

**SS KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

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, 2020 and the year to date results for the period from April 1, 2019 to March 31, 2020 ("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 loss and other financial information for the quarter ended March 31, 2020 as well as year to date results for the period from April 1, 2019 to March 31, 2020.

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.

Emphasis of Matter

We draw attention to note on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management could not perform year-end physical verification of inventories at various locations. Further, our attendance at the physical Inventory verification done by the management subsequently was impracticable under the lock-down



**SS KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion is not modified in respect of this matter.

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.



**S S KOTHARI MEHTA
& COMPANY**
CHARTERED ACCOUNTANTS

- 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.

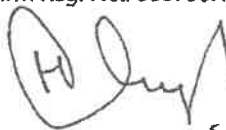
Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 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 **S.S. KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Reg. No.: 000756N



Harish Gupta

Partner

Membership No.: 098336

UDIN: 20098336 AAAA U1268

Place: Delhi

Date: June 15, 2020

JK TYRE & INDUSTRIES LTD.

Statement of Audited Standalone Financial Results for the Quarter and Year ended 31st March, 2020

(₹ in Crores)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)	31.12.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
I.	Revenue from Operations	1351.42	1561.43	1857.37	6094.84	7610.40
II.	Other Income	8.18	6.21	10.92	25.39	79.27
III.	Total Income (I+II)	1359.60	1567.64	1868.29	6120.23	7689.67
IV.	Expenses					
	Cost of Materials Consumed	722.10	790.60	905.95	3157.83	4071.30
	Purchases of Stock-in-trade	172.69	242.09	319.54	769.42	1273.24
	(Increase) / Decrease in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	(37.82)	(40.03)	59.12	(40.98)	(180.24)
	Employee Benefits Expense	143.81	143.98	125.03	553.76	560.36
	Finance Costs	84.85	85.21	86.05	342.92	316.28
	Depreciation and Amortisation Expense	68.26	58.44	47.00	242.39	188.36
	Other Expenses	215.52	260.94	286.92	1002.57	1157.49
	Total Expenses	1369.41	1541.23	1829.61	6027.91	7386.79
V.	Profit / (Loss) before Exceptional Items and Tax (III-IV)	(9.81)	26.41	38.68	92.32	302.88
VI.	Exceptional Items	(6.12)	2.13	1.38	(7.15)	1.80
VII.	Profit / (Loss) before Tax (V+VI)	(15.93)	28.54	40.06	85.17	304.68
VIII.	Tax Expense					
	(1) Current Tax	(8.77)	6.18	5.92	15.57	63.69
	(2) Mat Credit Entitlement	1.00	-	(7.42)	1.00	(21.15)
	(3) Deferred Tax	(0.03)	(0.09)	15.72	(160.06)	57.74
IX.	Profit / (Loss) for the Period (PAT) (VII-VIII)	(8.13)	22.45	25.84	228.66	204.40
X.	Other Comprehensive Income					
	Items that will not be Reclassified to Profit or Loss:					
	- Re-measurement Losses on Defined Benefit Plans	(10.59)	(3.90)	(13.99)	(22.39)	(15.79)
	- Income Tax Relating to Items that will not be Reclassified to Profit or Loss	2.66	0.98	4.89	5.63	5.52
	Total Other Comprehensive Income	(7.93)	(2.92)	(9.10)	(16.76)	(10.27)
XI.	Total Comprehensive Income for the Period (IX+X)	(16.06)	19.53	16.74	211.90	194.13
XII.	Paid-Up Equity Share Capital (Face Value: ₹2 per share)	49.25	49.25	49.25	49.25	49.25
XIII.	Other Equity excluding Revaluation Reserve				2113.25	1945.87
XIV.	Earnings per equity share of ₹2 each - Basic / Diluted (₹)	(0.33)	0.91	1.14	9.29	9.01

For kind attention of shareholders:- As a part of Green Initiative of Government, the shareholders are requested to get their e-mail addresses registered by writing a letter to the Company giving their email-id, folio no. etc., so that Annual Report and other documents can be sent through e-mail.



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JK TYRE & INDUSTRIES LTD.
STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crores)

Sl. No.	Particulars	As at	As at
		31.03.2020	31.03.2019
		(Audited)	(Audited)
	ASSETS		
1	Non-current Assets		
(a)	Property, Plant and Equipment	3489.99	3320.46
(b)	Capital work-in-progress	60.88	73.80
(c)	Investment Property	5.83	5.93
(d)	Other Intangible Assets	3.14	3.93
(e)	Financial Assets		
	- Investments	723.80	596.61
	- Loans	44.39	47.99
	- Other Financial Assets	106.92	80.62
(f)	Other Non-Current Assets	28.28	35.41
		4463.23	4164.75
2	Current Assets		
(a)	Inventories	1095.53	1136.12
(b)	Financial Assets		
	- Trade Receivables	1436.03	1632.45
	- Cash and Cash Equivalents	20.90	75.84
	- Other Bank Balances	25.38	24.46
	- Other Financial Assets	116.19	140.85
(c)	Current Tax Assets (Net)	18.45	11.43
(d)	Other Current Assets	312.78	219.48
		3025.26	3240.63
	TOTAL ASSETS	7488.49	7405.38
	EQUITY AND LIABILITIES		
	EQUITY		
(a)	Equity Share Capital	49.25	49.25
(b)	Other Equity	2113.25	1945.87
		2162.50	1995.12
	LIABILITIES		
1	Non-current Liabilities		
(a)	Financial Liabilities		
	- Borrowings	1465.00	1558.22
	- Other Financial Liabilities	501.70	314.36
(b)	Provisions	31.33	26.66
(c)	Deferred Tax Liabilities (Net)	243.67	404.91
		2241.70	2304.15
2	Current Liabilities		
(a)	Financial Liabilities		
	- Borrowings	1528.13	1451.85
	- Trade Payables		
	Micro and Small Enterprises	16.82	15.50
	Others	926.89	963.60
	- Other Financial Liabilities	511.64	527.92
(b)	Other Current Liabilities	79.02	139.55
(c)	Provisions	21.79	7.69
		3084.29	3106.11
	TOTAL EQUITY AND LIABILITIES	7488.49	7405.38



