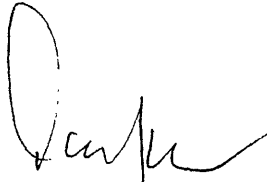






FORM - A

Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges
Financial Year ended 31st March 2014

1.	Name of the Company	JK TYRE & INDUSTRIES LTD.
2.	Annual financial statements for the year ended	31st MARCH, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	<p> (Dr. Raghupati Singhania) Chairman & Managing Director</p> <p> (A.K. Kinnara) Finance Director</p> <p> (O.P. Khaitan) Audit Committee Chairman</p> <p>For Lodha & Co. Chartered Accountants</p> <p> (Saurabh Chhajer) Partner</p> <p>Membership No.403325 Firm Registration No. 301051E</p> <p></p> <p>28 MAY 2014</p>	

ANNUAL REPORT 2013 - 2014

*MAKING OUR MARK
ON THE GLOBE*



 **JKTYRE**
& INDUSTRIES LTD.

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Dear Fellow Shareholders,

The year gone by was indeed full of challenges. The slowdown in economic activity coupled with high interest rates and fuel prices had direct impact on the automotive industry. This, in turn, affected tyre demand. The Company met such challenging business environment head-on through several customer centric measures. In addition, concerted efforts resulted in exports registering a growth of 23%. These measures helped in improving Company's operations and profitability.

The long term outlook for domestic tyre industry remains positive. Expected higher economic growth would result in increased demand for cars and transportation in general, along with better connectivity, which will result in higher demand for tyres in the coming years. Your Company is future-ready to meet this expected growth in the times ahead.

Your Company crossed a new milestone with export of ₹ 1,040 Crores during the year 2013-14. This has been achieved despite tough market conditions prevailing in the Middle East, Africa and South East Asian countries amidst strong political and economic turbulence.

It sells tyres in over 100 countries across six continents and it is rewarding that brand 'JK Tyre' enjoys a premium status in a number of these markets.

JK Tornel, Mexico has also performed very well and continues to add value to your Company's overall growth strategy and profitability.

As a responsible corporate citizen, JK Tyre has always believed in the philosophy of development of society at large and particularly the communities in and around its various manufacturing locations. Since its inception, the focus has been specially in the areas of Health, Education including Adult Literacy, development of social infrastructure and promoting sports. JK Tyre has actively embraced green initiatives not only in its surroundings but also its products and processes.

I take this opportunity to acknowledge whole hearted support of all stakeholders and our committed teams in our growth endeavours.

With your continued support, dear shareholders, I am confident that JK Tyre will move from strength to strength in the times ahead.

Best regards,

Raghupati Singhania
Chairman & Managing Director

AUDITORS
Lodha & Co.
Chartered Accountants

REGISTERED OFFICE
Jaykaygram,
PO - Tyre Factory,
Kankroli - 313 342
(Rajasthan)

ADMINISTRATIVE OFFICE
3, Bahadur Shah Zafar Marg,
New Delhi - 110 002

VICE PRESIDENT (LEGAL) & COMPANY
SECRETARY
Pawan Kumar Rustagi
CIN: L67120RJ1951PLC045966



Board of Directors: Sitting (L to R) Bakul Jain, Vimal Bhandari, Bharat Hari Singhania, Dr. Raghupati Singhania, Arvind Singh Mewar, Om Prakash Khaitan, Dr. Wolfgang Holzbach
Standing (L to R) Kalpataru Tripathy, Arun K. Bajoria, Vikrampati Singhania, Swaroop Chand Sethi



BOARD OF DIRECTORS

Dr. Raghupati Singhania
Chairman & Managing Director

Arvind Singh Mewar

Bharat Hari Singhania
Managing Director

Om Prakash Khaitan

Bakul Jain

Kalpataru Tripathy

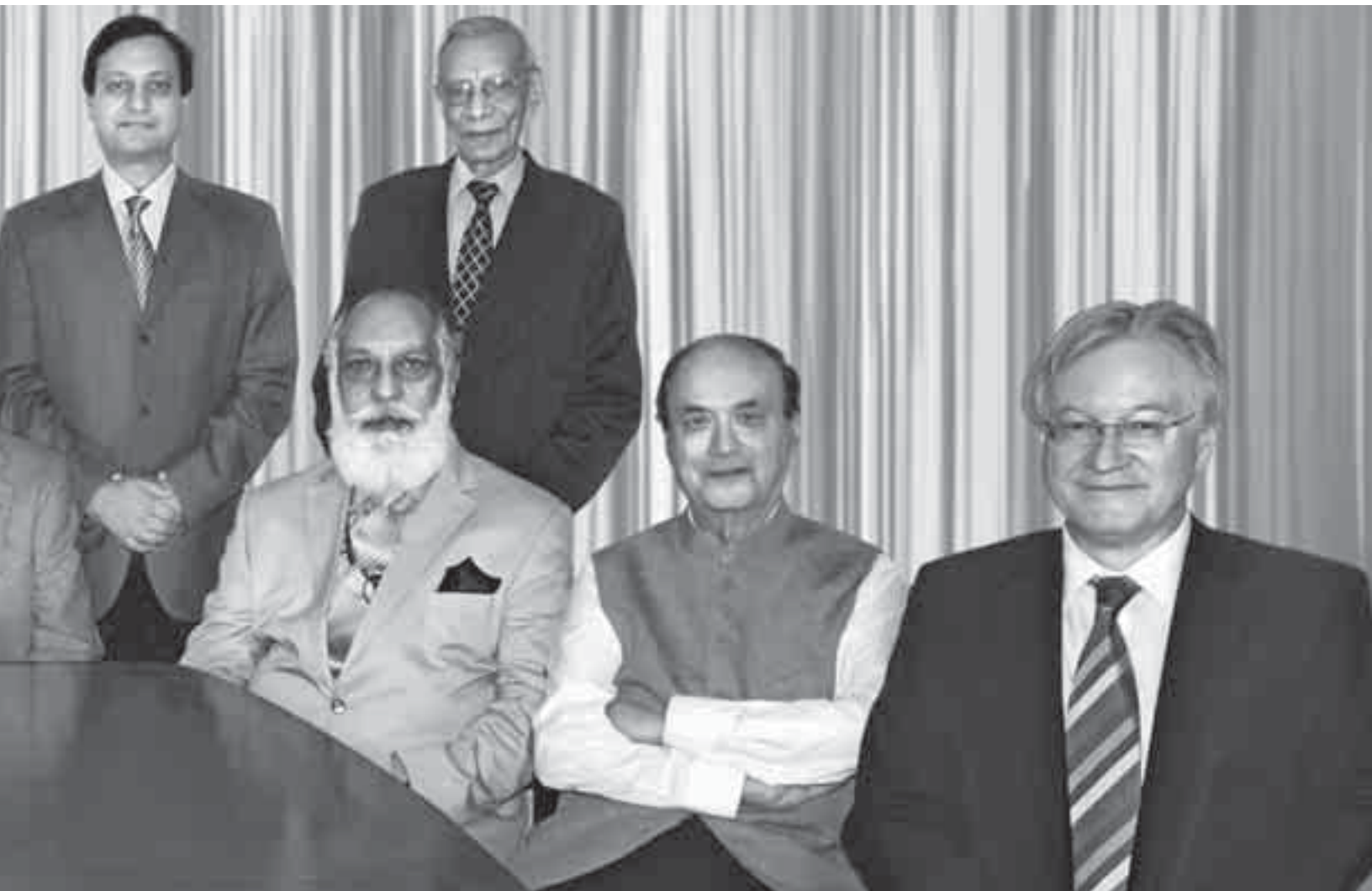
Vimal Bhandari

Dr. Wolfgang Holzbach

Vikrampati Singhania
Dy. Managing Director

Swaroop Chand Sethi
Whole-time Director

Arun K. Bajoria
President & Director



Visit us at www.jktyre.com

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Annual Report of your Company, along with Audited Accounts for the financial year ended 31st March, 2014.

OPERATIONS

Your Company along with its wholly-owned subsidiary JK Tormel, Mexico achieved a consolidated turnover of ₹ 8,279 Crores, Operating Profit of ₹ 890 Crores and Profit Before Tax of ₹ 374 Crores, higher by 42% over the previous year.

On a standalone basis, the Company achieved a turnover of ₹ 6,577 Crores. Operating Profit for the year was ₹ 672 Crores, an increase of 34% over the previous year, and Profit Before Tax at ₹ 195 Crores.

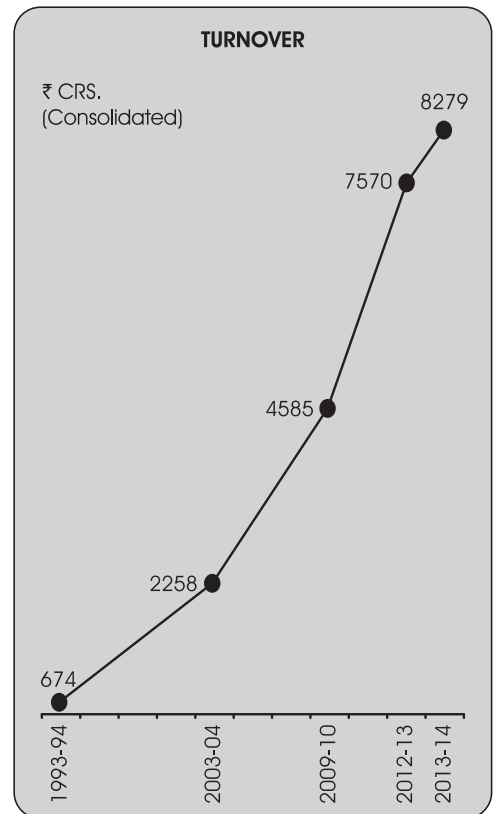
The economy was in a recessionary trend throughout the year with the average GDP growth clocking 4.5%. Manufacturing sector was worst affected which resulted in a negative growth. Subdued economic activity coupled with high rate of interest and high fuel prices adversely affected the automobile sector. Commercial vehicle manufacturers had to resort to heavy production cuts.

For the first time in the last 10 years the Passenger Car sales experienced a decline this year. In fact, even the reduction in excise duty for vehicles in both passenger and commercial segments failed to boost sales or add any comfort to the situation.

As a result of these factors which impacted the automobile industry, the demand for tyres remained sluggish both in commercial as well as passenger segments. The only breather, however, was a significant growth in demand of 23% in the Farm tyres segment.

The Company met the challenging economic environment by deploying multi-pronged measures. JK Tyre renewed its thrust on higher penetration in the replacement market and adding new OEMs. The Company widened its network of customer touch points, such as, 'JK Tyre Steel Wheels' and 'JK Tyre Truck

Wheels', which enabled it to strengthen its customer service. Several new products offering higher value added features, were launched in both Commercial as well as Passenger tyre categories, which have received excellent consumer feedback.



Concerted efforts were made in the export markets, resulting in the Company being able to widen its global footprint, in addition to increasing volumes in the existing markets. As a consequence, JK Tyre's exports clocked an all-time high of ₹ 1,040 Crores, registering an impressive growth of 23%.

These measures were supplemented by continuous cost compression initiatives, optimisation of resources and attaining better operating efficiencies. Correction in high raw material prices also helped in Company's improved operations.

As the macro-economic fundamentals of the Indian economy remain intact with several infrastructure projects gradually picking-up, it can be expected, that the economy would certainly show an upward curve. The outlook remains positive as the improving scenario promises a better demand for tyres in the coming years.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 5 per Equity Share of ₹ 10 each (i.e. 50%) on the Equity Share Capital of ₹ 41.06 Crores. The Dividend



outgo will be ₹ 24.02 Crores (inclusive of dividend tax of ₹ 3.49 Crores).

APPROPRIATIONS

The amount available for appropriation, including surplus from previous year is ₹ 201.93 Crores. The Directors propose this to be appropriated as under:

	(₹ Crores)
General Reserve	75.00
Dividend	20.53
Corporate Dividend Tax	3.49
Surplus carried to Balance Sheet	102.91
	<u>201.93</u>

ISSUE OF WARRANTS

With a view to augment its net worth, the Company made Preferential Issue of 43,03,350 Warrants to the Promoter Group, aggregating to ₹ 49.49 Crores based on a price prescribed under relevant SEBI regulations in that regard.

An amount of ₹ 12.37 Crores being 25% of the total consideration of the issue value, was received and accordingly allotment of warrants was completed on 16th December, 2013. Each Warrant is convertible into one Equity Share of the Company as per the terms of the issue.

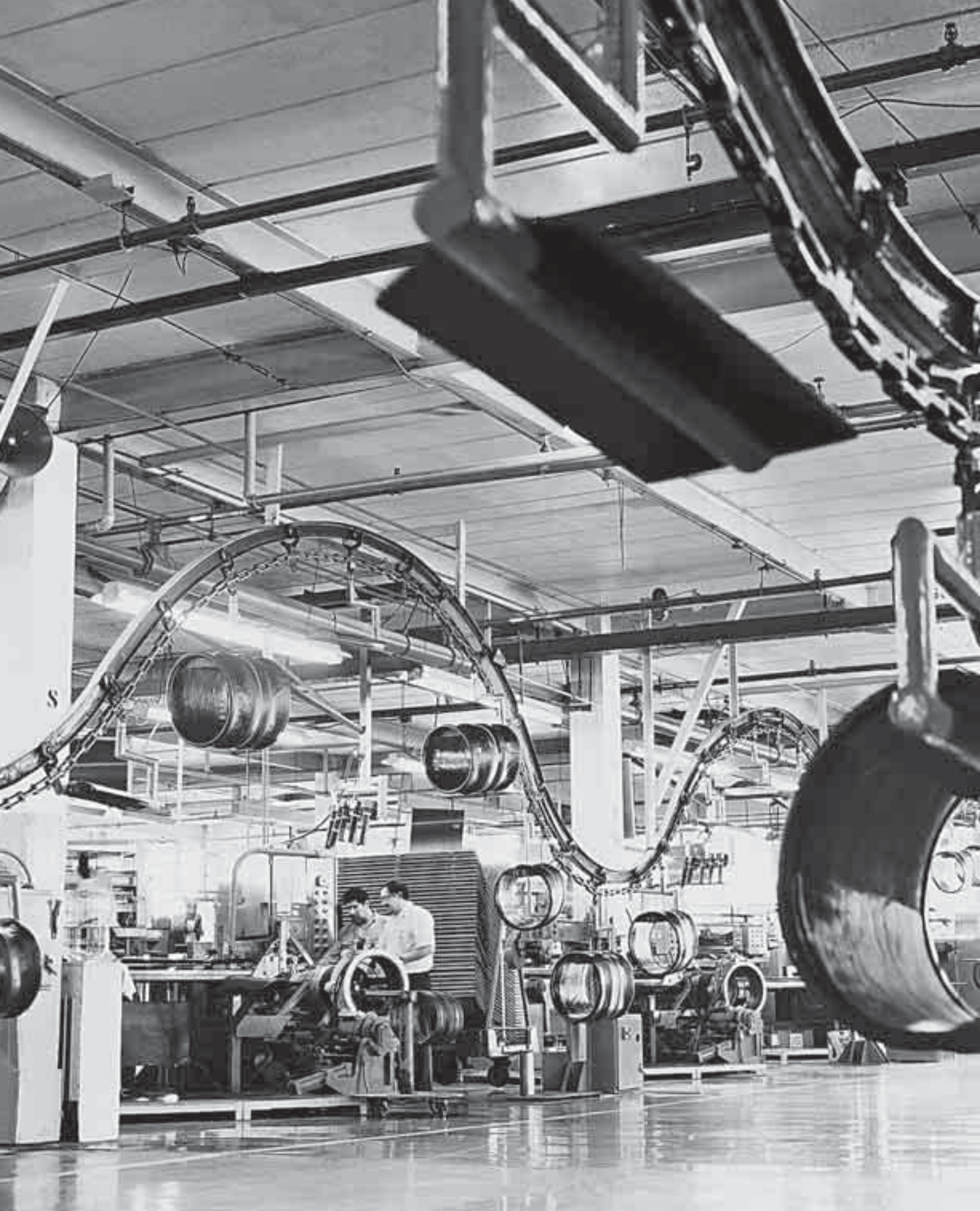
JK TYRE RACES AHEAD

JK Tyre continued its growth journey undeterred by the economic slowdown.

- Consolidated turnover including JK Tormel, Mexico at ₹ 8,279 Crores – up by 9%.
- Consolidated Profit (PBT) at ₹ 374 Crores – up by 42%.
- Total exports (India and Mexico) - ₹ 1,605 Crores – up by 20%.
- Maintained its No.1 position, in Truck/Bus Radial with a market share of 34%.
- Introduced new value added products – 7 in Commercial category and 3 for Passenger Cars – received excellent customer acceptance.
- In another first, JK Tyre partnered with Tata Motors to host the first ever Truck Racing event in India. All racing trucks were exclusively fitted with specially made JK Racing tyres, which performed extremely well, as also acknowledged by the International drivers.
- JK Tyre National Karting Championship completed 10 years.



Lakshmipat Singhania - IIM, Lucknow 'National Leadership Awards' – Hon'ble Vice President of India Shri Hamid Ansari with distinguished winners





EXPORTS - Scaling new heights

Anticipating slower growth in domestic market due to apparent sluggish trends in the economy, the Company as a strategy had re-inforced its effort of exploring newer markets beyond the Indian boundaries and scaling up its sales in the existing export markets right at the beginning of the financial year.

It gives the Directors great pleasure to report, that the Company achieved exports worth ₹ 1,040 Crores during the year 2013-14, recording an increase of 23% over the previous year. This was achieved despite tough market conditions prevailing in Middle-East, Africa and South-East Asian markets.

JK Tyre continues to enjoy a premium-brand status in various international markets including Americas and Australia. In fact, your Company tyres are now running on the roads of 100 countries across six continents, offering a wide range of high quality products.

JK TORNEL

JK Tornel continues to perform well and has recorded a turnover of ₹ 1,735 Crores for the 15 months period (January 2013 to March 2014) despite a slowdown in US and South American markets. It improved its profitability further with the highest ever PBT of ₹ 179 Crores for the period. The plants at Mexico, manufactured 'JK Tyre' and 'Vikrant' branded tyres apart from its range of 'Tornel' brand tyres.

JK Tornel expansion project to enhance PCR capacity is progressing as per schedule. The Company will have a significant increase in production from next year.

EXPANSION PROJECTS – FUTURE READY

Notwithstanding the current slowdown in the auto industry, the medium and long-term prospects are promising. It is expected that commercial and passenger vehicle industry will grow at 7-8% and 11-12% respectively in the next 4-5 years time.

Truck/Bus Radials will continue to grow due to new generation vehicles being fitted with Radials and expected boost to investment in overall infrastructure growth. These factors will lead to higher radialisation in commercial segment at a faster pace. It is expected

that from the present levels of 27% radialisation, it will grow to nearly 69% by 2017-18. In addition, there is a huge opportunity for export of Truck/Bus Radials as well as Passenger Line Radials in the global markets.

In order to capture these opportunities, the Company has undertaken an expansion of Truck/Bus Radials and Passenger Line Radials capacities. This ₹ 1,430 Crores project is expected to be commissioned by 2015-16.

In addition, Company's ongoing expansion to enhance SCV, Farm and Passenger Line Radial capacities has been commissioned and benefit of higher production is expected in the year ahead.

CUSTOMER FIRST

JK Tyre has resolved to continuously give better products keeping the evolving customer needs at the centre of every activity it plans or undertakes. In this endeavor, your Company has been undertaking measures to offer several value added services to its esteemed customers. In Truck/Bus segment, there have been a number of initiatives like 'JK Tyre Truck Wheels', 'JK Tyre Care Centers' and 'Fleet Management'.

'JK Tyre Truck Wheel' Centers are located at major transport hubs across the country. These centers provide exclusive services like Wheel Alignment, Wheel Balancing and Nitrogen Inflation.

