

INDEPENDENT AUDITOR'S REPORT on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

**TO,
THE BOARD OF DIRECTORS OF
JK TYRE & INDUSTRIES LTD.**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of **JK TYRE & INDUSTRIES LTD.** (the Company) for the quarter ended March 31, 2022 and the year to date results for the period from April 1, 2021 to March 31, 2022 ("Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended March 31, 2022 as well as year to date results for the period from April 1, 2021 to March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statement under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and



other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year -to-date figures up to the third quarter of the current financial year, which were subject to a limited review by us as required under the Listing Regulations.

For **SS KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Reg. No.: 000756N



Harish Gupta

Partner

Membership No.: 098336

UDIN: 22098336AJHCTN7777

Place: Delhi

Date: May 20, 2022

JK TYRE & INDUSTRIES LTD.

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2022

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2022 (Audited)	31.12.2021 (Unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
I.	Revenue from Operations	2162.88	2123.89	2022.82	8032.06	6134.52
II.	Other Income	7.09	6.49	14.03	30.20	35.60
III.	Total Income (I+II)	2169.97	2130.38	2036.85	8062.26	6170.12
IV.	Expenses					
	Cost of Materials Consumed	1329.76	1350.82	1126.00	5099.09	3255.87
	Purchases of Stock-in-trade	191.43	130.43	175.87	612.17	451.65
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	36.54	(34.82)	(42.62)	(170.27)	84.52
	Employee Benefits Expense	161.46	156.05	166.85	607.40	547.99
	Finance Costs	56.97	56.49	56.79	229.61	266.27
	Depreciation and Amortisation Expense	58.47	60.57	60.31	240.74	245.99
	Other Expenses	310.59	326.96	295.24	1183.17	943.48
	Total Expenses	2145.22	2046.50	1838.44	7801.91	5795.77
V.	Operating Profit (PBIDT)	140.19	200.94	315.51	730.70	886.61
VI.	Profit / (Loss) before Exceptional Items and Tax (III-IV)	24.75	83.88	198.41	260.35	374.35
VII.	Exceptional Items	2.86	0.27	11.79	3.95	21.21
VIII.	Profit / (Loss) before Tax (VI+VII)	27.61	84.15	210.20	264.30	395.56
IX.	Tax Expense					
	(1) Current Tax	7.96	29.06	65.89	96.41	128.00
	(2) Deferred Tax	(6.50)	(2.82)	7.13	(15.15)	11.11
X.	Profit / (Loss) for the Period (PAT) (VIII-IX)	26.15	57.91	137.18	183.04	256.45
XI.	Other Comprehensive Income					
	Items that will not be Reclassified to Profit or Loss:					
	- Re-measurement Losses on Defined Benefit Plans	1.72	(5.60)	4.39	(9.34)	(5.10)
	- Income Tax Relating to Items that will not be Reclassified to Profit or Loss	(0.60)	1.95	(1.54)	3.26	1.78
	Total Other Comprehensive Income	1.12	(3.65)	2.85	(6.08)	(3.32)
XII.	Total Comprehensive Income for the Period (X+XI)	27.27	54.26	140.03	176.96	253.13
XIII.	Paid-Up Equity Share Capital (Face Value: ₹2 per share)	49.25	49.25	49.25	49.25	49.25
XIV.	Other Equity excluding Revaluation Reserve				2476.85	2349.14
XV.	Earnings per equity share of ₹2 each - Basic / Diluted (₹)	1.06	2.35	5.57	7.43	10.42

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JK TYRE & INDUSTRIES LTD.

Notes:

- * The Board has recommended a dividend of ₹1.50 per equity share i.e. 75% for the financial year ended 31st March, 2022.
- * The Company has only one operating segment namely, 'Tyre'.
- * The Company has evaluated impact of COVID-19 pandemic on its business, performance and financials. The Company expects to recover the carrying amount of various assets and to maintain sufficient liquidity. The impact of subsequent developments, if any, occurring after approval of these financial statements will be recognized prospectively.
- * Statement of cash flow is attached in Annexure-I.
- * For the quarter, exceptional items include favourable foreign exchange fluctuation ₹ 6.02 crores and VRS expense ₹ 3.16 crores.
- * The Competition Commission of India ("CCI") on 2nd February 2022 has released an Order dated 31st August 2018 for alleged contravention of provisions of the Competition Act, 2002 against the Company and had imposed a penalty of Rs. 309.95 crores. The Company has filed an Appeal before the Hon'ble National Company Law Appellate Tribunal against the said CCI Order. Based on legal advice the Company believes that it has a strong case and accordingly no provision is considered in these financial results.
- * The figures of current and corresponding quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current / corresponding financial year.
- * The above results have been reviewed by the Audit Committee in the meeting held on 19th May, 2022. Subsequently, the same were approved by the Board of Directors at the meeting held on 20th May, 2022. The auditors of the company have carried out the audit of the same.
- * Figures for the previous periods have been regrouped / rearranged, wherever necessary.

New Delhi
20th May, 2022



For JK Tyre & Industries Ltd.


