Transcript of 68th Annual General Meeting of JK Tyre & Industries Ltd. held on Friday, the 27th August 2021 at 12.15 PM IST through Video Conferencing

Mr. P.K. Rustagi, Vice President (Legal) & Company Secretary

"Dear members – very good afternoon to all of you. It is 12:15 PM, the time to commence the AGM proceedings. Dr. Raghupati Singhania, Chairman & Managing Director, is present with us and I request him to start the proceedings, Thank you."

Dr. Raghupati Singhania, Chairman & Managing Director

"Ladies & Gentlemen - Good Afternoon to all of you. I, Raghupati Singhania, Chairman & Managing Director of the Company, extend a warm welcome to all of you at the 68th Annual General Meeting of the Company.

I hope you and your family members are remaining healthy and staying safe.

When I addressed you last year, I was hoping that I would be able to meet many of you in person at this Annual General Meeting. However, in view of the second wave of Covid – 19 pandemic, we are required to observe safety measures to contain its spread. Accordingly, we are once again holding this Meeting through Video Conferencing and Other Audio Visual Means, in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

I may mention that all the efforts feasible under the current circumstances have been made by the Company to enable the Shareholders to participate in the proceedings of the meeting.

I would like to thank you for sparing your valuable time to join us today from different parts of the country or may be from outside India also.

I look forward to have the pleasure of meeting you all next year, by which time, situation should normalize.

Before commencement of the proceedings, I would like to introduce all the Directors and Executives who have joined this Annual General Meeting.

First of all, I would like to introduce the Directors who have joined the Meeting through Video Conferencing from different locations.

- Shri Arvind Singh Mewar, an Independent Director and Chairman of the Nomination and Remuneration Committee of Directors.
- Shri Bakul Jain, an Independent Director and Chairman of the Audit Committee and also Chairman of the Stakeholders Relationship Committee.
- Shri Shreekant Somany, an Independent Director and Chairman of the Risk Management Committee.
- Smt. Meera Shankar, an Independent Director.
- Smt. Sunanda Singhania, a Non-executive Director.
- Shri Vimal Bhandari, an Independent Director.
- Shri Kalpataru Tripathy, an Independent Director.
- Dr. Wolfgang Holzbach, an Independent Director.
- Shri Bharat Hari ji Singhania, Managing Director, Shri Anshuman Singhania, Managing Director and Shri Arun Kumar Bajoria, Director & President- International Operations, are present in person in the Company's Board Room.
- Shri Sanjeev Aggarwal, Chief Financial Officer, Shri P.K. Rustagi, Vice President (Legal) & Company Secretary and Shri Sanjiv Saxena Sr. Vice President (Corp. Accounts), are also present in person.
- Shri Harish Gupta, Partner of M/s SS Kothari Mehta and Company, Statutory Auditors of the Company, Shri Namo Narain Agarwal, the Secretarial Auditor and Shri Ronak Jhuthawat, Scrutiniser are also present at this meeting through Video Conferencing.

I would now request Mr. P.K. Rustagi to confirm that requisite quorum is present and brief the Shareholders regarding procedure of e-voting and participation in this meeting."

Mr. P.K. Rustagi, Vice President (Legal) & Company Secretary

"Thank you, Sir. I confirm that requisite quorum is present through Video Conferencing and other Audio Visual Means and the Meeting is in order.

Dear Shareholders, Good Afternoon. This 68th Annual General Meeting of your Company is being held through Video Conferencing in compliance of all the statutory guidelines. E-voting services are provided by Central Depository Services (India) Limited.

As per the well established procedure for Shareholders Meeting through Video Conferencing, all the Shareholders who have joined this Meeting are placed on mute by the Host to avoid any disturbance from the background noise and to ensure smooth conduct of the Meeting. However, when the Shareholders who have registered themselves as speakers, are invited to speak, their names will be announced one by one and their mike will be unmuted by the Host.

The concerned speaker to switch on audio and video after his or her name is announced to speak. We also request the speakers to be brief.

In case there is connectivity issue at the Speaker's end, we would invite the next Speaker, if any, to speak. Opportunity will however, be provided again to the earlier Speaker after all other registered Speakers have spoken.

