Industries Ltd.'s (JK Tyre's) Share Performance v/s BSE Sensex (April 2017 – March 2018)

JK Tyre's Share Performance v/s BSE Sensex



Shares held in DEMAT Form with NSDL & CDSL and in Physical Form as on 31st March 2018 (%)



As on 31st March 2018, 99.35% of the Equity Shares are held in dematerialized form.

(ix) Distribution of Shareholding (as on 31.3.2018):

No. of Equity Shares Held (of ₹ 2/- each)	No. of Shares		Shareholders	
	Number	% of Total	Number	% of Total
1-250	5728397	2.53	75899	78.22
251-500	4204350	1.85	10770	11.10
501-1000	4274416	1.89	5399	5.56
1001-5000	8602414	3.79	3938	4.06
5001-10000	3626176	1.60	485	0.50
10001 & above	200377727	88.35	543	0.56
TOTAL	226813480	100.00	97034	100.00

(x) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited(NSDL)/Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

(xi) Dematerialization of Shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may dematerialise their holdings with any one of the Depositories – namely, NSDL and CDSL. The Equity Shares of the Company are actively traded on BSE and NSE. In respect of shares held in demat form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

(xii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on equity. NIL

(xiii) Commodity price risk or foreign Exchange risk and hedging activities:

During the financial year ended 31st March 2018, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and exports.

(xiv) Plant Locations

- Jaykaygram, Rajasthan
- Banmore, Madhya Pradesh
- Mysuru Plant I, Karnataka
- Mysuru Plant II, Karnataka
- Mysuru Plant III, Karnataka
- Chennai Plant, Tamil Nadu

(xv) Address for correspondence for Share Transfer and Related Matters

- Vice President (Legal) & Company Secretary
JK Tyre & Industries Ltd.
Secretarial Department
Gulab Bhawan
6A, Bahadur Shah Zafar Marg,
New Delhi -110 002.
Phone No.: 91-11-30179260
Fax No. : 91-11-23322059
Email: investorjkyre@jkmail.com
Website : www.jktyre.com

2. Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi-110 055 (India)
Phone No. :91-11-42541234; 91-11-23541234
Fax No : 91-11-41543474
Contact Person: Shri J.K. Singla
Email: rta@alankit.com
Website: www.alankit.com
- (xvi) This Corporate Governance Report of the Company for the financial year ended 31st March 2018 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.
- (xvii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Executive; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jktyre.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Dr. Raghupati Singhania is the Chairman & Managing Director of the Company; and (e) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the President (India Operations). However, his Internal Audit Reports are placed before the Audit Committee.
- (xviii) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- (xix) Bankers:
- | | |
|------------------|-----------------------|
| Bank of India | Punjab National Bank |
| Corporation Bank | State Bank of India |
| IDBI Bank Ltd. | The Federal Bank Ltd. |
| Indian Bank | |
- (xx) (a) Transfer of Shares to IEPF Authority
In accordance with the Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Rules, 2016, as amended (IEPFA Rules), the Company has transferred 6,42,430 Equity Shares to the demat account of Investor Education and Protection Fund Authority (IEPF Authority), during the year. 1,590 Equity Shares of two shareholders could not be transferred since their demat accounts were suspended by their Depository Participant. The details of such shareholders are available on the website of the Company. The said shares can be claimed back by the shareholders from the IEPF Authority as per the procedure laid down in the IEPFA Rules.

- (b) Information in terms of Schedule V(F) of the Listing Regulations:

As on 1st April 2017, the Company had 5,78,670 Equity Shares, which were unclaimed by 2,380 Equity Shareholders. These were lying in dematerialized mode in the suspense account. Out of the above, the Company has transferred 4,25,220 Equity Shares, which remained unclaimed by 1,812 Equity Shareholders, to the demat account of IEPF Authority, during the year, as aforesaid. Further, the Company received 6 requests during the year, for 945 Equity Shares for despatch, from the suspense account. These have since been despatched. Accordingly, as on 31st March 2018, the Company has 1,52,505 Equity Shares which remain unclaimed by 562 Equity Shareholders in the suspense account. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

The voting rights on these shares as detailed in para (a) and (b) above, shall remain frozen till the rightful owners of such shares claim the same.

15. DECLARATION:

It is hereby declared that all the members of the Board and the Senior Management personnel have affirmed compliance with the "Code of Conduct for Members of the Board and Senior Management of JK Tyre & Industries Ltd." during the Financial Year ended 31st March 2018.

Dr. Raghupati Singhania
Chairman & Managing Director

16. AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

To
The Members of JK Tyre & Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by JK Tyre & Industries Ltd. ("Company") for the financial year ended 31st March 2018, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate

Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Harish Gupta
Partner
Membership No. 098336

Place: New Delhi
Date: May 17, 2018

Sustainability & Business Responsibility Report

INTRODUCTION:

JK Tyre presents its Business Responsibility Report (BRR) for the financial year 2017-18. The Report provides an overview of the initiatives taken by the Company from an environmental, social and governance perspective.

We, at JK Tyre, have always believed that, progress needs to extend beyond corporate premises, to the communities around our establishments. JK Tyre attaches highest importance to its core values – commitment to excellence and customer satisfaction, maximizing long term shareholders value, socially valued enterprise and caring for people and environment.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	: L67120RJ1951PLC045966	
2. Name of the Company	: JK Tyre & Industries Ltd.	
3. Registered address	: Jaykaygram, PO - Tyre Factory, Kankroli – 313 342 (Rajasthan)	
4. Website	: www.jktyre.com	
5. E-mail id	: investorjktyre@jkmail.com	
6. Financial Year reported	: 2017-18	
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :	NIC Code 22111	Description Manufacture of Tyres, Tubes & Flaps.
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	: Tyres, Tubes & Flaps.	
9. Total number of locations where business activity is undertaken by the Company	: The Company alongwith its subsidiaries, has twelve manufacturing plants across the world.	
(a) Number of International Locations (Provide details of major 5)	: 3 - through subsidiaries in Mexico.	
(b) Number of National Locations	: Nine - six manufacturing plants – one each at Kankroli (Rajasthan); Banmore (Madhya Pradesh); Chennai (Tamil Nadu) and three plants at Mysuru (Karnataka). In addition, three manufacturing plants through a subsidiary at Laksar, Haridwar (Uttarakhand).	
10. Markets served by the Company – Local/ State/National/International	: The Company has pan-India presence through a network of its own offices, dealers/business associates. In addition to serving Indian markets, the Company exports to over 100 countries across six continents.	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	: 45.36 Crores
2. Total Turnover (INR)	: 6610.95 Crore
3. Total profit after taxes (INR)	: 43.09 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 10.58% of the profit after tax of FY 2017-18. The total spending on CSR for the FY 2015-16 and FY 2016-17 was 2.01% and 1.10% of the average net profits of the Company during the relevant three immediately preceding financial years.
5. List of activities in which expenditure in 4 above has been incurred:-	: The major activities in which the above CSR expenditure has been incurred includes: <ul style="list-style-type: none"> • Health Care • Education • Livelihood enhancement • Environmental conservation

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 15 subsidiaries.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company's two Indian subsidiaries participate in the BR Initiatives. The remaining thirteen subsidiaries in foreign countries follow the laws in their respective regions.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a)	Details of the Director/Director responsible for implementation of the BR policy/policies	The Corporate Social Responsibility Committee of the Board of Directors is responsible for implementation of BR policies. The Committee comprises of the following Directors:		
		Name	DIN	Designation
		Dr. Raghupati Singhania, Chairman of the Committee	00036129	Chairman & Managing Director
		Shri Arvind Singh Mewar, Member	00008244	Independent Director
		Shri Arun K. Bajoria, Member	00026540	Director & President- International Operations
(b)	Details of the BR head			
No.	Particulars	Details		
1	DIN Number (if applicable)	00026540		
2	Name	Shri Arun K. Bajoria		
3	Designation	Director & President - International Operations		
4	Telephone number	+91 11 30179106		
5	e-mail id	akbajoria@jkm.com		

2. Principle-wise (as per NVGs) BR Policy/policies: The nine principles are as follows:

Principle No. Principle Description

P 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P 3	Businesses should promote the wellbeing of all employees.
P 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P 5	Businesses should respect and promote human rights.
P 6	Business should respect, protect, and make efforts to restore the environment.
P 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P 8	Businesses should support inclusive growth and Equitable Development.
P 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No. Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1 Do you have a policy/ policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2 Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Does the policy conform to any national / international standards? If yes, specify? These Policies conform to the International Standards like SA8000, ISO 14001, OHSAS 18001, EnMS/ISO 50000, ISO/TS-16949, etc.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4 Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? - Note 1	Y	N	N	Y	N	N	N	Y	N
5 Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6 Indicate the link for the policy to be viewed online? - Note 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8 Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9 Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10 Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	-	Y	-	-	Y	-	-	-	-

Note 1- These Policies, however, have been signed by Director & President –International Operations.

Note 2 - It has been Company's practice to upload all the policies on the intranet site for the information and implementation by internal stakeholders. The Code of Conduct for Board Members and Senior Management and CSR Policy are available on the website of the Company - <http://www.jktyre.com/codeofconduct.aspx> and <http://www.jktyre.com/CSRPolicy.pdf>.

(b) If answer to the question at serial number 1 against any principal is 'No', please explain why: (Tick upto 2 options) - Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

Business Review Meetings are held on monthly basis. Such Meetings are chaired by CEO. In addition, on quarterly basis, the Board and the Audit Committee of the Board also review business performance.

Besides this, the CSR Committee of Directors reviews the CSR initiatives taken by the Company every 3-6 months.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published Sustainability Report for the Financial Year 2016-17.

The Company's Sustainability Report for the financial year 2016-17 can be viewed at <http://www.jktyre.com/Sustainability-Report.aspx>. and also, Business Responsibility Report for the Financial Year 2016-17 as per the format prescribed by SEBI can be viewed at <http://www.jktyre.com/admin/Annual/JKTyre%20Final%20LR.PDF>.

The company is publishing Sustainability Report on Annual Basis.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has in place a "Code of Corporate Ethics And Conduct" from February 2002, which reiterates its commitment to maintain the highest standards in its interface with stakeholders, clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. All the employees sign this Code at the time of joining the Company.

The Company also has in place a "Code of Conduct for Board Members and Senior Management". Every year, the Board Members and Senior Management affirm compliance with this Code of Conduct.

The Company also has in place a Policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, violation of the Company's Code of Conduct or ethics Policy, and any other event which would adversely affect the interests of the business of the Company.

The said Codes/Policy cover all dealings with suppliers/customers/business associates/others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has received two complaints from the shareholders during the financial year 2017-18, which were promptly resolved. No complaint was pending as on 31st March 2018.

The Company has not received any complaint under the said Codes/Policies during the financial year ended 31st March 2018.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

185/65R15 UX Royal:

Asymmetric tread pattern makes this product futuristic and to achieve superior performance. Compliance to ECE R-117 ensures low tyre noise, better wet grip and lower rolling resistance. The designs leads lower noise pollution and full customer satisfaction with higher fuel efficiency makes it safe with high wet/dry grip performance.

2 Wheeler Blaze Product 2.75-17F82 & 3.00-70F84:

To distinguish between run of the mill motorcycle tyre available in market, the product was designed to have higher fuel efficiency to not only OE customers but also to the end consumers. This product was especially designed for Bajaj Platina and commercialized successfully.

Range for Export Market Both in TBR & PCR:

Meeting stringent regulation like ECE R117 , ensures that product meet all environment needs and is a green product. This product line complies with ECE Regulation 117, ensuring Tyre Noise, Wet grip and Rolling Resistance within European Standard limits. Its asymmetric pattern design generates least noise which in turn leads to lower noise pollution and better customer satisfaction.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
JK Tyre continues to establish milestones in this direction & is a matter of satisfaction that during Financial Year 2017-18, total energy benchmark level of 10.01 GJ/ton of production is established and JK Tyre is tagged along with the top 5 companies in this sector worldwide.

Our journey of continuously conserving energy is rigorously monitored every quarter & course correction is identified. As JK Tyre is the first Indian Tyre Company, which is yearly certified by BSI for CFV as per Standard ISO 14064, this focus on GHG emission has resulted in over 34% reduction in emission over base year. JK Tyre has now achieved a new benchmark by achieving water consumption of 2.42 ltr/kg of production (14% reduction over last year).

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Continual process of innovation in technology and product service has enabled the company to deliver the product, which are prone to fuel savings which ultimately conserve the energy at the consumer end.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
During the year, the Company has procured sizeable material from the local sources or vendors (except the major raw materials). These vendors are basically supplying the general consumables as well as spares for the equipment. The Company also encourages the vendors to adopt quality, environmental and safety management practices. This helps in developing entrepreneurship (Make in India Initiative), reduce costs and reduce dependence on fossil fuels as a part of Green Supply Chain initiative.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.
Yes. The Company has established a well defined process to recycle and re-use the entire process waste. In addition, we also use to the tune of approximately 5% of the recycled/regenerated material in the virgin product. Keeping above objective, Company has achieved process scrap/waste below 1%. The disposition of waste of all types (including non hazardous), generated or handled at plants, to various (approved) customers, are done strictly as per directives of Central/State Pollution Control Boards and compliance reports are submitted to the authorities.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the Total number of employees: 6734		
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis: 5022		
3.	Please indicate the Number of permanent women employees: 45		
4.	Please indicate the Number of permanent employees with disabilities: 13		
5.	Do you have an employee association that is recognized by management: Yes		
6.	What percentage of your permanent employees is members of this recognized employee association? Approximately 69%. (while all permanent workmen are unionized in all plants)		
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.		
	No.	Category	No of complaints filed during the financial year
			No of complaints pending as on end of the financial year
	1	Child labour/forced labour/involuntary labour	NIL
	2	Sexual harassment	NIL
	3	Discriminatory employment	NIL
	The Company has systems certified to Social Accountability SA-8000 standards (from BSI) and has robust and effective tracking/ monitoring/ review systems in place.		
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
	(a)	Permanent Employees	100%
	(b)	Permanent Women Employees	100%
	(c)	Casual/Temporary/Contractual Employees	100%
	(d)	Employees with Disabilities	100%
	Training and re-training of all sections of people working in all our plant premises has become a hygiene factor which has delivered excellent performance on safety.		

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1.	Has the Company mapped its internal and external stakeholders? Yes/No Yes, the Company has mapped its internal and external stakeholders and has identified - employees, customers, business partners/ suppliers, government and government agencies, lenders, shareholders/ investors and society as its stakeholders. The Company has various mechanism in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organizing plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, etc. Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company. The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community development initiatives.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders in and around its manufacturing plants. The Company engages with these stakeholders through various programs, targeted projects and development activities.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. Yes, following CSR initiatives of JK Tyre have engaged disadvantaged communities and provided long term sustainable solutions more specifically in rural and semi – urban areas;
1.	Livelihood enhancement initiatives for livestock development, agricultural improvement & skill development of unemployed youths.
2.	Health care & sanitation based initiatives like project 'Parivartan' for providing better reproductive and child health care services, prevention of HIV/AIDS among truckers, support to People Living with HIV, health camps, construction of toilets, etc.
3.	Education based initiatives like support to schools, adult literacy project for rural women and prison inmates, distribution of laptops for promoting digital literacy, etc.
4.	Water conservation & plantation
	<i>For more details on our work with communities, refer to Annexure D to the Directors report in the Annual Report and our websites, www.jktyre.com.</i>

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. All the practices and policies of the Company including engagement with suppliers, contractors, etc, ensures that human rights are honored and protected. For instance:

- (i) All employees are treated equally regardless of nationality, caste, religion, colour or sex.
- (ii) The Company is committed to creating and providing a healthy environment for all the employees with high standards of safety measures.

(iii) Not employing child labour.

(iv) The Company has been specifically looking after welfare of underprivileged women by undertaking various projects including adult education, prevention of AIDS, medical camps, etc.

(v) The Company has adopted a hostel for backward class girls and has been maintaining it for last several years.

(vi) The Company is committed to set out basic standards and procedure regarding "Health & Safety, Freedom of Association and Right to Collective Bargaining, Disciplinary Practices, Working Hours and Remuneration".

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any stakeholders complaint in the financial year 2017-18 for violation of human rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. Sustainability is built into JK Tyre's business processes through well-defined HEALTH, SAFETY & ENVIRONMENTAL (HSE) POLICY. The Company is committed to design, manufacture and distribute its products in a manner that protects the environment; prevents injury and ill health in all the activities being carried out under our control. The Company continually improve on Occupational Health, Safety and Environmental performance for sustainable growth by:

- Complying with legal and other HSE requirements applicable to products, processes and services.
- Taking measures in HSE management system by being proactive, innovative and cost effective.
- Conserving natural resources and energy by optimizing efficiency, minimizing waste and supporting environment friendly processes.
- Enhancing effectiveness of Safety, Health & Environmental Management system through Risk assessment and regularly reviewing its objectives and targets.
- Providing our employees, sub contractors and transporters the appropriate work environment, facilities, information and training to work safely and involving them in HSE matters concerning them.
- Integrating Safety, Health and Environmental policy into our business planning, decision making and performance review at appropriate levels.

The Company communicates this policy to all employees, persons working for and on its behalf and to make it available to all interested parties on request.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to design, manufacture and distribute its products and services in a manner that will be green and believe in quantification of greenhouse gas emissions by value addition processes as a first step in reducing these emissions in a systematic manner by following means:

- Ensure conformance with ISO 14064-1:2006 international standard.
- Ensuring that this information would facilitate the preparation of GHG reports which will remain Relevant, Complete, Consistent, Transparent and Accurate.
- Ensuring availability of resources to enhance GHG performance and build a suitable corporate culture.
- Aligning employee competencies to needs of this system.
- Creating a continual improvement mind set in respect of GHG performance within the organization.

Mission Statement on Sustainable Growth

Being cognizant of the need of sustainable growth and dwindling stock of natural capital, the Company is committed to the attainment of the following Ten - Natural Capital Commandments.

1. Reduce specific consumption of energy and water by 2-5% every year over next ten years.
2. Reduce specific generation of waste and reduce the quantum of waste going to landfills by 2-5% every year over next ten years.
3. Increase use of renewable, including renewable energy by 2-5% every year in place of non-renewable over next ten years. The Company already uses about 37% of its total requirement of power, through renewable resources.
4. Reduce specific greenhouse gas emissions and other process emissions by 2-5% every year over next ten years and explore opportunities through Clean Development Mechanism (CDM) & other Carbon Exchange Programs.
5. Increase use of recyclables and enhance recyclables of resources embedded in the product by 2-5% every year over next ten years.