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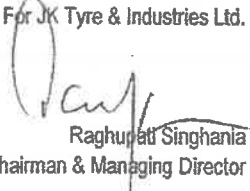
JK TYRE & INDUSTRIES LTD.

Notes:

- * The Company has only one operating segment namely, 'Tyre'.
 - * The Board has recommended a dividend of ₹0.70 per equity share i.e. 35% for the financial year ended 31st March, 2020.
 - * The Company has adopted Ind AS-116 'Leases' effective 1st April, 2019. This has resulted in recognising a Right-of-Use Asset and a corresponding Lease Liability. The impact on the profit for the quarter and year is not material.
 - * COVID-19 pandemic has caused serious disruptions on the global economic and business environment and there is a huge uncertainty with respect to its severity, which cannot be reasonably ascertained. However, the Company has evaluated and factored in to the extent possible the likely impact that may result from Covid-19 pandemic as well as all events and circumstances upto the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2020. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets and sufficient liquidity is available. The impact of any events and developments occurring after the balance sheet date on the financial results for the quarter and year ended 31st March, 2020 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.
- Further, considering the long-standing relationships and the goodwill it carries with its customers, suppliers and other stakeholders including employees and the high quality product portfolio, we believe that the Company's business operations, cash flows, future revenue, assets and liabilities will sustain going forward.
- * Statement of cash flow is attached in Annexure-I.
 - * For the quarter, exceptional items include unfavourable foreign exchange fluctuation ₹ 5.50 crores and VRS ₹ 0.62 crore.
 - * 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.
 - * Figures for the previous periods have been regrouped / rearranged, wherever necessary.
 - * The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 15th June, 2020. The auditors of the company have carried out audit of the same.

New Delhi
15th June, 2020

For JK Tyre & Industries Ltd.


Raghupati Singhania
Chairman & Managing Director

Admin. Off.: 3, Bahadur Shah Zafar Marg, New Delhi - 110 002, Fax : 91-11-23322059, Phone: 91-11-33001112, 33001122

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



JK Tyres & Industries Limited
Cash Flow Statement for the year ended 31st March, 2020

Annexure-I

(₹ in Crores)

Sl. No.	Particulars	Year Ended	
		31.03.2020 (Audited)	31.03.2019 (Audited)
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	85.17	304.68
	Adjustment for:		
	Depreciation and Amortisation expense	242.39	188.36
	Finance Costs	342.92	316.28
	(Profit) / Loss on sale of Property, Plant and Equipment	0.25	(48.19)
	(Profit) / Loss on Sale of Investments	-	(0.29)
	Fair Value Changes in Non-Current Investments	(0.42)	(0.05)
	Unrealised Foreign Exchange Fluctuation	8.37	12.54
	Interest / Dividend Received	(22.18)	(27.79)
	Allowance for Doubtful Debts / Advances and Bad Debts written off	2.00	1.50
	Operating Profit before Working Capital changes	658.50	747.04
	(Increase) / Decrease in Trade and Other Receivables	247.04	(306.62)
	(Increase) / Decrease in Inventories	40.59	(110.11)
	Increase / (Decrease) in Trade and Other Payables	(36.03)	(4.26)
	Cash generated from Operations	910.10	326.05
	Direct Taxes (Net)	(19.14)	(64.36)
	Net Cash from Operating Activities	890.96	261.69
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Property, Plant and Equipment	(147.56)	(132.50)
	Sale of Property, Plant and Equipment	5.57	303.07
	Movement in Loans & Advances	(108.31)	(5.62)
	Investment in Subsidiary	(121.27)	(47.40)
	Redemption of Investments	-	1.06
	Deposit Accounts with Banks	(0.85)	(11.75)
	Interest Received	12.75	22.91
	Dividend Received	0.74	0.72
	Net Cash used in Investing Activities	(358.93)	130.49
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Issue of Share Capital (Net of Expenses)	-	197.71
	Proceeds/ (Utilisation) from Short-term Borrowings (Net)	69.93	(70.18)
	Proceeds from Long-term Borrowings	40.56	830.44
	Repayment of Borrowings	(276.02)	(982.32)
	Payment of Lease Liabilities	(46.91)	-
	Finance Costs paid	(330.01)	(310.78)
	Dividend paid (including dividend tax)	(44.52)	(41.01)
	Net Cash from / (used in) Financing Activities	(586.97)	(376.14)
	Net increase / (decrease) in Cash and Cash Equivalents	(54.94)	16.04
	Cash and Cash Equivalents as at the beginning of the year	75.84	59.80
	Cash and Cash Equivalents as at the end of the year	20.90	75.84
Notes:	Cash and Cash Equivalents include:		
	- Cash, Cheques on hand and Remittances in transit	1.55	57.35
	- Balances with Banks	19.35	18.49
	Total	20.90	75.84