READY TO TAKE ON THE WORLD

- Pioneered PCR & TBR Technology in India
- Widespread distribution network
- TBR-India leadership, world now in focus
- Winning mantra – commitment to excellence



Fleet Management programmes provides exclusive services to the key fleet accounts. These include Tyre Care & Maintenance Support, Data Management, Driver Training and 'Heal the Wheel' service camps. During the year, the Fleet Management service was further widened by increasing its reach.

In the Passenger Car Segment, JK Tyre has a unique Tyre breakdown assistance service called 'Fix-a-Tyre' in Delhi, NCR and Chennai. JK Tyre has been operating a chain of one stop retail & tyre care outlets called 'JK Tyre Steel Wheels'. 120 such retail outlets around the country are in operation and generate a significant portion of PCR sales. These outlets also provide services like Wheel Alignment, Wheel Balancing, Automatic Tyre Change and Nitrogen Inflation, besides selling a wide range of JK Tyre Passenger Car Tyres.

JK TREADS

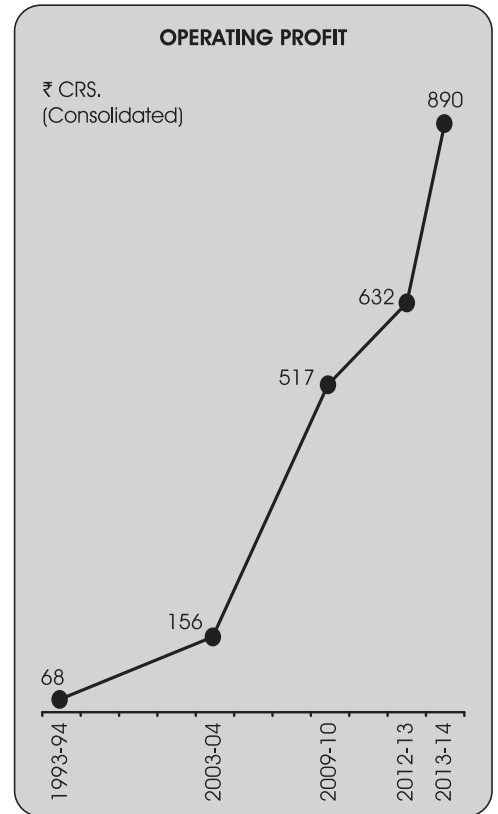
The Company's retread business under the brand "JK Treads" has grown. It offers retreading solutions through a chain of franchise retreaders across the country. This initiative has been appreciated particularly by the Truck/Bus Radial customers, which help them derive maximum life and optimum value from high performing JK Radials.

R&D AND TECHNOLOGY

Technology leadership is at the core of all R&D activities of the Company. Multi-disciplinary teams of scientists and technologist through a synergetic blend of knowledge, experience and hard work are actively engaged in maintaining Company's technological leadership.

JK Tyre Tech Center and other in-house R&D Centers are extensively engaged in technology development and upgradation in the areas of material, new as well as future ready products and processes. The use of high end tools and predictive technologies in association with, "Hari Shankar Singhania Elastomer and Tyre Research Institute" (HASETRI) and "RPS Center of Excellence for Tyres and Vehicle Mechanics", located at IIT Madras, leads your Company towards innovation and creativity, the driving force behind the technology growth.

Your Company has set up a "Satellite Product Design & Development Centre" at JK Tonal, Mexico, manned by highly skilled Development Engineers, so that customer expectations for both OEMs and Replacement segments in NAFTA Region and in the South American markets, are well understood and met in the ever growing competition.



MOTORSPORTS

During the year, your Company initiated many path-breaking motorsports events. JK Tyre introduced 'JK Racing India Series' which featured BMW engine powered FIA homologated FB02 Formula Cars and provided a lifetime opportunity to twelve of India's best racing drivers below 18 years of age to live their dream.

For the first time in the history of Indian Motorsport, your Company hosted a round of National Rally Championship and JK Tyre Racing, together at the same time and venue. The entire motorsport fraternity converged to witness history in the making. The last two rounds of the JK Tyre Racing Championship were hosted at world class Buddh International Circuit.

The second year of JK Tyre Himalayan Drive Car Rally, run under the aegis of Government of Sikkim and West Bengal, attained newer heights in terms of participation and media coverage.



In another first, JK Tyre partnered with Tata Motors to host the first ever Truck Racing event in India. All the participating racing trucks were fitted with JK Truck Radial Racing tyres which were specially made for this application.

AWARDS

Your Company received several coveted awards for its pioneering efforts during the year. To mention a few - Golden Peacock Award for HR Excellence – 2013, Greentech CSR Award 2014, 14th Annual Greentech Environment Award 2013 “Gold” Category in Rubber Sector, Manufacturing Excellence Award - Best in Class operational Excellence Award by CMO Asia & Stars of the Industry (World Brand Congress) & several others.

DIRECTORS

Shri Swaroop Chand Sethi retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

Shri Bakul Jain and Shri Kalpataru Tripathy retire by rotation at the ensuing AGM and being eligible they are proposed to be appointed as Independent Directors of the Company, each for a term of five consecutive years commencing from the date of ensuing AGM. Shri Arvind Singh Mewar, Shri O.P. Khaitan, Shri Vimal Bhandari and Dr. Wolfgang Holzbach whose period of office is liable to determination by retirement of

Directors by rotation are also proposed to be appointed as Independent Directors of the Company, each for a term of five consecutive years commencing from the date of ensuing AGM. The Company has also received declarations from the said Directors about their independence pursuant to Section 149 of the Companies Act, 2013.

CONSERVATION OF ENERGY ETC.

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this Report and forms part of it.

SUBSIDIARY COMPANIES

The particulars required under the provisions of the Companies Act, 1956 in respect of the subsidiary companies are appended.

The statement pursuant to Section 212 of the Companies Act, 1956 read with General Circular No. 51/12/2007-CL-III dated 8th February, 2011 of the Ministry of Corporate Affairs, containing the details of the Company's subsidiaries is attached.

In terms of the said Circular dated 8th February, 2011 and the Company having satisfied the conditions stipulated therein, copies of the Balance Sheet, Profit & Loss Account, Reports of the Board and the Auditors of all the subsidiary companies have not been attached



Dr. Raghupati Singhania, Arun K. Bajoria, V.K. Misra and Kumar Joshi at the inauguration of the JK Tornel Satellite Tech Center, Mexico

 **Goodyear**





to the Balance Sheet of the Company. However, the annual accounts of the subsidiary companies and the related detailed information will be made available to the members of the Company and of the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are also available for inspection by any member at the Head Office of the Company and that of the subsidiary companies concerned.

AUDITORS

M/s Lodha & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The observations of the Auditors in their report on Accounts read with the relevant notes are self explanatory.

COST AUDIT

The Cost Audit for the financial year ended 31st March 2013 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India. The Audit of the cost accounts of the Company for the financial year ended 31st March 2014 is being conducted by the said firm and the Report will also be filed.

PARTICULARS OF EMPLOYEES

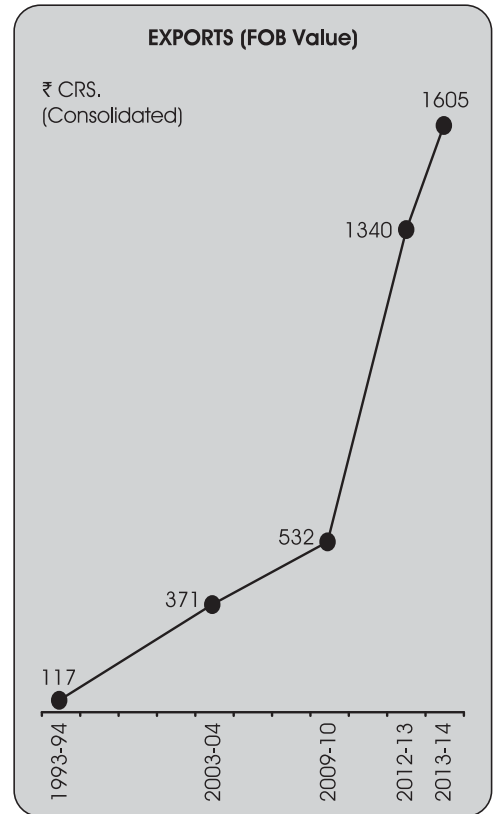
Information in accordance with the provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended regarding employees is annexed to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the members of the Company and others entitled thereto, excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development, etc.

Pursuant to the provisions of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor CSR related activities in terms of the said provisions and Rules, comprising of Dr. Raghupati Singhania

(Chairman of the Committee), Shri Arvind Singh Mewar and Shri Arun K. Bajoria, as members.

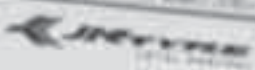


CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of



JK Tyre Truck Wheels centre


जे.के. टायर के सौजन्य से संचालित
परिवर्तन परियोजना
आपका हार्दिक सन्तुष्ट करता है





Corporate Governance are made a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act 1956, your Directors state that:-

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 or loss of the Company for that period;
- iii) proper and sufficient care has been taken for 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; and
- iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation received from various State Governments including those of Rajasthan, Madhya Pradesh, Karnataka, Tamil Nadu and the Governments of India and Mexico. The Directors also thank 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 march ahead in these challenging times.

On behalf of the Board of Directors

The 28th May 2014
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director



Dr. Raghupati Singhania presenting a trophy to a Channel Partner



Arun K. Bajoria presenting trophy to the winning team of the JK Tyre-Maruti Suzuki Cricket Match



Arun K. Bajoria receiving 'Aaj Tak Care Award' from Shri Sachin Pilot, Hon'ble Minister of Corporate Affairs, Govt. of India

ANNEXURE TO DIRECTORS' REPORT

A. ENERGY CONSERVATION

Your Company continues to maintain its focus on sustainability through a systematic energy conservation program in all its manufacturing facilities. Innovative energy saving methods like heat recovery from hot water condensate systems, high technology variable frequency drive (VFD) and AFBC (Atmospheric Fluidized Bed Boilers) are deployed in the plants. Energy efficient lighting system, optimum use of sunlight for day lighting with use of light pipes, energy efficient motors, use of closed loop water cooling system for electrical control panels, Power factor improvement techniques, water harvesting and recycling are integral to our energy conservation program.

B. TECHNOLOGY ABSORPTION

a) Research & Development

i) Areas of R&D activities

Maintaining continued edge in technology through innovation and creativity in R&D has been the focused area at JK Tyre.

In an environment where innovation and creativity is encouraged, we have trained highly skilled team of Scientists, Technologists and Engineers who are constantly engaged to develop cutting edge technologies.

Through these initiatives JK Tyre over a period has reaped rich dividends by maintaining technology leadership. Our Truck Radials today enjoy No.1 status in India. Similarly in the case of Passenger Radial, new products have been developed for high performance and many of our products are OEM fitment to global new generation vehicles. Our focused R&D efforts towards Green initiative led us to developing the lowest rolling resistance tyres which are preferred by many OEMs.

ii) Expenditure on R&D

The expenditure on R&D during the year was ₹ 29.94 Crores, which was 0.46% of the turnover.

b) Technology, Absorption and Innovation

i) Efforts towards Technology Absorption, Adaptation and Innovation

The focused strategy by the Company of Technology Self Reliance (TSR) has enabled Company to clearly define road map and milestones for technology development to meet future challenges head on.

In this direction continuous improvement in products and processes through advanced research in crucial area of tyre technology are being carried out in JK Tyre Tech Center, in-house R&D Centers, JK Tyre promoted HASETRI and RPS Center of Excellence at IIT Madras.

The latest addition of 'Satellite Tech Centre' at Mexico will support our already strong participation in the competitive markets like Americas.

In addition, through continuous upgradation and modernization of plants, evaluation and testing techniques, skill development of people, JK Tyre continues to maintain its Technology leadership in India.

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

During the year, your Company launched 67 new products across several categories developed by our in-house Tech Centre/R&D Centre some of which are benchmark products in the market.

The Company has thus derived immense benefits as a result of the above efforts in the areas of better market penetration, acquiring new OE approvals, enhancing market share and profitability through product performance improvement, improved product reliability, optimization of material, new product development, uses and cost optimization. These efforts will continue and will greatly benefit in the growth of the Company in the times ahead.

C. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ Crores	
	2013-14	2012-13
Foreign Exchange Earnings	1,057.99	864.78
Foreign Exchange Outgo	1,748.80	1,688.24



PARTICULARS OF CONSERVATION OF ENERGY

I. Power & Fuel Consumption

	2013-14	2012-13
1. Electricity		
a) Purchased:		
Unit (Kwh in lacs)	2,074.89	1,790.83
Total Amount (₹ in Crores)	122.51	100.79
Rate / Unit (₹)	5.90	5.63
b) Own Generation:		
Fuel Oils		
Unit (Kwh in lacs)	4.40	3.82
Unit / Ltr. of Fuel Oil (Kwh)	2.47	2.63
Cost / Unit (₹)	22.11	16.16
c) Turbo Generator:		
Thru Coal		
Unit (Kwh in lacs)	352.16	405.64
Unit / MT of Coal	837.44	780.30
Cost / Unit (₹)	6.31	6.88
2. Coal		
Quantity (MT)	196410	196007
Total Amount (₹ in Crores)	96.26	100.07
Average Rate (₹/MT)	4901	5105
3. Furnace Oil		
Quantity (KL)	1101	1579
Total Amount (₹ in Crores)	4.52	6.20
Average Rate (₹/Ltr.)	41.09	39.26
4. Nitrogen Gas		
Quantity (Lac M3)	4.96	0.52
Total Amount (₹ in Crores)	0.57	0.06
Average Rate (₹/M3)	11.51	11.50
II. Consumption per unit of production:		
Electricity (Kwh/MT)	941	930
Coal/Furnace Oil	0.61	0.59



Arun K. Bajoria presenting the Indian car of the year award to Mr. J.H. Shin, Sr. Director and Mr. Rakesh Srivastava, Sr. VP Sales and Marketing, Hyundai Motor India Ltd.



Mr. Siddharth Lal, MD & CEO, Eicher Motor Ltd. receiving the Indian Motorcycle of the Year Award from Arun K. Bajoria



Arun K. Bajoria receiving 'Golden Peacock HR Excellence Award' conferred on the Vikrant Tyre Plant, Mysore, during the London Global Convention 2013

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

The Indian Economy, this year, faced multiple challenges both in the domestic as well as global markets. High inflation, slack investments and operational bottlenecks impacted the economy round the year.

As per Centre for Monitoring Indian Economy (CMIE) data, during the fiscal 2013-14 projects worth ₹ 6.2 trillion were shelved. Industrial output shrunk and the mining sector also registered a sharp decline. The overall sluggish performance was reflected in the sub 4.5% GDP growth.

On the external front, the rupee depreciated considerably touching ₹ 68 to a dollar at one point of time. The widening Current Account Deficit which was hurting the economy was brought somewhat under control with Government intervention.

However, despite the odds witnessed during the year, India's growth in the coming years is expected to be relatively stronger compared to other emerging markets. The economic outlook for 2014-15 as well as subsequent years, is expected to be better, with growth estimates pegged at over 6%.

AUTOMOTIVE INDUSTRY

Resonating with the sluggish economic situation, the automotive sector in 2013-14 witnessed a drop of 4% in the overall four-wheeler vehicle sales. The commercial segment suffered the most with Heavy Commercial Vehicles (HCV) sales dropping by 21%, and the Light Commercial Vehicles (LCV) by 3% decline in sales. The steepest fall was witnessed in the Small Commercial Vehicles (SCV), which was a fast growing segment - a whopping decline of 30%. In view of the subdued demand during the year, many vehicle manufacturers had to resort to significant cuts in their production.

Despite the efforts of car manufacturers to incentivize sales, this fast growing segment witnessed a de-growth of over 4%, after many years. The frequent increases in diesel prices led to a decline in diesel vehicle demand. This was primarily due to significant reduction in the gap in the overall cost of owning a petrol and a diesel car and Multi Utility Vehicle (MUV). The MUV segment witnessed a marginal growth of 1%.

The rather delayed stimulus of an excise duty cut on vehicles did not yield any significant relief even in the short-term. However, some manufacturers could buck the trend largely on account of new product launches, like compact Sports Utility Vehicles (SUV) and Cars. The Tractor segment, however, registered a sales growth of 17%.



After great success in Delhi NCR Region, India's First 24X7 On-Road Tyre Assistance Service was launched in Chennai



INDIAN TYRE INDUSTRY

The macroeconomic environment in the year gone by was just not conducive for a high growth in the industry. In fact sustaining the top line growth was a challenge in the four wheeler tyre segment. Production had to be adjusted to address reduced OEM off take, high inventory levels and lower secondary sales in the aftermarket in all categories of tyres with the exception of the Farm tyres.

The demand, in the largest segment by value i.e. the truck/bus tyres, dropped by about 10%. With Radialisation reaching a level of 26% & further expected to grow to 35% in the coming year, the truck bias tyre demand de-grew faster and dropped by 15%.

The light and small commercial tyre segments also saw decline of about 11% in sales. The demand in the fast growing passenger car radial segment as well, dropped by about 3%. However riding on the increase in agricultural production there was a robust growth in tractor tyre demand by over 20%.

With increased availability and slackened demand, the competitive intensity in the market increased, especially in TBR and PCR segments. The cushioning factor indeed was the stable raw material prices as well as the positive impact of the weakened rupee on export earnings.

JK TYRE – INDIA OPERATIONS

JK Tyre took several measures to address the challenges thrown up by a sluggish market and volatile business scenario. Deft management coupled with strategic business interventions enabled the topline as well as bottomline to grow.

Across market geographies and OEM accounts, value enhancement, achievement of market-share objectives, channel expansion, and product innovations were the key areas of the organizational focus.

BRAND 'JK TYRE'

In addition to the ongoing efforts to enhance the Brand equity of 'JK Tyre', many new Brand Building initiatives were undertaken during the year.



JK Tyre at Automechanica, Dubai, UAE



JK Tyre at International Auto Parts Exhibition (INAPA), Indonesia

GLOBAL PRESENCE

- Present in 100+ countries
- Strong brand equity across Americas, Australia, the Middle East
- 6 marketing hubs - India, Mexico, USA, Brazil, UAE and Uruguay
- Extensive reach; 125+ distributors across 100+ countries
- Strong customer base, bonding over 25+ years







JK Tyre was consistently visible in both the print and electronic media throughout the year. The integrated multimedia brand campaign 'The Farther You Go, The Closer You Come' was well received by the market. The rapidly evolving digital media including web, was leveraged for increasing the brand awareness and visibility. At the ground level, outdoor-media campaigns were significantly increased across major target markets. Once again, JK Tyre was selected a "Super Brand".

Category-wise business overview & initiatives are outlined below:

TRUCK/BUS SEGMENT

Bias

In the domestic market despite an overall degrowth, the JK Tyre market share in Truck/Bus Bias segment improved and will continue to remain an area of prime focus. Company's product offerings cater to customer needs across load segments. Premium offering like Jet Xtra Load in 18 PR construction was introduced in emerging sizes like 11.00-20 and Jet Trak 39 Extra in 8.25-20.

Truck/Bus Radials - No. 1 with 34% share

The growth in this segment has generated high interest of both Global as well as domestic Tyre majors. Rapid capacity expansion and market presence is intensifying the competition further.

JK Tyre, which continues to be the leader in Truck/Bus Radials, is the prime mover of this category in India and is maintaining its No.1 position with a market share of 34%. It today has the widest range of tyres suitable for all applications. The range was further augmented by an array of technologically superior products like JETSTEEL JDE, JETSTEEL JDL, JETSTEEL JDC3, JETWAY JUC3 & JUH3+. Tubeless tyres in this segment are becoming increasingly popular. JETSTEEL JDH 3 was introduced to meet this growing demand.

The highly successful customer care Programme - Fleet Management & CRM initiatives for channel partners continued to be industry benchmarks. Customer Engagement platforms like Fleet Meets and Customer factory visits facilitated high levels of interaction and knowledge sharing about products, processes and after sales services.