6.	Increase the share of harvested rainwater in the overall annual use of water by 2-5% every year over next ten years.
7.	Incorporate life cycle assessment criteria for evaluating new and alternative technologies & products.
8.	Strive to adopt green purchase policy and incorporate latest clean technologies.
9.	Take lead in promoting and managing product stewardship program, by forging partnerships with businesses and communities.
10.	Reduce depletion of natural capital, which is directly attributable to Company's activities, products and services by 2-5% every year over next ten years. We also commit to demonstrate attainment of these commandments in our pursuit to certifications such as TS16949, ISO 9001, ISO 14001, OHSAS 18001, SA-8000, ISO- 50001, ISO-27001, Green Buildings, Eco Labels Sustainability reporting and the like.
3.	Does the Company identify and assess potential environmental risks? Y/N Yes, the Company has established system under ISO 14001 : 2015 through which Environmental risk, impact and assessment is done and reviewed periodically. The purpose of this procedure is to establish and maintain procedures for identifying environmental/ Hazard aspects of activities, Risk assessment and Determining Control, and products and services that can be controlled and influenced.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? Yes, the Company announced 'Becoming Green Company' as a part of its Mission Statement. All plants are certified by CII-GODREJ with GreenCo Awards since last 4 years. Pursuant to Swachh Bharat Initiatives, the Mission is to be water positive in all plants by 2022. The on-going greening initiatives includes plantation of over 10,000 trees/year, life cycle assessment for products, green supply chain for logistics, carbon foot print measurements as per ISO-14064:2006 (by BSI) periodically keep us on this journey of clean development.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. We have initiated and achieved EnMS (Energy Management system) ISO-50001 in all locations. Also, the Company is working to make 37% use of Renewable Energy in Plants. The projects towards achieving this have started.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? Each of the manufacturing plant has consents from State Pollution Control Boards (PCB) for air, water and solid waste. During the financial year 2017-18, the plants were compliant of relevant statutory laws in this regard and the requisite reports are filed periodically to State PCBs.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. This is to confirm that there were no show cause/legal notices received from the State Pollution Control Boards (PCB) and nothing is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: The Company is a member of the following:- <ul style="list-style-type: none"> • Automotive Tyre Manufacturers Association (ATMA) • Confederation of Indian Industry (CII) • PHD Chamber of Commerce and Industry • Indo-American Chamber of Commerce Apart from above, some of the senior executives of the Company are active members (Office Bearers) of Industry Associations of repute and work towards promoting common interests of trade and industries and address issues faced by businesses and encourage formulation of industry friendly environment through policy makers.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) The Company has been extensively using platforms of the above Trade Association/Chambers of Commerce and Industry and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles, etc.

Principle 8: Businesses should support inclusive growth and equitable Development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
 The Company has been one of the foremost proponents of inclusive growth and since inception it has been undertaking projects for overall development and welfare of the society in areas pertaining to promoting preventive healthcare, education, rural development, environmental sustainability, conservation of natural resources, etc. Details of the same have been given in Annexure D to the Director's Report in the annual report.
 The Company aims to contribute to sustainable growth of the society at large. As a means to this end, the Company will continue responding to society's expectations and demands in a holistic and decisive manner in the fields of environment, conservation of natural resources, health, education, rural development, among others.
 The Company has framed its CSR policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The contents of the CSR policy are disclosed on the website of the Company.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
 The CSR programmes/projects of the Company are run directly by in-house teams and also by external NGOs.
 The company believes in developing partnerships and has collaborated with Government, like minded corporates, NGOs and other stakeholders to effectively implement & scale up the CSR projects.
3. Have you done any impact assessment of your initiative?
 There is a dedicated CSR team for regular monitoring and evaluation of the CSR projects. The projects activities are periodically reviewed by CSR Committee. The help of external agencies is also taken to assess impacts of CSR projects.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
 Details of the Company's CSR Projects/Programmes and activities have been given in Annexure D to the Director's Report in the annual report. During the financial year 2017-18, the Company has spent ₹ 4.56 Crores on CSR initiatives.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
 The Company encourages participation of the community in various CSR initiatives right from planning to completion of the project. The participatory stakeholder approach helps in identifying needs of the stakeholders and leads to greater sense of ownership among the people, ensuring sustained outcomes. This ensures successful adoption of the CSR projects by local communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?
- One of the missions of the Company is to “Be a Customer Obsessed Company - Customer First 24x7”. With this philosophy the Company undertakes comprehensive customer care measures which include customer education on preventive tyre care and proactive pre and post service. The Company has enabled access to customers through various modes whether be it toll free helpline, Website, emails, or interface at the nation wide network of offices and extended reach through over 4000 channel partners including the exclusive retail outlets -Truck Wheels and Steel Wheels. The Company has well laid out redressal procedures for complaints of customers and the complaints are immediately attended to both from the customers of Original equipment as well as retail buyers. The Technical Service Department has technically qualified and well trained personnel. Service levels are monitored closely. Large fleet customers have dedicated personnel assigned to them. The Company has facilitated end users with user friendly warranties. The total % of consumer cases under process as on 31st March 2018 were insignificant (of total complaints/claims processed).
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2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information).
- The Company’s products conform to Bureau of Indian Standards specifications, as well as, standards of countries where the Company’s products are exported as may be required. The Company also adheres to various process standards.
- The Company displays all the requisite product information on Tread and on the sidewall of tyres as per statutory requirements under applicable laws such as tyre size designation, ply rating/load index, speed symbol, date of production and Tread Wear indicator etc. Over and above the mandatory requirements, the Company displays additional information related to tyre usage & maintenance like Visual Alignment indicator (VAI), Safety Warning for tyre fitment and service operating conditions etc.
- The Company also continuously makes available, interacts, and educates customers on tyre selection, care & maintenance as per customer application & usage needs. This is done through various customer interaction programmes, driver training programmes, as well as during various customer care initiatives in partnership with automotive vehicle manufacturers.
-
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
- No court case has been filed against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or pending as on end of the financial year.
- After investigation into the alleged Restrictive Trade Practice of cartelisation by the Company in association with other tyre manufacturers for the period 2005-06 to 2009-10, the Competition Commission of India (CCI) under the Competition Act 2002 pronounced its verdict on 30th October 2012 that there is no sufficient evidence to hold violation by the Company and other tyre manufacturers and Automotive Tyre Manufacturers Association (ATMA) of the provisions of Section 3(3)(a) and 3(3)(b) read with Section 3(1) of the said Act.
- Again, under the said Act, investigation was conducted for the period 2009-10 to 2013-14, to find out presence of any agreement or understanding within the meaning of Section 3 of the said Act between the market players namely – Apollo Tyres Ltd., MRF Ltd., Ceat Ltd, JK Tyre & Industries Ltd. and Birla Tyres Ltd. and ATMA. The Company in its response has denied presence of any cartel. Other tyre manufacturers and ATMA have also submitted their responses and the matter is sub-judice.
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4. Did your Company carry out any consumer survey/consumer satisfaction trends?
- Cascading from the mission of the company to “Be a Customer Obsessed Company - Customer First 24x7”. The Company has been measuring and monitoring the health of its relationship with its customers. Company undertakes in house surveys and also subscribes to 3rd party reports for this purpose. Customer Interactions, during market visits by personnel at all levels and through structured programs / apex meets is yet another mode of obtaining customer feedback and initiating corrective actions. Consumer insights are used for formulating value propositions and business plans, which are documented in the company’s Strategic Business Plan and reviewed at the highest level in the organization. The Company has created various interactive Platforms like ACE club & Customer Relationship Management (CRM) programmes JK Badshah, Advantage club etc. Channel partners are periodically invited to informal 121 meetings at our offices. The Company is customer focused and is committed to understand the present and changing needs of the customers and fulfilling the same for achieving total customer satisfaction.
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Independent Auditor's Report

To the Members

JK Tyre & Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of JK Tyre & Industries Limited ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.

2. As required by section 143(3) of the Act, 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 purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and statement of changes in equity dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33, 36 & 38 to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)
Partner
Membership Number: 098336

New Delhi, the 17th May, 2018

Annexure A to the Independent Auditor's Report

The Annexure as referred in paragraph (1) "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report to the members of JK Tyre & Industries Limited on the standalone financial statements for the year ended March 31, 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management according to the programme of periodical verification in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. According to information and explanations given to us, the material discrepancies, if any, noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts.
- iii. According to the records and information and explanation made available to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP, and other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). However, Outstanding year-end balance of deferred receivable from a company is ₹66.19 crores related to past year transaction under the Companies Act, 1956 and:
 - (a) Terms and conditions of such transaction are not prejudicial to the interest of the Company.
 - (b) In respect of aforesaid receivable, receipts of principal as well as interest accrued thereon are as per stipulated terms and conditions.
 - (c) There is no overdue amount in respect of principal and interest.
- iv. According to the information, explanations and representations given to us and based upon audit procedures performed, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Act in respect to the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, income tax, service tax, goods and service tax, custom duty, excise duty, value added tax, entry tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2018.

(b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom, value added tax and entry tax that have not been deposited on account of any dispute except as given below:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Years	Amount (₹in Lacs)
Sales Tax Act	Sales Tax	Additional Commissioner (Appeals)	2010-2014	10.28
		Deputy Commissioner/ Deputy Commissioner (Appeals)	1996-2017	2452.79
		Revision Board	2005-2006	14.57
		Joint Commissioner	2011-2017	8.87
		Tribunal	2005-2009	46.89
		High Court	1980-1982	1.80
		Appellate Tribunal	2006-2017	3.41
Central Excise Act	Excise Duty	Commissioner-Appeals	1996-2013	84.80
		Additional Commissioner	2004-2010	52.34
		CESTAT	1981-2010	312.28
Custom Act	Custom Duty	Supreme Court	2012-2013	241.15
		High Court	2013-2014	1558.33
Income Tax Act	Income Tax	Deputy Commissioner	2013-2015	1563.98
Finance Act	Service Tax	Assistant Commissioner	2006-2016	358.23
		CESTAT	2005-2017	56.19
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	Commissioner	2008-2011	139.51

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks, government (both Central and State) and financial institutions. The company did not have any outstanding debentures during the year.
- ix. According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised.
- x. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, and as described in Note No 47 (II) of the standalone financial statement, we report that managerial remuneration for the year ended March 31, 2018 is in excess of the limit applicable under Section 197 read with schedule V of the Act for which requisite approval is yet to be taken.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanation given to us, the Company has not made any preferential allotment of shares or private placement of shares or fully / partly convertible debentures during the year in terms of provisions of Section 42 of the Act.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as the provisions of the section is not applicable to the company.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)
Partner
New Delhi, the 17th May, 2018
Membership Number: 098336

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of JK Tyre & Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

New Delhi, the 17th May, 2018

Membership Number: 098336

JK Tyre & Industries Limited

Balance Sheet as at 31st March, 2018

₹ in crores (10 Million)

	Note No.	As at 31.03.2018	As at 31.03.2017
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	3566.82	3294.08
(b) Capital Work-in-progress		83.31	131.24
(c) Investment Property	3	6.04	6.14
(d) Other Intangible Assets	4	5.06	-
(e) Intangible Assets under Development		-	4.30
(f) Financial Assets			
- Investments	5	544.87	490.17
- Loans	6	45.94	42.32
- Other Financial Assets	7	87.52	66.19
(g) Other Non-current Assets	8	37.03	24.84
		4376.59	4059.28
(2) Current Assets			
(a) Inventories	9	1026.01	930.78
(b) Financial Assets			
- Trade Receivables	10	1289.72	1469.60
- Cash and Cash Equivalents	11	59.80	55.71
- Other Bank Balances	12	12.49	11.61
- Loans	13	-	70.00
- Other Financial Assets	14	186.65	327.61
(c) Current Tax Assets (Net)	15	10.76	-
(d) Other Current Assets	16	216.39	135.14
		2801.82	3000.45
TOTAL ASSETS		7178.41	7059.73
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	45.36	45.36
(b) Other Equity	SOCE - II	1598.93	1628.59
		1644.29	1673.95
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	17	1457.75	1637.28
- Other Financial Liabilities	18	308.35	300.96
(b) Provisions	19	24.15	18.86
(c) Deferred Tax Liabilities (Net)	20	373.84	369.04
		2164.09	2326.14
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	21	1522.38	1494.54
- Trade Payables	22	961.39	910.96
- Other Financial Liabilities	23	769.67	533.82
(b) Other Current Liabilities	24	110.46	109.45
(c) Provisions	25	6.13	6.51
(d) Current Tax Liabilities (Net)	15	-	4.36
		3370.03	3059.64
TOTAL EQUITY AND LIABILITIES		7178.41	7059.73
Company Overview, Basis of preparation and Significant Accounting Policies.	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Dr. Raghupati Singhania

Chairman & Managing Director

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Directors

New Delhi, the 17th May, 2018

JK Tyre & Industries Limited

Statement of Profit and Loss for the year ended 31st March, 2018

₹ in crores (10 Million)

	Note No.	2017-2018	2016-2017
I. Revenue from Operations	26	6578.50	6607.51
II. Other Income	27	32.45	59.66
III. Total Income (I+II)		6610.95	6667.17
IV. Expenses			
Cost of Materials Consumed		3748.74	3200.17
Purchases of Stock-in-trade		667.96	565.53
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	28	(69.80)	(68.74)
Employee Benefits Expense	29	523.60	534.90
Finance Costs	30	274.12	267.58
Depreciation and Amortisation Expense		175.13	183.58
Excise Duty on Sales		125.15	628.39
Other Expenses	31	1095.51	1001.30
Total Expenses		6540.41	6312.71
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		70.54	354.46
VI. Exceptional Items	44	(6.69)	105.24
VII. Profit / (Loss) before Tax (V+VI)		63.85	459.70
VIII. Tax Expense			
(1) Current Tax		15.96	103.97
(2) Mat Credit Entitlement		(18.44)	(67.09)
(3) Deferred Tax		23.24	90.69
IX. Profit / (Loss) for the Year (VII-VIII)		43.09	332.13
X. Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss:			
- Re-measurement Losses on Defined Benefit Plans		(6.88)	(14.61)
- Income Tax relating to Items that will not be Reclassified to Profit or Loss		2.38	5.06
Total Other Comprehensive Income		(4.50)	(9.55)
XI. Total Comprehensive Income for the Year (IX+X)		38.59	322.58
XII. Earnings per Equity Share of ₹2 each			
Basic / Diluted	45	1.90	14.64

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

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Dr. Raghupati Singhania

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Directors

New Delhi, the 17th May, 2018

JK Tyre & Industries Limited

Statement of Changes in Equity (SOCE) for the year ended 31st March, 2018

I. SHARE CAPITAL

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
a. Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
b. Issued, Subscribed and fully paid up:		
Equity Shares - 22,68,13,480 of ₹2 each		
Balance at the beginning of the year	45.36	45.36
Changes in Equity Share Capital during the year	-	-
Balance at the end of the reporting year	45.36	45.36
c. Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	22,68,13,480	22,68,13,480
Changes during the year	-	-
Shares outstanding as at the end of the year	22,68,13,480	22,68,13,480
d. Details of each shareholder holding more than 5% shares:		
Name of Shareholder	No. of shares held	No. of shares held
Bengal & Assam Company Limited	5,50,74,250	5,50,74,250
BMF Investment Limited	2,58,07,500	2,58,07,500
Florence Investech Limited	3,26,59,100	3,26,59,100
Edgefield Securities Limited	1,74,37,500	1,74,37,500

Rights and preferences attached to Equity Shares:

- i. The Company has only one class of Equity Shares having face value of ₹2 each and each shareholder is entitled to one vote per share.
- ii. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

Statement of Changes in Equity (SOCE) for the year ended 31st March, 2018

II. OTHER EQUITY

₹ in crores (10 Million)

Particulars	Reserves & Surplus					Total Other Equity
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
				Surplus in P/L Statement	Other Comprehensive Income*	
As at 31st March, 2016	262.88	7.00	753.46	357.83	(6.91)	1374.26
Profit for the year				332.13		332.13
Other Comprehensive Income (Net of Taxes)					(9.55)	(9.55)
Cash Dividend				(56.70)		(56.70)
Dividend Distribution Tax on Cash Dividend				(11.55)		(11.55)
Transfer to General Reserve			150.00	(150.00)		-
As at 31st March, 2017	262.88	7.00	903.46	471.71	(16.46)	1628.59
Profit for the year				43.09		43.09
Other Comprehensive Income (Net of Taxes)					(4.50)	(4.50)
Cash Dividend				(56.70)		(56.70)
Dividend Distribution Tax on Cash Dividend				(11.55)		(11.55)
As at 31st March, 2018	262.88	7.00	903.46	446.55	(20.96)	1598.93

* Represents Re-measurement Losses on Defined Benefit Plans.

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Dr. Raghupati Singhania

Chairman & Managing Director

HARISH GUPTA
Partner

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Arun K. Bajoria

Directors

New Delhi, the 17th May, 2018

Notes to financial statements

NOTE - 1 COMPANY OVERVIEW, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1.1 The Company overview:

JK Tyre & Industries Limited (JKTIL) is a public limited company incorporated and domiciled in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE'), in India. The registered office of the company is situated at Jaykaygram, PO - Tyre Factory, Kankroli - 313342 Rajasthan, India.

JKTIL develops, manufactures, markets and distributes automotive Tyres, Tubes, Flaps and Retreads. The company markets its Tyres for sale to vehicle manufacturers for fitment as original equipments and for sale in replacement markets worldwide. The company has six manufacturing plants located at Kankroli (Rajasthan), Banmore (Madhya Pradesh), Sriperumbudur (Chennai) and three plants at Mysore (Karnataka).

These financial statements were approved and adopted by board of directors of the Company in their meeting held on 17th May, 2018.

1.2 Basis of preparation and measurement of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013. All accounting policies and applicable Ind AS have been applied consistently for all periods presented.

The financial statements have been prepared under historical cost convention on accrual basis, except for the items that have been measured at fair value as required by relevant Ind AS. The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

1.3 Significant accounting policies:

(i) Property, plant and equipment:

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective property, plant and equipment on completion of construction / erection.