Regarding E-voting, as mentioned in the Notice of the Meeting, please note that only those Shareholders who have not so far cast their votes through remote e-voting and who are participating in this Meeting today, will have an opportunity to cast their votes during the AGM and 15 minutes after conclusion of this Meeting. Over to Chairman Sir."

Chairman & Managing Director

"Thank you, Mr. Rustagi. In conformity with Sections 170, 171 and 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements in which Directors are interested, are available for inspection.

The Notice dated 19th May 2021 convening the 68th Annual General Meeting together with the audited standalone and consolidated financial statements and other attachments, including the reports of the Board of Directors and the Auditors thereon, for the financial year ended 31st March 2021, have already been duly issued and circulated as required. May I therefore, with the permission of the Shareholders, take them as read.

The Auditors' Reports for the financial year ended 31st March 2021, do not contain any qualifications, observations or comments or other remarks on the financial transactions or matters which may have any adverse effect on the functioning of the Company.

Also, there are no qualifications, observations or comments or other remarks in the Secretarial Audit Report for the said financial year issued by Shri Namo Narain Agarwal, Company Secretary in practice.

Before taking up the items of the Agenda, I would like to share with you my thoughts on Economy and working of the Company for the year 2020-21."

Chairman's Address

"Dear Shareholders,

The Board of Directors and I, would like to thank each one of you for being present in this virtual meeting and for your continued support and interest in your Company.

To say, that the last year was challenging would be an understatement. India and the world at large faced an unprecedented health crisis that claimed innumerable lives and brought economic activities to a standstill. My condolences go out to all the families, particularly those connected with extended JK Family, including our employees, channel partners and suppliers, who lost their loved ones to the Covid-19 virus. I also express my heartfelt gratitude to frontline workers across various fields like healthcare and law enforcement, who risked their lives to ensure that public at large remained healthy and protected.

In March 2020, we encountered the first wave of the novel Corona virus, which forced an industrial shutdown on a global scale. Your Company prioritized people and their well-being; we provided ambulances, masks, sanitizers and other safety materials to sanitation workers at local municipalities in addition to modifying workplace engagement. Besides, JK Tyre along with JK group companies, pledged Rs. 100 million to the PM Cares Fund to support its fight against COVID-19.

Towards the last few months of 2020 things had largely normalised, when the second wave hit with more devastating results. Once again, your Company came forward to help the community at large including donating oxygen concentrators and oxygen Plants. The Pushpawati Singhania Hospital and

Research Institute, co-promoted by JK Tyre, a multi-speciality Hospital, was converted into a dedicated Covid care facility. For our employees, we launched Mission Critical, an initiative to achieve 100% vaccination of employees and their families. We initiated location-specific round-the-clock Covid task teams to provide relevant information on tests, medicines and hospital beds availability to our employees. Your Company started the 'JK CARES' programme to support the families of employees, who most unfortunately succumbed to the pandemic, on three fronts, - financial, educational and health insurance.

The FY 2020-21 can be depicted as one of 'contrasting halves' where we witnessed a slowdown in economic activity in the first half followed by an impressive rebound in the second one. The pandemic-induced national lockdown in the first quarter of FY 2020-21 brought a complete halt to economic activities across sectors, including automobiles. This resulted in a sharp decline in consumer demand. The economy and our industry gradually recovered following the re-opening of consumer markets and a relaxation in COVID-19 norms. By the third quarter, OEM, as well as replacement segment, posted double-digit demand growth, which got extended into the fourth quarter.

Following the phased lifting of lockdowns, the Indian economy recorded healthy growth across most sectors. This was reflected in growing consumption of key commodities e.g. cement, steel, chemicals etc., energy demand, E-way bills and GST collections that moved towards and beyond pre-pandemic levels. India's GDP did well to contract by only 7.3% in FY2020-21 following a 24.4% contraction in the first quarter of the year under review.

Digitalization played an important role in the country's economic revival. At JK Tyre, we embraced digitalization to make the most of the ten operating months of FY 2020-21. We extensively leveraged this tool to not only ensure safety of our own employees, but also to remain in constant touch with a wide network of our channel partners to ensure the well-being of their personnel and businesses.