The "JK Tyre Truck Wheels" network was further expanded during the year. Equipped with alignment, balancing, automated tyre changing & nitrogen air inflators, these are one-stop Service Centers for Truck/Bus tyres. Expert tyre care for Commercial Vehicles is provided at these centres enabling superior tyre life and reduced cost per kilometer. As an ongoing effort, the Driver Training and Repair Retread programmes were held across the country, in a drive to educate customers on Truck Radial Tyre Usage.

LCV/SCV TYRES

In the LCV segment premium products like Jet extra and Jet R miles were introduced, which enjoy high consumer preference. The new tyre in this segment, 155 D 12 Jumbo Magic, has already attained a market leadership in a short time since its introduction. Extensive ground level promotions were conducted to connect with consumers and JK Tyre's market share in SCV segment nearly doubled to over 30% during the year. Radialisation in this segment is catching up fast and the Company already has several product offerings in this range of tyres.

PASSENGER CAR RADIALS

Extensive customer care programmes and Brand push, helped JK Tyre increase its market share in this segment. "Fix-a-Tyre" - the foot print of India's first and only unique 24x7 on road tyre assistance service was extended to Chennai. Tyre Care activity branded as "Monsoon Protection Drive" was conducted during the monsoon season, in 35 cities at almost 200 High Traffic Indian Oil Petrol Pumps. Several new "JK Tyre Steel Wheels" with new look retail were opened during the year taking the total number of Steel wheels to 120.

To meet the growing customer demand, 'UX-1' an ultra high performance range of PCRs was introduced which is well received in the market. The UX-1 has been accorded the 'Auto Bild Golden Steering Wheel Award 2013'. Additionally, new tyres, Ultima Neo and Ultima Sport were also launched and are selling well in the market.

FARM TYRES

Many new sizes have been developed and introduced in the premium 'Sona 1' range, which received good response both by OEMs as well as replacement market.

Project 'Kisan Mitra' was initiated, under which, farmer counseling was conducted. More than 20,000 farmers across 12 states availed of this initiative. Award winning nationwide participation in over 15 Kisan Melas, facilitated reaching out to markets, customer interaction and product demonstration.

OFF THE ROAD TYRES (OTRs)

It is a matter of pride that Caterpillar has chosen JK Tyre OTRs in size '24.00-35 48 PR VEM 045 E4 TL', as OE fitment for large/ultra large 60 Ton Rear Dump Trucks. In addition, seven new sizes were introduced for both domestic as well as export markets.

OEM & INSTITUTIONAL BUSINESS

JK Tyre continues to partner India's leading Automotive Majors and several prestigious car launches have rolled out on JK Tyre, including the popular Maruti Celerio. Commercial supplies commenced to Honda Motors for their highly successful Brio & Amaze Cars.

In the commercial segment, '8.25 R 20 JDH and JUH 3', Company's newly introduced high performance Truck Radial tyres with value added features, have been approved by Daimler Benz, Volvo Eicher and Tata Motors after a rigorous OEM approval procedure.

In the defence sector a speciality tyre '355/90-20 18 PR' for the sand cum highway application was developed and supplied to Vehicle Factory, Jabalpur, for fitment on Defence trucks.

It is also a matter of pride that the Self Certification facility for JK tyre has been further renewed. JK Tyre's Banmore Plant, was recently ranked No.1 Vendor in the Tyre Category by Maruti Suzuki India Ltd.

SERVE TO SUCCEED – CUSTOMER FIRST INITIATIVES

JK Tyre considers the trade channel members as partners in progress. Ten new products, with value added features were introduced in a 'Future Ready' nationwide launch, in presence of all channel partners. A unique customer-reach initiative, called the "e-connect", was launched this year. This system provides realtime connect between channel partners and the Company which ensures speed, transparency and accountability.

The Technical Service team, with the objective of guiding end users on proper tyre usage and safety, conducted wide range pre-sales and post-sales programmes, at various locations including Defence Service camps and Defence manufacturing establishments. These initiatives have been well appreciated by the customers, as they provide direct connect between JK Tyre and them.

At JK Tyre, after Sales Service is indeed a Brand differentiator.

RETREAD BUSINESS

In a continuing endeavour to provide customers with complete tyre solutions and reduce operating cost on account of tyres, pre-cured tread rubber for Truck and Light Commercial Vehicles is marketed under the brand "JK Treads" through a rapidly expanding franchise network. In the year ahead the number of franchises will be further expanded.

INTERNATIONAL OPERATIONS

As a strategy, efforts were focused on the export markets, which has resulted in growth of 27% in Exports. Total International sales also recorded new heights during 2013-14. Aggressive marketing efforts including participation in Exhibitions like SEMA Show Las Vegas, Automechanika Dubai & Indonesia Exhibition, South American and Middle East distributor meets etc., have enhanced the prestige of Brand JK Tyre far and wide in International markets.

MOTORSPORT

It is a matter of joy to see that JK Tyre's pioneering efforts to promote motorsports over the years, is resulting in high spectatorship across all age groups for the sport.

In 2013, JK Tyre initiated several path-breaking events. The '16th JK Tyre Racing Championship' was held in Coimbatore and the world class Buddh International Circuit, Greater Noida. Apart from running the 'JK Tyre-Volkswagen Polo R Cup' & 'Formula 4 Category', this year for the first time, JK Tyre introduced the 'JK Racing India Series' which featured the BMW engine powered FIA homologated FB02 Formula cars and gave a lifetime opportunity to twelve of India's best racing drivers below 18 years of age to live their dream.



In another first in the history of Indian Motorsport, a round of 'National Rally Championship' and a round of 'JK Tyre Racing' were held together on the same date, same time and same venue in Coimbatore. A large motorsport fraternity converged at the Kari Motor Speedway to witness history in the making.

The last two rounds of the 'JK Tyre Racing Championship' were hosted at the world class Buddh International Circuit and it was overwhelming to see a packed grand stand with over 20,000 motorsport fans from across NCR in each event. To add to the excitement 10 of world's best lady race drivers - the "Lotus girls" participated in the final round of the championship.

The 'JK Tyre National Karting Championship' completed 10 years of its exciting journey and the grand finale for 2013 was held in a brand new karting circuit built in National Capital Region.

In a continuing effort to promote the sport, JK Tyre strategically widened the footprint in the North-East, and apart from organizing the annual 'Hornbill Rally' of Nagaland, a foray was made into Arunachal Pradesh by organizing the 'JK Tyre Arunachal Festival of Speed' under the patronage of Government of Arunachal Pradesh. For the second year, the 'JK Tyre Himalayan Drive Car Rally' run under the aegis of Governments of Sikkim and West Bengal, attained newer heights in terms of participation and media coverage.

Another path breaking initiative this year was partnering of JK Tyre with Tata Motors to host the first ever Truck Racing event in India. All participating racing trucks were fitted with 'JK Jet Racing' tyres of size 315/80 R 22.5 which were especially made for this application. It is commendable to note that the tyres were developed in a record time of 45 days and were well appreciated by all the international drivers. The event day was packed with exciting races and wholesome entertainment making it a landmark event in domestic racing.

REWARDING EXCELLENCE

Your Company recognizes excellence in the automotive industry. For the ninth year in succession, JK Tyre hosted the most prestigious awards the Indian Car of the Year 2014 (ICOTY) and



Commercial vehicle exhibition, Chennai



Service Camp for Defence Personnel at Tezpur, Assam



JK Tyre at Kisan Mela, Gorakhpur, UP

the Indian Motorcycle of the Year 2014 (IMOTY) which aims to recognise high class innovations in the four and two wheeler segments. The esteemed jury of ICOTY & IMOTY consists of editors of India's leading Automotive Journals. The awards were given away in a glittering ceremony in Delhi.

FINANCIAL PERFORMANCE OF THE COMPANY

Particulars	₹ Crores)	
	2013-14	2012-13
Sales & Other Income	6,576.54	6,015.21
Operating Profit (PBIDT)	671.65	500.41
Interest	248.30	206.53
Profit Before Tax (PBT)	195.05	150.31
Provision for Tax/(Credit)	60.37	44.77
Net Profit	134.68	105.54

During the year, the Company crossed another milestone by achieving sales of over ₹ 6,500 Crores. The profit of the Company has grown through achieving all round efficiencies and various cost reduction measures aided by correction in high raw material cost to some extent.

HUMAN RESOURCE DEVELOPMENT - Managing Talents

The Company is committed to creating a conducive environment that is focused on people and their capabilities enabling them to deliver superior performance.

Your Company firmly believes that talented and engaged employees are the critical differentiators and provide the competitive advantage for sustaining and growing the business in the intensified spiral of global competition. As such, JK Tyre has focused on getting the top talent for business and continues its focus on high performance, talent retention, talent development and customer first, as the corner stones of HR strategies.

The Human Resource Development encompasses several initiatives such as competency based development centres, well designed managements development programmes, a robust performance management & reward system and training & development throughout the year. Employee

engagement surveys are conducted periodically and follow-up action is taken so as to maximise the employee engagement.

During the year industrial relations across the plants remained cordial.

JK TORNEL, MEXICO

The subsidiary Company in Mexico has performed well, yet again in 2013. Sale during the year was almost ₹ 1,403 Crores with a healthy profit after tax. Despite sluggish commercial tyre market in Mexico, JK Tornel has achieved higher market share in the replacement market. The sale to OEMs, started two years ago, is progressing well. Tyres specially developed for Nissan, USA are fitted on the New York City Nissan taxis, which is a significant achievement and has enhanced the brand image of JK Tyre. Furthermore, JK Tyre Truck radials were introduced in the Mexican market and the sale is picking up well. Expansion project of Passenger Car Radial capacity is also progressing as per schedule.

OPPORTUNITIES

As is widely known, the economic slow down in 2013-14, affected various sectors, and automobile sector in particular, witnessed reduction in demand. However, the fundamentals of the Indian economy remained strong. The temporary skew in the economy should not be a deterrent for the numerous opportunities that are expected to arise in the automobile sector.

With huge network of roads already existing, expected revival of mining activities and expected reduction in inflation leading to lowering of interest rates thereby, are likely to provide a boost to economic growth and huge export opportunities. The automobile as well as tyre industry is well poised to leverage these opportunities in the short term as well as in the long term. The increased level of radialisation in truck segment is an opportunity for tyre industry and it has attracted interest of all major MNC companies who have already set-up their manufacturing facilities in India. International auto majors are either present in India or are on the anvil of entry into India. Huge investments have been committed by both automobile and tyre companies and the industry is well prepared to take benefit of this opportunity in growing segments like Truck Radials, Passenger Radials, SCV and Farm.



Your Company is future ready, to participate in these opportunities, for which it has already committed investments. These opportunities shall be leveraged through its strong brand image, product offerings of the highest quality, Research and Development, wide distribution channel and above all skilled human resource. These competencies of JK Tyre have helped in leveraging the growth in India as well as almost 100 overseas markets.

The JK Tyre Business Strategy is also based on realistic optimism and remains committed to profitable and sustainable growth.

RISKS AND CONCERNS

The demand for tyres is dependent upon many external factors like economic growth and infrastructure development in the country. The entire automobile sector is linked to these economic activities. Any slow down in these activities can affect the tyre demand adversely. Similarly, Government policies for economy in general and tyre industry in particular can also impact the demand for tyres as well as profitability.

Tyre industry is under going a phase of fast radialisation in truck and bus segment. In this backdrop, most of the tyre companies including MNCs are setting up manufacturing facilities in India with huge investments. With coming of the new capacities in operation, radialisation in this segment is expected to be fast. However, OEMs may continue to resort to production cuts owing to spilling over of economic slow down. Persistent tightening of monetary policy pursued by Reserve Bank of India to curtail inflation is also likely to impact off-take of commercial vehicles. Certain regulatory issues concerning mining are yet to be resolved, which again impacts growth of commercial vehicles. These factors may adversely affect the pace of radialisation as well as growth.

Off-take of passenger cars also suffered severely due to continued economic slow down and tightening of monetary policy, forcing passenger car manufacturers to resort to production cuts. Demand of farm tyres is dependent largely on the condition of monsoon and accordingly it is difficult to predict demand of this segment.

Your Company has increased its exports as a strategy. It also imports key raw material and other inputs. International commodity prices and volatile currency rates affect



Dr. Raghupati Singhania with Brand Ambassadors Armaan Ebrahim & Aditya Patel at the Grand Finale of the JK Tyre-National Karting Championship 2013



Dr. Raghupati Singhania with Hon'ble Governor of Nagaland Sh. Ashwani Kumar along with the winners of JK Tyre Hornbill rally of Nagaland 2013



Dr. Raghupati Singhania with Mr. Ravindra Pisharody, Executive Director and Mr. R. Ramakrishnan, Sr. V.P. Tata Motors at India's first T1 Prima Truck Racing Event





pricing of tyres and inputs. Similarly, custom duty changes in other countries and any adverse development in international affairs can also impact demand for tyres as well as cost of manufacturing of tyres in India.

All these factors are extraneous in nature and pose challenges which are beyond the control of your Company and could lead to lowering of profitability.

BUSINESS OUTLOOK

Last year, the economic performance of India was marred with slow economic growth, high inflation, volatile currency, etc. The policy logjams continued throughout the year under review. The automobile sector was adversely affected except farm segment. Tyre industry which is directly linked to the automotive sector was also impacted. However, with Government announcing reduction in excise duty on automobiles, expected revival of infrastructure projects, especially mining and expected measures likely to be taken post election by the new Government to bring down inflation, should put the economy back on track. Automobile, as well as Tyre Industry is keenly looking forward to the more conducive environment which should augur more growth. Infact, both automobile and tyre industry have committed huge investments of over ₹ 40,000 Crores in next 3-4 years and is optimistic of the revival of economic activity and its consequent positive outcome. Therefore, demand for tyres is expected to rise in the coming years.

INTERNAL CONTROL SYSTEMS

The Company has, since inception, laid down systems of internal control which are commensurate with the size and nature of 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 interest of the Company are well protected. The internal audit is carried out throughout 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 actions, in order to ensure that the internal audit system is effectively functioning. The recommended actions by audit are monitored and improvements are implemented which are regularly reviewed by Senior Management.

The IT systems of the Company are based on a robust ERP system ensuring seamless connectivity of Plants, Sales Offices and Head Office facilitating faster and most reliable processing of transactions as well as generating reports for faster decision making.

The Company also has a strong Budgetary Control system and Management Reporting system which serve as the backbone of the monitoring system of operations to ensure that business results are achieved and continuous improvement projects are undertaken.

CAUTIONARY STATEMENT

“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, statement about your Company’s strategy for growth, product development, market position, expenditures 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.

COMMITMENT TO INNOVATION

- World-class R&D setup
- State-of-the-art computing facility to stimulate innovation
- JV with IIT madras ‘Centre of Excellence’
- Competency in predictive technology, advanced mechanics, vehicle dynamics
- Committed Team - JK Tyre, India and JK Tornel, Mexico



CORPORATE SOCIAL RESPONSIBILITY

More than a hundred years ago the Founder of J.K. Organisation Lala Kamlapat Singhania had asserted his faith in universal good: To quote **“I believe that industry, apart from serving society by creating wealth, should also promote and take an active part in the mental, physical and social uplift of man and society at large.”**

JK Tyre continues this legacy through a well-structured Corporate Social Responsibility Programme benefitting the society at large.

UTTARAKHAND DISASTER RELIEF

During the year 2013, a natural calamity struck Uttarakhand and devastated the entire region. In the face of this calamity, two urgent necessities emerged - the reconstruction of villages and townships that were swept away and the medical care of the affected population. With a very swift response the Company and employees rose to the occasion by contributing financially and deputing people resources and relief material to the affected areas.

JK Tyre through JK Lakshmi Pat Singhania Foundation (JKLSF), contributed to the running of the Mobile Medical Unit in Guptkashi. This mobile unit continues to cover over 20 villages. About 1,700 people have

availed medical care of which nearly 1,000 are women. JK Tyre has funded reconstruction of a school which has now been named **“Hari Shankar Singhania Saraswati Shishu Mandir”** in memory of late Chairman. In addition, the Government efforts have been supplemented by distribution of relief material and substantial financial contribution to the Chief Minister’s Relief Fund for facilitating rehabilitation of the devastated state.

HEALTH CARE

JK Tyre has been taking special initiatives to provide health care to the citizens in the vicinity of its plants.

The Company regularly organizes Free Medical Camps including distribution of medicines, eye check-up & operations camp and blood donation camps at various locations.

The “Parivartan Programme” is focused on Reproductive & Child Health and general curative services to the needy community in the vicinity of our Kankroli Tyre Plant. Since its inception in 2004, the programme has covered over 60 villages and has benefitted over 2 lac patients.

The project started in partnership with the Population Foundation of India (PFI), is now being exclusively run and financed by JK Tyre and the coverage has been extended to larger areas / more villages. During the year, 341 clinics for the purpose were organised. The



JK Tyre Public Park



success of this programme is evident from the fact that all deliveries have been in clinics under medical supervision and none at home. As a result of this programme, the Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR) has decreased considerably in the areas of operation.

To address rapidly escalating eye diseases in the Mewar Region, particularly in Rajsamand District, expert eye care has been provided. Eye Care has also been extended at Banmore in association with the "Khare Dham Ashram" during the year and about 400 eye operations were successfully conducted. In addition, free medical check-up camps were organized in the villages in the vicinity of all our plants in various States.

JK Tyre actively participates in the HIV/ AIDS awareness and prevention programme. Clinics along major highways are run by JK Tyre with the help of NGOs. Over 1.80 lacs people have benefitted from this programme. JK Tyre continues to fund two "JEEVAN KIRAN" clinics at Transport Nagar, Jaipur and Shahpura on NH-8. These clinics have registered footfall of over 20,000 people. In collaboration with TCI Foundation, JK Tyre has opened five new "KHUSHI CLINICS" at Raipur, Vashi, Bhiwandi, Gurgaon and Ludhiana during the later part of the year. These clinics have registered footfall of over 5,000 people.

JK Tyre has also undertaken prevention of AIDS programme, in collaboration with the International Labour Organization (ILO). Under this programme, general awareness & counseling sessions are regularly conducted for our employees as also truck drivers and loaders, who visit our plants. Besides 9,000 employees over 5,000 truck drivers/ loaders have been covered under such programmes. The awareness sessions are conducted by Master Trainers and Peer Educators who have been trained for this purpose.

Clean drinking water and sanitation are basic necessities of good health. With the noble intent of making drinking water available to the villagers in the vicinity of our Chennai plant, water bodies have been de-silted and cleaned. Kankroli Tyre Plant has installed water huts for drinking water availability in the surrounding villages. Banmore Tyre Plant has been distributing potable drinking water in rural areas through four distribution centers.



Adult Literacy Programme



Soil testing by Agronomist during 'Kisan Mitra' campaign



LakshmiPat Singhania School, Jaykaygram

ACCOLADES

CSR

1. Excellence in CSR for 'Manufacturing Today Award 2013' by ITP Publishing Group Mumbai
2. Annual Greentech CSR Award to JK Tyre Plant, Banmore
3. Greentech CSR award in recognition of 'Project Parivartan Services' at JK Tyre Plant, Kankroli

QUALITY

1. Gold award for Quality Circle in GCCQC 2013 by Quality Circle Forum of India
2. National level distinguished award by National Convention of QCFI 2013
3. 'Supplier Quality Forum Award' by RENAULT NISSAN
4. Manufacturing Excellence Award for Reducing Cost and High Quality Standard by World Brand Congress

HR

1. 'The National Award for Excellence in Talent Management' by Delhi Management Association (DMA)
2. 'Greentech HR Award' for Excellence in Training by Greentech Foundation, New Delhi

3. 'Greentech HR Award' in recognition of strong commitment to HR practices and excellence achieved
4. 'Golden Peacock Award' for HR Excellence for adopting best HR Practices & innovative strategies in business at the Global Convention, London, UK

ENVIRONMENT

1. 'Aaj Tak Care Award 2013' for Environment, Energy Efficient, Water Harvesting, Recycling and Conservation
2. JK Tyre is the first Indian tyre manufacturer to receive 'Greenco Bronze Rating' by Greenco Rating System
3. "Greentech Environment 'Gold' Award" in Rubber Sector

PRODUCT & MARKETING

1. The high performance UX1 is conferred with Auto Bild India's: 'Golden Steering Award'

SAFETY

1. 'Silver Greentech Safety Award 2013', for excellence in safety in Rubber Sector





In the National Capital Region of Delhi, many economically deprived citizens have availed of high end medical care at JK Tyre co-promoted super specialty hospital "Pushpawati Singhanian Research Institute for Liver, Renal & Digestive Diseases"(PSRI Hospital).