- b) Depreciation on property, plant and equipment (including Continuous Process Plants considered on technical evaluation) has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 15 to 35 years for plant and machinery and 15 to 70 years for buildings. Accelerated depreciation in respect of a production accessory is provided over 6 years. Leasehold land is being amortized over the lease period.

The carrying amount is eliminated from the financial statements, upon sale and disposition of the assets and the resultant gains or losses are recognised in the statement of profit and loss.

(ii) Investment property:

Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Depreciation on Investment property has been provided using straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the statement of profit and loss.

(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

Notes to financial statements

are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortization and impairment losses, if any.

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

Expenditure incurred on intangible asset which are under development is included under Intangible Assets under Development.

The carrying amount is eliminated from the financial statements, upon sale, disposition and withdrawal from permanent use of the assets and when no future economic benefits are expected from its disposal. The resultant gains or losses are recognised in the statement of profit and loss.

(iv) Lease:

Lease is classified as Operating Lease, when substantial risks and rewards of ownership are not transferred - rentals thereon are recognised as expense over the lease term.

Leases under which, the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

(v) Foreign currency transactions and translation:

The functional currency of the company is Indian rupee (₹). Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at exchange rate prevailing at the year end. Exchange differences arising on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets till 2020 and depreciated over their balance life pursuant to the option in Notification No.G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non Monetary Foreign Currency items are stated at cost.

(vi) Inventories:

Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(vii) Borrowing cost:

Borrowing Cost is charged to Statement of Profit and Loss except meant for acquisition of qualifying assets, which is capitalised, using the effective interest method till the date of commercial use.

(viii) Employee benefit:

Employee benefits include wages & salaries, provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences, etc.

(a) Defined-contribution plans

Contributions to the employees' regional provident fund, superannuation fund, Employees' Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

(b) Defined-benefit plans

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

(c) Short term employee benefits

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

(ix) Income tax:

Income tax is comprised of current and deferred tax. Income tax expense is recognised in the Statement of Profit and Loss,

Notes to financial statements

except to the extent it relates to items directly recognised in equity or in other comprehensive income.

- (a) **Current tax:** Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961.
- (b) **Deferred tax 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 that, it is probable that taxable income will be available against which the same can be realised.
- (c) **Minimum Alternate Tax:** Minimum Alternate Tax credit is recognized when there is convincing evidence that the Company will pay normal income tax during the specified period.

(x) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities and Assets:

Contingent liabilities are disclosed after evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xi) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

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. 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, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss:** At the date of initial recognition, financial assets are held for trading, 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.

Investment in Equity shares of subsidiaries and associates are valued at cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. Upon derecognition the difference between the carrying amount of a financial asset derecognised and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial assets measured at amortised cost.

Notes to financial statements

(b) Financial liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

- Financial liabilities at amortised cost: After initial recognition, such financial liabilities are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortisation is included in finance expense in the profit or loss.
- Financial liabilities at fair value through profit or loss: which are designated as such on initial recognition, or which are held for trading. Fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability derecognised and the sum of consideration paid and payable is recognised in statement of profit and loss as other income or finance costs/ other expenses.

(xii) Derivative financial instruments:

Derivative instruments such as forward currency contracts, interest rate swaps and option contracts are used to hedge foreign currency risks and interest rate risk. Such derivatives are initially recognised at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(xiii) Revenue:

Revenue is recognised when the significant risks and rewards of ownership have been passed on to buyer. Revenue is measured at the fair value of the consideration received or receivable, including Excise Duty (till 30th June, 2017 the period prior to GST implementation date) but net of returns, allowances, trade discounts, volume discounts, sales tax, VAT, GST etc.

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 as deferred income and credited in statement of profit and loss on a systematic basis over the useful life of the related asset.

Export incentives are recognised in the Statement of Profit and Loss.

(xv) Impairment:

The carrying amount of Property, plant and equipments, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(xvi) Earnings per share (EPS):

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and at bank, Cheques on hand and Remittances in transit for the purpose of meeting short-term cash commitments.

Notes to financial statements

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

₹ in crores (10 Million)

Particulars	Gross Value				Depreciation				Net Value	
	As at 31.03.2017	Additions / Adjustments [^]	Sales / Adjustments	As at 31.03.2018	Upto 31.03.2017	For the year	Sales/ Adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land - Freehold	58.53	-	-	58.53	-	-	-	-	58.53	58.53
	(58.53)	-	-	(58.53)	-	-	-	-	(58.53)	(58.53)
- Leasehold	10.59	-	0.01	10.58	1.65	0.11	-	1.76	8.82	8.94
	(10.60)	-	(0.01)	(10.59)	(1.54)	(0.11)	-	(1.65)	(8.94)	(9.06)
Buildings *	748.12	41.88	-	790.00	142.43	13.13	-	155.56	634.44	605.69
	(731.65)	(16.47)	-	(748.12)	(130.11)	(12.32)	-	(142.43)	(605.69)	(601.54)
Plant and Equipments	4197.53	402.86	24.50	4575.89	1607.86	154.87	20.13	1742.60	2833.29	2589.67
	(4349.30)	(183.58)	(335.35)	(4197.53)	(1727.21)	(165.24)	(284.59)	(1607.86)	(2589.67)	(2622.09)
Furniture and Fixtures	16.23	1.36	-	17.59	9.51	1.12	-	10.63	6.96	6.72
	(16.21)	(0.83)	(0.81)	(16.23)	(8.76)	(1.11)	(0.36)	(9.51)	(6.72)	(7.45)
Office Equipments	18.25	1.78	0.24	19.79	13.04	1.71	0.22	14.53	5.26	5.21
	(17.09)	(2.04)	(0.88)	(18.25)	(12.17)	(1.58)	(0.71)	(13.04)	(5.21)	(4.92)
Vehicles	28.81	5.32	3.82	30.31	9.49	3.48	2.18	10.79	19.52	19.32
	(26.47)	(7.03)	(4.69)	(28.81)	(8.90)	(3.12)	(2.53)	(9.49)	(19.32)	(17.57)
	5078.06	453.20	28.57	5502.69	1783.98	174.42	22.53	1935.87	3566.82	3294.08
Previous Year	(5209.85)	(209.95)	(341.74)	(5078.06)	(1888.69)	(183.48)	(288.19)	(1783.98)	(3294.08)	(3321.16)

Figures in brackets represent amounts pertaining to previous year.

In accordance with the option given under Ind AS, the Property, plant and equipment as on 01.04.2015 were recognised at the carrying value of previous GAAP as deemed cost.

[^] includes forex reinstatement of ₹14.92 crores (Previous year: net off ₹25.23 crores). (Unamortised forex reinstatement as on 31.03.2018 ₹72.27 crores (Previous year: ₹59.76 crores))

* Building include ₹2.05 crores (Previous year: ₹2.05 crores) constructed on leased land, 32 shares held in co-operative housing societies.

Factory & Service buildings and Plant and Equipments of Company's Plant at Jaykaygram 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 plant. The revaluation of said assets of Jaykaygram and Banmore was further updated alongwith Factory Land and Township building as at 1st April 2002 based on replacement cost by a Valuer. The Gross Value includes revaluation of ₹423.71 crores (Previous year: ₹429.11 crores).

NOTE - 3 INVESTMENT PROPERTY

₹ in crores (10 Million)

Particulars	Gross Value				Depreciation				Net Value	
	As at 31.03.2017	Additions / Adjustments	Sales / Adjustments	As at 31.03.2018	Upto 31.03.2017	For the year	Sales/ Adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Building	6.53	-	-	6.53	0.39	0.10	-	0.49	6.04	6.14
	(6.53)	-	-	(6.53)	(0.29)	(0.10)	-	(0.39)	(6.14)	(6.24)
	6.53	-	-	6.53	0.39	0.10	-	0.49	6.04	6.14
Previous year	(6.53)	-	-	(6.53)	(0.29)	(0.10)	-	(0.39)	(6.14)	(6.24)

Figures in brackets represent amounts pertaining to previous year.

NOTE - 4 OTHER INTANGIBLE ASSETS

₹ in crores (10 Million)

Particulars	Gross Value				Amortisation				Net Value	
	As at 31.03.2017	Additions / Adjustments	Sales / Adjustments	As at 31.03.2018	Upto 31.03.2017	For the year	Sales/ Adjustments	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer	11.78	5.67	-	17.45	11.78	0.61	-	12.39	5.06	-
Software#	(11.78)	-	-	(11.78)	(11.78)	-	-	(11.78)	-	-
	11.78	5.67	-	17.45	11.78	0.61	-	12.39	5.06	-
Previous year	(11.78)	-	-	(11.78)	(11.78)	-	-	(11.78)	-	-

Figures in brackets represent amounts pertaining to previous year.

Being amortised over a period of 5 years.

Notes to financial statements

NOTE - 5 INVESTMENTS [NON-CURRENT] (Other than Trade)

	As at 31.03.2018		As at 31.03.2017	
	Numbers	₹ in crores (10 Million)	Numbers	₹ in crores (10 Million)
Investment in Equity Shares:				
Subsidiary Companies (at Cost):				
Lankros Holdings Limited (Euro 1 each) *	40,02,000	26.31	40,02,000	26.31
Sarvi Holdings Switzerland AG (CHF 1000 each) *	100	0.40	100	0.40
JK Tornel S.A. de C.V. (Mexican Pesos 1000 each) *	25	0.01	25	0.01
J. K. International Ltd. (£1 each)	1,35,000	0.61	1,35,000	0.61
J. K. Asia Pacific Ltd. (HK\$ 1 each)	19,99,999	0.71	19,99,999	0.71
3DInnovations Pvt. Ltd (₹10 each) ^	15,00,000	1.50	15,00,000	1.50
Cavendish Industries Ltd. (₹10 each) ^^	3,20,03,286	448.04	3,20,03,286	448.04
Associate Companies (at Cost):				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; Previous year: ₹2400)	24	-	24	-
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35
Others (at fair value through P&L):				
HDFC Bank Ltd. (₹2 each)	5,000	0.95	5,000	0.72
Bengal & Assam Company Ltd. (₹10 each)	11,641	2.44	11,641	1.99
V. S. Lignite Power Pvt. Ltd. (₹10 each) #	12,56,039	-	12,56,039	-
J.K.I. Employees Co-operative Credit Society Ltd. (₹1000 each) (₹5000; Previous year: ₹5000)	5	-	5	-
Reliance Industries Ltd. (₹10 each)	8,720	0.77	4360	0.58
Vaayu Renewable Energy (Godavari) Pvt. Ltd. (₹10 each)	49,400	0.09	49,400	-
ReNew Wind Energy (AP) Pvt. Ltd. (₹10 each)	14,000	0.15	14,000	-
ReNew Wind Energy (Karnataka) Pvt. Ltd. (₹10 each)	36,000	0.04	10,000	0.10
Investment in 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	8.84	11,00,000	7.96
Others:				
V. S. Lignite Power Pvt. Ltd. (0.01% Cumulative Redeemable Preference Share) (₹10 each) #	11,14,222	0.42	11,14,222	0.38
Investment in Preference Shares (at amortised cost):				
J.K. Fenner (India) Ltd. (1% Cumulative Redeemable Preference Share) (₹100 each)	70,00,000	52.64	-	-
Investment in Mutual Fund (at fair value through P&L):				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.60	2,50,000	0.51
		544.87		490.17
Aggregate amount of quoted Investments/ market value thereof		4.76		3.80
Aggregate amount of unquoted Investments		540.11		486.37
Aggregate provision for impairment in value of Investments		-		-

* Pledged with bank for loans availed by certain foreign subsidiaries.

^^ Formerly known as Natext Biosciences Pvt. Ltd.

^^ Pledged with banks for 51% shareholding out of 64% held.

Under lien with Issuer.

Notes to financial statements

NOTE - 6 LOANS [NON-CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
<i>Unsecured, Considered Good</i>		
Security Deposits	43.14	38.82
Loan to Related Party (Refer Note No. 47)	2.80	3.50
	45.94	42.32

NOTE - 7 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	87.52	66.19
	87.52	66.19

NOTE - 8 OTHER NON-CURRENT ASSETS

Advances - Project Related	9.81	15.32
Security Deposits	3.06	2.25
Others	24.16	7.27
	37.03	24.84

NOTE - 9 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials *	490.15	412.08
Work-in-progress	47.03	44.57
Finished Goods **	389.01	367.44
Stock-in-trade	43.62	49.10
Stores and Spares	56.20	57.59
	1026.01	930.78

* Includes raw materials in transit ₹205.57 crores (Previous year: ₹154.19 crores).

** Includes finished goods in transit ₹10.44 crores (Previous year: ₹0.41 crore).

NOTE - 10 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1289.72	1469.60
Doubtful	7.14	5.63
Less : Allowance for Bad and Doubtful debts	(7.14)	(5.63)
	1289.72	1469.60

NOTE - 11 CASH AND CASH EQUIVALENTS

Balances with Banks in Current Accounts	10.43	17.81
Remittances in transit and Cheques on hand	49.27	37.83
Cash on hand	0.10	0.07
	59.80	55.71

NOTE - 12 OTHER BANK BALANCES

Unclaimed Dividend Accounts	1.47	1.18
Deposit Accounts*	11.02	10.43
	12.49	11.61

* Includes Deposit Repayment Reserve Account ₹10.93 crores (Previous year: ₹10.41 crores), margin money under lien with banks against bank guarantees ₹0.09 crore (Previous year: ₹0.02 crore).

Notes to financial statements

NOTE - 13 LOANS [CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
<i>Unsecured, Considered Good</i>		
Loan to Body Corporate	-	70.00
	-	70.00

NOTE - 14 OTHER FINANCIAL ASSETS [CURRENT]

<i>Unsecured, Considered Good</i>		
Interest Accrued on Deposits	1.90	0.45
Due from Related Parties (Refer Note No. 47)	10.41	6.67
Balances with Government Authorities	84.14	124.55
Deferred Receivable	72.50	9.60
Others	17.70	186.34
	186.65	327.61

NOTE - 15 CURRENT TAX ASSETS / (LIABILITIES) (NET)

Current Tax Assets / (Liabilities) (Net)	10.76	(4.36)
	10.76	(4.36)

NOTE - 16 OTHER CURRENT ASSETS

Balances with Government Authorities	131.58	87.34
Prepaid Expenses	28.76	16.43
Others	56.05	31.37
	216.39	135.14

NOTE - 17 BORROWINGS [NON-CURRENT]

	₹ in crores (10 Million)			
	Non - Current		Current *	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Secured Loans				
Term Loans: **				
- Financial Institutions	285.89	304.17	48.52	37.79
- Banks	1095.95	1237.87	189.13	161.57
	1381.84	1542.04	237.65	199.36
Unsecured Loans				
Term Loans:				
- Bank	-	-	233.33	-
- Others	8.18	16.35	8.17	8.17
Deferred Sales Tax	-	-	-	23.77
Fixed Deposits	67.73	78.89	38.80	11.73
	75.91	95.24	280.30	43.67
	1457.75	1637.28	517.95	243.03

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 23).

** Net of ₹5.03 crores (Previous year: ₹5.37 crores) for unamortised processing charges.

Notes to financial statements

NOTE - 17 BORROWINGS [NON-CURRENT] (Contd.)

- (i) Term Loan of ₹7.15 crores from a Bank, secured by a first pari passu charge created on movable and immovable assets of Company's Plant in Madhya Pradesh, both present and future is repayable in 5 equal quarterly instalments.
- (ii) Term Loan aggregating ₹3.21 crores from a Bank, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Karnataka, both present and future and also secured by way of hypothecation created on the specified movable assets at Company's Plants in Rajasthan, Madhya Pradesh and Karnataka is repayable during 2018-19 (since repaid).
- (iii) Term Loans aggregating ₹52.16 crores from Banks, secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Karnataka, both present and future are repayable in 20 equal quarterly instalments.
- (iv) Term Loans aggregating ₹430.73 crores (₹291.32 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹139.41 crores including ₹29.48 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 20 equal quarterly instalments.
- (v) Term Loans aggregating ₹817.77 crores (₹567.12 crores from Banks / Financial Institution, Foreign Currency Loan from a Financial Institution amounting to ₹176.27 crores including ₹6.46 crores due to forex reinstatement and Buyer's Credit of ₹74.38 crores including ₹3.03 crores due to forex reinstatement availed from Banks, which will be substituted by Term Loans), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation created on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 38 equal quarterly instalments.
- (vi) Foreign Currency Loan from a Bank amounting to ₹97.74 crores including ₹5.53 crores due to forex reinstatement, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 24 equal quarterly instalments.
- (vii) Foreign Currency Loan from a Bank amounting to ₹215.76 crores net of ₹1.29 crores due to forex reinstatement is secured by first pari passu charge on movable fixed assets at Company's Plants at Rajasthan and Karnataka (excluding those specifically charged to other banks), both present & future. Loan of Tranche – I, ₹88.64 crores and Tranche – II, ₹127.12 crores are repayable in 24 and 27 quarterly instalments respectively.
- (viii) Term Loan of ₹233.33 crores from a Bank is repayable in 12 equal monthly instalments commencing from April 2018.
- (ix) Term Loan of ₹16.35 crores from a body corporate is repayable in 8 equal quarterly instalments.
- (x) 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.
- (xi) Fixed Deposits of ₹38.80 crores, ₹43.10 crores and ₹24.63 crores (aggregating ₹106.53 crores) are due for repayment in 2018-19, 2019-20 and 2020-21 respectively.

NOTE -18 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Trade Deposits and Others	308.35	300.96
	308.35	300.96

NOTE -19 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	24.15	18.86
	24.15	18.86

Notes to financial statements

NOTE - 20 DEFERRED TAX LIABILITIES (NET)

₹ in crores (10 Million)

	As at 31.03.2018	As at 31.03.2017
Deferred Tax Liability related to Property, Plant and Equipment	679.99	619.26
Deferred Tax Assets on:		
- Expenses / Provision Allowable	(46.21)	(28.39)
- Unabsorbed Losses	(19.67)	-
Deferred Tax Liabilities / (Assets) - Net	614.11	590.87
MAT Credit Entitlement	(240.27)	(221.83)
	373.84	369.04

NOTE - 21 BORROWINGS [CURRENT]

Secured Loans *		
- Repayable on Demand from Banks	1022.95	1110.65
- Others	83.78	-
	1106.73	1110.65
Unsecured Loans		
Fixed Deposits	10.22	8.41
Loans from:		
- Banks	205.43	225.48
- Others	200.00	150.00
	415.65	383.89
	1522.38	1494.54

* Working Capital borrowings secured by hypothecation of stocks and book debts etc. of the Company, both present and future and second charge created on movable and immovable assets of the Company's Plants in Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu.