Our AI based Digital 'claims system' is addressing customer service way faster than earlier - reducing claim resolution time from 3 days to 30 minutes. We are transforming internal systems and processes through digital enablement, bringing in operational efficiencies and cost rationalization. More so, it made our company Future Ready and helped us in to achieving yet another goal of carbon footprint.

The result was that FY 2020-21 proved to be one of the best performing years in your Company's history from a holistic perspective.

EBIDTA for the year at Rs. 1,349 crores at consolidated level, was 33% higher than the previous year, and likewise Profit Before Tax at Rs. 497 crores increased multi-fold. The Board has recommended a dividend of 100%, i.e., Rs. 2 per equity share for the year.

Furthermore, the company achieved a net debt reduction by nearly Rs. 1000 Cr. in FY 21. This not only helped in lowering its financial cost but also upgraded company's credit rating. All the financial ratios improved considerably during the year, and resulted in improving net debt to EBIDTA significantly.

To meet market needs we introduced premium products across categories. During this period our indomitable pioneering spirt, led to roll out of the 20 millionth truck Radial Tyre, a First in the country, and the nationwide launch of the SMART TYRE range. These tech-enabled tyres have embedded technology, monitoring tyre pressure and temperature, helping them communicate with the driver, leading to higher safety. These environmental friendly tyres are also in synergy with our green ethos.

Despite frequent disruptions, the company could effectively enlarge its distribution network covering almost the entire Indian landmass. It successfully increased its market presence across various categories of tyres. The focus on premiumisation of products contributed in no small measure, to improve JK Tyre's market presence.

JK Tornel's plant in Mexico resumed operations from July 2020 and posted growth in operations during FY 2020-21. The thrust on technologically advanced products specially developed for the targeted markets resulted in profitable growth and an expanded international footprint in more than 110 countries, in face of intense competition from low cost brands. Demand and preference for brand JK Tyre, for both truck and passenger radials categories, across geographies, including exacting markets like Europe and North America, was indeed rewarding. It is a matter of satisfaction that JK Tyre is now the largest commercial tyre exporter to the US.

High Capacity utilization and efficiency improvement at Cavendish Industries Limited transformed its operations, which contributed significantly to the overall performance of the company. With consistent growth in revenue ,CIL achieved a turnover of Rs.2571 Crores, 16% higher and clocked an EBIDTA of Rs.398 Crores - 54% Higher than previous year.

With the aim to enhance brand premiumisation, we launched extensive digital-driven marketing campaigns. Our 'Zindagi ke Pahiye' and 'Shukriya India' campaigns proved to be resounding successes on the social media, each garnering some of the highest viewerships in the industry. The primary focus of these two campaigns are the truck drivers and the fleet community at large, who keep the economy on the move. At JK Tyre, we salute them.

The future-ready products we have launched for the domestic and global markets, were designed and developed in our global R&D & Tech facility in Mysuru, which comprises of some of the most advanced testing and evaluation facilities in this part of the world, manned by a team of talented scientists and engineers who deploy modern tools such as AI and Analytics. Our R&D spends are continuously increasing year on year.

The company relentlessly pursues sustainability measures. We pioneered the launch of 'green' tyres, becoming the first Indian tyre company with a verified carbon footprint. Our carbon emissions have been consistently declining. The use of renewables in our power mix increased to 55% during FY21. We are continuously moderating water consumption across each of our manufacturing units; our Kankroli plant is a global benchmark for the lowest water consumed per kg of tyre manufactured. We are the first Asian tyre company to receive ISO 50001 certification for Energy Management. We follow the concepts of "Circular Economy" i.e, the 4 R strategy Reduce, Reuse, Recycle and Renew. We are continuously working towards conservation of natural resources with the highest priority, reducing our dependence on water, fossil fuels and promoting environmental welfare, thus, becoming the 1st Green & Clean tyre company in India.

JK Tyre is well poised with its 'green' tyre and 'greener' company thrust, to qualify for the growing trend of customer preferences towards ESG friendly businesses. We have successfully capitalized on this opportunity by supplying tyres to the fast growing E Vehicle segment.