EDUCATION

JK Tyre believes that quality of life improves with literacy and accordingly supports the Adult Literacy Programme. This programme is focused on promoting literacy to the communities who live in the vicinity of our various Plant locations. Since inception it has benefited 23,000 people through 161 Adult Literacy Centers. It is rewarding that more than 6,000 women benefited from this effort and 600 of them passed the basic literacy evaluation test conducted by Human Resource Ministry, Government of India, and were awarded certificates. At Mysore the Adult literacy programme has been extended at 7 villages and the Central Prison of Mysore. The inmates of central prison have benefitted and the quality of their life has significantly improved with this initiative.

JK Tyre supports education from the primary to the higher level. The Lakshmipat Singhanian Senior Secondary School at Jaykaygram, Rajasthan, and JK Lakshmipat University at Jaipur, Rajasthan demonstrate the commitment of JK Tyre to the cause of education.

The Company has adopted a government school at Noorabad, in Madhya Pradesh, and Jyotiba Phule Govt. SC/ST Girls Hostel at Kankroli, Rajasthan. The infrastructure and facilities have been upgraded at both these locations. The Company continues to support Ekal Vidyalayas in 11 remote villages of Rajasthan wherein more than 500 students are studying.

Three ITIs have been adopted under Public Private Partnership (PPP) scheme which are located at Nathdwara, Rajasthan; Maddur, Karnataka and Sabalgarh, Madhya Pradesh. In addition our Mysore unit has adopted a local ITI as "Centre of Excellence". In addition, career counseling sessions were held for 660 students at Mysore.

ENVIRONMENT

All plants have maintained highest level of efficiency



JK Lakshmipat University, Jaipur

in conserving resources specially energy and water. As a responsible green citizen, JK Tyre has been planting trees in and around the plants. Over 6.5 lac trees have been planted and nurtured, so as to enhance the ecological balance. Green Islands are being maintained at various traffic circles, public roads, gardens etc. Free emission test camps for vehicles and workshops in association with Pollution Control Board / RTO are regularly conducted.

PROMOTING SPORT

JK Tyre has supported many locally popular sports events in various plant locations like Wrestling competition, State Volley Ball championship, Kabaddi championship etc. Leader of Motorsports in the country, JK Tyre, has made significant investment in promoting motorsport and bringing it closer to the common man. Programme for identifying and encouraging young talent has been instituted and as a result a number of Young Talents have blossomed. JK Tyre promotes Go-Karting and helps young talent by making it affordable. This encourages them to develop flair for Motorsports. JK Tyre also continues to support a Karting Track for the Indian Army at Udhampur as Infrastructure is vital to development of sport.

"Go from village to village, do good to humanity and to the world at large"

And the journey goes on

– Swami Vivekananda

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 presently consists of Eleven Directors, of which five are Executive Directors and six are Non-Executive Directors(NED), all being Independent Directors(IND). Five Board Meetings were held during the twelve months period from 1st April 2013 to 31st March 2014 i.e., two on 27th May 2013, one each on 14th August 2013, 24th October 2013 and on 11th February 2014. Attendance and other details are as given below:

Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/Chairmanships		
				Directorships §	Committee Memberships **	Committee Chairmanships **
Dr. Raghupati Singhania, Chairman & Managing Director	Executive	5	Yes	7	2	1
Shri Arvind Singh Mewar	IND	5	Yes	-	-	-
Shri Bakul Jain	IND	4	Yes	2	1	-
Shri Kalpataru Tripathy	IND	5	Yes	-	-	-
Shri O.P. Khaitan	IND	5	Yes	8	4	3
Shri Vimal Bhandari	IND	3	Yes	7	2	3
Dr. Wolfgang Holzbach	IND	3	No	-	-	-
Shri Bharat Hari Singhania, Managing Director	Executive	5	Yes	4	1	-
Shri Vikrampati Singhania, Dy. Managing Director	Executive	5	Yes	2	1	-
Shri S.C. Sethi, Whole-time Director	Executive	4	Yes	5	2	4
Shri Arun K. Bajoria, President & Director	Executive	5	Yes	-	-	-

§ As per Section 275 read with Section 278 of the Companies Act 1956.

** Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance 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 Company has a Code of Conduct for Management Cadre Staff (including Executive Directors). In terms of the provisions of Clause 49 of the Listing Agreement 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 (www.jktyre.com). 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.

3. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors since 1986. As on 31st March 2014, the 'Terms of Reference' of the Committee and also the composition were in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The 'Terms of Reference' of the Committee have since been revised by the Board of Directors at its Meeting held on 28th May 2014, in accordance with the provisions of Section 177 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

The Committee consists of four Directors, out of which three are Non-executive Independent Directors and one is Executive Director. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement.



Four meetings of the audit committee were held during the financial year ended 31st March 2014.

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

Date of the Meeting	Number of Members attended
27th May 2013	4
14th August 2013	4
24th October 2013	2
11th February 2014	4

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

Name	Status	No. of Meetings attended
Shri O.P. Khaitan	Chairman	4
Shri A.S. Mewar	Member	4
Shri Bakul Jain	Member	3
Shri S.C. Sethi	Member	3

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

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As at 31st March 2014, the Company had a Shareholders/Investors Grievance Committee consisting of four Directors out of which two are Non-executive Independent Directors and two are Executive Directors. The composition of the Committee was in conformity with Clause 49 of the Listing Agreement.

The Board of Directors at its meeting held on 28th May, 2014 has rechristened the Committee as 'Stakeholders Relationship Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement.

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

Date of the Meeting	Number of Members attended
27th May 2013	4
14th August 2013	4
24th October 2013	2
11th February 2014	4

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 O.P. Khaitan	Member	4
Shri Vikrampati Singhania	Member	4
Shri S.C. Sethi	Member	3

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2014, the Company received four 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 has delegated the power of share transfer to a Committee of Directors and 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 2014, 21 Meetings of this Committee were held.

5. NOMINATION AND REMUNERATION COMMITTEE:

As at 31st March 2014, the Company had a Remuneration Committee comprising of Shri O.P. Khaitan (Chairman of the Committee), Shri Arvind Singh Mewar and Shri Vimal Bhandari, all being Non-executive Independent Directors to consider, determine and recommend remuneration of the Executive Directors to the Board. During the financial year ended 31st March 2014, two meetings of the Committee were held on 14th August 2013 and 11th February 2014 and were attended by all the Members mentioned above.

The Board of Directors at its meeting held on 28th May, 2014 has rechristened the Committee as 'Nomination and Remuneration Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement with the Stock Exchanges. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the Listing Agreement.

6. REMUNERATION PAID TO DIRECTORS:

(i) Executive Directors: The remuneration comprising of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March 2014 to the following Executive Directors is as follows: Dr. Raghupati Singhania, Chairman & Managing Director ₹ 349.14 Lacs plus ₹ 425.00 Lacs payable as Commission; Shri Bharat Hari Singhania, Managing Director ₹ 27.74 Lacs plus ₹ 425.00 Lacs payable as Commission; Shri Vikrampati Singhania, Dy. Managing Director ₹ 159.89 Lacs plus ₹ 300.00 Lacs payable as Commission; Shri S.C. Sethi, Whole-time Director ₹ 138.21 Lacs plus ₹ 35.00 Lacs payable as Commission and Shri Arun K. Bajoria, President & Director ₹ 251.29 Lacs plus ₹ 65.00 Lacs payable as Commission.

The Company does not have any Stock Option Scheme. In the case of Whole-time Director and President & Director, notice period is six months. Severance Fees for the Chairman & Managing Director, Managing Director and Dy. Managing Director is 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 ₹ 7.25 Lacs to all Non-executive Directors for attending the meetings of the Board and/or Committees thereof. In addition to sitting fees, commission payable to each Non-executive Director is ₹ 9.00 Lacs aggregating to ₹ 54.00 Lacs.

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

The number of Equity Shares of ₹ 10 each (i.e Shares) held by the Non-executive Directors as on 31st March 2014 are: Shri Arvind Singh Mewar - Nil Shares, Shri Bakul Jain - 1,200 Shares, Shri O.P. Khaitan - 2,736 Shares, Shri Kalpataru Tripathy - Nil Shares, Shri Vimal Bhandari - Nil Shares and Dr. Wolfgang Holzbach - Nil Shares. None of the Non-executive Directors holds any convertible instruments issued by the Company.

7. GENERAL BODY MEETINGS:

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

Financial Year	Location	Date	Time
2010-2011	Shripati Singhania Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata - 700 020	29.07.2011	11.00 A.M.
2011-2012	Same as above	30.07.2012	11.00 A.M.
2012-2013	Same as above	14.08.2013	11.00 A.M.

Details of the Special Resolution(SR) passed: Two SRs were passed at the each AGM held in the year 2011, Year 2012 and Year 2013. One SR was passed at the Extra-ordinary General Meeting of the Company held on 3rd December 2013.

One Special Resolution was passed by way of Postal Ballot during the financial year ended 31st March 2014. 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. Shri Manish Gupta, Company Secretary in whole-time 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 14th March 2014, for shifting of the registered office of the Company from the State of West Bengal to the State of Rajasthan. The voting pattern on the said resolution is as under:

- % of total valid votes cast in favour of the Resolution: 99.99%
- % of total valid votes cast against the Resolution: 0.01%

8. (i) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None. Suitable disclosure as required by Accounting Standard(AS-18) – Related Party Transactions has been made in the Annual Report.

(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) The Company has strengthened its risk management system and has further laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

9. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Bengali language Newspaper(published from Kolkata). 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 - 'www.jktyre.com'.

Management Discussion and Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS' INFORMATION:

(i) Registered Office 7, Council House Street, Kolkata-700 001(as on 28.5.2014). Phone No: 033-22486181

(ii) Annual General Meeting (AGM)

(a) Date, Time & Venue Thursday, 25th September, 2014 at the Registered Office of the Company at 3.0 p.m.

b) As required under Clause 49(IV)(G)(i), 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

- 1st Quarter ending June 30, 2014
 - 2nd Quarter ending September 30, 2014
 - 3rd Quarter ending December 31, 2014
 - Annual and 4th Quarter ending March 31, 2015
 - Annual General Meeting for the financial year 2014-15
- } Within 45 days of the end of the quarter
- } Within 60 days of the end of the 4th quarter
- Between July and September, 2015

(iv) Dividend Payment Date During October 2014

(v) Date of Book Closure 17th Sept. to 25th Sept., 2014

(vi) Listing on Stock Exchanges

The Equity Shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. (NSE). The annual listing fee for the financial year 2014-15 has been paid to both the aforesaid Stock Exchanges.

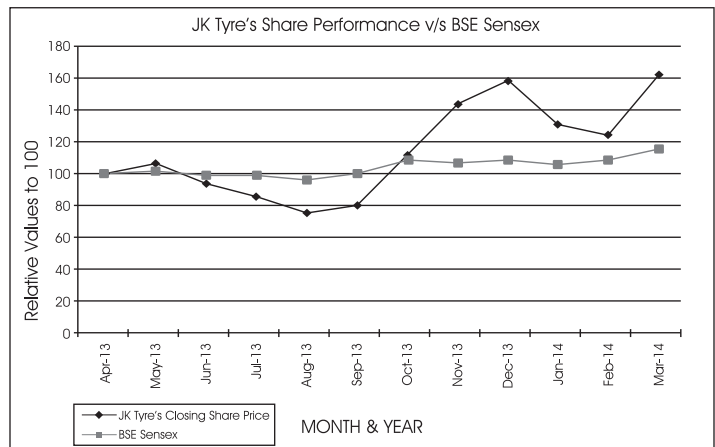
(vii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN

BSE – 530007
NSE – JKTYRE
ISIN – INE573A01034.

(viii) Stock Market Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2013	120.00	96.20	119.80	96.10
May-2013	125.95	108.35	126.50	108.05
June-2013	120.00	101.50	118.90	102.00
July-2013	118.40	93.55	114.00	93.25
August-2013	103.95	80.05	104.00	80.55
September-2013	94.85	83.50	95.00	83.60
October-2013	127.00	89.15	126.95	89.00
November-2013	165.35	120.50	165.25	120.50
December-2013	177.95	147.95	178.05	147.80
January-2014	182.40	138.30	182.35	138.25
February-2014	152.40	133.50	152.40	133.60
March-2014	185.00	136.00	184.80	136.00

JK Tyre & Industries Ltd's (JK Tyre's) Share Performance v/s BSE Sensex (April 2013 – March 2014)



(ix) Distribution of Shareholding (as on 31.3.2014):

No. of Equity Shares Held	No. of Shares		Shareholders	
	Total	% of Total	Number	% of Total
1-250	1732531	4.22	27544	85.27
251-500	896271	2.18	2332	7.22
501-1000	905750	2.21	1144	3.54
1001-5000	2148894	5.23	946	2.93
5001-10000	1008272	2.46	134	0.42
10001 & above	34367628	83.70	201	0.62
Total	41059346	100.00	32301	100.00



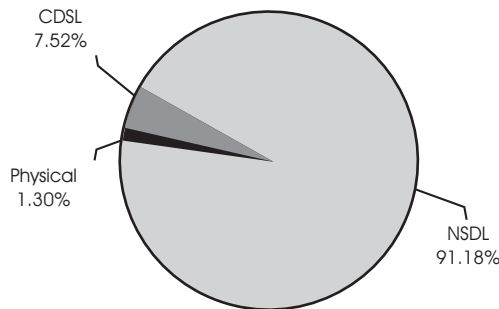
(x) Share Transfer System

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 in electronic form, the transfers are processed by National Securities Depository Limited(NSDL)/ Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

(xi) Dematerialisation 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.

Shares held in Demat Form with NSDL & CDSL and in Physical Form as on 31st March 2014



As on 31st March 2014, 98.70% of the Equity Shares are held in dematerialized form.

(xii) Outstanding GDRs/ADRs/Warrants/ Options or any Convertible instruments, conversion date and likely impact on equity The Company has allotted 43,03,350 Warrants to the Promoter Group on 16th December 2013 on preferential basis, each Warrant is convertible into one equity share of the Company as per terms of issue, on or before the expiry of eighteen months from the date of allotment.

(xiii) Plant Locations

- (a) Jaykaygram, Rajasthan
- (b) Banmore, Madhya Pradesh
- (c) Mysore Plant I , Karnataka
- (d) Mysore Plant II, Karnataka
- (e) Mysore Plant III, Karnataka
- (f) Chennai Plant, Tamil Nadu

(xiv) Address for Correspondence for Share Transfer and Related Matters

1. 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@jkmil.com
 Website : www.jktyre.com

2. Registrar & Share Transfer Agent

Alankit Assignments Ltd.
 1E/13, Jhandewalan Extension,
 New Delhi-110 055 (India)
 Phone No. :91-11-42541234
 Fax No :91-11-23552001
 Contact Person: Shri J.K. Singla
 Email: rta@alankit.com
 Website: www.alankit.com

(xv) Bankers:

- | | |
|----------------------|--------------------------------|
| Bank of India | State Bank of Bikaner & Jaipur |
| Corporation Bank | State Bank of India |
| IDBI Bank Ltd. | The Federal Bank Ltd. |
| Indian Bank | UCO Bank |
| Punjab National Bank | |

(xvi) Information in terms of Clause 5A of the Listing Agreement: As on 31st March 2013, the Company had 74,469 Equity Shares, issued in physical form, which remained unclaimed by 1,518 Equity Shareholders. During the year, the Company received 4 requests for despatch of share certificates for 305 Equity Shares which have since been despatched. Accordingly, as on 31st March 2014, the Company has 74,164 Equity Shares, issued in physical form, which remained unclaimed by 1,514 Equity Shareholders.

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.

11. 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 2014.

Dr. Raghupati Singhania
Chairman & Managing Director

12. 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. for the financial year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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 LODHA & CO.
Chartered Accountants

Saurabh Chhajer
Partner

Place: New Delhi
Dated: 28th May, 2014

Firm Registration No.:301051E
Membership No.403325

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JK TYRE & INDUSTRIES LIMITED

Report on the financial statements

We have audited the accompanying financial statements of JK Tyre & Industries Limited, which comprise the Balance Sheet as at 31st March 2014, the Statement of the Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India including Accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014,
- In case of the Statement of the Profit and Loss, of the profit for the year ended on that date; and
- In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and the regulatory requirements:

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.

- As required by section 227(3) of the Act, we report that:
 - We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2014 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For LODHA & CO.,
Firm Registration Number: 301051E
Chartered Accountants
SAURABH CHHAJER
Partner

New Delhi, the 28th May, 2014

Membership No: 403325

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date. We report that:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 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. The discrepancies noticed on such physical verification were not material.
 - As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
- The Inventory of the Company (except stock lying with third parties and in transit, for which confirmations have been received / materials received) has been verified by the Management at reasonable intervals.
 - The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - The Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
- With respect to clause 4(iii)(a) of the Order, as informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered therein; outstanding year end balance of deferred receivable from a company is ₹ 101.40 crs. (maximum balance outstanding during the year ₹ 108.88 crs.) as shown in note no. 15 & 21 of the accompanying Financial Statements.
 - In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions on which aforesaid deferred receivable has been given are not prima facie, prejudicial to the interest of the Company.



- (c) In this regard, the repayment of the principal as well as interest is regular.
- (d) Further more, no amount, principal as well as interest, is overdue and therefore, provision of clause 4(iii)(d) of the Order is not applicable.
- (e) As informed to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of the clause 4(iii)(f) and (g) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.

5. According to the information and explanations provided by the Management and based upon audit procedures performed, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section and the transactions made in pursuance of such contracts or arrangements (exceeding the value of five lacs rupees in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.

6. 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 Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act in respect of the Company's products to which the 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.

9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2014.

(b) According to the records and information & explanations given to us, there are no dues in respect of Wealth tax and Cess that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Income tax, Sales tax, Excise duty, Custom duty and Service tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Forum where dispute is pending
Sales Tax Act	Sales Tax	22.74	Deputy Commissioner/Deputy Commissioner (Appeals)
		8.52	Additional Commissioner
		14.57	Revision Board
		46.89	Tribunal
		4.73	Joint Commissioner
		1.80	High Court
		3.41	Appellate Tribunal
Central Excise Act	Excise Duty	39.68	Commissioner (Appeals)
		52.34	Additional Commissioner
		0.47	Additional Superintendent
		312.57	CESTAT
		2.54	Assistant Commissioner
Custom Act	Custom Duty	0.49	High Court
		241.15	Supreme Court
Finance Act	Service Tax	1558.33	High Court
		104.32	Assistant Commissioner
Income Tax Act, 1961	Income Tax	4.12	CESTAT
		157.76	Commissioner Appeals
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	101.60	Commissioner
The Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	85.62	High Court

Read with note no. 32

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. 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 dues to financial institutions or banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company does not have any guarantee outstanding for loans taken by others from bank and financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
17. On the basis of information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us and as stated in note no. 4 of the accompanying financial statements, the Company has made preferential allotment of warrants during the year to the parties / companies covered in the Register maintained under section 301 of the Companies Act, 1956 and the price at which warrants have been issued is not prejudicial to the interest of the Company.
19. According to the information and explanations given to us, the Company has no outstanding debentures as at the year end.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedure performed and on the basis of information and explanations provided by the Management, no fraud on or by the Company has been noticed or reported during the course of the audit.