NOTE - 22 TRADE PAYABLES [CURRENT]

Micro, Small and Medium Enterprises	16.46	11.38
Other	944.93	899.58
	961.39	910.96

NOTE - 23 OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Borrowings	517.95	243.03
Interest Accrued but not due on Borrowings	15.56	16.06
Unclaimed Dividends #	1.47	1.18
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	1.63	1.83
Others	233.06	271.72
	769.67	533.82

Investor Education & Protection Fund will be credited, as and when due.

NOTE - 24 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	97.37	94.70
Others	13.09	14.75
	110.46	109.45

NOTE - 25 PROVISIONS [CURRENT]

Provision for Employee Benefits	6.13	6.51
	6.13	6.51

Notes to financial statements

NOTE - 26 REVENUE FROM OPERATIONS

	₹ in crores (10 Million)	
	2017-2018	2016-2017
Sale of:		
- Products *	6431.08	6492.30
- Services	84.37	46.61
Other operating revenues:		
Provision for earlier years written back	-	1.06
Miscellaneous Income #	63.05	67.54
	6578.50	6607.51

* Sale of Products (excluding Excise Duty) ₹6305.93 crores (Previous Year: ₹5863.91 crores)

Includes Government incentive of ₹27.29 crores (Previous Year: ₹38.56 crores)

NOTE - 27 OTHER INCOME

Income from Non-current investments:		
- Dividends	0.67	0.17
- Interest	2.45	0.87
- Profit / (Loss) on Sale of Investments	-	36.16
- Fair Value changes in Investments	0.89	1.59
Profit on sale of Property, plant and equipment (Net)	0.46	-
Other Interest Income	24.52	16.26
Deferred Government Grant	3.46	4.61
	32.45	59.66

NOTE - 28 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stock		
Finished Goods	367.44	346.02
Work-in-progress	44.57	40.66
Stock-in-trade	49.10	4.37
	(A) 461.11	391.05
Closing Stock		
Finished Goods	389.01	367.44
Work-in-progress	47.03	44.57
Stock-in-trade	43.62	49.10
	(B) 479.66	461.11
(Increase) / Decrease in Stocks	(A-B) (18.55)	(70.06)
Less : Adjustments for differential Excise Duty	51.25	(1.32)
Net (Increase) / Decrease in Stocks	(69.80)	(68.74)

NOTE - 29 EMPLOYEE BENEFITS EXPENSES

Salaries and Wages	371.42	398.36
Contribution to Provident and other Funds	38.60	29.88
Employees' Welfare and other Benefits	113.58	106.66
	523.60	534.90

Notes to financial statements

NOTE - 30 FINANCE COSTS

₹ in crores (10 Million)

	2017-2018	2016-2017
Interest Expenses	268.93	260.42
Other Borrowing Costs	5.19	7.16
	274.12	267.58

NOTE - 31 OTHER EXPENSES

Consumption of Stores and Spares	66.80	57.20
Power and Fuel	251.19	231.58
Lease Rent	54.30	25.75
Freight and Transportation	272.03	252.27
Advertisement and Sales Promotion	109.85	107.10
Allowance for Doubtful Debts / Advances	1.51	0.80
Corporate Social Responsibility Expenses	4.56	4.35
Foreign Exchange Fluctuations Loss (Net)	5.17	2.12
Miscellaneous Expenses	330.10	320.13
	1095.51	1001.30

NOTE - 32

Estimated amount of contracts remaining to be executed on capital account ₹76.23 crores (Previous year: ₹125.97 crores).

NOTE - 33

Contingent liabilities in respect of claims not accepted and not provided for ₹85.12 crores (Previous year: ₹50.12 crores) pertain to Excise & Customs duty matters in appeal ₹8.80 crores, Service tax matters ₹0.59 crore, Sales Tax matters in appeal ₹30.57 crores, Income tax matters in appeal ₹8.87 crores & other matters ₹36.29 crores (Previous year: ₹8.40 crores, ₹0.55 crore, ₹2.22 crores, ₹8.87 crores & ₹30.08 crores respectively).

NOTE - 34

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	As at
	31.03.2018	31.03.2017
Employee Benefits Expense	3.12	7.00
Power and Fuel	0.09	-
Miscellaneous Expenditure	0.91	2.40
	4.12	9.40
Add: Expenditure upto previous year	2.21	1.57
	6.33	10.97
Less: Transferred to Property, Plant and Equipment	3.26	8.76
	3.07	2.21

NOTE - 35

Debts / Advances include ₹48.12 crores (Previous year: ₹53.61 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.

Notes to financial statements

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

The Company has taken certain specified Plant and Equipment on operating lease basis, which is cancellable at the option of lessee.

NOTE - 38

The Company has worked out reversal of Modvat Credit availed on exports under Value Based Advance Licence in earlier years and reversed the same in accounts. Pursuant to special scheme announced by the Government, the Company has also paid interest on such reversals. Further, the Excise department has issued certain basis for reversal of Modvat, which is disputed and has been contested by the Company in a Writ Petition before the Hon'ble Delhi High Court and directions have been issued to treat the reversal already made by the Company as provisional.

NOTE - 39

- Forward Contracts for hedging Receivables: US \$ 16 Million (Previous year: Nil) and for hedging Payables: Nil (Previous year: US \$ 33.70 Million) are outstanding as at 31.03.2018.
- Foreign currency exposure unhedged net payable is ₹687.52 crores – US \$ 105.70 Million (Previous year: ₹885.19 crores – US \$ 136.52 Million) as at 31.03.2018.

NOTE - 40

The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company are as under:

(i) Principal & Interest amount due and remaining unpaid as at 31.03.2018: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest Accrued and unpaid as at 31.03.2018: Nil (Previous year: Nil).

NOTE - 41

Miscellaneous expenses include Nil (Previous year: ₹0.25 crore) for political contribution.

NOTE - 42 EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES DURING THE YEAR

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
i) Revenue Expenditure*:		
1. Employee Cost	13.71	11.83
2. Cost of Materials and Testing Charges	40.39	37.56
3. Other R&D Expenses	4.41	5.03
Subtotal (i)	58.51	54.42
ii) Capital Expenditure	2.45	2.59
Total (i+ii)	60.96	57.01

* Included in respective revenue accounts.

Notes to financial statements

NOTE - 43 AMOUNT PAID TO AUDITORS

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
i) Statutory Auditors		
a) Audit Fee	0.25	0.25
b) Taxation	0.03	0.03
c) Certificates / other services	0.05	0.10
d) Reimbursement of expenses	0.01	0.02
ii) Cost Auditors		
a) Audit Fee	0.02	0.02
b) Certificates / other services ₹35050 (Previous year: ₹4040)		
c) Reimbursement of expenses Nil (Previous year: ₹9175)		

NOTE - 44

Exceptional items include net gain on sale of certain assets Nil (Previous year: ₹108.05 crores) and expenditure on VRS for the employees ₹6.69 crores (Previous year: ₹2.81 crores).

NOTE - 45 EARNINGS PER SHARE (EPS)

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
a. Profit for the year attributable to Equity Shareholders	43.09	332.13
b. Weighted average number of Equity Shares for Basic/Diluted EPS	22,68,13,480	22,68,13,480
c. Earnings per share of ₹2 each		
- Basic / Diluted	1.90	14.64

NOTE - 46

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Indian Accounting Standards) Rules, 2015 are as given below:

(a) Defined Benefit Plan:

(i)

Particulars	₹ in crores (10 Million)			
	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2017-2018	2016-2017	2017-2018	2016-2017
I Change in the Present Value of Obligation				
1) Present Value of Defined Benefit Obligation at the beginning of the year	24.54	18.69	107.80	97.16
2) Current Service Cost	3.14	4.12	6.06	5.50
3) Past Service Cost	-	-	5.73	-
4) Interest Expense or Cost	1.82	1.51	7.97	7.82
5) Remeasurement (or actuarial) (gain) / loss arising from:				
- change in financial assumptions	(0.77)	1.45	(2.15)	4.39
- experience variance (i.e. actual experience vs assumptions)	7.65	6.27	1.20	4.49
6) Benefit Paid	(7.10)	(7.50)	(8.24)	(11.56)
7) Present Value of Obligation as at the end	29.28	24.54	118.37	107.80
II Change in the Fair Value of Plan Assets				
1) Fair value of Plan Assets at the beginning of the year	-	-	112.19	95.95
2) Investment Income	-	-	8.30	7.73
3) Employer's Contribution	7.10	7.50	21.23	18.08
4) Benefits Paid	(7.10)	(7.50)	(8.24)	(11.56)
5) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	(0.95)	1.99
6) Fair value of Plan Assets as at the end	-	-	132.53	112.19

Notes to financial statements

(a) Defined Benefit Plan: (i) (Contd.)

₹ in crores (10 Million)

Particulars	Leave Encashment		Gratuity	
	(Non Funded)		(Funded)	
	2017-2018	2016-2017	2017-2018	2016-2017
III Expenses recognised in the Statement of Profit & Loss Account *				
1) Current Service Cost	3.14	4.12	6.06	5.50
2) Past Service Cost	-	-	5.73	-
3) Net Interest (Income) / Cost on the Net Defined Benefit Liability (Asset)	1.82	1.51	(0.33)	0.09
4) Expenses recognised in the Income Statement	4.96	5.63	11.46	5.59
IV Other Comprehensive Income				
1) Actuarial (Gains) / Losses				
- change in financial assumptions	(0.77)	1.45	(2.15)	4.39
- experience variance (i.e. actual experience vs assumptions)	7.65	6.27	1.20	4.49
2) Return on Plan Assets, excluding amount recognised in net Interest Expense	-	-	0.95	(1.99)
3) Components of Defined Benefit Costs recognised in Other Comprehensive Income	6.88	7.72	-	6.89
V Actuarial Assumptions :				
1) Discount Rate	7.70%	7.40%	7.70%	7.40%
2) Expected rate of return on Plan Assets	-	-	7.70%	7.40%
3) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
4) Salary Escalation	5.50%	5.50%	5.50%	5.50%

* Included under the head Employee Benefits Expense - Refer Note No. 29.

₹ in crores (10 Million)

Particulars	Leave Encashment					Gratuity				
	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Present Value of Defined Benefit Obligation	29.28	24.54	18.69	17.19	13.79	118.37	107.80	97.16	97.12	81.98
Fair Value of Plan Assets	-	-	-	-	-	132.53	112.19	95.95	90.97	84.27
Surplus / (Deficit)	(29.28)	(24.54)	(18.69)	(17.19)	(13.79)	14.16	4.39	(1.21)	(6.15)	2.29
Experience adjustment on Plan Liabilities (Gain) / Loss	7.65	6.27	4.14	2.42	2.79	1.20	4.49	6.70	1.60	4.61
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	0.95	(1.99)	(0.05)	(1.42)	(0.78)

(iii) Sensitivity analysis

Reasonably possible changes at the year end, to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as the amounts shown below:

₹ in crores (10 Million)

Particulars	Leave Encashment				Gratuity			
	31st March 2018		31st March 2017		31st March 2018		31st March 2017	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	32.00	26.97	27.07	22.41	125.90	111.69	115.17	101.28
Salary Growth Rate (- / + 1%)	26.91	32.03	22.35	27.09	111.77	125.62	101.62	114.58
Attrition Rate (- / + 50% of attrition rates)	28.74	29.76	24.10	24.93	117.29	119.33	106.82	108.69
Mortality Rate (- / + 10% of mortality rates)	29.27	29.30	24.53	24.56	118.32	118.41	107.76	107.84

Notes to financial statements

- (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, 2018 of ₹1.82 crores (Previous year: ₹1.62 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 29)
- (vii) Maturity Profile of Defined Benefit Obligation:

Particulars	₹ in crores (10 Million)			
	Leave Encashment		Gratuity	
	2017-2018	2016-2017	2017-2018	2016-2017
Within next 1 Year	5.13	5.68	22.34	14.73
Between 2 - 5 Years	10.27	8.77	57.41	55.19
Between 6 - 10 Years	11.43	9.39	52.03	49.39
More than 10 Years	45.30	40.91	84.37	80.33

(b) Defined Contribution Plans:

Employer's Contribution to Provident and other Funds charged off during the 12 months ended 31st March, 2018 of ₹25.31 crores (Previous year: ₹24.65 crores) has been included under the head Employee Benefits Expense. (Refer Note No. 29)

NOTE - 47 RELATED PARTIES

a) Subsidiaries:

J. K. International Ltd.
 J. K. Asia Pacific Ltd. (JKAPL)
 J. K. Asia Pacific (S) Pte. Ltd. (JKAPPL - Subs. of JKAPL)
 3DInnovations Pvt. Ltd. (3DIPL) (Formerly known as Natext Biosciences Pvt. Ltd.)
 Cavendish Industries Ltd. (CIL) (w.e.f. 13th Apr, 2016)
 Lankros Holdings Ltd. (LANKROS)
 Sarvi Holdings Switzerland AG. (SARVI - Subs. of LANKROS)
 JK Tornel S.A. de C.V. (JKTSA - Subs. of SARVI)
 Comercializadora América Universal, S.A. de C.V.*
 Compañía Hulera Tacuba, S.A. de C.V.*
 Compañía Hulera Tornel, S.A. de C.V. (CHT)*
 Compañía Inmobiliaria Norida, S.A. de C.V.*
 General de Inmuebles Industriales, S.A. de C.V.*
 Gintor Administración, S.A. de C.V.*
 Hules y Procesos Tornel, S.A. de C.V.*

* Subsidiary of JKTSA

b) Associates:

Hari Shankar Singhanian Elastomer and Tyre Research Institute (HASETRI)
 Valiant Pacific LLC. (VPL - Associate of JKAPPL)
 Florence Investech Ltd. (FINVL) (ceased to be related w.e.f. 24th Mar, 2017)
 Dwarkesh Energy Ltd. (DEL)
 Western Tire Holdings, Inc. (WTHI - Associate of CHT) (w.e.f. 1st Oct, 2017)
 Western Tires, Inc. (WTI - Subs. of WTHI - Associate of CHT) (w.e.f. 1st Oct, 2017)

Notes to financial statements

c) Key Management Personnel (KMP):

(i) Dr. Raghupati Singhania	Chairman & Managing Director
(ii) Shri Bharat Hari Singhania	Managing Director
(iii) Shri Anshuman Singhania	Whole Time Director
(iv) Shri Arun Kumar Bajoria	Director & President – International Operations
(v) Smt. Sunanda Singhania	Non-Executive Non- Independent Director
(vi) Shri Arvind Singh Mewar	Independent Director
(vii) Shri Bakul Jain	Independent Director
(viii) Shri Shreekant Somany	Independent Director
(ix) Shri Vimal Bhandari	Independent Director
(x) Shri Kalpataru Tripathy	Independent Director
(xi) Dr. Wolfgang Holzbach	Independent Director
(xii) Shri Ashok Kumar Kinra	Chief Financial Officer
(xiii) Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary

d) Post-Employment Benefit Plan Entities:

JK Tyre & Industries Ltd. Employees Provident Fund Optional Scheme, Kolkata. (JKEPFK)
JK Tyre & Industries Ltd. Officers Superannuation Fund, Kolkata. (JKOSFK)
JK Tyre & Industries Ltd. Employees Gratuity Fund, Kolkata. (JKEGFK)
JK Tyre & Industries Ltd. EPF Trust, Vikrant Tyre Unit. (JKEPFV)
JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust (JKOSFV)
JK Tyre & Industries Ltd. Employees Gratuity Fund Trust (JKEGFV)

e) Other Related Party with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) - Enterprise which holds more than 20% shares in the Company.

(l) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in crores (10 Million)				
Nature of Transactions	Subsidiaries	Associates	Other Related Parties	Total
Sale of Tyres to CHT, VPL	137.05	251.82		388.87
Sale of Tyres to CHT, VPL	(96.29)	(241.61)		(337.90)
Sale of Goods to CIL	17.48			17.48
Sale of Goods to CIL	(127.49)			(127.49)
Sale of Capital Items to CIL - 3.42, JKTSA	4.04			4.04
Sale of Capital Items to CIL- 6.52, CHT, HASETRI	(6.80)	(0.11)		(6.91)
Purchase of Goods from CIL - 624.10, CHT - 0.04, prototype from 3DIPL	624.22			624.22
Purchase of Goods from CIL - 542.78, prototype from 3DIPL	(543.02)			(543.02)
Purchase of Capital Items from CIL	0.30			0.30
Purchase of Capital Items from CIL	(0.33)			(0.33)
Sharing of Expenses received - CIL, HASETRI & BACL	0.01	3.20	0.01	3.22
Sharing of Expenses received - CIL, HASETRI - 3.37, FINVL & BACL	(0.01)	(3.38)	(0.02)	(3.41)
Sharing of Expenses paid - BACL			0.55	0.55
Sharing of Expenses paid - BACL			(0.48)	(0.48)
Services Availed - JKAPPL, HASETRI - 19.79, WT1 - 0.79, VPL	1.13	20.76		21.89
Services Availed - JKAPPL- 0.59, CIL, HASETRI - 21.27, VPL	(0.64)	(21.43)		(22.07)
Services Rendered to CIL - 61.39, CHT- 41.97, JKTSA	118.54			118.54
Services Rendered to CIL- 25.73, JKTSA	(41.45)			(41.45)
Security Deposits Given to BACL			(0.09)	(0.09)
Interest Income from 3DIPL	0.35			0.35
Interest Income from 3DIPL	(0.40)			(0.40)

Notes to financial statements

(I) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis: (Contd.)