Raghupati Singhania
Chairman & Managing Director

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Regd. Off.: Jaykaygram, PO- Tyre Factory, Kankroli - 313 342, Rajasthan, Website: www.jktyre.com, Corporate Identity Number :
L67120RJ1951PLC045966

JK TYRE & INDUSTRIES LTD.
STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crores)

Sl. No.	Particulars	As at	As at
		31.03.2022 (Audited)	31.03.2021 (Audited)
A	ASSETS		
1	Non-current Assets		
(a)	Property, Plant and Equipment	3340.89	3329.74
(b)	Capital work-in-progress	73.33	64.12
(c)	Investment Property	5.63	5.73
(d)	Other Intangible Assets	2.68	1.93
(e)	Intangible Assets under development	5.67	4.65
(f)	Financial Assets		
	- Investments	791.11	733.10
	- Other Financial Assets	121.20	133.41
(g)	Other Non-Current Assets	16.79	15.10
		4357.30	4287.78
2	Current Assets		
(a)	Inventories	1532.84	1194.58
(b)	Financial Assets		
	- Trade Receivables	1667.38	1367.28
	- Cash and Cash Equivalents	53.16	41.11
	- Other Bank Balances	23.11	21.86
	- Other Financial Assets	190.25	127.18
(c)	Current Tax Assets (Net)	26.98	15.69
(d)	Other Current Assets	293.80	200.73
		3787.52	2968.43
	TOTAL ASSETS	8144.82	7256.21
B	EQUITY AND LIABILITIES		
	EQUITY		
(a)	Equity Share Capital	49.25	49.25
(b)	Other Equity	2476.85	2349.14
		2526.10	2398.39
	LIABILITIES		
1	Non-current Liabilities		
(a)	Financial Liabilities		
	- Borrowings	972.06	1188.48
	- Lease Liabilities	58.70	88.52
	- Other Financial Liabilities	506.82	479.93
(b)	Provisions	30.80	28.88
(c)	Deferred Tax Liabilities (Net)	342.76	311.43
		1911.14	2097.24
2	Current Liabilities		
(a)	Financial Liabilities		
	- Borrowings	1,848.87	1,145.59
	- Lease Liabilities	37.62	48.83
	- Trade Payables		
	Micro and Small Enterprises	33.60	28.38
	Others	1346.92	1167.77
	- Other Financial Liabilities	276.31	223.07
(b)	Other Current Liabilities	158.00	140.04
(c)	Provisions	6.26	6.90
		3707.58	2760.58
	TOTAL EQUITY AND LIABILITIES	8144.82	7256.21



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JK Tyres & Industries Limited

Annexure-I

Cash Flow Statement for the year ended 31st March, 2022

(₹ in Crores)

Sl. No.	Particulars	Year Ended	
		31.03.2022 (Audited)	31.03.2021 (Audited)
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	264.30	395.56
	Adjustment for:		
	Depreciation and Amortisation expense	240.74	245.99
	Finance Costs	229.61	266.27
	(Profit) / Loss on sale of Property, Plant and Equipment	0.08	(0.67)
	Provision for Diminution of Investment	-	0.61
	Fair Value Changes in Non-Current Investments	(2.64)	(3.70)
	Unrealised Foreign Exchange Fluctuation	(11.34)	(32.40)
	Interest / Dividend Received	(20.88)	(25.98)
	Allowance for Doubtful Debts / Advances and Bad Debts written off	8.00	2.50
	Operating Profit before Working Capital changes	707.87	848.18
	(Increase) / Decrease in Trade and Other Receivables	(435.60)	182.43
	(Increase) / Decrease in Inventories	(338.26)	(99.05)
	Increase / (Decrease) in Trade and Other Payables	197.27	387.77
	Cash generated from Operations	131.28	1319.33
	Direct Taxes (Net)	(57.96)	(66.81)
	Net Cash from Operating Activities	73.32	1252.52
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Property, Plant and Equipment	(192.28)	(70.63)
	Sale of Property, Plant and Equipment	20.61	26.62
	Investment in Subsidiary & Associate	(74.21)	-
	Purchase of Investments	-	(0.21)
	Redemption of Investments	25.00	-
	Deposit Accounts with Banks	(2.04)	3.49
	Interest Received	19.62	20.31
	Dividend Received	0.60	0.70
	Net Cash used in Investing Activities	(202.70)	(19.72)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds/ (Utilisation) from Short-term Borrowings (Net)	773.83	(780.38)
	Proceeds from Long-term Borrowings	418.45	398.07
	Repayment of Long-term Borrowings	(724.64)	(480.08)
	Payment of Lease Liabilities	(48.22)	(53.37)
	Finance Costs paid	(228.74)	(279.59)
	Dividend paid (including dividend tax)	(49.25)	(17.24)
	Net Cash from / (used in) Financing Activities	141.43	(1212.59)
	Net increase / (decrease) in Cash and Cash Equivalents	12.05	20.21
	Cash and Cash Equivalents as at the beginning of the year	41.11	20.90
	Cash and Cash Equivalents as at the end of the year	53.16	41.11
Notes:			
1.	Cash and Cash Equivalents Include:		
	- Cash, Cheques on hand and Remittances in transit	9.00	7.94
	- Balances with Banks	44.16	33.17
	Total	53.16	41.11