For LODHA & CO.
Firm Registration Number: 301051E
Chartered Accountants
SAURABH CHHAJER
Partner
Membership No: 403325

New Delhi, the 28th May, 2014

JK TYRE & INDUSTRIES LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2014

₹ in Crores (10 Million)

	Note No.	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	41.06	41.06
Reserves and Surplus	3	794.99	700.87
Money Received against Share Warrants	4	12.37	-
		<u>848.42</u>	<u>741.93</u>
Non-current Liabilities			
Long-term borrowings	5	1163.30	1130.88
Deferred tax liabilities (Net)	6	252.42	192.05
Other Long-term liabilities	7	341.98	342.95
Long-term provisions	8	9.70	10.37
		<u>1767.40</u>	<u>1676.25</u>
Current Liabilities			
Short-term borrowings	9	1044.87	1089.29
Trade payables		903.44	748.96
Other current liabilities	10	425.75	343.67
Short-term provisions	11	129.88	133.18
		<u>2503.94</u>	<u>2315.10</u>
TOTAL		<u><u>5119.76</u></u>	<u><u>4733.28</u></u>
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible assets	12	2273.41	2279.26
- Intangible assets	12	0.23	1.12
- Capital work-in-progress		143.32	54.68
Non-current investments	13	89.14	97.59
Long-term loans and advances	14	136.51	85.16
Other non-current assets	15	93.39	101.40
		<u>2736.00</u>	<u>2619.21</u>
Current Assets			
Current investments	16	12.62	-
Inventories	17	765.70	809.80
Trade receivables	18	1186.37	916.68
Cash and bank balances	19	177.78	94.66
Short-term loans and advances	20	232.84	285.01
Other current assets	21	8.45	7.92
		<u>2383.76</u>	<u>2114.07</u>
TOTAL		<u><u>5119.76</u></u>	<u><u>4733.28</u></u>

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 28th May, 2014

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
VIKRAMPATI SINGHANIA
SWAROOP CHAND SETHI
ARUN KUMAR BAJORIA
OM PRAKASH KHAITAN
ARVIND SINGH MEWAR
BAKUL JAIN
VIMAL BHANDARI
Dr. WOLFGANG HOLZBACH
KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors



JK TYRE & INDUSTRIES LIMITED

PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2014

₹ in Crores (10 Million)

	Note No.	2013-2014	2012-2013
Revenue from operations	22	6560.29	6002.16
Less : Excise Duty		609.21	571.33
Net Revenue from operations		5951.08	5430.83
Other income	23	16.25	13.05
Total Revenue [I]		5967.33	5443.88
Expenses			
Cost of materials consumed	24	3972.66	3872.80
Purchases of Stock-in-Trade	25	39.74	44.46
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	24.14	(54.93)
Employee benefits expense	27	398.39	333.72
Other expenses	28	860.75	747.42
Total [II]		5295.68	4943.47
Profit before Interest, Depreciation & Tax (PBITD) [I - II]		671.65	500.41
Finance costs	29	248.30	206.53
Depreciation and amortisation expense	30	152.47	112.65
Profit before exceptional items and tax		270.88	181.23
Exceptional Items	45	(75.83)	(30.92)
Profit before tax		195.05	150.31
Tax Expenses:			
- Current Tax		40.59	30.39
- Mat Credit Entitlement		(40.59)	(30.11)
- Deferred Tax		60.37	44.49
Profit after tax		134.68	105.54
Basic Earnings per equity share (₹):	46		
- Cash		84.64	63.98
- After Tax		32.80	25.70
Diluted Earnings per equity share (₹):	46		
- After Tax		32.57	25.70

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

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

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Dr. WOLFGANG HOLZBACH
KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors

New Delhi, the 28th May, 2014

Notes to financial statements

NOTE - 1

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements have been prepared under historical cost convention (except for certain fixed assets which were revalued) on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956.
- 1.2 Fixed assets are stated at cost adjusted by revaluation of certain assets.
- 1.3 Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction / erection.
- 1.4
 - a) Depreciation on fixed assets has been provided using Straight Line Method at rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Continuous process Plants as defined in Schedule XIV have been considered on technical evaluation.
 - b) Leasehold Land is being amortised over the lease period.
 - c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method.
- 1.5 Lease is classified as Operating Lease when substantial risks & rewards of ownership are not transferred - rentals thereon are recognised as expense over the lease term.
- 1.6 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. Premium in respect of forward contracts is recognised over the life of contract. 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 Long term foreign currency monetary items, related to acquisition of depreciable capital assets, which are adjusted to cost of such assets 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.
- 1.7 Long Term Investments are stated at cost. Provision for diminution in the value of long term Investments is made only if, such a decline is other than temporary. The Current Investments are stated at lower of cost or quoted / fair value computed category-wise.
- 1.8 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.
- 1.9 Revenue Expenditure on Research and Development is charged to Profit & Loss Statement and Capital Expenditure is added to Fixed Assets.
- 1.10 Borrowing Cost is charged to Profit & Loss Statement except meant for acquisition of qualifying assets, which is capitalised till the date of commercial use.
- 1.11 The carrying amount of Assets 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 Profit & Loss Statement 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.
- 1.12 Employee Benefits:
 - a) Defined-contribution plans:

Contributions to the Employees' Regional Provident Fund, Superannuation Fund and Employees Pension Scheme 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 and Losses are recognised immediately in the Profit & Loss Statement.

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.
- 1.13 Revenue is recognised when significant risks and rewards of ownership have been passed to buyer.



- 1.14 Grants and subsidies from the Government are recognised when there is reasonable certainty that the grant / subsidy will be received and all attaching conditions will be complied with. Revenue Grants are recognised in the Profit & Loss Statement. Capital Grants relating to specific fixed assets are reduced from the gross value of respective fixed assets. Other Capital Grants are credited to Capital Reserve.
Export incentives are recognised in the Profit & Loss Statement.
- 1.15 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. Deferred Tax is recognised for timing differences. However, Deferred Tax Asset is recognised on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realised.
- 1.16 Intangible Assets are being 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 are being amortised over the expected duration of benefits.

₹ in Crores (10 Million)

NOTE - 2

SHARE CAPITAL

Authorised:

	As at 31.03.2014	As at 31.03.2013
Equity Shares - 12,50,00,000 of ₹ 10 each	125.00	125.00
14% Cumulative Redeemable Preference Shares - 7,00,000 of ₹ 100 each	7.00	7.00
Preference Shares - 48,00,000 of ₹ 100 each	48.00	48.00
	180.00	180.00

Issued, Subscribed and Paid up:

Equity Shares - 4,10,59,346 of ₹ 10 each fully paid up (Previous Year: 4,10,59,346 Equity Shares of ₹ 10 each)	41.06	41.06
	41.06	41.06

Details of each shareholder holding more than 5% shares:

	No. of Shares held	No. of Shares held
Name of Shareholder	As at 31.03.2014	As at 31.03.2013
Bengal & Assam Company Limited	85,89,250	85,89,250
J.K. Fenner (India) Limited (Formerly Fenner (India) Limited)	36,00,000	36,00,000
Florence Investech Ltd. (Formerly JK Agri Genetics Ltd.)	60,34,070	60,34,070
Edgefield Securities Limited	34,87,500	34,87,500

Reconciliation of the number of shares outstanding:

	As at 31.03.2014	As at 31.03.2013
Shares outstanding as at the beginning of the year	4,10,59,346	4,10,59,346
Addition during the year	-	-
Deletion during the year	-	-
Shares outstanding as at the end of the year	4,10,59,346	4,10,59,346

Rights and preferences attached to Equity Shares:

- a. The Company has only one class of Equity Shares having face value of ₹ 10/- each and each shareholder is entitled to one vote per share.
- b. 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.
- c. 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.

₹ In Crores (10 Million)

	As at 31.03.2014	As at 31.03.2013
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NOTE - 3

RESERVES AND SURPLUS

Capital Reserve (a)

Opening Balance	1.50	-
Addition during the year	-	1.50
	1.50	1.50

Capital Redemption Reserve

Opening Balance	7.00	7.00
	7.00	7.00

Securities Premium Reserve

Opening Balance	217.70	217.70
	217.70	217.70

Revaluation Reserve

Opening Balance	22.08	40.98
Transfer during the year (b)	(16.54)	(18.90)
	5.54	22.08

General Reserve

Opening Balance	385.34	325.34
Addition during the year	75.00	60.00
	460.34	385.34

Surplus in Profit and Loss Statement

Opening Balance	67.25	38.52
Addition during the year	134.68	105.54
Amount available for appropriation	201.93	144.06

Appropriation:

Transfer to General Reserve	(75.00)	(60.00)
Proposed Dividend @ ₹ 5.00 (Previous year: ₹ 3.50) per equity share	(20.53)	(14.37)
Corporate Dividend Tax	(3.49)	(2.44)
Closing Balance	102.91	67.25
Total	794.99	700.87

(a) Represents Capital subsidy.

(b) ₹ 15.95 crs. (Previous year: ₹ 16.09 crs.) towards depreciation arising out of revaluation transferred to Profit & Loss Statement and ₹ 0.59 cr. (Previous Year: ₹ 2.81 crs.) adjusted for Fixed Assets sold / transferred.

NOTE - 4

MONEY RECEIVED AGAINST SHARE WARRANTS

	As at 31.03.2014	As at 31.03.2013
Money Received against Share Warrants	12.37	-
	12.37	-

During the year, the Company allotted 43,03,350 warrants on preferential basis, pursuant to section 81 (1A) of the Companies Act, 1956 to the Promoter Group at a price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. An amount of ₹ 12.37 crs. being 25% of the consideration has been received. Each warrant is convertible into one Equity Share of the Company on payment of balance 75% within a period of 18 months from the date of allotment, failing which, the amount already received shall stand forfeited.

The proceeds of the issue have been used for the purpose, for which it was raised.



₹ in Crores (10 Million)

	Non Current		Current*	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
NOTE - 5				
LONG-TERM BORROWINGS				
SECURED LOANS				
Term Loans:				
- Financial Institutions	206.10	209.83	19.32	-
- Banks	763.61	748.53	101.20	31.88
- Others	40.87	49.07	8.20	8.23
Loan from Bank	50.00	-	-	-
Deferred Sales Tax	-	-	-	5.52
	<u>1060.58</u>	<u>1007.43</u>	<u>128.72</u>	<u>45.63</u>
UNSECURED LOANS				
Deferred Sales Tax	77.04	102.72	25.68	25.68
Fixed Deposits	25.68	20.73	8.38	14.50
Loan from Bank	-	-	-	50.00
	<u>102.72</u>	<u>123.45</u>	<u>34.06</u>	<u>90.18</u>
	1163.30	1130.88	162.78	135.81
Less: Amount Disclosed under the head "Other Current Liabilities" (Note No. 10)	-	-	(162.78)	(135.81)
	<u>1163.30</u>	<u>1130.88</u>	<u>-</u>	<u>-</u>

* Payable during next 12 months.

Notes:

1. Term Loan of ₹ 30 crs. 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 21 equal quarterly instalments.
2. Term Loans aggregating ₹ 97.87 crs. from Banks are 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 / to be created on the specified movable assets at Company's Plants in Rajasthan, Madhya Pradesh and Karnataka. Term Loan from one bank amounting to ₹ 54.54 crs. is repayable in 17 equal quarterly instalments and from another bank ₹ 43.33 crs. is repayable in 13 equal quarterly instalments.
3. Term Loans aggregating ₹ 93.87 crs. 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 36 equal quarterly instalments commencing from 01.04.2014.
4. Term Loans aggregating ₹ 530 crs. from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹ 225.42 crs. (including ₹ 33.07 crs. for foreign exchange fluctuation), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamilnadu, both present and future are repayable in 36 equal quarterly instalments commencing from 01.04.2014. The first instalment of loan from the financial institution has already been paid.
5. Foreign Currency Loans of ₹ 113.07 crs. (net of ₹ 1.39 crs. foreign exchange fluctuation) from a Bank, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamilnadu, is repayable in 32 equal quarterly instalments commencing from February 2016.
6. Term Loan of ₹ 0.03 cr. from a body corporate, secured by hypothecation of specified vehicle is repayable in 6 equated monthly instalments.
7. Term Loan of ₹ 49.04 crs. from a body corporate to be secured by way of hypothecation on the specified assets at a Company's Plant in Karnataka is repayable in 24 equal quarterly instalments.
8. Deferred Sales Tax Loan outstanding ₹ Nil from Madhya Pradesh State Industrial Development Corporation Limited, was secured by first available charge on movable and immovable assets (subject to charges referred to in note 1 & 2 on movable and immovable assets of Company's Plant in Madhya Pradesh).

9. Loan of ₹ 50 crs. from a Bank, secured by a subservient charge on current assets of the Company, is repayable on 31.03.2016.
10. 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.
11. Unsecured Deferred Sales Tax ₹ 102.72 crs. is repayable in 4 equal annual instalments.
12. Fixed Deposits of ₹ 8.38 crs., ₹ 13.41 crs. and ₹ 12.27 crs. (aggregating ₹ 34.06 crs.) are due for repayment in 2014-15, 2015-16 and 2016-17 respectively.

	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
NOTE - 6		
DEFERRED TAX LIABILITIES (NET)		
Pursuant to the accounting standard on 'Accounting for Taxes on Income' (AS-22), deferred tax liability / (asset) are as under:		
1. Deferred Tax Liability related to Fixed Assets	296.76	238.38
2. Deferred Tax Assets		
(i) Expenses / Provision Allowable	25.63	8.64
(ii) Unabsorbed depreciation	18.71	46.33
3. Deferred Tax Liability / (Asset) - Net	252.42	192.05

	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
NOTE - 7		
OTHER LONG-TERM LIABILITIES		
Trade Deposits & Others	341.98	342.95
	341.98	342.95

	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
NOTE - 8		
LONG-TERM PROVISIONS		
Provision for Employee Benefits	9.70	10.37
	9.70	10.37

	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
NOTE - 9		
SHORT-TERM BORROWINGS		
SECURED LOANS		
Repayable on demand from Banks*	924.58	947.12
	924.58	947.12
UNSECURED LOANS		
Fixed Deposits	4.37	4.53
Short-term Loans from Banks	115.92	137.64
	120.29	142.17
	1044.87	1089.29

* Represents 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 Tamilnadu.



₹ in Crores (10 Million)

NOTE - 10

OTHER CURRENT LIABILITIES

	As at 31.03.2014	As at 31.03.2013
Current maturities of long-term borrowings	162.78	135.81
Interest accrued but not due on borrowings	9.42	8.44
Unclaimed dividends #	0.65	0.58
Unclaimed / Uncollected Fixed Deposits and interest accrued thereon #	2.28	2.51
Others:		
- Government and Other Statutory Dues	95.43	100.42
- Other Payables	155.19	95.91
	425.75	343.67

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

NOTE - 11

SHORT-TERM PROVISIONS

	4.85	4.25
Provision for Employee Benefits		
Others:		
- Provision for Taxation	101.01	112.12
- Proposed Dividend	20.53	14.37
- Provision for Corporate Dividend Tax	3.49	2.44
	129.88	133.18

NOTE - 12

FIXED ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation				Net Value	
	As at 31.03.2013	Additions / Adjustments ^	Sales / Adjustments	As at 31.03.2014	Upto 31.03.2013	For the Year	Sales / Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(i) Tangible Assets										
Land - Freehold	58.53	-	-	58.53	-	-	-	-	58.53	58.53
- Leasehold	10.64	-	0.02	10.62	1.21	0.11	-	1.32	9.30	9.43
Buildings *	501.42	11.13	-	512.55	83.16	14.41	-	97.57	414.98	418.26
Plant & Equipments	3089.95	150.95	23.76	3217.14	1328.89	149.65	19.84	1458.70	1758.44	1761.06
Furniture and Fixtures	13.36	0.77	0.52	13.61	6.35	0.63	0.27	6.71	6.90	7.01
Office Equipments	13.74	1.21	0.31	14.64	5.27	0.62	0.20	5.69	8.95	8.47
Vehicles	22.88	3.93	3.31	23.50	6.38	2.11	1.30	7.19	16.31	16.50
	3710.52	167.99	27.92	3850.59	1431.26	167.53	21.61	1577.18	2273.41	2279.26
Previous Year	2770.17	980.62	40.27	3710.52	1330.08	126.76	25.58	1431.26	2279.26	
(ii) Intangible Assets										
Software #	11.78	-	-	11.78	10.66	0.89	-	11.55	0.23	1.12
	11.78	-	-	11.78	10.66	0.89	-	11.55	0.23	1.12
Previous Year	11.78	-	-	11.78	8.68	1.98	-	10.66	1.12	

* Buildings include ₹ 2.05 crs. constructed on leased land and 32 shares held in co-operative housing societies.

Being amortised over a period of 5 years.

^ Includes capitalisation of foreign exchange fluctuation ₹ 22.22 crs. (Unamortised fluctuation as on 31.03.2014 : ₹ 32.40 crs.)

^ Government Subsidy of ₹ 0.47 cr. is reduced from cost of Plant & Equipments.

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 ₹ 545.21 crs. (Previous year: ₹ 556.25 crs.)

NOTE - 13**NON-CURRENT INVESTMENTS (Long-term)**

(Other Than Trade)

Investment in Equity Shares:**Subsidiary Companies:**

	As at 31.03.2014		As at 31.03.2013	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
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 Tomel 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

Associate Company:

Hari Shankar Singhania Elastomer & Tyre Research Institute (₹ 100 each) (₹ 2400; As at 31.03.2013 : ₹ 2400)	24		24	
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Others:

HDFC Bank Ltd. (₹ 2 each) (₹ 10000; As at 31.03.2013 : ₹ 10000)	5,000		5,000	
Bengal & Assam Company Ltd. (₹ 10 each)	11,641	0.05	11,641	0.05
JK Sugar Ltd. (₹ 10 each) \$	-	-	16,73,000	2.68
Dhampur Sugar Mills Ltd. (₹ 10 each)\$	4,60,075	2.68	-	-
V. S. Lignite Power Pvt. Ltd. (₹ 10 each) #	12,56,039	1.26	12,56,039	1.26
Dwarkesh Energy Ltd. (₹ 10 each)	3,50,000	0.35	3,50,000	0.35
J.K.I. Employees Co-operative Credit Society Ltd. (₹ 1000 each) (₹ 5000; As at 31.03.2013 : ₹ 5000)	5		5	
Larsen & Toubro Ltd. (₹ 2 each) ^	4,200	0.48	2,800	0.38
Reliance Industries Ltd. (₹ 10 each)**	4,360	0.41	4,360	0.34
Florence Investech Ltd. (₹ 10 each)	10,74,994	32.50	10,74,994	32.50

Investment in Preference Shares:

V. S. Lignite Power Pvt. Ltd. (₹ 10 each) (0.01% Cumulative Redeemable) #	11,14,222	1.11	11,14,222	1.11
JK Sugar Ltd. (8% Cumulative Redeemable preference shares) (₹ 90 each) (CRPS Series - A) @	-	-	15,00,000	13.50
JK Sugar Ltd. (8% Cumulative Redeemable preference shares) (₹ 90 each) (CRPS Series - B) @	-	-	1,85,338	1.67
JK Sugar Ltd. (Zero coupon Fully Convertible Redeemable preference shares) (₹ 10 each) @	-	-	28,50,134	2.85
Dhampur Sugar Mills Limited (8% Cumulative Redeemable Preference Shares of ₹ 100 each) - 2/3rd redeemable after 31.03.2015 @	18,01,817	12.01	-	-
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Share - [₹ 100 each])	10,00,000	10.00	10,00,000	6.00

Investment in Bonds:

7.65% HDFC Bonds (₹ 10 lacs each)	-	-	14	1.35
8.00% Himachal Pradesh Infrastructure Development Board Bonds (₹ 10 lacs each)	-	-	10	1.00
10.35% HDFC Bonds (₹ 10 lacs each)	-	-	9	0.94
8.96% HDFC Bonds (₹ 10 lacs each)	-	-	33	3.32

Investment in Mutual Fund:

LIC Nomura Mutual Fund Growth Fund (₹ 10 each)	2,50,000	0.25	2,50,000	0.25
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Investment in Government or Trust Securities:

Government Securities (Deposited with Government Department) National Savings Certificates (₹ 25000; As at 31.03.2013 : ₹ 25000)				
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	89.14	97.59
Aggregate amount of quoted Investments	36.12	3.45
Market Value of quoted Investments	18.83	3.35
Aggregate amount of unquoted Investments	53.02	94.14
Aggregate provision for diminution in value of Investments	0.13	0.30

Under lien with Issuer.