₹ in crores (10 Million)

Nature of Transactions	Subsidiaries	Associates	Other Related Parties	Total
Royalty Income from VPL		0.50		0.50
Royalty Income from VPL		(0.89)		(0.89)
Contribution to Trusts- JKEPFK- 4.59, JKOSFK- 0.43, JKEGFK- 9.44, JKEPFV - 18.18, JKOSFV- 0.35, JKEGFV			35.00	35.00
Contribution to Trusts- JKEPFK- 4.40, JKOSFK- 0.43, JKEGFK- 3.48, JKEPFV - 16.80, JKOSFV- 0.35, JKEGFV			(34.47)	(34.47)
Outstanding as at year end:				
Loan to 3DIPL - 2.98, Due from CHT - 0.05, HASETRI - 10.18	3.03	10.18		13.21
Loan to 3DIPL - 3.50, Due from 3DIPL - 0.20, CHT - 0.05 & HASETRI - 6.42	(3.75)	(6.42)		(10.17)
Receivable:				
- CHT - 121.41 & JKTSA - 10.51	131.92			131.92
- CHT - 53.35 & JKTSA - 6.70	(60.05)			(60.05)
- VPL - 120.14, BAACL - 0.48, JKEGFK- 6.28, JKEGFV - 7.89		120.14	14.65	134.79
- VPL - 129.53 & BAACL - 0.48		(129.53)	(0.48)	(130.01)
Payable:				
- CIL - 137.56	137.56			137.56
- CIL- 55.04, HASETRI - 0.13	(55.04)	(0.13)		(55.17)

Note: Figures in brackets represent previous year amount, wherever applicable.

(II)

₹ in crores (10 Million)

Remuneration paid to Key Managerial Personnel	2017-2018	2016-2017
Short-term Employee Benefits*	15.25	43.67
Post-employment Benefits**	1.01	0.80
Other Payments	1.14	1.67

* Subject to requisite approvals, as required under Companies Act, 2013.

** As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, hence the amounts pertaining to Key Management personnel are not included above.

NOTE - 48

Loans and Advances pursuant to Regulation 34(3) read with schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

₹ in crores (10 Million)

Nature of Transactions	Outstanding as at 31st March, 2018	Maximum Amount Outstanding during 2017-2018	Outstanding as at 31st March, 2017	Maximum Amount Outstanding during 2016-2017
Loan to Subsidiary (Repayment as per Repayment Schedule)				
- 3DIPL (for business purpose)	2.98	3.50	3.50	3.50

Note: Advances to Employees as per Company's Policy are not considered.

Notes to financial statements

NOTE - 49 DIVIDENDS

The following dividends were declared and paid by the company during the year:

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
For the year ended March 31, 2017 - 125% i.e. ₹2.50 per equity share, (31st March, 2016 - 125 % i.e. ₹2.50)	56.70	56.70
Dividend Distribution Tax thereon	11.55	11.55
Total	68.25	68.25

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. Dividend would attract dividend distribution tax when declared or paid.

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
For the year ended March 31, 2018 - 75% i.e. ₹1.50 per equity share, (31st March, 2017 - 125% i.e. ₹2.50)	34.02	56.70
Total	34.02	56.70

NOTE - 50 INCOME TAX

(A) Amounts recognized in Statement of Profit and Loss

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Current Tax	15.96	103.97
Mat Credit Entitlement	(18.44)	(67.09)
Total	(2.48)	36.88
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	23.24	90.69
Income Tax Expense reported in the Statement of Profit and Loss	20.76	127.57

(B) Income Tax recognized in Other Comprehensive Income

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Current Income Tax Re-measurement Losses on Defined Benefit Plans	2.38	5.06
Total	2.38	5.06

(C) Reconciliation of Effective Tax Rate

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Accounting Profit before Income Tax	63.85	459.70
At applicable Statutory Income Tax Rate @ 34.608%	22.10	159.09
In House R&D expenses u/s 35(2AB)	(8.00)	(14.55)
Investment Allowance u/s 32AC	-	(9.06)
Exempt Income	(0.23)	(12.57)
Change in Tax Rate	6.02	-
Others	0.87	4.66
Reported Income Tax Expense	20.76	127.57
Effective Tax Rate	32.51%	27.75%

Notes to financial statements

(D) Reconciliation of Deferred Tax Liabilities (Net)

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Opening Balance	590.87	500.18
Deferred Tax Expense recognised in Statement of Profit and Loss	23.24	90.69
Deferred Tax Liabilities / (Assets) – Net	614.11	590.87
MAT Credit Entitlement	(240.27)	(221.83)
Deferred Tax Liabilities (Net)	373.84	369.04

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 companies:

Particulars	₹ in crores (10 Million)			
	As at 31.03.2018		As at 31.03.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	14.30	14.30	12.24	12.24
(b) At Amortised Cost				
- Investments	52.64	52.64	-	-
- Trade Receivables	1289.72	1289.72	1469.60	1469.60
- Others	392.40	392.40	573.44	573.44
Total	1749.06	1749.06	2055.28	2055.28
(ii) Financial Liabilities				
At Amortised Cost				
- Borrowings	3498.08	3498.08	3374.85	3374.85
- Trade Payables	961.39	961.39	910.96	910.96
- Others	560.07	560.07	591.75	591.75
Total	5019.54	5019.54	4877.56	4877.56

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, loans, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
- Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
- Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Notes to 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, 2018 and 31st March 2017:

	₹ in crores (10 Million)		
Particulars	Level 1	Level 2	Level 3
31st March, 2018			
Financial Assets			
- Quoted Equity Shares	4.16	-	-
- Unquoted Equity Shares	-	-	0.28
- Unquoted Preference Shares	-	-	9.26
- Mutual Funds	0.60	-	-
- Forward Contracts	-	1.10	-
31st March, 2017			
Financial Assets			
- Quoted Equity Shares	3.29	-	-
- Unquoted Equity Shares	-	-	0.10
- Unquoted Preference Shares	-	-	8.34
- Mutual Funds	0.51	-	-
Financial Liabilities			
- Forward Contracts	-	2.75	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2018.

NOTE - 52

The fair value of Investment property as at 31st March, 2018 is ₹12.41 crores (Previous year: ₹12.41 crores) after considering the rental income from current leases and other assumptions that market participants would use while pricing investment property under current market conditions.

NOTE - 53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

✳ **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.

- **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

After taking cognisance of the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to financial statements

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on company's profit before tax is due to changes in the foreign exchange rate is as follows:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(7.68)	(3.26)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	7.68	3.26

- Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the company's profit before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(8.75)	(8.38)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	8.75	8.38

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

- Commodity Price Risk:** The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of raw material and manufacturing of tyres, and therefore, requires a continuous supply of certain raw materials such as natural rubber, synthetic rubber, carbon black, fabric, beadwire rubber chemicals etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- * **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).
- Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Notes to financial statements

- **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.
- ✳ **Liquidity Risk:** Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

Particulars	₹ in crores (10 Million)	
	Upto 5 years	> 5 years
As at 31st March 2018		
Borrowings*	3139.11	358.97
Trade and Other Payables	961.39	-
Other Financial Liabilities	261.62	298.45
Total	4362.12	657.42
As at 31st March 2017		
Borrowings*	2886.81	488.04
Trade and Other Payables	910.96	-
Other Financial Liabilities	290.79	300.96
Total	4088.56	789.00

* 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.

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Borrowings	3498.08	3374.85
Less: Cash and Cash Equivalents	59.80	55.71
Net Debt	3438.28	3319.14
Equity Share Capital	45.36	45.36
Other Equity	1598.93	1628.59
Total Capital	1644.29	1673.95
Capital and Net Debt	5082.57	4993.09
Gearing Ratio	67.65%	66.47%

NOTE - 55 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115, 'Revenue from Contracts with Customers' and relevant changes in other Accounting Standards as per notification issued by the Ministry of Corporate Affairs in 28th March, 2018 has been made applicable from Financial Year 2018-19 (i.e. 1st April, 2018 onwards) and will supersede Ind AS 18 and Ind AS 11. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has evaluated the requirements of Ind AS 115 and there is no material impact on revenue recognition method of the Company.

Notes to financial statements

NOTE - 56

The amount required to be spent under Section 135 of the Companies Act, 2013 for the year ended 31st March 2018 is ₹9.25 crore (31st March 2017: ₹7.88 crore) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

The Company has spent ₹4.56 crore on Corporate Social Responsibility Projects / initiatives during the year (Previous year: ₹4.35 crore).

NOTE - 57

Figures less than ₹50000 have been shown at actual in brackets.

NOTE - 58

Previous year figures have been reclassified/ regrouped, wherever necessary.

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

JK Tyre & Industries Limited

Cash Flow Statement for the year ended 31st March, 2018

	₹ in crores (10 Million)	
	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	63.85	459.70
Adjustment for:		
Depreciation and Amortisation Expense	175.13	183.58
Finance Costs	274.12	267.58
(Profit) / Loss on sale of Property, Plant and Equipment	(0.46)	(108.05)
Deferred Government Grant	(3.46)	(4.61)
(Profit) / Loss on Sale of Investments	-	(36.16)
Fair Value Changes in Non-Current Investments	(0.89)	(1.59)
Provision for earlier years written back	-	(1.06)
Unrealised Foreign Exchange Fluctuation	(3.07)	(4.58)
Interest / Dividend Received	(27.64)	(17.30)
Allowance for Doubtful Debts / Advances and Bad Debts written off	1.51	0.80
Operating Profit before Working Capital changes	479.09	738.31
(Increase) / Decrease in Trade and Other Receivables	135.24	(303.76)
(Increase) / Decrease in Inventories	(95.23)	(191.10)
Increase / (Decrease) in Trade and Other Payables	4.75	8.95
Cash generated from Operations	523.85	252.40
Direct Taxes (Net)	(28.70)	(88.53)
Net Cash from Operating Activities	495.15	163.87
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(369.78)	(236.06)
Sale of Property, Plant and Equipment	95.60	(2.66)
Movement in Loans & Advances	66.96	(75.99)
Investment in Subsidiary	-	(448.04)
Purchase of Investments	(70.37)	(0.24)
Redemption of Investments	0.12	87.57
Deposit Accounts with Banks	(0.59)	(4.03)
Interest Received	22.41	16.19
Dividend Received	0.67	0.17
Net Cash used in Investing Activities	(254.98)	(663.09)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Short-term Borrowings (Net)	27.24	627.34
Proceeds from Long-term Borrowings	420.60	377.50
Repayment of Borrowings	(343.95)	(174.55)
Finance Costs paid	(271.72)	(262.29)
Dividend paid (including dividend tax)	(68.25)	(68.25)
Net Cash from / (used in) Financing Activities	(236.08)	499.75
Net increase / (decrease) in Cash and Cash Equivalents	4.09	0.53
Cash and Cash Equivalents as at the beginning of the year	55.71	55.18
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents as at the end of the year	59.80	55.71
Notes:		
1. Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	49.37	37.90
- Balances with Banks	10.43	17.81
- Unrealised Translation gain / (loss) on Foreign Currency balances	-	-
Total	59.80	55.71

Cash Flow Statement for the year ended 31st March, 2018

2. Non Cash Changes in liabilities arising from financing activities:

₹ in crores (10 Million)

Particulars	As at 31.03.2017	Cash Flows	Non- Cash Changes		As at 31.03.2018
			Foreign Exchange Movement	Others	
Short-term Borrowings	1494.54	27.24	0.60	-	1522.38
Long-term Borrowings	1880.31	76.65	15.84	2.90	1975.70
Total Liabilities from Financing Activities	3374.85	103.89	16.44	2.90	3498.08

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

Independent Auditor's Report

To the Members

JK Tyre & Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of JK Tyre & Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated financial position of the Group and its associates as at March 31, 2018, and its Consolidated financial performance (including other comprehensive income), the Consolidated change in equity and its Consolidated cash flows for the year ended on that date.

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 ₹4626.66 crores as at March 31 2018, total revenue of ₹3353.98 crores, total net profits after tax of ₹14.70 crores, total comprehensive income of ₹11.08 crores and net cash outflow of ₹175.87 crores for the year ended on that date, as considered in the Consolidated financial statements. The Consolidated financial statements also includes the Group's share of net profit of ₹0.22 crore and total comprehensive income of ₹0.22 crore for the year ended March 31, 2018, as considered in the Consolidated financial statements, in respect of two associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub sections (3) and (11)

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 March 31, 2018, as considered in the Consolidated financial statements. These financial statements are unaudited (exempted under UK Laws) and have been furnished to us by the Management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of said subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.
- (c) The Consolidated financial statements include the Company's share of net profit of ₹0.18 crore and total comprehensive income of ₹0.18 crore for the year ended March 31, 2018, as considered in the Consolidated financial statements, in respect of an associate whose financial statements have not been audited by us. These financial statements and other financial information are unaudited and have been furnished to us by the management and our opinion on the financial statements, to the extent they have been derived from such financial statements is based solely on the certificate furnished by the management.
- (d) The financial statements of an associate, namely, Hari Shankar Singhania Elastomer and Tyre Research Institute has not been considered for consolidation as stated in Note No. 1.3(a)(ii) of the accompanying Consolidated financial statements.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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, the Consolidated cash flow statement and Consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of Consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group companies, its Associates companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary Companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its associates. Refer to Note No. 35, 37 & 38 to the Consolidated financial statements.
 - ii. The Group and its Associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary companies and associate companies incorporated in India.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)
Partner

New Delhi, the 17th May, 2018

Membership Number: 098336

Annexure A to the Independent Auditor's Report

of even date on the Consolidated financial statements of JK Tyre & Industries Limited.

Report on the Internal Financial Controls 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 March 31, 2018, we have audited the internal financial controls over financial reporting of JK Tyre & Industries Limited ("the Holding Company") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies and its associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 company, which are incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting 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 over financial reporting in so far as it relates to two subsidiaries and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm's Registration Number: 000756N

(HARISH GUPTA)

Partner

Membership Number: 098336

New Delhi, the 17th May, 2018

JK Tyre & Industries Limited

Consolidated Balance Sheet

as at 31st March, 2018

		₹ in crores (10 Million)	
		As at 31.03.2018	As at 31.03.2017
	Note No.		
ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	2	5874.93	5785.66
(b) Capital Work-in-progress		308.51	321.22
(c) Investment Property	3	6.04	6.14
(d) Other Intangible Assets	4	261.46	2.64
(e) Intangible Assets under Development		-	4.30
(f) Financial Assets			
- Investments accounted using Equity Method	5	61.28	60.91
- Other Investments	6	66.94	12.24
- Loans	7	49.86	45.53
- Other Financial Assets	8	90.70	66.20
(g) Deferred Tax Assets (Net)	9	32.62	40.19
(h) Other Non-current Assets	10	40.68	32.32
		6793.02	6377.35
(2) Current Assets			
(a) Inventories	11	1448.47	1320.42
(b) Financial Assets			
- Trade Receivables	12	1545.32	1794.64
- Cash and Cash Equivalents	13	95.32	260.43
- Other Bank Balances	14	35.40	34.87
- Loans	15	-	70.00
- Other Financial Assets	16	207.65	330.38
(c) Current Tax Assets (Net)	17	50.92	15.40
(d) Other Current Assets	18	391.36	231.70
		3774.44	4057.84
TOTAL ASSETS		10567.46	10435.19
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE - I	45.36	45.36
(b) Other Equity	SOCE - II	1915.74	1919.42
Equity Attributable to Owners of the Parent		1961.10	1964.78
(c) Non-controlling Interest	SOCE - II	142.01	145.01
		2103.11	2109.79
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
- Borrowings	19	3126.45	3570.32
- Other Financial Liabilities	20	393.10	372.44
(b) Provisions	21	59.60	118.86
(c) Deferred Tax Liabilities (Net)	22	413.50	397.22
		3992.65	4458.84
(2) Current Liabilities			
(a) Financial Liabilities			
- Borrowings	23	1862.20	1805.74
- Trade Payables	24	1165.38	1213.74
- Other Financial Liabilities	25	1138.55	596.06
(b) Other Current Liabilities	26	284.97	215.29
(c) Provisions	27	19.74	30.02
(d) Current Tax Liabilities (Net)	28	0.86	5.71
		4471.70	3866.56
TOTAL EQUITY AND LIABILITIES		10567.46	10435.19
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 & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Dr. Raghupati Singhania

Chairman & Managing Director

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Directors

New Delhi, the 17th May, 2018

JK Tyre & Industries Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

₹ in crores (10 Million)

	Note No.	2017-2018	2016-2017
I. Revenue from Operations	29	8397.29	8317.85
II. Other Income	30	146.12	65.43
III. Total Income (I+II)		8543.41	8383.28
IV. Expenses			
Cost of Materials Consumed		5246.65	4451.40
Purchases of Stock-in-Trade		90.94	83.90
(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		(87.86)	(192.24)
Employee Benefits Expense	31	818.06	854.30
Finance Costs	32	465.50	440.36
Depreciation and Amortisation Expense		299.45	291.32
Excise Duty on Sales		125.19	628.48
Other Expenses	33	1467.25	1359.60
Total Expenses		8425.18	7917.12
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		118.23	466.16
VI. Exceptional Items	39	(11.42)	69.08
VII. Profit / (Loss) before Tax (V+VI)		106.81	535.24
VIII. Tax Expense			
(1) Current Tax		18.64	140.62
(2) Mat Credit Entitlement		(18.44)	(73.87)
(3) Deferred Tax		43.69	88.67
IX. Profit / (Loss) after Tax (VII-VIII)		62.92	379.82
X. Share in Profit / (Loss) of Associates		0.40	4.97
Less: Derecognition of Share in Profit of Associate		-	(3.73)
XI. Profit / (Loss) for the year (IX+X)		63.32	381.06
XII. Profit / (Loss) for the year attributable to:			
Owners of the Parent		66.04	375.40
Non-controlling Interest		(2.72)	5.66
XIII. Other Comprehensive Income			
(A) Items that will not be Reclassified to Profit or Loss:			
Re-measurement losses on Defined Benefit Plans		(12.20)	(24.18)
Income Tax Relating to Items that will not be Reclassified to Profit or Loss		4.08	8.16
(B) Items that will be Reclassified to Profit or Loss:			
Exchange Differences on Translating the Financial Statements of Foreign Operations		(0.57)	0.18
Total Other Comprehensive Income		(8.69)	(15.84)
XIV. Total Comprehensive Income for the year (XI+XIII)		54.63	365.22
XV. Other Comprehensive Income for the year attributable to:			
Owners of the Parent		(8.41)	(15.18)
Non-controlling Interest		(0.28)	(0.66)
XVI. Total Comprehensive Income for the year attributable to:			
Owners of the Parent		57.63	360.22
Non-controlling Interest		(3.00)	5.00
XVII. Earnings per equity share of ₹2 each			
Basic / Diluted	40	2.91	16.55

