

JKTIL:SECTL:SE:2020

26<sup>th</sup> March 2020

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

Re: **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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Dear Sirs,

We have to inform that the Board of Directors of the Company, at their meeting held on 25<sup>th</sup> March 2020, *inter alia*, approved increase in the Company's stake in Cavendish Industries Ltd., a subsidiary of the Company, from 69% to 71.91% on standalone basis and from 85% to 86.41%, with its subsidiary.

The details required under Regulation 30 of the said SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015 are attached.

Thanking you,

Yours' faithfully,  
For JK Tyre & Industries Ltd.

  
(PK Rustagi)  
Vice President (Legal) & Company Secretary

Encl : As Above



Annexure to Letter No. [JKTIL:SECTL:SE:2020](#)  
dated 26<sup>th</sup> March 2020

Sr. No	Particulars	Information
a)	Name of the target entity, details in brief such as size, turnover etc.;	Cavendish Industries Ltd. (CIL). Turnover for FY 31.3.2019 – Rs. 2316.46 Crores
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at " <a href="#">arms length</a> ";	JK Tyre & Industries Ltd. (JK Tyre) already holds 69% of the equity shares of Cavendish Industries Ltd. (CIL). Its subsidiary <a href="#">JK Tornel SA De CV</a> , Mexico also holds 16% of the equity. Therefore, combined holding of JK Tyre alongwith its subsidiary is 85%. The preferential issue is being made by CIL to JK Tyre & Industries Ltd., Promoter. This is a Related Party Transaction and the same is done at 'arm's length'.
c)	Industry to which the entity being acquired belongs;	Automotive <a href="#">Tyres</a> , tubes and flaps.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	In order to <a href="#">mobilise</a> long term finance for miscellaneous corporate purposes and also for meeting requirements of funds for expansion of manufacturing capacities at Company's tyre plant at <a href="#">Laksar</a> near Haridwar, it is proposed to make preferential issue of Equity Shares upto an aggregate amount of Rs.75 Crores to the promoter. This will also strengthen the financial base of the Company as the <a href="#">mobilisation</a> of funds is by way of Equity.
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	No Regulatory/ Governmental approvals are required.

Sr. No	Particulars	Information						
f)	Indicative time period for completion of the acquisition;	The acquisition of Equity Shares is expected to be completed within 15 days hereof.						
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash						
h)	Cost of acquisition or the price at which the shares are acquired;	Rs.75.00 Crores (approx.)						
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	JK Tyre alongwith its subsidiary holds 85%. With this transaction, the shareholding will go up from 85% to 86.41%.						
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>CIL is manufacturer of Automotive <u>Tyres</u>, tubes and flaps which is also the prime business of JK Tyre. CIL was incorporated on 12.1.2015 in India. Its Turnover for the last 3 years is given hereunder: <b>Rs. Crores</b></p> <table data-bbox="874 1346 1241 1458"> <tr> <td>- 31.3.2019</td> <td>- 2316.46</td> </tr> <tr> <td>- 31.3.2018</td> <td>- 1670.47</td> </tr> <tr> <td>- 31.3.2017</td> <td>- 1190.74</td> </tr> </table>	- 31.3.2019	- 2316.46	- 31.3.2018	- 1670.47	- 31.3.2017	- 1190.74
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