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

** Net of provision for diminution.

@ Pursuant to the merger of JK Sugar Ltd. with Dhampur Sugar Mills Ltd., the company has received 18,01,817 no(s) of Cumulative Redeemable Preference Shares of Dhampur Sugar Mills Limited against the Preference Shares of JK Sugar Ltd.

\$ Pursuant to the merger of JK Sugar Ltd. with Dhampur Sugar Mills Ltd., the company has received 4,60,075 shares of Dhampur Sugar Mills Ltd. against 16,73,000 shares of JK Sugar Ltd. in the ratio of 275:1000.

^ During the year, bonus shares received.



₹ in Crores (10 Million)

NOTE - 14

LONG-TERM LOANS & ADVANCES (Unsecured - Considered Good)

	As at 31.03.2014	As at 31.03.2013
Advances - Project related	27.57	17.51
Security Deposits with Government Authorities and Others	35.61	34.91
MAT Credit Entitlement	73.33	32.74
	<u>136.51</u>	<u>85.16</u>

NOTE - 15

OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)

Deferred Receivable	93.39	101.40
	<u>93.39</u>	<u>101.40</u>

NOTE - 16

CURRENT INVESTMENTS (Unquoted)

Investment in Preference Shares:

Dhampur Sugar Mills Limited (8% Cumulative Redeemable Preference Shares of ₹ 100 each) - 1/3rd redeemable during 2014-15

As at 31.03.2014		As at 31.03.2013	
Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
18,01,817	6.01	-	-

Investment in Bonds:

7.65% HDFC Bonds (₹ 10 lacs each)
8.00% Himachal Pradesh Infrastructure Development Board Bonds (₹ 10 lacs each)
10.35% HDFC Bonds (₹ 10 lacs each)
8.96% HDFC Bonds (₹ 10 lacs each)

14	1.35	-	-
10	1.00	-	-
9	0.94	-	-
33	3.32	-	-
	<u>12.62</u>	-	-

₹ in Crores (10 Million)

NOTE - 17

INVENTORIES

(Valued at lower of cost or net realisable value)

	As at 31.03.2014	As at 31.03.2013
Raw Materials*	272.30	282.14
Work-in-Progress	51.44	55.84
Finished Goods**	388.82	421.80
Stock-in-trade	4.48	4.43
Stores and Spares	48.66	45.59
	<u>765.70</u>	<u>809.80</u>

* Includes raw materials in transit ₹ 76.01 crs. (Previous Year: ₹ 82.61 crs.)

** Includes finished goods in transit ₹ 9.16 crs. (Previous Year: ₹ 1.74 crs.)

NOTE - 18

TRADE RECEIVABLES (Unsecured)

(a) Outstanding for a period exceeding six months from the date they are due for payment

Considered Good	23.88	19.77
Doubtful	3.74	3.63
Less: Allowance for Bad and Doubtful debts	(3.74)	(3.63)

(b) Others (Considered Good)	1162.49	896.91
	<u>1186.37</u>	<u>916.68</u>

₹ in Crores (10 Million)

	As at 31.03.2014	As at 31.03.2013
--	---------------------	---------------------

NOTE - 19

CASH & BANK BALANCES

(a) *Cash and Cash Equivalents*

Balances with Banks:

Current Accounts

Remittances in transit and Cheques on hand

Cash on hand

73.16

103.90

0.07

177.13

7.49

86.51

0.08

94.08

(b) *Other Bank Balances*

Unclaimed Dividend Accounts

0.65

177.78

0.58

94.66

NOTE - 20

SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)

Balances with Government Authorities

Export Benefit Receivable

Loans & Advances to related parties

Prepaid Expenses

MAT Credit Entitlement

Income Tax Advance Payments

Other Advances

82.38

0.15

5.95

8.77

2.49

104.49

28.61

232.84

125.21

7.81

0.13

5.35

8.74

112.12

25.65

285.01

NOTE - 21

OTHER CURRENT ASSETS (Unsecured, Considered Good)

Interest Accrued on Investments

Deferred Receivable

0.44

8.01

8.45

0.44

7.48

7.92

₹ in Crores (10 Million)

	2013-2014	2012-2013
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NOTE - 22

REVENUE FROM OPERATIONS

Sale:

Tyres

Tubes & Others

Royalty and Management Fee

Other operating revenues:

Liability for earlier years written back

Miscellaneous Income

5975.64

526.40

18.26

0.93

39.06*

6560.29

5434.50

525.18

17.23

1.37

23.88

6002.16

* Includes Government Grant of ₹ 19.30 crs.

NOTE - 23

OTHER INCOME

Income from Long-term Investments

- Dividends

- Interest

- Reversal of Provision for Diminution in value of Long-term Investments

Other Interest Income

1.68

0.57

0.17

13.83

16.25

0.02

0.58

0.03

12.42

13.05

NOTE - 24

COST OF MATERIALS CONSUMED

Raw Material Consumed

3972.66

3872.80



₹ in Crores (10 Million)

	2013-2014	2012-2013
NOTE - 25		
PURCHASES OF STOCK-IN-TRADE		
Tyres	0.80	-
Flaps	38.94	44.46
	<u>39.74</u>	<u>44.46</u>
NOTE - 26		
(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	421.80	231.14
Work-in-Progress	55.84	52.40
Stock-in-Trade	4.43	4.04
	(A) <u>482.07</u>	<u>287.58</u>
Closing Stock		
Finished Goods	388.82	421.80
Work-in-Progress	51.44	55.84
Stock-in-Trade	4.48	4.43
	(B) <u>444.74</u>	<u>482.07</u>
(Increase) / Decrease in Stocks	(A-B) <u>37.33</u>	(194.49)
Less: Adjustments for differential excise duty* / pre-operative period Stock**	<u>13.19</u>	<u>(139.56)</u>
Net (Increase) / Decrease in Stocks	<u>24.14</u>	<u>(54.93)</u>
* For 2013-14 ₹ (13.19 crs.); Previous Year: ₹ (15.11 crs.)		
** Refer Note 35		
NOTE - 27		
EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	289.99	236.08
Contribution to Provident and other Funds	27.62	30.27
Employees' Welfare and other Benefits	80.78	67.37
	<u>398.39</u>	<u>333.72</u>
NOTE - 28		
OTHER EXPENSES		
Conversion Charges	55.42	49.94
Consumption of Stores and spares**	54.13	44.60
Power and Fuel	233.46	215.50
Rent	13.24	12.03
Lease Rent	20.32	19.34
Repairs to Buildings	5.35	5.57
Repairs to Machinery	17.06	13.55
Insurance	3.52	2.72
Rates & Taxes	10.44	10.28
Discount & Commission	63.53	58.64
Freight and Transportation	214.01	159.25
Advertisement and sales promotion	71.10	56.88
Bad Debts written off	0.56	0.34
Provision for Doubtful Debts / Advances	0.67	0.59
Miscellaneous Expenses	97.94	98.19
	<u>860.75</u>	<u>747.42</u>
** Break up of consumption of Stores & Spares		
Indigenous	50.66	41.39
% of Total	93.59	92.80
Imported	3.47	3.21
% of Total	6.41	7.20

₹ in Crores (10 Million)

	2013-2014	2012-2013
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NOTE - 29

FINANCE COSTS

Interest Expenses	246.29	203.54
Other Borrowing Costs	2.01	2.99
	248.30	206.53

NOTE - 30

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and Amortisation	168.42	128.74
Less: Transfer from Revaluation Reserve	(15.95)	(16.09)
	152.47	112.65

31. Estimated amount of contracts remaining to be executed on capital account ₹ 603.54 crs. (Previous year: ₹ 46.53 crs.).
32. Contingent liabilities in respect of claims not accepted and not provided for ₹ 41.89 crs. (Previous year: ₹ 30.71 crs.) pertain to Excise & Customs duty matters in appeal ₹ 8.60 crs., Service tax matters ₹ 0.04 cr., Sales Tax matters in appeal ₹ 3.40 crs., Income tax matters in appeal ₹ 2.97 crs. & other matters ₹ 26.88 crs. (Previous year: ₹ 4.00 crs., ₹ 0.04 cr., ₹ 3.64 crs., ₹ 3.78 crs. & ₹ 19.25 crs. respectively).
33. Bills discounted with Banks outstanding ₹ 14.09 crs. (Previous year: ₹ 4.24 crs.).
34. Excise Duty liability on account of valuation of Finished Goods is disputed and is yet to be determined. Without prejudice to the Company's stand in this behalf, as per Government's desire an adhoc amount of ₹ 5.45 crs. was paid under protest in earlier years and debited to 'Advances Recoverable' and an equivalent amount was provided in Profit and Loss Statement. On Writ Petition filed by the Company in the Hon'ble Delhi High Court, the said Court directed the Excise Authorities to determine the valuation of finished goods in accordance with law and observations made in the order.
35. Capital work in progress includes Machinery in stock / transit, construction / erection materials, cost paid for land and the following pre-operative expenses pending allocation:

	31.03.2014	31.03.2013
Raw Material Consumption	-	264.45
Stores Consumption	-	0.07
Employee Benefit Expenses	9.44	29.52
Rates and Taxes (including excise)	0.02	45.11
Insurance Expenses	0.23	0.38
Power and Fuel Consumed	0.27	23.45
Finance Costs	3.19	49.07
Unrealised Exchange Fluctuation on borrowings	(1.39)	3.45
Miscellaneous expenditure	2.20	4.68
	13.96	420.18
Less: Sales	-	231.75
Scrap Sale	-	4.34
Increase in Stock of Finished Goods	-	105.51
Increase in Stock of Work-in-progress	-	18.94
	13.96	59.64
Add: Expenditure upto previous year	1.56	86.29
	15.52	145.93
Less: Transferred to Fixed Assets	2.90	144.37
	12.62	1.56



36. Debts over six months / Advances include ₹ 3.28 crs. (Previous year: ₹ 2.88 crs.) 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.
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.
38. The Company has taken certain specified Plant & Machinery on operating lease basis, which is cancellable at the option of lessee.
39. 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.
40. a. Forward Contracts for hedging Payables – US \$ 41.60 Million and Euro 0.79 Million (Previous year: US \$ 26.31 Million, Euro 0.31 Million and GBP 0.69 Million) are outstanding as at 31.03.2014.
b. Foreign currency exposure unhedged net payable is ₹ 158.18 crs. – US \$ 26.32 Million (Previous year: ₹ 455.43 crs. – US \$ 83.73 Million) as at 31.03.2014.
41. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent of information available with the Company are as under:
(i) Principal & Interest amount due and remaining unpaid as at 31.03.2014: 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 31.03.2014: Nil (Previous year: Nil).
42. The Company has not provided diminution in the value of certain long term strategic investments, since in the opinion of the Board, such diminution in their value is temporary in nature, considering the inherent value, nature of investments, the investees' assets and expected future cash flow from such investments.
43. Expenditure on Research and Development (R&D) activities during the year:

	₹ in Crores (10 Million)	
	2013-2014	2012-2013
i) Revenue Expenditure*:		
1. Employee Cost	7.81	6.37
2. Cost of Materials and Testing Charges	17.44	18.62
3. Other R & D Expenses	3.19	3.71
Sub total (i)	28.44	28.70
ii) Capital Expenditure	1.50	3.59
Total (i+ii)	29.94	32.29

* Included in respective revenue accounts.

44. Amount paid to Auditors:
- | | | |
|---|-------------|------|
| i) Statutory Auditors | | |
| a) Audit Fee | 0.18 | 0.18 |
| b) Taxation | 0.02 | 0.02 |
| c) Certificates / other services | 0.08 | 0.04 |
| d) Reimbursement of expenses | 0.03 | 0.03 |
| ii) Cost Auditors | | |
| a) Audit Fee | 0.01 | 0.01 |
| b) Reimbursement of expenses ₹ 13300 (Previous year: ₹ 22921) | | |
45. Exceptional items include net impact of unfavourable Foreign Exchange Rate fluctuation ₹ 70.94 crs. (Previous Year: ₹ 52.09 crs.), net gain on sale of certain assets ₹ 1.19 crs. (Previous Year: ₹ 24.83 crs.), and expenditure on VRS for the employees ₹ 6.08 crs. (Previous Year: ₹ 3.66 crs.).

	₹ in Crores (10 Million)	
	2013-2014	2012-2013
46. Earnings Per Share (EPS):		
a. Profit after Tax	134.68	105.54
b. Weighted average number of Equity Shares for Basic EPS	41059346	41059346
Add: Adjustment relating to Share Warrants	288926	-
Weighted average number of Equity Shares for Diluted EPS	41348272	41059346
c. Basic Earnings per equity share (₹) (Face Value ₹ 10 each)		
- Cash	84.64	63.98
- After Tax	32.80	25.70
d. Diluted Earnings per equity share (₹) (Face Value ₹ 10 each)		
- After Tax	32.57	25.70

47. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006 are as given below:

(a) Defined Benefit Plan -

(i)

₹ in Crores (10 Million)

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2013-14	2012-13	2013-14	2012-13
I Expenses recognised in the Profit & Loss Statement*				
1 Current Service Cost	3.13	3.68	6.60	7.43
2 Interest Cost	0.96	0.78	6.48	5.52
3 Expected return on plan assets	-	-	(6.56)	(6.11)
4 Actuarial (Gains) / Losses	2.28	1.61	0.22	3.13
5 Total expense	6.38	6.07	6.73	9.97
II Net Asset / (Liability) recognised in the Balance Sheet as at year end				
1 Present Value of Defined Benefit Obligation	13.79	12.85	81.98	77.80
2 Fair value of plan assets	-	-	84.27	76.46
3 Funded status [Surplus / (Deficit)]	(13.79)	(12.85)	2.29	(1.34)
4 Net asset / (liability)	(13.79)	(12.85)	2.29	(1.34)
III Change in obligation during the year				
1 Present Value of Defined Benefit Obligation at the beginning of the year	12.85	11.15	77.80	66.60
2 Current Service Cost	3.13	3.68	6.60	7.43
3 Interest Cost	0.96	0.78	6.48	5.52
4 Actuarial (Gains) / Losses	2.28	1.61	1.00	4.07
5 Benefits Payments	(5.43)	(4.37)	(9.90)	(5.82)
6 Present Value of Defined Benefit Obligation as at year end	13.79	12.85	81.98	77.80
IV Change in Assets during the year				
1 Fair value of plan assets at the beginning of the year	-	-	76.46	69.44
2 Expected return on plan assets	-	-	6.56	6.11
3 Contributions by employer	5.43	4.37	10.36	5.44
4 Actual benefits paid	(5.43)	(4.37)	(9.90)	(5.47)
5 Actuarial gains / (losses)	-	-	0.78	0.94
6 Fair value of plan assets as at year end	-	-	84.27	76.46
7 Total Actual Return on Plan Assets	-	-	7.34	7.05
V The major categories of plan assets as % of total plan				
Insurer Managed Funds	-	-	100%	100%
VI Actuarial Assumptions:				
1 Discount Rate	9.32%	8.25%	9.32%	8.25%
2 Expected rate of return on plan assets	-	-	8.70%	8.70%
3 Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
4 Salary Escalation	5%			

* Included under the head Employee Benefits Expense - Refer Note 27.



(ii)

₹ in Crores (10 Million)

Particulars	Leave Encashment					Gratuity				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Defined Benefit Obligation	13.79	12.85	11.15	9.35	8.36	81.98	77.80	66.60	64.20	55.21
Fair Value of Plan Assets	-	-	-	-	-	84.27	76.46	69.44	66.65	51.15
Surplus / (Deficit)	(13.79)	(12.85)	(11.15)	(9.35)	(8.36)	2.29	(1.34)	2.84	2.45	(4.06)
Experience adjustment on Plan Liabilities (Gain) / Loss	2.79	1.49	2.85	0.51	0.66	4.61	1.10	2.78	1.59	6.52
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	(0.78)	(0.93)	0.11	0.75	(1.32)

- (iii) 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.
- (iv) 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.
- (v) Contributions to PF (trust) during the 12 months ended 31st March, 2014 of ₹ 1.27 crs. (Previous Year: ₹ 1.07 crs.) has been included under the head Employee Benefits Expense. (Refer Note 27)

(b) Defined Contribution Plans -

Employer's Contributions to Provident and other Funds charged off during the 12 months ended 31st March, 2014 of ₹ 19.62 crs. (Previous Year: ₹ 19.23 crs.) has been included under the head Employee Benefits Expense. (Refer Note 27)

48. Related Parties:

a) Subsidiaries:

J. K. International Ltd.
 J. K. Asia Pacific Ltd.
 J. K. Asia Pacific (S) Pte. Ltd. (Subs. of J. K. Asia Pacific Ltd.)
 Lankros Holdings Ltd.
 Sarvi Holdings Switzerland AG. (Subs. of Lankros Holdings Ltd.)
 JK Tornel S.A. de C.V. (JKTSA- Subs. of Sarvi Holdings Switzerland AG.)
 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 JK TSA

b) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
 Valiant Pacific LLC. (VPL)

c) Key Management Personnel (KMP):

Dr. Raghupati Singhania
 Shri Bharat Hari Singhania
 Shri Vikrampati Singhania
 Shri Swaroop Chand Sethi
 Shri Arun Kumar Bajoria

Chairman & Managing Director
 Managing Director
 Dy. Managing Director
 Whole Time Director
 President & Director

d) Enterprise over which KMP is able to exercise Significant Influence:

JK Lakshmi Cement Ltd. (JKLC)
 J.K. Fenner (India) Ltd. (JKFIL) (Formerly Fenner (India) Ltd.)