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Dr. Raghupati Singhania

Chairman & Managing Director

HARISH GUPTA
Partner

P. K. RUSTAGI
Company Secretary

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Directors

New Delhi, the 17th May, 2018

JK Tyre & Industries Limited

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2018

I. SHARE CAPITAL

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
Preference Shares - 55,00,000 of ₹100 each	55.00	55.00
	180.00	180.00
Issued, Subscribed and Fully paid up:		
Equity Shares - 22,68,13,480 of ₹2 each		
Balance at the beginning of the year	45.36	45.36
Changes in Equity Share Capital during the year	-	-
Balance at the end of the year	45.36	45.36

II. OTHER EQUITY

Particulars	Reserve & Surplus						Retained Earnings		Other Comprehensive Income	Total Attributable to Owners of the Parent	Attributable to Non-controlling Interests	Total
	Securities Premium Reserve	Capital Reserve (a)	Capital Redemption Reserve	Legal Reserve	General Reserve	Surplus in P / L Statement	Re-measurement losses on defined benefit plans	Exchange differences on translating the financial statements of foreign operations				
As at 31st March, 2016	262.88	60.07	7.00	7.61	753.46	629.55	(6.91)	(7.59)	1706.07	-	1706.07	
Equity Attributable to Non-controlling Interest of Subsidiary acquired									-	140.01	140.01	
Profit for the year						375.40			375.40	5.66	381.06	
Other Comprehensive Income (Net of Taxes)							(15.36)	0.18	(15.18)	(0.66)	(15.84)	
Accumulated Remeasurement loss of Foreign Subsidiaries (b)							(22.30)		(22.30)		(22.30)	
Derecognition of Accumulated Reserves of an Associate						(31.82)		(0.29)	(32.11)		(32.11)	
Cash Dividends						(56.70)			(56.70)		(56.70)	
Dividend Distribution Tax on Cash Dividend						(11.55)			(11.55)		(11.55)	
Transfer to Legal Reserve				2.21		(2.21)			-		-	
Transfer to General Reserve					150.00	(150.00)			-		-	
Reinstatement Gain / (Loss) of Reserve on Consolidation		(24.21)							(24.21)		(24.21)	
Depreciation charge arising out of Revaluation for Foreign Subsidiaries		(17.73)				17.73			-		-	
As at 31st March, 2017	262.88	18.13	7.00	9.82	903.46	770.40	(44.57)	(7.70)	1919.42	145.01	2064.43	

Consolidated Statement of Changes in Equity (SOCE)

for the year ended 31st March, 2018

II. OTHER EQUITY (Contd.)

₹ in crores (10 Million)

Particulars	Reserve & Surplus						Retained Earnings		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	Total
	Securities Premium Reserve	Capital Reserve (a)	Capital Redemption Reserve	Legal Reserve	General Reserve	Surplus in P / L Statement	Re-measurement losses on defined benefit plans					
								As at 31st March, 2017	262.88	18.13	7.00	9.82
Profit for the year						66.04			66.04	(2.72)	63.32	
Other Comprehensive Income (Net of Taxes)							(7.84)	(0.57)	(8.41)	(0.28)	(8.69)	
Cash Dividends						(56.70)			(56.70)		(56.70)	
Dividend Distribution Tax on Cash Dividend						(11.55)			(11.55)		(11.55)	
Reinstatement Gain / (Loss) of Reserve on Consolidation		7.12							7.12		7.12	
Depreciation charge arising out of Revaluation for Foreign Subsidiaries		(17.71)				17.71			-		-	
Share in goodwill of associate's subsidiary		(0.18)							(0.18)		(0.18)	
As at 31st March, 2018	262.88	7.36	7.00	9.82	903.46	785.90	(52.41)	(8.27)	1915.74	142.01	2057.75	

(a) Represents Capital Reserve on Consolidation.

(b) Accumulated remeasurement loss arised on Defined Benefit Plan of foreign subsidiaries upto 31.03.2016 (net of deferred tax of ₹9.56 crores).

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

Notes to 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 as 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, 2018.

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 31.03.2018:

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

Name	Proportion of Ownership Interest
J. K. International Ltd., U.K	100%
J. K. Asia Pacific Ltd., Hong Kong	100%
J. K. Asia Pacific (S) Pte Ltd., Singapore	100%
3DInnovations Pvt. Ltd. (formerly Natext Biosciences Pvt. Ltd., India)	100%
Cavendish Industries Ltd., India (w.e.f. 13th April, 2016)	80%
Lankros Holdings Ltd., Cyprus	100%
Sarvi Holdings Switzerland AG., Switzerland	100%
JK Tornel S.A. de C.V., Mexico	99.96%
Comercializadora América Universal, S.A. de C.V., Mexico	99.96%
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.96%
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.96%
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.96%
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.96%
Gintor Administración, S.A. de C.V., Mexico	99.96%
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.96%

- ii) **Associates:** An associate is entity over which the group has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Name	Status	Ownership Interest
Valiant Pacific LLC., UAE	Audited	49.00%
Dwarkesh Energy Limited, India	Audited	35.00%
Western Tire Holdings, Inc., USA (w.e.f. 1st October, 2017)	Unaudited	40.00%
Florence Investech Limited, India (ceased to be associate w.e.f. 24th March, 2017)	Audited	-

Hari Shankar Singhania Elastomer and Tyre Research Institute being an approved Scientific and Research Institute 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.

Notes to consolidated financial statements

- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to the non-controlling interest. Impact of any insignificant and immaterial Non-controlling Interest is not considered.
- d) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, Investments are accounted for by using equity method in accordance with Ind AS 28 – "Investments in Associates and Joint Ventures".
- e) Post-acquisition, the Company accounts for its share in the change in net assets of the associates (after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share), through its statement of profit and loss, other comprehensive income and through its reserves for the balance.
- f) The difference between the cost of investment and the share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be. However, for associates, Goodwill is not separately recognised but included in the value of investments.
- g) The accounts of J. K. International Ltd. and Western Tire Holdings, Inc. are exempt from Audit.
- h) The Accounting Policies of the parent company, its subsidiaries and associates are largely similar. However, few accounting policies are different as certain subsidiaries / associates located in different countries have to comply with the local regulatory requirements.
- i) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are recognised as Other Comprehensive Income / (Loss) and disclosed accordingly.
- j) Significant Accounting Policies and Notes accompanying to the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.

1.4 Significant accounting policies:

The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

a) Business Combination:

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

b) Deferred Tax:

The Company does not recognize deferred tax liability with respect to undistributed retained earnings of subsidiaries and associate and foreign currency translation difference, comprised in Other Comprehensive Income, recognised on consolidation of foreign subsidiaries and associates as the Company controls the timing of distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future.

Notes to consolidated financial statements

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Value						Depreciation					Net Value		
	As at 31.03.2017	Additions / Adjustment		Sales / Adjustments	Translation Adjustment @	As at 31.03.2018	Upto 31.03.2017	Additions		Sales / Adjustments	Translation Adjustment @	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
		New Subsidiary [^]	For the year ^{^^}					New Subsidiary [^]	For the year					
Land - Freehold #	565.48	-	-	-	(3.79)	569.27	-	-	-	-	-	-	569.27	565.48
	(189.75)	(388.60)	-	-	(12.87)	(565.48)	-	-	-	-	-	-	(565.48)	(189.75)
- Leasehold	10.59	-	-	0.01	-	10.58	1.65	-	0.11	-	-	-	1.76	8.82
	(10.60)	-	-	(0.01)	-	(10.59)	(1.54)	-	(0.11)	-	-	-	(1.65)	(8.94)
Buildings*	1141.64	-	41.92	-	(3.90)	1187.46	221.98	-	23.50	-	(2.07)	247.55	939.91	919.66
	(863.25)	(271.74)	(19.58)	-	(12.93)	(1141.64)	(190.27)	(15.07)	(22.58)	-	(5.94)	(221.98)	(919.66)	(672.98)
Plant and Equipments	6402.32	-	453.53	178.81	(16.64)	6693.68	2153.15	-	259.05	45.92	(11.65)	2377.93	4315.75	4249.17
	(4901.85)	(1672.72)	(217.06)	(335.69)	(53.62)	(6402.32)	(2059.70)	(150.29)	(260.04)	(284.61)	(32.27)	(2153.15)	(4249.17)	(2842.15)
Furniture and Fixtures	28.34	-	1.36	0.43	(0.19)	29.46	16.09	-	1.90	-	(0.17)	18.16	11.30	12.25
	(23.39)	(5.43)	(0.98)	(0.81)	(0.65)	(28.34)	(13.86)	(1.12)	(1.97)	(0.36)	(0.50)	(16.09)	(12.25)	(9.53)
Office Equipments	28.41	-	2.98	0.24	(0.35)	31.50	21.83	-	2.73	0.22	(0.31)	24.65	6.85	6.58
	(26.11)	(0.10)	(3.97)	(0.88)	(0.89)	(28.41)	(21.07)	(0.05)	(2.31)	(0.71)	(0.89)	(21.83)	(6.58)	(5.04)
Vehicles	36.09	-	5.45	3.85	(0.07)	37.76	12.51	-	4.35	2.21	(0.08)	14.73	23.03	23.58
	(29.91)	(0.52)	(10.87)	(4.75)	(0.46)	(36.09)	(11.65)	(0.17)	(3.50)	(2.54)	(0.27)	(12.51)	(23.58)	(18.26)
	8212.87	-	505.24	183.34	(24.94)	8559.71	2427.21	-	291.64	48.35	(14.28)	2684.78	5874.93	5785.66
Previous Year	(6044.86)	(2339.11)	(252.46)	(342.14)	(81.42)	(8212.87)	(2298.09)	(166.70)	(290.51)	(288.22)	(39.87)	(2427.21)	(5785.66)	(3746.77)

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.

[^] Represents addition of Property, plant and equipment pursuant to acquisition of Cavendish Industries Limited on 13th April, 2016.

^{^^} Net of forex reinstatement ₹14.92 crores (Previous Year: net off ₹25.23 crores) (Unamortised forex reinstatement as on 31.03.2018 : ₹72.27 crores (Previous Year: ₹59.76 crores))

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

As at 31st March 2018, title deed of 4.75 acres of land amounting to ₹2.32 crores is yet to be executed in favour of the subsidiary.

* Buildings include ₹2.05 crores (Previous Year: ₹2.05 crores) constructed on Leased Land and 32 shares held in co-operative housing societies.

Factory & Service buildings and Plant and Equipments of Parent Company's Plant at Jaykaygram, 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 plant. 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 ₹766.50 crores (Previous year: ₹761.25 crores).

NOTE - 3 INVESTMENT PROPERTY

Particulars	Gross Value					Depreciation					Net Value			
	As at 31.03.2017	Additions / Adjustment		Sales / Adjustments	Translation Adjustment	As at 31.03.2018	Upto 31.03.2017	Additions		Sales / Adjustments	Translation Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
		New Subsidiary [^]	For the year					New Subsidiary [^]	For the year					
Buildings	6.53	-	-	-	-	6.53	0.39	-	0.10	-	-	0.49	6.04	6.14
	(6.53)	-	-	-	-	(6.53)	(0.29)	-	(0.10)	-	-	(0.39)	(6.14)	(6.24)
Previous Year	(6.53)	-	-	-	-	(6.53)	(0.29)	-	(0.10)	-	-	(0.39)	(6.14)	(6.24)

Figures in Brackets represent amounts pertaining to previous year.

NOTE - 4 OTHER INTANGIBLE ASSETS

Particulars	Gross Value					Amortisation					Net Value			
	As at 31.03.2017	Additions		Sales / Adjustments	Translation Adjustment	As at 31.03.2018	Upto 31.03.2017	Additions		Sales / Adjustments	Translation Adjustment	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
		New Subsidiary [^]	For the year					New Subsidiary [^]	For the year					
Computer Software #	16.02	-	5.67	-	-	21.69	13.38	-	1.35	-	-	14.73	6.96	2.64
	(11.83)	(2.40)	(1.79)	-	-	(16.02)	(11.79)	(0.86)	(0.73)	-	-	(13.38)	(2.64)	(0.04)
Industrial Commercial Benefit @	-	-	254.43	-	(6.59)	261.02	-	-	6.36	-	(0.16)	6.52	254.50	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	(11.83)	(2.40)	(1.79)	-	-	(16.02)	(11.79)	(0.86)	(0.73)	-	-	(13.38)	(2.64)	(0.04)

Figures in brackets represent amounts pertaining to previous year.

[^] Represents addition of Intangible Assets pursuant to acquisition of Cavendish Industries Limited on 13th April, 2016.

Being amortised over a period of 5 years.

@ Being amortised over a period of 20 years.

Notes to consolidated financial statements

NOTE - 5 INVESTMENTS ACCOUNTED USING EQUITY METHOD [NON-CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Investments in Equity Shares of Associates*:		
- Equity Investments - At Cost	0.56	0.56
- Share in Net Assets	60.72	60.35
	61.28	60.91

* Carrying amount of investment in associates includes ₹0.25 crore (Previous year: Nil) towards Goodwill as well as share of profits & reserves on consolidation.

NOTE - 6 OTHER INVESTMENTS [NON-CURRENT] (Other than Trade)

At fair value through P & L:		
- Equity Shares	4.44	3.39
- Preference Shares:		
in Associate	8.84	7.96
in Others	0.42	0.38
- Mutual Funds	0.60	0.51
At amortised cost:		
- Preference Shares	52.64	-
	66.94	12.24

NOTE - 7 LOANS [NON-CURRENT]

<i>Unsecured, Considered Good</i>		
Security Deposits	49.86	45.53
	49.86	45.53

NOTE - 8 OTHER FINANCIAL ASSETS [NON-CURRENT]

Deferred Receivable	87.52	66.19
Others*	3.18	0.01
	90.70	66.20

* Fixed deposits having maturity more than 12 months as security deposit with sales tax department ₹0.01 crore (Previous year: ₹0.01 crore) and with banks as DSRA ₹3.17 crores (Previous year: Nil).

NOTE - 9 DEFERRED TAX ASSET (NET)

Deferred tax Asset are as under:		
Deferred Tax Assets		
- Expenses / Provision Allowable	26.93	37.69
- Unabsorbed Depreciation / Loss	180.93	17.38
Deferred Tax Liability related to Property, Plant & Equipment	(182.81)	(14.88)
Deferred Tax Asset - Net	25.05	40.19
MAT Credit Entitlement	7.57	-
	32.62	40.19

Certain foreign subsidiaries have not recognised deferred tax asset (net) based upon prudence.

Notes to consolidated financial statements

NOTE - 10 OTHER NON-CURRENT ASSETS

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Advances - Project Related	11.75	15.79
Security Deposits	3.06	2.25
Others	25.87	14.28
	40.68	32.32

NOTE - 11 INVENTORIES (Valued at lower of cost or net realisable value)

Raw Materials *	642.20	557.57
Work-in-progress	93.05	86.92
Finished Goods **	557.85	526.25
Stock-in-trade	65.16	64.28
Stores and Spares	90.21	85.40
	1448.47	1320.42

* Includes raw materials in transit ₹248.76 crores (Previous year: ₹181.78 crores)

** Includes finished goods in transit ₹15.97 crores (Previous year: ₹0.64 crore)

NOTE - 12 TRADE RECEIVABLES [CURRENT] (Unsecured)

Considered Good	1545.32	1794.64
Doubtful	15.79	14.22
Less : Allowance for Bad and Doubtful debts	(15.79)	(14.22)
	1545.32	1794.64

NOTE - 13 CASH AND CASH EQUIVALENTS

Balances with Banks:		
- Current Accounts	30.61	45.76
- Deposit Accounts	3.08	172.77
Remittances in transit and Cheques on hand	61.41	41.75
Cash on hand	0.22	0.15
	95.32	260.43

NOTE - 14 OTHER BANK BALANCES

Unclaimed Dividend Accounts	1.47	1.18
Deposit Accounts*	33.93	33.69
	35.40	34.87

* Includes Deposit Repayment Reserve Account ₹10.93 crores (Previous year: ₹10.41 crores, margin money under lien with banks against bank guarantee ₹0.09 crore (Previous year: ₹0.02 crore), security deposit with Sales Tax department ₹0.01 crore (Previous year: ₹0.01 crore) and fixed deposit with banks under DSRA ₹22.90 crores (Previous year: ₹23.25 crores).

NOTE - 15 LOANS [CURRENT]

Unsecured, Considered Good		
Loan to Body Corporate	-	70.00
	-	70.00

Notes to consolidated financial statements

NOTE - 16 OTHER FINANCIAL ASSETS [CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
<i>Unsecured, Considered Good</i>		
Interest Accrued on Deposits	2.82	0.45
Due from Related Parties (Refer Note No. 43)	11.12	6.42
Balance with Government Authorities	84.14	124.55
Deferred Receivable	72.50	9.60
Others	37.07	189.36
	207.65	330.38

NOTE - 17 CURRENT TAX ASSETS (NET)

Current Tax Assets (Net)	50.92	15.40
	50.92	15.40

NOTE - 18 OTHER CURRENT ASSETS

Balances with Government Authorities	294.60	170.89
Prepaid Expenses	36.84	24.04
Others	59.92	36.77
	391.36	231.70

NOTE - 19 BORROWINGS [NON-CURRENT]

	₹ in crores (10 Million)			
	Non-current		Current *	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Secured Loans				
Term Loans: **				
- Financial Institutions	892.06	975.58	116.06	37.79
- Banks	2156.82	2322.97	314.90	197.13
	3048.88	3298.55	430.96	234.92
Unsecured Loans				
Term Loans:				
- Bank	-	-	233.33	-
- Others	8.18	190.13	119.54	8.17
Deferred Sales Tax	-	-	-	23.77
Fixed Deposits	67.73	78.89	38.80	11.73
Loan from Body Corporate	1.66	2.75	-	-
	77.57	271.77	391.67	43.67
	3126.45	3570.32	822.63	278.59

* Amount payable during next 12 months, included under the head "Other Financial Liabilities [Current]" (Note No. 25).