Employees are our greatest asset. We have in place some of the best industry practices to facilitate their growth and success, which resulted in your Company being recognized as a Great Place to Work.

We are fully conscious of our obligation towards the society, and as a responsible corporate, discharge the same with dedication and pride. Towards this end, we supported our ongoing programmes of improving health and sanitation, skill development, environment etc. while combatting the Covid 19 pandemic.

With the decline in the number of Covid cases and a greater vaccinated population, we can look forward to a better economic activity. The Government's focus on infrastructure building, should catalyse the auto and consequentially tyre industry growth.

The trust that you, our dear shareholders, and other stakeholders have placed in us, has been a constant source of encouragement more so in these challenging times. I am deeply grateful to our Customers, Partners, Stakeholders, Suppliers, Banks and Community at large, for their continuous support.

I am thankful to Team JK Tyre for their hard work and dedication, especially during these tough times. Their contribution has taken the company to great heights.

I would like to take this opportunity, to humbly urge you all, to come forward and collaborate, to combat this pandemic together. Propagate vaccination and its benefits among the people around you, while continuing to follow the COVID protocol of distancing and masking.

Once again, I wish you all and your family's good health and prosperity. STAY SAFE !

Thank you all very much."

Resolutions, Questions and Answers sessions and E-voting

Chairman & Managing Director

"Now, I will read and explain items of the business to be transacted as per Notice of this Meeting. The Statement under Section 102 of the Companies Act, 2013 for Item Nos. 4 to 10 is given in the Notice.

All the resolutions have already been put to vote through remote e-voting. Therefore, no resolution is required to be proposed or seconded by the Shareholders at this Meeting.

The first item is for receiving, considering and adoption of the audited standalone Financial Statements of the Company for the financial year ended 31st March 2021 and the Reports of the Board of Directors and the Auditors thereon, and also the audited consolidated Financial Statements of the Company for the said financial year and the Reports of the Auditors thereon.

Item No. 2 is declaration of Dividend of Rs. 2/- per Equity Share (100%) for the financial year ended 31st March 2021.

Item No. 3 is re-appointment of Shri Arun Kumar Bajoria as a Director liable to retire by rotation. As I may be deemed to be interested in the next Item of the business, may I request Shri Arun Kumar Bajoria to take the Chair for Item No. 4 of the Notice."

Shri Arun K. Bajoria, Director & President – International Operations:

"Thank you sir. The Item No. 4 is re-appointment of Dr. Raghupati Singhania as Chairman & Managing Director of the Company for a period of five years with effect from 1st October 2021 and his terms of remuneration. I request the Chairman to transact the remaining business."

Chairman & Managing Director

"Thank you Mr. Bajoria. Item No. 5 is for appointment of Shri Anshuman Singhania as Managing Director of the Company for a period of five years with effect from 21st October 2020 and his terms of remuneration.

Item No. 6 - re-appointment of Shri Arun Kumar Bajoria as a Whole-time Director of the Company for a period of three years with effect from 20th January 2022 and his terms of remuneration.

As I may be deemed to be interested in the next item of the business, may I again request Shri Arun Kumar Bajoria to take the Chair for Item No. 7 of the Notice.

Shri Arun K. Bajoria, Director & President – International Operations:

"Thank you sir. The Item No. 7 of the Notice is continuation of Shri Bharat Hari Singhania as a Non-executive Director with effect from 1st October 2021 and also for payment of remuneration for three years. I request the Chairman to transact the remaining business."

Chairman & Managing Director

"Thank you Mr. Bajoria. Item No. 8 is regarding authorising Board of Directors to contribute to bona fide charitable and other funds.

Item No. 9 is regarding ratification of remuneration of M/s R.J. Goel & Co., Cost Auditors of the Company for the financial year commencing 1st April 2021.

The last item No. 10 is regarding approval of the Related Party Transactions in the normal course of business and on arm's length basis, between the Company and Cavendish Industries Ltd., a subsidiary, during the financial year 2021-22.