I. The following transactions were carried out with related parties in the ordinary course of business:

₹ in Crores (10 Million)

Nature of Transactions	Subsidiaries	Associates	Enterprise over which KMP is able to exercise Significant Influence	TOTAL
Purchase of cement from JKLC - 0.28 & Spares from JKFIL			0.30	0.30
Purchase of cement from JKLC - 0.12 & Spares from JKFIL			(0.19)	(0.19)
Sale of Capital Items to CHT & JKLC	4.48		0.05	4.53
Sale of Capital items to CHT & JKFIL	(2.43)		(28.50)	(30.93)
Sale of Tyres to CHT, VPL & JKLC	17.29	443.28	0.48	461.05
Sale of Tyres to CHT, VPL & JKLC	(3.67)	(399.58)	(0.53)	(403.78)
Sale of Stores to HASETRI		0.07		0.07
Sale of Stores to HASETRI		(0.07)		(0.07)
Sharing of Expenses received - CHT, HASETRI, JKFIL - 0.65 & JKLC	0.10	1.63	0.98	2.71
Sharing of Expenses received - CHT, HASETRI, JKFIL - 0.63 & JKLC	(0.31)	(1.48)	(0.98)	(2.77)
Sharing of Expenses paid - JKFIL - 0.53 & JKLC			1.00	1.00
Sharing of Expenses paid - JKFIL - 0.50 & JKLC			(0.99)	(0.99)
Services Aailed - HASETRI - 10.69, VPL & JKLC		10.86	3.05	13.91
Services Aailed - HASETRI - 15.61, VPL & JKLC		(15.76)	(3.58)	(19.34)
Services Rendered - JK TSA	14.97			14.97
Services Rendered - JK TSA	(13.58)			(13.58)
Advances given - CHT - 0.08, JK TSA - 0.05, SARVI - 0.22, LANKROS, HASETRI - 0.58, VPL, JKFIL - 0.64 & JKLC	0.39	0.64	0.82	1.85
Advances given - CHT - 0.22, SARVI - 0.08, LANKROS, HASETRI, JKFIL - 0.77 & JKLC	(0.33)	(0.71)	(0.89)	(1.93)
Advances received - HASETRI - 0.06, VPL, JKLC - 0.52 & JKFIL		0.10	0.56	0.66
Advances received - HASETRI, VPL - 0.17 & JKLC		(0.22)	(0.51)	(0.73)
Lease Rent paid to JKFIL			23.16	23.16
Lease Rent paid to JKFIL			(23.16)	(23.16)
Interest Income from JKFIL			10.08	10.08
Interest Income from JK TSA & JKFIL	(0.17)		(10.25)	(10.42)
Royalty income from VPL		3.29		3.29
Royalty income from VPL		(3.65)		(3.65)
Contribution to HASETRI		(0.70)		(0.70)
Outstanding as at year end:				
Receivable:				
- CHT - 15.77, JK TSA - 13.21, SARVI - 0.30 & LANKROS - 0.07	29.35			29.35
- CHT - 3.70, JK TSA - 9.50, SARVI - 0.08 & LANKROS - 0.03	(13.31)			(13.31)
- HASETRI - 0.72, VPL - 146.74, JKLC - 2.08 & JKFIL - 101.49		147.46	103.57	251.03
- VPL - 96.44, JKLC - 2.07 & JKFIL - 108.97		(96.44)	(111.04)	(207.48)

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

II. Remuneration to Chairman & Managing Director ₹ 7.74 crs. (₹ 3.48 crs.), Managing Director ₹ 4.53 crs. (₹ 0.63 cr.), Dy. Managing Director ₹ 4.60 crs. (₹ 1.51 crs.), Whole time Director ₹ 1.73 crs. (₹ 1.35 crs.) and President & Director ₹ 3.16 crs. (₹ 2.32 crs.). (Previous year figures in brackets)

Received ₹ 0.38 cr. and ₹ 0.13 cr. against Share warrants allotted to Chairman & Managing Director and Managing Director respectively.



49. Loans and Advances pursuant to Clause 32 of the Listing Agreement:	Outstanding as at 31st March, 2014	Maximum Amount Outstanding during 2013-2014	₹ in Crores (10 Million)	Maximum Amount Outstanding during 2012-2013
			Outstanding as at 31st March, 2013	
Loans and Advances (in the nature of Loans):				
<u>Subsidiaries (Repayable on demand)</u>				
JK Tornel S.A. de C.V.	-	-	-	5.98
Compañía Hulera Tornel, S.A. de C.V.	-	-	-	0.13
Note - Loans / Advances to employees as per Company's policy are not considered.				

	₹ in Crores (10 Million)	₹ in Crores (10 Million)
	2013-2014	2012-2013
50. Raw Material Consumed:		
Rubber	2328.19	2386.86
Reinforcement Material	627.14	577.96
Carbon Black	477.61	445.14
Chemicals	445.34	372.96
Others	94.38	89.88
	3972.66	3872.80
Indigenous	2177.70	2415.05
% of Total	54.82	62.36
Imported	1794.96	1457.75
% of Total	45.18	37.64

	₹ in Crores (10 Million)	₹ in Crores (10 Million)
	As at	As at
	31.03.2014	31.03.2013
51. Work in Progress:		
Compounds	24.42	26.36
Semi-finished Tyres	11.87	12.02
Others	15.15	17.46
	51.44	55.84

	₹ in Crores (10 Million)	₹ in Crores (10 Million)
	2013-2014	2012-2013
52. a) Expenditure in Foreign Currency:		
(i) Professional charges	3.51	1.57
(ii) Interest expense	11.84	7.74
(iii) Others	14.82	14.22
b) Remittances in foreign Currency on account of Dividend for the year 2012-13 (Previous year 2011-12)		
(i) Number of Non-resident shareholders	1	1
(ii) Number of Equity shares held by them	3487500	3487500
(iii) Amount of dividend remitted	1.22	0.87
c) Earnings in Foreign Currency on account of:		
F.O.B. value of exports	1039.73	847.38
Royalty & Management Fee	18.26	17.23
Interest Income	-	0.17
d) C.I.F. Value of Imports:		
Raw Materials	1668.85	1576.11
Capital Goods	41.62	81.93
Spares	6.94	5.80

53. Figures less than ₹ 50000 have been shown at actual in bracket.

54. Previous year figures have been reclassified / regrouped / recast, wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
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Dr. WOLFGANG HOLZBACH
KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors

New Delhi, the 28th May, 2014

JK TYRE & INDUSTRIES LIMITED

CASH FLOW STATEMENT

For the year ended 31st March, 2014

	₹ in Crores (10 Million)	
	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	195.05	150.31
Adjustment for:		
Depreciation and Amortisation expense	168.42	128.74
Transfer from revaluation reserve	(15.95)	(16.09)
Finance costs	248.30	206.53
(Profit) / Loss on sale of assets	(1.19)	(24.83)
Reversal of Provision for diminution in value of Long-Term Investments	(0.17)	(0.03)
Liability for earlier years written back	(0.93)	(1.37)
Foreign Exchange Fluctuation	9.01	3.50
Interest / Dividend Received	(16.08)	(13.02)
Provision for Doubtful Debts / Advances and Bad Debts written off	1.23	0.93
Operating Profit before working capital changes	587.69	434.67
(Increase) / Decrease in Trade and Other Receivables	(235.64)	(58.33)
(Increase) / Decrease in Inventories	44.10	(148.26)
Increase / (Decrease) in Trade and other Payables	204.18	(299.49)
Cash generated from / (used in) Operations	600.33	(71.41)
Direct taxes (Net)	(37.82)	(29.77)
Net Cash from / (used in) Operating activities	562.51	(101.18)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(239.15)	(223.62)
Sale of Fixed Assets	10.94	19.12
Movement in Loans & Advances	(2.37)	5.82
Purchase of Investments	(4.00)	(3.67)
Redemption of Investments	-	10.00
Interest Received	14.40	13.00
Dividend Received	1.68	0.02
Net Cash used in Investing activities	(218.50)	(179.33)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money received against Share Warrants	12.37	-
Proceeds from borrowings	184.09	650.45
Repayment of borrowings	(190.10)	(83.14)
Finance Costs paid	(250.51)	(258.63)
Dividend paid (including dividend tax)	(16.81)	(11.93)
Net Cash from / (used in) Financing activities	(260.96)	296.75
Net increase / (decrease) in Cash and Cash Equivalents	83.05	16.24
Cash and Cash Equivalents as at the beginning of the year	94.08	77.84
Foreign Currency Translation gain on Cash & Cash Equivalents	-	-
Cash and Cash Equivalents as at the end of the year	177.13	94.08
Notes:		
Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	103.97	86.59
- Balances with Banks	73.16	7.49
Total	177.13	94.08

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 28th May, 2014

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
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KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors



INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF JK TYRE & INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JK TYRE & INDUSTRIES LIMITED, ITS SUBSIDIARIES AND ASSOCIATE

We have audited the accompanying Consolidated Financial Statements of JK Tyre & Industries Limited ("the Company"), its subsidiaries and its interest in associate (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

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 disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- In the case of Consolidated Statement of Profit & Loss, of the Profit of the Group for the year ended on that date; and
- In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of any of the subsidiaries. The financial statements of three subsidiaries reflect total assets of ₹ 2.71 crs. as at 31st March 2014, revenue of ₹ 0.01 cr. and net cash outflow of ₹ Nil for the year ended on that date (Including J. K. International Limited, total assets – ₹ 0.01 cr.), and those of all other subsidiaries reflect total assets of ₹ 1400.71 crs. as at 31st March 2014, revenue of ₹ 2610.59 crs. and net cash inflow of ₹ 5.16 crs. for the fifteen months period ended on that date. The unaudited financial statements of subsidiary, namely, J. K. International Limited, were approved by its board of directors and were furnished to us by the management. Further the financial statements of all the other subsidiaries have been audited by other auditors, whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts included in respect of the said subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial statements of associate, namely, Valiant Pacific LLC., in whose audited financial statements the group's share of profit is ₹ 7.40 crs. for the year then ended. The said financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of the interest in said associate, is based solely on the report of other auditors.

The financial statements of associate, namely, Hari Shankar Singhania Elastomer and Tyre Research Institute has not been considered for consolidation as stated in Note no. 1(a) (ii) of the accompanying Consolidated Financial Statements.

Our opinion is not qualified in respect of other matters.

For LODHA & CO.
Firm Registration Number: 301051E
Chartered Accountants
SAURABH CHHAJER
Partner

New Delhi, the 28th May, 2014

Membership No: 403325

JK TYRE & INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2014

₹ in Crores (10 Million)

	Note No.	31.03.2014	31.03.2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	41.06	41.06
Reserves and Surplus	3	1043.69	865.39
Money Received against Share Warrants	4	12.37	-
		<u>1097.12</u>	<u>906.45</u>
Non-current Liabilities			
Long-term borrowings	5	1230.77	1241.82
Deferred tax liabilities (Net)	6	252.42	192.05
Other Long-term liabilities	7	341.98	342.95
Long-term provisions	8	92.58	71.02
		<u>1917.75</u>	<u>1847.84</u>
Current Liabilities			
Short-term borrowings	9	1275.22	1292.88
Trade payables		1053.23	899.92
Other current liabilities	10	531.72	431.50
Short-term provisions	11	167.57	183.96
		<u>3027.74</u>	<u>2808.26</u>
TOTAL		<u><u>6042.61</u></u>	<u><u>5562.55</u></u>
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible assets	12	2690.10	2713.31
- Intangible assets	12	0.23	1.12
- Capital work-in-progress		177.10	76.20
Non-current investments	13	102.82	103.87
Long-term loans and advances	14	136.51	85.16
Other non-current assets	15	93.39	101.40
		<u>3200.15</u>	<u>3081.06</u>
Current Assets			
Current investments	16	12.62	-
Inventories	17	936.79	933.75
Trade receivables	18	1335.08	1049.94
Cash and bank balances	19	236.25	140.10
Short-term loans and advances	20	313.27	349.78
Other current assets	21	8.45	7.92
		<u>2842.46</u>	<u>2481.49</u>
TOTAL		<u><u>6042.61</u></u>	<u><u>5562.55</u></u>
Significant Accounting Policies	1		

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

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
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KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors

New Delhi, the 28th May, 2014



JK TYRE & INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2014

₹ in Crores (10 Million)

	Note No.	2013-2014	2012-2013
Revenue from operations	22	8260.97	7556.56
Less : Excise Duty		609.21	571.33
Net Revenue from operations		7651.76	6985.23
Other income	23	18.32	13.72
Total Revenue [I]		7670.08	6998.95
Expenses			
Cost of materials consumed	24	4884.33	4830.75
Purchases of Stock-in-Trade	25	46.00	53.58
(Increase) / decrease in inventories of finished goods, work-in-progress and Stock-in-trade	26	(38.45)	(52.76)
Employee benefits expense	27	754.97	590.28
Other expenses	28	1133.60	945.37
Total [II]		6780.45	6367.22
Profit before Interest, Depreciation & Tax (PBIDT) [I - II]		889.63	631.73
Finance costs	29	276.20	232.75
Depreciation and amortisation expense	30	179.47	132.82
Profit before exceptional items and tax		433.96	266.16
Exceptional Items	38	(59.52)	(1.87)
Profit before tax		374.44	264.29
Tax Expenses:			
- Current Tax		99.04	53.09
- Mat Credit Entitlement		(40.59)	(30.11)
- Deferred Tax		60.37	44.49
Profit after tax		255.62	196.82
Share in Profits of Associate		7.40	6.48
Profit for the year		263.02	203.30
Basic Earnings per equity share (₹):	39		
- Cash		122.47	92.70
- After Tax		64.06	49.51
Diluted Earnings per equity share (₹):	39		
- After Tax		63.61	49.51

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

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

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New Delhi, the 28th May, 2014

NOTE -1 Principles of Consolidation:

a) The Consolidated Financial Statements comprise of the financial statements of JK Tyre & Industries Limited (Parent Company) and the following as on 31.03.2014:

i) **Subsidiaries:**

Name	Proportion of ownership interest	Financial Statements as on
J. K. International Ltd., U.K	100%	31.03.2014
J. K. Asia Pacific Ltd., Hong Kong	100%	31.03.2014
J. K. Asia Pacific (S) Pte Ltd., Singapore	100%	31.03.2014
Lankros Holdings Ltd., Cyprus	100%	31.03.2014
Sarvi Holdings Switzerland AG., Switzerland	100%	31.03.2014
JK Tornel S.A. de C.V., Mexico	99.96%	31.03.2014
Comercializadora América Universal, S.A. de C.V., Mexico	99.96%	31.03.2014
Compañía Hulera Tacuba, S.A. de C.V., Mexico	99.96%	31.03.2014
Compañía Hulera Tornel, S.A. de C.V., Mexico	99.96%	31.03.2014
Compañía Inmobiliaria Norida, S.A. de C.V., Mexico	99.96%	31.03.2014
General de Inmuebles Industriales, S.A. de C.V., Mexico	99.96%	31.03.2014
Gintor Administración, S.A. de C.V., Mexico	99.96%	31.03.2014
Hules y Procesos Tornel, S.A. de C.V., Mexico	99.96%	31.03.2014

Impact of minority interest is insignificant and immaterial, hence not considered.

ii) **Associates:**

Name	Status	Ownership Interest	Financial Statements as on
Valiant Pacific LLC., UAE	Audited	49%	31.03.2014

Hari Shankar Singhanian Elastomer and Tyre Research Institute being an approved Scientific and Research Institute can not be consolidated as the equity of the said Institute is not available for distribution to its members.

- b) Audited Consolidated Financial Statements for the year ended 31.03.2014 include results of certain foreign subsidiaries and an associate for the period of 15 months from January 2013 to March 2014 whereas Audited Consolidated Financial Statements for the previous year ended 31.03.2013 include results of such Subsidiaries and Associate for the period January to December, 2012. The Consolidated Financial Statements for the current year are thus not comparable with that of the previous year.
- c) 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 and Intra-group transactions.
- 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 Accounting Standard (AS) 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”.
- 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 profit and loss statement in respect of the change attributable to the associates’ profit and loss statement 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.
- g) The accounts of J. K. International Ltd. 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, being non-integral operations, 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 accumulated in the Foreign Currency Translation Reserve.
- j) Significant Accounting Policies and Notes accompanying Accounts of the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.



₹ in Crores (10 Million)
As at
31.03.2014 As at
31.03.2013

NOTE - 2

SHARE CAPITAL

Authorised:

Equity Shares - 12,50,00,000 of ₹ 10 each	125.00	125.00
14% Cumulative Redeemable Preference Shares - 7,00,000 of ₹ 100 each	7.00	7.00
Preference Shares - 48,00,000 of ₹ 100 each	48.00	48.00
	180.00	180.00

Issued, Subscribed and Paid up:

Equity Shares - 4,10,59,346 of ₹ 10 each fully paid up (Previous Year: 4,10,59,346 Equity Shares of ₹ 10 each)	41.06	41.06
	41.06	41.06

NOTE - 3

RESERVES AND SURPLUS

Capital Reserve

Opening Balance	182.15	181.27
Addition during the year (a)	23.25	22.38
Transfer during the year (b)	(52.89)	(21.50)
	152.51	182.15

Capital Redemption Reserve

Opening Balance	7.00	7.00
	7.00	7.00

Securities Premium Reserve

Opening Balance	217.70	217.70
	217.70	217.70

Revaluation Reserve

Opening Balance	22.08	40.98
Transfer during the year (d)	(16.54)	(18.90)
	5.54	22.08

General Reserve

Opening Balance	385.34	325.34
Addition during the year	75.00	60.00
	460.34	385.34

Foreign Currency Translation Reserve

Opening Balance	(23.09)	(5.75)
Transfer during the year	(14.52)	(17.34)
	(37.61)	(23.09)

₹ in Crores (10 Million)
As at **As at**
31.03.2014 **31.03.2013**

Surplus in Profit and Loss Statement

Opening Balance	74.21	(52.28)
Addition during the year	<u>263.02</u>	203.30
Amount available for appropriation	<u>337.23</u>	151.02

Appropriation:

Transfer to General Reserve	(75.00)	(60.00)
Proposed Dividend @ ₹ 5.00 (Previous Year: ₹ 3.50) per equity share	(20.53)	(14.37)
Corporate Dividend Tax	<u>(3.49)</u>	(2.44)
Closing Balance	<u>238.21</u>	74.21
Total	<u>1043.69</u>	<u>865.39</u>

- (a) Represents Capital Subsidy of Nil (Previous year: ₹ 1.50 crs.) and gain on reinstatement of net Capital Reserve on consolidation of ₹ 23.25 crs. (Previous year: ₹ 20.88 crs.) as at Balance Sheet date.
- (b) ₹ 30.27 crs. (Previous Year: ₹ 20.96 crs.) towards depreciation arising out of revaluation for foreign subsidiaries transferred to Profit & Loss Statement and ₹ 22.62 crs. (Previous Year: ₹ 0.54 cr.) adjusted for Fixed Assets sold / transferred.
- (c) Capital Reserve at year end, includes ₹ 151.01 crs. (Previous year: ₹ 180.65 crs.) on Consolidation.
- (d) ₹ 15.95 crs. (Previous Year: ₹ 16.09 crs.) towards depreciation arising out of revaluation transferred to Profit & Loss Statement and ₹ 0.59 cr. (Previous Year: ₹ 2.81 crs.) adjusted for Fixed Assets sold / transferred.

₹ in Crores (10 Million)
As at **As at**
31.03.2014 **31.03.2013**

NOTE - 4

MONEY RECEIVED AGAINST SHARE WARRANTS

Money Received against Share Warrants	<u>12.37</u>	-
	<u>12.37</u>	-

During the year, the Company allotted 43,03,350 warrants on preferential basis, pursuant to section 81 (1A) of the Companies Act, 1956 to the Promoter Group at a price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. An amount of ₹ 12.37 crs. being 25% of the consideration has been received. Each warrant is convertible into one Equity Share of the Company on payment of balance 75% within a period of 18 months from the date of allotment, failing which, the amount already received shall stand forfeited.

The proceeds of the issue have been used for the purpose, for which it was raised.



NOTE - 5	Non Current		₹ in Crores (10 Million) Current*	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
LONG-TERM BORROWINGS				
SECURED LOANS				
Term Loans:				
- Financial Institutions	206.10	209.83	19.32	-
- Banks	831.08	859.47	137.12	64.72
- Others	40.87	49.07	8.20	8.23
Loan from Bank	50.00	-	-	-
Deferred Sales Tax	-	-	-	5.52
	<u>1128.05</u>	<u>1118.37</u>	<u>164.64</u>	<u>78.47</u>
UNSECURED LOANS				
Deferred Sales Tax	77.04	102.72	25.68	25.68
Fixed Deposits	25.68	20.73	8.38	14.50
Loan from Bank	-	-	-	50.00
	<u>102.72</u>	<u>123.45</u>	<u>34.06</u>	<u>90.18</u>
	<u>1230.77</u>	<u>1241.82</u>	<u>198.70</u>	<u>168.65</u>
Less: Amount Disclosed under the head "Other Current Liabilities" (Note No. 10)	-	-	<u>(198.70)</u>	<u>(168.65)</u>
	<u>1230.77</u>	<u>1241.82</u>	<u>-</u>	<u>-</u>

* Payable during next 12 months.

NOTE - 6	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
DEFERRED TAX LIABILITIES (NET)		
Pursuant to the accounting standard on 'Accounting for Taxes on Income' (AS-22), deferred tax liability / (asset) are as under:		
1. Deferred Tax Liability related to Fixed Assets	296.76	238.38
2. Deferred Tax Assets		
(i) Expenses / Provision Allowable	25.63	8.64
(ii) Unabsorbed depreciation	18.71	37.69
	<u>44.34</u>	<u>46.33</u>
3. Deferred Tax Liability / (Asset) - Net	<u>252.42</u>	<u>192.05</u>

Certain foreign Subsidiaries have not recognised deferred tax asset (net) based upon prudence.