** Net of ₹18.54 crores (As at 31.03.2017 ₹19.96 crores) for unamortised processing charges.

Notes to consolidated financial statements

NOTE - 20 OTHER FINANCIAL LIABILITIES [NON-CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Trade Deposits & Others	393.10	372.44
	393.10	372.44

NOTE - 21 PROVISIONS [NON-CURRENT]

Provision for Employee Benefits	59.60	118.86
	59.60	118.86

NOTE - 22 DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liability are as under:		
Deferred Tax Liability related to Property, Plant and Equipment	782.22	786.78
Deferred Tax Assets:		
- Expenses / Provision Allowable	(55.94)	(43.93)
- Unabsorbed Depreciation / Loss	(72.51)	(116.23)
Deferred Tax Liability - Net	653.77	626.62
MAT Credit Entitlement	(240.27)	(229.40)
	413.50	397.22

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 23 BORROWINGS [CURRENT]

Secured Loans		
Repayable on Demand from Banks	1329.02	1414.99
Others	117.53	-
	1446.55	1414.99
Unsecured Loans		
Fixed Deposits	10.22	8.41
Loans from:		
- Banks	205.43	232.34
- Others	200.00	150.00
	415.65	390.75
	1862.20	1805.74

NOTE - 24 TRADE PAYABLES [CURRENT]

Micro, Small and Medium Enterprises	16.46	11.38
Others	1148.92	1202.36
	1165.38	1213.74

Notes to consolidated financial statements

NOTE - 25 OTHER FINANCIAL LIABILITIES [CURRENT]

	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Current Maturities of Long Term Borrowings	822.63	278.59
Interest Accrued but not due on Borrowings	19.47	21.83
Unclaimed Dividends #	1.47	1.18
Unclaimed / Uncollected Fixed Deposits and Interest Accrued thereon #	1.63	1.83
Others	293.35	292.63
	1138.55	596.06

Investor Education & Protection Fund will be credited as and when due.

NOTE - 26 OTHER CURRENT LIABILITIES

Government and Other Statutory Dues	271.87	200.53
Others	13.10	14.76
	284.97	215.29

NOTE - 27 PROVISIONS [CURRENT]

Provision for Employee Benefits	19.74	30.02
	19.74	30.02

NOTE - 28 CURRENT TAX LIABILITIES (NET)

Current Tax Liabilities (Net)	0.86	5.71
	0.86	5.71

NOTE - 29 REVENUE FROM OPERATIONS

	₹ in crores (10 Million)	
	2017-2018	2016-2017
Sale of:		
- Products *	8226.49	8050.04
- Services	49.89	37.46
Other operating revenues:		
- Provision for earlier years written back	5.28	151.08
- Miscellaneous Income #	115.63	79.27
	8397.29	8317.85

* Sale of Products (excluding excise duty) ₹8101.30 crores (Previous Year: ₹7421.56 crores).

Includes Government Incentive of ₹67.69 crores (Previous Year: ₹38.56 crores).

NOTE - 30 OTHER INCOME

Income from Non-current Investments:		
- Dividends	0.67	0.17
- Interest	2.45	0.87
- Profit / (Loss) on Sale of Investments	-	36.16
- Fair Value changes in Investments	0.89	1.59
Profit on sale of Property, Plant and Equipment (Net)	102.21	-
Other Interest Income	32.09	22.03
Foreign Exchange Fluctuation Gain (Net)	4.28	-
Deferred Government Grant	3.46	4.61
Others	0.07	-
	146.12	65.43

Notes to consolidated financial statements

NOTE - 31 EMPLOYEE BENEFITS EXPENSES

	₹ in crores (10 Million)	
	2017-2018	2016-2017
Salaries and Wages	587.98	631.96
Contribution to Provident and other Funds	80.14	77.99
Employees' Welfare and other Benefits	149.94	144.35
	818.06	854.30

NOTE - 32 FINANCE COSTS

Interest Expenses	457.82	431.25
Other Borrowing Costs	7.68	9.11
	465.50	440.36

NOTE - 33 OTHER EXPENSES

Consumption of Stores and Spares	114.55	104.13
Power and Fuel	361.78	326.96
Lease Rent	54.66	26.04
Freight and Transportation	361.94	315.73
Advertisement and Sales Promotion	131.86	114.52
Allowance for Doubtful Debts / Advances	1.51	1.15
Corporate Social Responsibility Expenses	4.63	4.35
Foreign Exchange Fluctuation Loss (Net)	-	17.10
Miscellaneous Expenses	436.32	449.62
	1467.25	1359.60

NOTE - 34

Estimated amount of contracts remaining to be executed on capital account ₹97.43 crores (Previous year: ₹154.53 crores).

NOTE - 35

Contingent liabilities in respect of claims not accepted and not provided for ₹102.35 crores (Previous year: ₹59.57 crores), pertaining to Excise & Customs duty matters in appeal ₹8.80 crores, Service Tax matters ₹0.59 crore, Sales Tax matters in appeal ₹30.57 crores, Income Tax matters in appeal ₹8.87 crores & other matters ₹53.52 crores (Previous year: ₹8.40 crores, ₹0.55 crore, ₹2.22 crores, ₹8.87 crores & ₹39.53 crores respectively).

NOTE - 36

Debts /Advances include ₹64.31 crores (Previous year: ₹58.40 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 - 37

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 - 38

The Company has worked out reversal of Modvat Credit availed on exports under Value Based Advance License in earlier years and reversed the same in accounts. Pursuant to special scheme announced by the Government, the Company has also paid interest on such reversals. Further, the Excise department has issued certain basis for reversal of Modvat, which is disputed and has been contested by the Company in a Writ Petition before the Hon'ble Delhi High Court and directions have been issued to treat the reversal already made by the Company as provisional.

Notes to consolidated financial statements

NOTE - 39

Exceptional items include net gain on sale of certain assets Nil (Previous Year: ₹108.07 crore) and expenditure on VRS for the employees ₹11.42 crores (Previous Year: ₹38.99 crores).

NOTE - 40 EARNINGS PER SHARE (EPS)

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
a. Profit for the year attributable to Equity Shareholders	66.04	375.40
b. Weighted average number of Equity Shares for Basic /Diluted EPS	22,68,13,480	22,68,13,480
c. Earnings per share of ₹2 each		
- Basic / Diluted	2.91	16.55

NOTE - 41

Consolidated financial Statements of the Company include working of Cavendish Industries Ltd., acquired on 13th April, 2016, which restarted its operations in mid of May, 2016. Therefore, the results of the current year are not comparable with previous year.

NOTE - 42

Operating lease has been entered into by JK Asia Pacific (S) Pte Ltd. for a remaining lock-in period of 1 year (rental payable ₹0.16 crore for FY 2018-19).

NOTE - 43 RELATED PARTIES

a) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
 Valiant Pacific LLC. (VPL – Associate of JKAPPL)
 Florence Investech Ltd. (FINVL) (ceased to be related w.e.f. 24th March, 2017)
 Dwarkesh Energy Ltd. (DEL)
 Western Tire Holdings, Inc. (WTHI –Associate of CHT) (w.e.f. 1st October, 2017)
 Western Tires, Inc. (WTI –Subs. of WTHI - Associate of CHT) (w.e.f. 1st October, 2017)

b) Key Management Personnel (KMP):

(i) Dr. Raghupati Singhania	Chairman & Managing Director
(ii) Shri Bharat Hari Singhania	Managing Director
(iii) Shri Anshuman Singhania	Whole Time Director
(iv) Shri Arun Kumar Bajoria	Director & President – International Operations
(v) Smt. Sunanda Singhania	Non-Executive Non- Independent Director
(vi) Shri Arvind Singh Mewar	Independent Director
(vii) Shri Bakul Jain	Independent Director
(viii) Shri Shreekant Somany	Independent Director
(ix) Shri Vimal Bhandari	Independent Director
(x) Shri Kalpataru Tripathy	Independent Director
(xi) Dr. Wolfgang Holzbach	Independent Director
(xii) Shri Ashok Kumar Kinra	Chief Financial Officer
(xiii) Shri Pawan Kumar Rustagi	Vice President (Legal) & Co. Secretary

c) Post-Employment Benefit Plans 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. EPF Trust, Vikrant Tyre Unit. (JKEPFV)
 JK Tyre & Industries Ltd. Officer's Superannuation Fund Trust (JKOSFV)
 JK Tyre & Industries Ltd. Employees Gratuity Fund Trust (JKEGFV)

Notes to consolidated financial statements

d) Other Related Party with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) – Enterprise which holds more than 20% shares in the company

(I) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in crores (10 Million)			
Nature of Transactions	Associates	Other Related Parties	Total
Sale of Tyres to VPL	252.57		252.57
Sale of Tyres to VPL	(241.87)		(241.87)
Sale of Capital items to HASETRI	(0.11)		(0.11)
Purchase of goods from VPL	(20.19)		(20.19)
Purchase of capital items from VPL	(3.67)		(3.67)
Sharing of Expenses received – HASETRI & BACL	3.20	0.01	3.21
Sharing of Expenses received – HASETRI – 3.37, FINVL& BACL	(3.38)	(0.02)	(3.40)
Sharing of Expenses paid – BACL		0.55	0.55
Sharing of Expenses paid – BACL		(0.48)	(0.48)
Services Availed – HASETRI – 21.56, VPL – 1.24 & WTI	23.67		23.67
Services Availed – HASETRI – 21.54, VPL	(21.70)		(21.70)
Subscription to Equity Shares of WTHI (₹26204)			
Services Rendered to VPL	(1.01)		(1.01)
Security Deposits Given to BACL		(0.09)	(0.09)
Loan received from VPL	(116.91)		(116.91)
Interest Paid to VPL	5.27		5.27
Interest Paid to VPL	(3.35)		(3.35)
Royalty Income from VPL	0.50		0.50
Royalty Income from VPL	(0.89)		(0.89)
Contribution to Trusts- JKEPFK- 4.59, JKOSFK- 0.43, JKEGFK- 9.44, JKEPFV - 18.18, JKOSFV- 0.35, JKEGFV		35.00	35.00
Contribution to trusts- JKEPFK- 4.40, JKOSFK- 0.43, JKEGFK - 3.48, JKEPFV – 16.80, JKOSFV- 0.35, JKEGFV		(34.47)	(34.47)
Outstanding as at year end:			
Due from HASETRI – 10.18, WTI – 0.94	11.12		11.12
Due from HASETRI - 6.42	(6.42)		(6.42)
Loan from VPL - 113.03	113.03		113.03
Loan from VPL - 116.92	(116.92)		(116.92)
Receivable:			
- VPL- 120.10, WTI – 0.03, JKEGFK- 6.28, JKEGFV – 7.89 & BACL – 0.48	120.13	14.65	134.78
- VPL- 122.48 & BACL – 0.48	(122.48)	(0.48)	(122.96)
Payable:			
- HASETRI – 0.30	0.30		0.30
- HASETRI – 0.38	0.38		0.38

Figures in brackets represent amounts pertaining to previous year.

(II)

₹ in crores (10 Million)		
Remuneration paid to Key Managerial Personnel	2017-2018	2016-2017
Short-term Employee Benefits*	15.25	43.67
Post-employment Benefits**	1.01	0.80
Other Payments	1.14	1.67

* Subject to requisite approvals, as required under Companies Act, 2013.

** As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, hence the amounts pertaining to Key Management personnel are not included above

Notes to consolidated financial statements

NOTE - 44 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	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
1. Revenue								
Total Sales	7483.87	7214.25	1064.63	1214.61	2.20	1.94	8550.70	8430.80
Inter Segment Sales	(152.27)	(112.02)	-	-	(1.14)	(0.93)	(153.41)	(112.95)
External Revenue from Operation	7331.60	7102.23	1064.63	1214.61	1.06	1.01	8397.29	8317.85
Other Income	137.48	61.92	8.66	3.51	(0.02)	-	146.12	65.43
Total Revenue	7469.08	7164.15	1073.29	1218.12	1.04	1.01	8543.41	8383.28
2. Result								
Segment Result (PBIT) before Exceptional Items	490.43	836.01	93.54	69.95	(0.24)	0.56	583.73	906.52
Finance Costs	428.73	414.00	36.73	26.36	0.04	-	465.50	440.36
Profit / (Loss) before Exceptional Items	61.70	422.01	56.81	43.59	(0.28)	0.56	118.23	466.16
Exceptional Items	(11.42)	69.07	-	0.01	-	-	(11.42)	69.08
Profit / (Loss) before Tax	50.28	491.08	56.81	43.60	(0.28)	0.56	106.81	535.24
Income Taxes	15.70	133.97	28.19	21.45	-	-	43.89	155.42
Profit / (Loss) after Tax	34.58	357.11	28.62	22.15	(0.28)	0.56	62.92	379.82
Share of Profit in Associates	-	0.05	0.18	-	0.22	1.19	0.40	1.24
Less: Non-controlling Interest	(2.72)	5.66	-	-	-	-	(2.72)	5.66
Net Profit	37.30	351.50	28.80	22.15	(0.06)	1.75	66.04	375.40
3. Other Information								
Segment Assets	9332.04	9172.08	1170.13	1196.96	65.29	66.15	10567.46	10435.19
Segment Assets include:								
- Investments accounted for using Equity Method	0.35	0.35	0.18	-	60.75	60.56	61.28	60.91
Capital Expenditure	479.99	308.21	268.33	19.86	0.01	3.65	748.33	331.72
Depreciation	245.92	247.15	52.88	44.07	0.65	0.10	299.45	291.32
Segment Liabilities	7587.20	7311.65	875.17	1010.63	1.98	3.12	8464.35	8325.40

c. Major Customer:

Revenue from one customer of the group is ₹924.48 crores (Previous Year: ₹941.26 crores), which is more than 10 percent of the group's total revenue and belongs to Business Unit - India.

Notes to consolidated financial statements

NOTE - 45 INCOME TAX

(A) Amounts recognised in Statement of Profit and Loss

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Current Tax	18.64	140.62
Mat Credit Entitlement	(18.44)	(73.87)
Total	0.20	66.75
Deferred Tax		
- Relating to Origination and Reversal of Temporary Differences	43.69	88.67
Income Tax Expense reported in the Statement of Profit and Loss	43.89	155.42

(B) Income Tax recognised in Other Comprehensive Income

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Current Tax on Re-measurement Losses on Defined Benefit Plans	2.38	8.16
Deferred tax on Re-measurement Losses on Defined Benefit Plans	1.70	-
Total	4.08	8.16

(C) Income Tax recognised in Equity

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Deferred Tax provision for Foreign Subsidiaries	-	9.56
Total	-	9.56

(D) Reconciliation of Effective Tax Rate

Particulars	₹ in crores (10 Million)	
	2017-2018	2016-2017
Accounting Profit Before Income Tax	106.81	535.24
At applicable Statutory Income Tax Rate @ 34.608%	36.96	185.24
In House R&D Expenses u/s 35(2AB)	(8.00)	(14.55)
Investment Allowance u/s 35AC	-	(9.06)
Exempt Income	(0.28)	(12.57)
Differential Tax Rates of Subsidiaries	(2.68)	(2.06)
Change in Tax Rate	6.02	-
Others	11.87	8.42
Reported Income Tax Expense	43.89	155.42
Effective Tax Rate	41.09%	29.04%

(E) Reconciliation of Deferred Tax Liabilities(Net)

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Opening Balance	586.43	507.58
Deferred Tax Expense recognised in:		
Statement of Profit or Loss	43.69	88.67
Other Comprehensive Income	(1.70)	-
Equity	-	(9.56)
Foreign Currency Translation Difference	0.30	(0.26)
Deferred Tax Liabilities / (Assets) - (Net)	628.72	586.43
MAT Credit Entitlement	(247.84)	(229.40)
Deferred Tax Liabilities (Net)	380.88	357.03

Notes to consolidated financial statements

NOTE - 46 FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies:

Particulars	₹ in crores (10 Million)			
	As at 31.03.2018		As at 31.03.2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(i) Financial Assets				
(a) At Fair Value through Profit and Loss				
- Investments	14.30	14.30	12.24	12.24
(b) At Amortised Cost				
- Investments	52.64	52.64	-	-
- Trade Receivables	1545.32	1545.32	1794.64	1794.64
- Others	478.93	478.93	807.41	807.41
Total	2091.19	2091.19	2614.29	2614.29
(ii) Financial Liabilities				
At Amortised Cost				
- Borrowings	5811.28	5811.28	5654.65	5654.65
- Trade Payables	1165.38	1165.38	1213.74	1213.74
- Others	709.02	709.02	689.91	689.91
Total	7685.68	7685.68	7558.30	7558.30

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
- Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
- Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

Notes to 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, 2018 and 31st March 2017:

	₹ in crores (10 Million)		
Particulars	Level 1	Level 2	Level 3
31st March, 2018			
Financial Assets			
- Quoted Equity Shares	4.16	-	-
- Unquoted Equity Shares	-	-	0.28
- Unquoted Preference Shares	-	-	9.26
- Mutual Funds	0.60	-	-
- Option Contracts		16.57	-
- Forward Contracts	-	1.10	-
31st March, 2017			
Financial Assets			
- Quoted Equity Shares	3.29	-	-
- Unquoted Equity Shares	-	-	0.10
- Unquoted Preference Shares	-	-	8.34
- Mutual Funds	0.51	-	-
- Option Contracts		0.32	-
Financial Liabilities			
- Forward Contracts	-	2.75	-

There has been no transfer among levels 1, 2 and 3 during the year ended 31st March, 2018.

NOTE - 47

The fair value of Investment property as at 31st March, 2018 is ₹12.41 crores (as at 31st March, 2017: ₹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 - 48 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

- ✱ **Market Risk:** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as commodity price risk.
 - **Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company has obtained foreign currency borrowings and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

After taking cognisance the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to consolidated financial statements

Foreign Currency Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in USD with all other variables held constant. The impact on company's profit before tax due to changes in the foreign exchange rate is as follows:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Change in USD	+ ₹0.25	+ ₹0.25
Effect on Profit before Tax	(9.31)	(6.07)
Change in USD	- ₹0.25	- ₹0.25
Effect on Profit before Tax	9.31	6.07

- **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:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Change in Basis Points	+ 25	+ 25
Effect on Profit before Tax	(14.53)	(14.08)
Change in Basis Points	- 25	- 25
Effect on Profit before Tax	14.53	14.08

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, beadwire rubber chemicals etc. To mitigate the commodity price risk, the Company has an approved supplier base to get best competitive prices for the commodities and to assess the market to manage the cost without any compromise on quality.
- ✱ **Credit Risk:** Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).
- **Trade Receivables:** Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

- **Deposits with Bank:** The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Notes to consolidated financial statements

- ✱ **Liquidity Risk:** Liquidity risk is the risk where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual undiscounted payments:

₹ in crores (10 Million)		
Particulars	Upto 5 years	> 5 years
As at 31st March 2018		
Borrowings*	4414.00	1397.28
Trade and Other Payables	1165.38	-
Other Financial Liabilities	325.82	383.20
Total	5905.20	1780.48
As at 31st March 2017		
Borrowings*	4026.51	1628.14
Trade and Other Payables	1213.74	-
Other Financial Liabilities	317.47	372.44
Total	5557.72	2000.58

* Including working capital facility from consortium banks renewed every year.