The members are aware that Remote e-Voting facility on all the resolutions was open from 24th August 2021 from 10.00 AM to 26th August 2021 up to 5.00 PM. Therefore, many of the Shareholders may have already cast their votes during this period.

However, those who have not cast their votes through remote e-Voting, have the opportunity to cast their votes now through the e-voting services provided by CDSL.

The Scrutiniser will submit a consolidated Scrutiniser's Report on remote e-Voting and e-Voting at the AGM, not later than two working days of conclusion of this Meeting.

I, authorise Shri PK Rustagi, Vice President (Legal) & Company Secretary or in his absence Shri Sanjeev Aggarwal, Chief Financial Officer, to declare the results of the voting. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and also on the e-Voting website of CDSL. The results will also be simultaneously forwarded to BSE and National Stock Exchange for placing on their websites and shall also be displayed on the Notice Board at the Registered Office and at the Administrative Office of the Company.

The Company Secretary may now announce names of the Shareholders, who have registered themselves as Speakers to express their views or ask questions, if any. We will respond to the questions at the end, after all the speakers have spoken."

Company Secretary

The Company Secretary announced the names of the Shareholders, who registered themselves as speakers to express their views/ask questions and requested the host to unmute the speakers one by one, namely- Shri Santosh Kumar Saraf, Shri Manoj Kumar Gupta, Shri Bimal Kumar Aggarwal, Ms. Hutokshi Sam Patel, Shri Goutam Nandy, Shri Sarbananda Gattani, Shri Abhirup Nandy, Shri Ramesh Shanker Golla (did not speak at the meeting), Shri Surendra Mohta, Shri Mahesh Kumar Bubna (did not join the meeting),Shri ML Madan (did not join the meeting), Shri Ballabh Das Mundhra, Shri Ashit Kumar Pathak, Shri Praisy Chanana (did not join the meeting), Smt. Varuna Gupta (did not join the meeting), Shri Gopal Kumar Sawarkar (did not join the meeting) and Shri Jitendra Pancholi, Members of the Company.

The Members appreciated that despite the challenging times posed by COVID pandemic, the overall performance of the Company is excellent and a dividend at the rate of Rs. 2 per share (100%) has been proposed. The Members complimented for the overall presentation and compilation of financial figures in Annual Report with detailed explanatory notes on various relevant aspects, arrangements made for the Annual General Meeting in virtual mode enabling shareholders from different locations to participate in the proceedings. The Shareholders also stated that the Company's initiatives to contain spread of COVID-19 pandemic which include organising of various awareness programmes and welfare measures for employees and general public and also care for other stakeholders were noteworthy.

The shareholders also appreciated the Company's focus on digitisation, R&D centre of the Company, launching of SMART Tyre which will go a long way to address not only safety concerns but also will help consumers to save fuel cost, reduction in debt and working capital management despite COVID challenges, various CSR initiatives taken by the Company and also, increased focus on renewable energy, progress on environment front to reduce carbon footprint, conservation of water, rainwater harvesting, exports, etc..

The members enquired about the impact of COVID-19 pandemic on the operations of the Company and its subsidiaries, future outlook of Tyre Industry and the Company, availability and prices of raw material and other inputs, CAPEX plans, expenditure on research and development, possibilities of own

rubber plantations, market reach, women empowerment, managerial remuneration, optimization of product mix and working capital, discount coupon to shareholders, etc.

The queries of the Speakers were replied by the Chairman and the Company Secretary. The Chairman thanked the Speakers for their keen interest in the proceedings. The Chairman stated-

"I believe all the questions of the Shareholders have been replied to their satisfaction. May I, therefore, with your permission declare the Meeting as closed. However, please note that the e-Voting window will remain open for another 15 minutes for voting by the Shareholders who have so far not cast their votes. I thank you all once again for your participation in the 68th Annual General Meeting and wish all of you and your family to stay safe and healthy. Thank you very much members for joining us and participating in this AGM and it was indeed very important. Your presence has made all the difference. Thank you so much."

Shri Jitendra Pancholi, a shareholder presented a vote of thanks to the Chair

The meeting concluded at 1.38 PM IST.

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