NOTE - 49 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 31.03.2018	As at 31.03.2017
Borrowings	5811.28	5654.65
Less: Cash and Cash Equivalents	95.32	260.43
Net Debt	5715.96	5394.22
Equity Share Capital	45.36	45.36
Other Equity	1915.74	1919.42
Total Capital	1961.10	1964.78
Capital and Net Debt	7677.06	7359.00
Gearing Ratio	74.46%	73.30%

NOTE - 50 ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

On 13th April, 2016, the Company acquired along with subsidiary, 80% of the equity shares of Cavendish Industries Limited, a manufacturer of tyres, tubes and flaps and its manufacturing facility is located at Laksar, District Haridwar, Uttarakhand.

This strategic acquisition would further strengthen JK Tyre's leadership position in Truck / Bus Radial segment. Furthermore, JK Tyre gets entry into the fast growing 2/3 wheeler segment.

The acquisition was accounted for in the consolidated financials of the Company using acquisition method and accordingly, all the assets and liabilities were measured at their fair values and the purchase consideration was allocated to the net assets.

Notes to consolidated financial statements

The fair value of the purchase consideration as on the date of acquisition was ₹560.04 crores fully paid as cash. The recognised amount of identifiable assets acquired and liabilities assumed on acquisition are as follows:

Particulars	₹ in crores (10 Million)	
	Amount	
Assets acquired		
Property, Plant and Equipment	2172.42	
Intangible Assets	1.54	
Capital Work-in-progress	142.27	
Other Non-current Assets	6.54	
Current Assets	66.56	
Liabilities assumed		
Non-current Liabilities	1476.71	
Current Liabilities	212.57	
Net Identifiable Assets	700.05	
Non-Controlling Interest	140.01	

Acquisition related cost Nil (Previous year: ₹5.70 crores) included in Miscellaneous expenses (Refer Note No. 33).

NOTE - 51 MATERIAL NON-CONTROLLING INTEREST IN SUBSIDIARY

Summarised financial information of Cavendish Industries Limited, which has material non-controlling interest:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Assets		
Non-current Assets	2201.02	2313.23
Current Assets	699.42	458.20
Liabilities		
Non-current Liabilities	1629.89	1721.85
Current Liabilities	560.51	324.52
Equity	710.04	725.06
Percentage of Ownership held by Non-controlling Interest	20%	20%
Accumulated Non-controlling interest	142.01	145.01
Revenue	1670.47	1171.28
Net Profit / (Loss)	(13.62)	28.32
Other Comprehensive Income	(1.40)	(3.31)
Total Comprehensive Income	(15.02)	25.01
Total Comprehensive Income allocated to Non-controlling Interests	(3.00)	5.00
Net Cash Inflow / (Outflow) from Operating Activities	(18.21)	(110.34)
Net Cash Inflow / (Outflow) from Investing Activities	122.98	(40.34)
Net Cash Inflow / (Outflow) from Financing Activities	(102.09)	124.34
Net Cash Inflow / (Outflow)	2.68	(26.34)

NOTE - 52 INTEREST IN ASSOCIATES

The summarised aggregate financial information of individually immaterial associates as follows:

Particulars	₹ in crores (10 Million)	
	As at 31.03.2018	As at 31.03.2017
Carrying Amount of Interests in Associates	70.12	68.87
Share in Profit	0.40	1.24
Share in Total Comprehensive Income	0.55	(0.06)
Dividend Received	-	0.16

Notes to consolidated financial statements

NOTE - 53 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	59.59%	1168.53	69.40%	45.83	53.51%	(4.50)	71.73%	41.33
B	Subsidiaries								
(a)	Indian								
1	3DInnovations Pvt. Ltd.	0.20%	3.88	0.48%	0.32	-	-	0.56%	0.32
2	Cavendish Industries Limited	29.19%	572.43	-17.52%	(11.57)	16.65%	(1.40)	-22.51%	(12.97)
(b)	Foreign								
1	J. K. International Ltd.	0.00%	0.01	-	-	-	-	-	-
2	J. K. Asia Pacific Ltd.	0.09%	2.02	0.49%	0.32	0.12%	(0.01)	0.54%	0.31
3	J. K. Asia Pacific (S) Pte. Ltd.	0.04%	0.76	-0.59%	(0.39)	-0.48%	0.04	-0.61%	(0.35)
4	Lankros Holdings Ltd.	-0.01%	(0.13)	-0.11%	(0.07)	0.12%	(0.01)	-0.14%	(0.08)
5	Sarvi Holdings Switzerland AG.	0.01%	0.11	-0.21%	(0.14)	-0.12%	0.01	-0.23%	(0.13)
	JK Tormel & Its Subsidiaries	15.03%	294.78	43.34%	28.62	35.32%	(2.97)	44.51%	25.65
6	JK Tormel S.A. de C.V. (JKTSA)	-8.87%	(174.04)	-56.84%	(37.54)	-	-	-65.14%	(37.54)
7	Comercializadora América Universal, S.A. de C.V.	0.01%	0.10	0.27%	0.18	-	-	0.31%	0.18
8	Compañía Hulera Tacuba, S.A. de C.V.	2.38%	46.95	-3.28%	(2.17)	-	-	-3.77%	(2.17)
9	Compañía Hulera Tormel, S.A. de C.V.	17.20%	337.50	91.64%	60.52	34.36%	(2.89)	100.00%	57.63
10	Compañía Inmobiliaria Norida, S.A. de C.V.	4.24%	83.07	2.01%	1.33	-	-	2.31%	1.33
11	General de Inmuebles Industriales, S.A. de C.V.	0.46%	8.97	2.38%	1.57	-	-	2.72%	1.57
12	Gintor Administración, S.A. de C.V.	-0.61%	(12.04)	5.89%	3.89	0.95%	(0.08)	6.61%	3.81
13	Hules y Procesos Tormel, S.A. de C.V.	0.22%	4.27	1.27%	0.84	-	-	1.46%	0.84
	Less:- Non-controlling Interest @	-7.24%	(142.01)	4.12%	2.72	-3.33%	0.28	5.21%	3.00
C	Associates (Investment as per the equity method)								
	Indian								
1	Hari Shankar Singhania Elastomer & Tyre Research Institute \$	-	-	-	-	-	-	-	-
2	Dwarkesh Energy Limited (₹4517)	-	-	-	-	-	-	-	-
	Foreign								
1	Valiant Pacific LLC	3.09%	60.54	0.33%	0.22	-1.78%	0.15	0.64%	0.37
2	Western Tire Holdings, Inc.	0.01%	0.18	0.27%	0.18	-	-	0.31%	0.18
	Total	100.00%	1961.10	100.00%	66.04	100.00%	(8.41)	100.00%	57.63

@ Insignificant and immaterial Non-controlling Interest is not considered.

\$ Hari Shankar Singhania Elastomer and Tyre Research Institute being an approved Scientific and Research Institute cannot be consolidated, as the equity of the said Institute is not available for distribution to its members.

Notes to consolidated financial statements

NOTE - 54 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115, 'Revenue from Contracts with Customers' and relevant changes in other Accounting Standards as per notification issued by the Ministry of Corporate Affairs in 28th March, 2018 has been made applicable from Financial Year 2018-19 (i.e. 1st April, 2018 onwards) and will supersede Ind AS 18 and Ind AS 11. The Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has evaluated the requirements of Ind AS 115 and there is no material impact on revenue recognition method of the Company.

NOTE - 55

Figures less than ₹50000 have been shown at actual in bracket.

NOTE - 56

Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

NOTE - 57

Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

JK Tyre & Industries Limited

Consolidated Cash Flow Statement for the year ended 31st March, 2018

	₹ in crores (10 Million)	
	2017-2018	2016-2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	106.81	535.24
Adjustment for:		
Depreciation and Amortisation Expense	299.45	291.32
Finance Costs	465.50	440.36
(Profit) / Loss on Sale of Property, Plant & Equipment	(102.21)	(108.07)
Deferred Government Grant	(3.46)	(4.61)
(Profit) / Loss on Sale of Investment	-	(36.16)
Fair Value Changes in Non-current Investments	(0.89)	(1.59)
Provision no longer required	(0.06)	(151.08)
Unrealised Foreign Exchange Fluctuation	(21.96)	5.17
Foreign Currency Translation gain / (loss) on Consolidation	0.97	(0.11)
Interest / Dividend Received	(35.21)	(23.07)
Allowance for Doubtful Debts / Advances and Bad debts written off	(3.71)	1.15
Operating Profit before Working Capital changes	705.23	948.55
(Increase) / Decrease in Trade and Other Receivables	142.52	(500.46)
(Increase) / Decrease in Inventories	(124.74)	(444.52)
Increase / (Decrease) in Trade and Other Payables	(29.84)	233.27
Cash generated from Operations	693.17	236.84
Direct Taxes (net)	(55.74)	(131.15)
Net Cash from Operating Activities	637.43	105.69
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(744.76)	(278.67)
Sale of Property, Plant and Equipment	326.33	(2.27)
Movement in Loans & Advances	66.44	(75.99)
Investment in Subsidiary	-	(560.04)
Purchase of Investments	(70.37)	(0.24)
Sale of Investment	0.12	87.57
Deposit Accounts with Banks	(3.41)	(27.29)
Interest Received	30.51	21.49
Dividend Received	0.67	0.17
Net Cash used in Investing activities	(394.47)	(835.27)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Short-term Borrowings (Net)	52.95	707.61
Proceeds from Long-term Borrowings	438.47	834.20
Repayment of Borrowings	(367.76)	(213.09)
Finance Costs paid	(464.00)	(430.52)
Dividend paid (including Dividend Tax)	(68.25)	(68.25)
Net Cash from / (used in) Financing Activities	(408.59)	829.95
Net increase / (decrease) in Cash and Cash Equivalents	(165.63)	100.37
Cash and Cash Equivalents as at the beginning of the year	260.43	132.17
Cash and Cash Equivalents taken over on Acquisition of New Subsidiary	-	35.27
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	0.52	(7.38)
Cash and Cash Equivalents as at the end of the year	95.32	260.43

Consolidated Cash Flow Statement for the year ended 31st March, 2018

₹ in crores (10 Million)

	2017-2018	2016-2017
Notes:		
1. Cash and Cash Equivalents include:		
- Cash, Cheques on hand and Remittances in transit	61.63	41.90
- Balances with Banks	33.17	225.91
- Unrealised Translation gain / (loss) on Foreign Currency balances	0.52	(7.38)
Total	95.32	260.43

2. Non - cash Changes in liabilities arising from financing activities:

Particulars	As at 31.03.2017	Cash Flows	Non- Cash Changes		As at 31.03.2018
			Foreign Exchange Movement	Others	
Short-term Borrowings	1805.74	52.95	3.51	-	1862.20
Long-term Borrowings	3848.91	70.71	25.48	3.98	3949.08
Total Liabilities from Financing Activities	5654.65	123.66	28.99	3.98	5811.28

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

Dr. Raghupati Singhania

Arvind Singh Mewar
Bakul Jain
Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

Form AOC-I

Financial Information of Subsidiaries and Associate companies

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of Shareholding
											12	13	14		
1	J. K. International Ltd.	N/A	Pound	91.0110	1.68	(1.68)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N/A	HKD \$	8.2746	1.65	1.36	4.73	4.73	1.00	1.07	0.32	-	0.32	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N/A	SGD \$	49.5122	0.64	0.28	0.98	0.98	0.36	1.17	(0.41)	-	(0.41)	-	100.00
4	3DInnovations Pvt. Ltd.	N/A	INR	N/A	1.50	(0.60)	4.06	4.06	-	2.87	0.02	0.05	(0.03)	-	100.00
5	Cavendish Industries Ltd.	N/A	INR	N/A	50.00	660.04	2900.44	2900.44	-	1670.47	(21.18)	(7.56)	(13.62)	-	80.00
6	Lankros Holdings Ltd.	N/A	Euro	80.0400	32.03	(0.38)	31.80	31.80	31.78	0.01	(0.06)	-	(0.06)	-	100.00
7	Sarvi Holdings Switzerland AG.	N/A	CHF	68.0741	43.57	(0.96)	42.65	42.65	42.50	-	(0.13)	-	(0.13)	-	100.00
8	JK Tornel S.A. de C.V.	N/A	MXN PESO	3.5712	22.78	(155.65)	441.07	441.07	193.59	592.85	(43.66)	(5.90)	(37.76)	-	99.96
9	Comercializadora América Universal, S.A. de C.V.	N/A	MXN PESO	3.5712	0.01	3.27	3.45	3.45	-	0.15	0.15	(0.03)	0.18	-	99.96
10	Compañía Hulera Tacuba, S.A. de C.V.	N/A	MXN PESO	3.5712	0.36	37.47	60.76	60.76	-	5.79	3.21	0.23	2.98	-	99.96
11	Compañía Hulera Tornel, S.A. de C.V.	N/A	MXN PESO	3.5712	76.78	195.86	927.83	927.83	0.00	1071.56	102.59	32.63	69.96	-	99.96
12	Compañía Inmobiliaria Norida, S.A. de C.V.	N/A	MXN PESO	3.5712	1.29	114.07	142.09	142.09	-	6.47	4.59	(0.07)	4.66	-	99.96
13	General de Inmuebles Industriales, S.A. de C.V.	N/A	MXN PESO	3.5712	0.04	31.45	39.57	39.57	-	3.43	2.54	0.22	2.32	-	99.96
14	Gintor Administración, S.A. de C.V.	N/A	MXN PESO	3.5712	0.01	19.63	37.72	37.72	-	39.94	5.62	1.63	3.99	-	99.96
15	Hules y Procesos Tornel, S.A. de C.V. (* ₹1786)	N/A	MXN PESO	3.5712	*	9.21	11.67	11.67	-	1.72	1.33	0.21	1.12	-	99.96

₹ in crores (10 Million)

Notes

1. Name of subsidiaries which are yet to commence operations - N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year - N.A.

Part "B": Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

₹ in crores (10 Million)

Sl. No.	Name of Associates	Valiant Pacific LLC	HASETRI	Dwarkesh Energy Ltd.	Western Tire Holdings, Inc.
1	Latest audited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018	31.03.2018*
2	Share of Associates held by the Company on the year end				
	No. of Shares	147	24	350000	400
	Amount of Investment in Associates	0.21	(₹2400)	0.35	(₹26204)
	Extent of Holding %	49.00%	24.00%	35.00%	40.00%
3	Description of how there is significant influence	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %
4	Reason why the Associate is not consolidated	N.A	HASTERI, an approved Scientific and Research Institute (a non-profit organisation) cannot be consolidated as the equity of the said Institute is not available for distribution.	N.A	N.A
5	Networth attributable to shareholding as per latest audited Balance Sheet	60.75	9.88 @	0.35	0.18
6	Profit / (Loss) for the year				
	Considered in Consolidation	0.22	-	(₹4517)	0.18
	Not Considered in Consolidation	0.25	(0.03)	(₹8390)	0.26

* Exempt from audit.

@ Not Considered in Consolidation

1. Name of Associates which are yet to commence operations - N.A.
2. Name of Associates which have been liquidated or sold during the year - N.A.

As per our report of even date

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

HARISH GUPTA
Partner

New Delhi, the 17th May, 2018

A. K. KINRA
Chief Financial Officer

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Shreekant Somany
Kalpataru Tripathy
Anshuman Singhania
Arun K. Bajoria

Chairman & Managing Director

Directors

The Details Pertaining To Remuneration For The Financial Year Ended 31st March, 2018, 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 – 2.3, Shri Bakul Jain – 2.3, Smt. Sunanda Singhania – 2.3, Shri Kalpataru Tripathy – 2.3, Shri Vimal Bhandari – 2.3, Dr. Wolfgang Holzbach – 2.3, Shri Shreekant Somany – 2.3.
- Executive Directors: Dr. Raghupati Singhania, Chairman & Managing Director – 135.6; Shri Bharat Hari Singhania, Managing Director – 16.5; Shri Arun K. Bajoria, Director & President - International Operations – 92.0 and Shri Anshuman Singhania, Whole-time Director – 51.2.
- (b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year: During the financial year, remuneration of Dr. Raghupati Singhania, Chairman & Managing Director; Shri Bharat Hari Singhania, Managing Director; Shri Arun K. Bajoria, Director & President - International Operations and Shri Anshuman Singhania, Whole-time Director decreased by 65.77%, 94.21%, 6.65% and 70.86% respectively. The remuneration of each non-executive directors, namely - Shri Arvind Singh Mewar, Shri Bakul Jain, Smt. Sunanda Singhania, Shri Vimal Bhandari, Dr. Wolfgang Holzbach, Shri Kalpataru Tripathy and Shri Shreekant Somany decreased by 33.3%. The remuneration of Shri A.K. Kinra, Chief Financial Officer and Shri P. K. Rustagi, Company Secretary increased by 6.45% and 3.92% respectively.
- (c) The percentage increase in the median remuneration of employees in the financial year: 9.69%
- (d) The number of permanent employees on the rolls of the Company: 6,734
- (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 2017-18, average increase in the salaries of employees other than the Managerial Personnel was 4.31%. However during the same year, the remuneration for Managerial Personnel decreased by 68.22%.
- (f) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

BRAND COMMUNICATION 2017-18

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TOTAL CONTROL

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3 Year Warranty

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FOR SCOOTERS

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NOW TOTAL CONTROL ON ANY ROAD

Presenting the all-new Blaze range of next-generation SCOOTER TYRES.

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CELEBRATING 20 YEARS OF BREAKING THE SPEED LIMIT.

20 Years of Breaking the Speed Limit

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3 Year Warranty



JK Tyre & Industries Ltd.

3 Bahadur Shah Zafar Marg, New Delhi - 110002
Ph: +91 11 33001112, 33001122, Fax: +91 11 23322059

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