NOTE - 7	₹ in Crores (10 Million)	
	As at 31.03.2014	As at 31.03.2013
OTHER LONG-TERM LIABILITIES		
Trade Deposits & Others	341.98	342.95
	<u>341.98</u>	<u>342.95</u>
NOTE - 8		
LONG-TERM PROVISIONS		
Provision for Employee Benefits	92.58	71.02
	<u>92.58</u>	<u>71.02</u>

₹ in Crores (10 Million)

	As at	As at
	31.03.2014	31.03.2013

NOTE - 9

SHORT-TERM BORROWINGS

SECURED LOANS

Repayable on demand from Banks

	1134.10	1138.67
	<u>1134.10</u>	<u>1138.67</u>

UNSECURED LOANS

Fixed Deposits

Short-term Loans from Banks

	4.37	4.53
	136.75	149.68
	<u>141.12</u>	<u>154.21</u>
	<u>1275.22</u>	<u>1292.88</u>

NOTE - 10

OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings

Interest accrued but not due on borrowings

Unclaimed dividends #

Unclaimed / Uncollected Fixed Deposits and interest accrued thereon #

Others:

- Government and Other Statutory Dues

- Other Payables

	198.70	168.65
	10.39	9.67
	0.65	0.58
	2.28	2.51
	<u>159.47</u>	<u>134.14</u>
	<u>160.23</u>	<u>115.95</u>
	<u>531.72</u>	<u>431.50</u>

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

NOTE - 11

SHORT-TERM PROVISIONS

Provision for Employee Benefits

Others:

- Provision for Taxation

- Proposed Dividend

- Provision for Corporate Dividend Tax

	23.65	19.56
	119.90	147.59
	20.53	14.37
	3.49	2.44
	<u>167.57</u>	<u>183.96</u>

NOTE - 12

FIXED ASSETS

₹ in Crores (10 Million)

ASSETS	Gross Value					Depreciation / Amortisation					Net Value	
	As at 31.03.2013	Additions / Adjustments ^	Sales / Adjustments	Translation Adjustment @	As at 31.03.2014	Upto 31.03.2013	For the Year	Sales / Adjustments	Translation Adjustment @	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(i) Tangible Assets												
Land - Freehold	212.76	-	11.04	(13.29)	215.01	-	-	-	-	-	215.01	212.76
- Leasehold	10.64	-	0.02	-	10.62	1.21	0.11	-	-	1.32	9.30	9.43
Buildings *	665.62	11.13	21.53	(14.20)	669.42	132.32	25.19	7.80	(4.20)	153.91	515.51	533.30
Plant and Equipments	3506.79	174.60	20.14	(35.41)	3696.66	1584.04	194.59	18.27	(21.33)	1781.69	1914.97	1922.75
Furniture & Fixtures	20.25	0.84	0.52	(0.58)	21.15	10.77	1.30	0.27	(0.37)	12.17	8.98	9.48
Office Equipments	21.94	1.60	0.31	(0.69)	23.92	13.11	1.34	0.20	(0.67)	14.92	9.00	8.83
Vehicles	25.44	4.83	3.43	(0.22)	27.06	8.68	2.27	1.42	(0.20)	9.73	17.33	16.76
	4463.44	193.00	56.99	(64.39)	4663.84	1750.13	224.80	27.96	(26.77)	1973.74	2690.10	2713.31
Previous Year	3449.99	993.84	37.54	(57.15)	4463.44	1583.53	167.89	23.72	(22.43)	1750.13	2713.31	
(ii) Intangible Assets												
Software #	11.78	-	-	-	11.78	10.66	0.89	-	-	11.55	0.23	1.12
	11.78	-	-	-	11.78	10.66	0.89	-	-	11.55	0.23	1.12
Previous Year	11.78	-	-	-	11.78	8.68	1.98	-	-	10.66	1.12	

* Buildings include ₹ 2.05 crs. constructed on Leased Land, 32 shares held in co-operative housing societies.

Being amortised over a period of 5 years.

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

^ Includes capitalisation of foreign exchange fluctuation ₹ 22.22 crs. (Unamortised fluctuation as on 31.03.2014 : ₹ 32.40 crs.).

^ Government Subsidy of ₹ 0.47 cr. is reduced from cost of Plant & Equipments.

Factory & Service buildings and Plant and Machinery 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 alongwith 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. Further, Fixed Assets of certain foreign subsidiaries at Mexico were revalued as at 12th June, 2008 on the basis of report of a certified Valuer. The Gross Block includes cumulative surplus of ₹ 980.40 crs. as at 31.03.2014 (Previous year: ₹ 982.24 crs.) arising on revaluation.



₹ in Crores (10 Million)
As at
31.03.2014 As at
31.03.2013

NOTE - 13

NON-CURRENT INVESTMENTS (Long-term)

(Other than trade)

Investment in Shares:

Equity	37.73	37.56
Preference	23.12	25.13
Investment in associates*	41.72	34.32
Bonds	-	6.61
Mutual Funds	0.25	0.25
Government Securities (₹ 25000; As at 31.03.2013: ₹ 25000)	<u>102.82</u>	<u>103.87</u>

* Share of profits has been recognised in carrying amount of investment in associates.

NOTE -14

LONG-TERM LOANS & ADVANCES (Unsecured - Considered Good)

Advances - Project related	27.57	17.51
Security Deposits with Government Authorities and Others	35.61	34.91
MAT Credit Entitlement	73.33	32.74
	<u>136.51</u>	<u>85.16</u>

NOTE - 15

OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)

Deferred Receivable	93.39	101.40
	<u>93.39</u>	<u>101.40</u>

NOTE - 16

CURRENT INVESTMENTS

Investment in Preference Shares	6.01	-
Investment in Bonds	6.61	-
	<u>12.62</u>	<u>-</u>

NOTE - 17

INVENTORIES

(Valued at lower of cost or net realisable value)

Raw Materials*	305.51	332.91
Work-in-Progress	71.96	74.89
Finished Goods**	483.06	464.78
Stock-in-trade	20.52	10.61
Stores and Spares	55.74	50.56
	<u>936.79</u>	<u>933.75</u>

* Includes raw materials in transit ₹ 81.97 crs. (Previous Year: ₹ 88.84 crs.)

** Includes finished goods in transit ₹ 9.16 crs. (Previous Year: ₹ 5.17 crs.)

₹ in Crores (10 Million)

	As at 31.03.2014	As at 31.03.2013
--	---------------------	---------------------

NOTE - 18

TRADE RECEIVABLES (Unsecured)

(a) Outstanding for a period exceeding six months from the date they are due for payment

Considered Good

29.57

38.42

Doubtful

18.23

23.27

Less: Allowance for Bad and Doubtful debts

(18.23)

(23.27)

(b) Others (Considered Good)

1305.51

1011.52

1335.08

1049.94

NOTE - 19

CASH & BANK BALANCES

(a) *Cash and Cash Equivalents*

Balances with Banks:

Current Accounts

93.13

13.82

Deposit Accounts

38.20

38.89

Remittances in transit and Cheques on hand

103.93

86.54

Cash on hand

0.34

0.27

235.60

139.52

(b) *Other Bank Balances*

Unclaimed Dividend Accounts

0.65

0.58

236.25

140.10

NOTE - 20

SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)

Balance with Government Authorities

154.93

173.94

Export Benefit Receivable

0.15

7.81

Loans and Advances to related parties

0.72

-

Prepaid Expenses

8.82

5.37

MAT Credit Entitlement

2.49

8.74

Income Tax Advance Payments

115.33

124.75

Other Advances

30.83

29.17

313.27

349.78

NOTE - 21

OTHER CURRENT ASSETS (Unsecured, Considered Good)

Interest Accrued on Investments

0.44

0.44

Deferred Receivables

8.01

7.48

8.45

7.92

NOTE - 22

REVENUE FROM OPERATIONS

Sales:

Tyres

7675.79

6987.55

Tubes & Others

529.19

528.98

Royalty

3.29

3.65

Other operating revenues:

Liability for earlier years written back

2.91

1.98

Miscellaneous Income

49.79*

34.40

8260.97

7556.56

* Includes Government Grant of ₹ 19.30 crs.



₹ in Crores (10 Million)
2013-2014 2012-2013

NOTE - 23

OTHER INCOME

Income from Long-term Investments

- Dividends	1.68	0.02
- Interest	0.57	0.58
- Reversal of Provision for Diminution in value of Long-term Investments	0.17	0.03
Other Interest Income	<u>15.90</u>	<u>13.09</u>
	<u>18.32</u>	<u>13.72</u>

NOTE - 24

COST OF MATERIALS CONSUMED

Raw Material Consumed

	<u>4884.33</u>	<u>4830.75</u>
--	----------------	----------------

NOTE - 25

PURCHASES OF STOCK-IN-TRADE

Tyres	3.77	7.64
Tubes	1.68	0.89
Flaps	<u>40.55</u>	<u>45.05</u>
	<u>46.00</u>	<u>53.58</u>

NOTE - 26

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

Opening Stock

Finished Goods	464.78	283.04
Work-in-Progress	74.89	66.82
Stock-in-Trade	10.61	8.10
	(A) 550.28	357.96

Closing Stock

Finished Goods	483.06	464.78
Work-in-Progress	71.96	74.89
Stock-in-Trade	20.52	10.61
	(B) 575.54	550.28

(Increase) / Decrease in Stocks

	(A-B) (25.26)	(192.32)
--	---------------	----------

Less: Adjustments for differential excise duty* / pre-operative period Stock

	13.19	(139.56)
--	-------	----------

Net (Increase) / Decrease in Stocks

	<u>(38.45)</u>	<u>(52.76)</u>
--	----------------	----------------

* For 2013-14 ₹ (13.19 crs.); Previous year: ₹ (15.11 crs.)

NOTE - 27

EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	537.38	410.25
Contribution to Provident and other Funds	99.97	76.88
Employees' Welfare and other Benefits	<u>117.62</u>	<u>103.15</u>
	<u>754.97</u>	<u>590.28</u>

₹ In Crores (10 Million)
2013-2014 2012-2013

NOTE - 28

OTHER EXPENSES

Conversion Charges	55.42	49.94
Consumption of Stores and spares	94.69	69.54
Power and Fuel	292.74	274.30
Rent	15.86	13.92
Lease Rent	20.32	19.34
Repairs to Buildings	8.02	6.71
Repairs to Machinery	42.55	29.97
Insurance	12.51	9.11
Rates & Taxes	18.56	17.49
Discount & Commission	68.62	61.46
Freight and Transportation	256.89	187.44
Advertisement and sales promotion	80.12	58.33
Bad Debts written off	0.56	0.34
Provision for Doubtful Debts / Advances	17.84	19.75
Miscellaneous Expenses	<u>148.90</u>	<u>127.73</u>
	<u>1133.60</u>	<u>945.37</u>

NOTE - 29

FINANCE COSTS

Interest Expenses	274.19	229.76
Other Borrowing Costs	<u>2.01</u>	<u>2.99</u>
	<u>276.20</u>	<u>232.75</u>

NOTE - 30

DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and Amortisation	225.69	169.87
Less: Transfer from Revaluation Reserve	<u>(46.22)</u>	<u>(37.05)</u>
	<u>179.47</u>	<u>132.82</u>

31. Estimated amount of contracts remaining to be executed on capital account ₹ 658.31 crs. (Previous year: ₹ 46.53 crs.).
32. Contingent liabilities in respect of claims not accepted and not provided for ₹ 46.92 crs. (Previous year: ₹ 37.64 crs.), pertaining to Excise & Customs duty matters in appeal ₹ 8.60 crs., Service Tax matters ₹ 0.04 cr., Sales Tax matters in appeal ₹ 3.40 crs., Income Tax matters in appeal ₹ 2.97 crs. & other matters ₹ 31.91 crs. (Previous year: ₹ 4.00 crs., ₹ 0.04 cr., ₹ 3.64 crs., ₹ 3.78 crs. & ₹ 26.18 crs. respectively).
33. Bills discounted with Banks outstanding ₹ 14.09 crs. (Previous year: ₹ 4.24 crs.).
34. Excise Duty liability on account of valuation of Finished Goods is disputed and is yet to be determined. Without prejudice to the Company's stand in this behalf, as per Government's desire an adhoc amount of ₹ 5.45 crs. was paid under protest in earlier years and debited to 'Advances Recoverable' and an equivalent amount was provided in Profit and Loss Statement. On Writ Petition filed by the Company in the Hon'ble Delhi High Court, the said Court directed the Excise Authorities to determine the valuation of finished goods in accordance with law and observations made in the order.
35. JKTA has given Guarantee to a bank against counter indemnity from a body corporate in respect of non-fund based facilities outstanding at year end ₹ 70.28 crs. (Previous year: ₹ 61.82 crs.).



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.
37. 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.
38. Exceptional items include net impact of unfavourable Foreign Exchange Rate fluctuation ₹ 73.71 crs. (Previous Year: ₹ 23.14 crs.), net gain on sale of certain assets ₹ 20.27 crs. (Previous Year: ₹ 24.93 crs.), and expenditure on VRS for the employees ₹ 6.08 crs. (Previous Year: ₹ 3.66 crs.).

	₹ in Crores (10 Million)	
	2013-2014	2012-2013
39. Earnings Per Share (EPS):		
a. Profit for the year	263.02	203.30
b. Weighted average number of Equity Shares for Basic EPS	41059346	41059346
Add: Adjustment relating to Share Warrants	288926	-
Weighted average number of Equity Shares for Diluted EPS	41348272	41059346
c. Basic Earnings per equity share (₹) (Face Value ₹ 10 each)		
- Cash	122.47	92.70
- After Tax	64.06	49.51
d. Diluted Earnings per equity share (₹) (Face Value ₹ 10 each)		
- After Tax	63.61	49.51

40. Debts over six months / Advances include ₹ 6.50 crs. (Previous year: ₹ 24.04 crs.), 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.

41. Auditors of a subsidiary company J. K. Asia Pacific Limited have invited attention towards recoverability in respect of amount due ₹ 0.87 cr. equivalent HK\$ 1124838 (Previous year: ₹ 0.79 cr. equivalent HK\$ 1124838) from an associate company.

42. Related Parties:

a) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
Valiant Pacific LLC. (VPL)

b) Key Management Personnel (KMP):

Dr. Raghupati Singhania
Shri Bharat Hari Singhania
Shri Vikrampati Singhania
Shri Swaroop Chand Sethi
Shri Arun Kumar Bajoria

Chairman & Managing Director
Managing Director
Dy. Managing Director
Whole Time Director
President & Director

c) Enterprise over which KMP is able to exercise significant influence:

JK Lakshmi Cement Ltd. (JKLC)
J.K. Fenner (India) Ltd. (JKFIL) (Formerly Fenner (India) Ltd.)

The following transactions were carried out with related parties in the ordinary course of business:

₹ in Crores (10 Million)

Nature of Transactions	Associates	Enterprise over which KMP is able to exercise Significant Influence	TOTAL
Purchase of cement from JKLC - 0.28 & Spares from JKFIL		0.30	0.30
Purchase of cement from JKLC - 0.12 & Spares from JKFIL		(0.19)	(0.19)
Purchase of Raw Material from VPL	182.22		182.22
Purchase of Raw Material from VPL	(230.93)		(230.93)
Sale of Capital items to JKLC		0.05	0.05
Sale of Capital Items to JKFIL		(28.50)	(28.50)
Sale of Tyres to VPL & JKLC	443.82	0.48	444.30
Sale of Tyres to VPL & JKLC	(399.87)	(0.53)	(400.40)
Sale of Stores to HASETRI	0.07		0.07
Sale of Stores to HASETRI	(0.07)		(0.07)
Sharing of Expenses received - HASETRI, JKFIL - 0.65 & JKLC	1.63	0.98	2.61
Sharing of Expenses received - HASETRI, JKLC & JKFIL - 0.63	(1.48)	(0.98)	(2.46)
Sharing of Expenses paid - JKFIL - 0.53 & JKLC		1.00	1.00
Sharing of Expenses paid - JKLC & JKFIL - 0.50		(0.99)	(0.99)
Services Availed - HASETRI - 10.69, VPL & JKLC	10.86	3.05	13.91
Services Availed - HASETRI - 15.61, VPL & JKLC	(15.76)	(3.58)	(19.34)
Advances given - HASETRI - 0.58, VPL, JKFIL - 0.64 & JKLC	0.64	0.82	1.46
Advances given - HASETRI, JKFIL - 0.77 & JKLC	(0.71)	(0.89)	(1.60)
Advances received - HASETRI - 0.06, VPL, JKLC - 0.52 & JKFIL	0.10	0.56	0.66
Advances received - HASETRI, VPL - 0.17 & JKLC	(0.22)	(0.51)	(0.73)
Guarantee Given for VPL	(26.82)		(26.82)
Lease Rent paid to JKFIL		23.16	23.16
Lease Rent paid to JKFIL		(23.16)	(23.16)
Interest Income from JKFIL		10.08	10.08
Interest Income from JKFIL		(10.25)	(10.25)
Royalty income from VPL	3.29		3.29
Royalty income from VPL	(3.65)		(3.65)
Contribution to HASETRI	(0.70)		(0.70)
Outstanding as at year end:			
- Receivable:			
HASETRI - 0.72, VPL - 131.96, JKLC - 2.08 & JKFIL - 101.49	132.68	103.57	236.25
VPL - 54.37, JKLC - 2.07 & JKFIL - 108.97	(54.37)	(111.04)	(165.41)
- Guarantee Given on behalf of VPL	70.28		70.28
Guarantee Given on behalf of VPL	(61.82)		(61.82)

Remuneration paid to Key Management Personnel (KMP) for the year ₹ 21.76 crs. (Previous year: ₹ 9.29 crs.).

Proceeds received against Share warrants allotted to KMP ₹ 0.51 cr.

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



43. Segment Information for the year ended 31st March, 2014
Information about Primary Geographical Segments:

₹ in Crores (10 Million)

Particulars	India		Mexico		Others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1. REVENUE								
External Revenue from Operation	5951.08	5430.83	1732.94	1571.64	-	0.01	7684.02	7002.48
Inter segment Sales	(32.26)	(17.25)	-	-	-	-	(32.26)	(17.25)
Total Sales	5918.82	5413.58	1732.94	1571.64	-	0.01	7651.76	6985.23
Other Income	16.25	12.88	2.07	0.82	-	0.02	18.32	13.72
Total Revenue	5935.07	5426.46	1735.01	1572.46	-	0.03	7670.08	6998.95
2. RESULT								
Segment result (PBIT) before exceptional items	519.18	370.10	191.38	129.02	(0.40)	(0.21)	710.16	498.91
Finance Costs	248.30	206.53	27.90	26.21	-	0.01	276.20	232.75
Profit / (Loss) before Exceptional Items	270.88	163.57	163.48	102.81	(0.40)	(0.22)	433.96	266.16
Exceptional Items	(76.46)	(31.43)	16.93	29.57	0.01	(0.01)	(59.52)	(1.87)
Profit / (Loss) before Tax	194.42	132.14	180.41	132.38	(0.39)	(0.23)	374.44	264.29
Income Taxes	60.37	44.77	58.45	22.70	-	-	118.82	67.47
Profit / (Loss) after Tax	134.05	87.37	121.96	109.68	(0.39)	(0.23)	255.62	196.82
Share of Profit in Associate	-	-	-	-	7.40	6.48	7.40	6.48
Net Profit	134.05	87.37	121.96	109.68	7.01	6.25	263.02	203.30
3. OTHER INFORMATION								
Segment assets	5062.37	4691.92	936.99	834.93	43.25	35.70	6042.61	5562.55
Segment liabilities	4271.34	3991.35	673.85	664.61	0.30	0.14	4945.49	4656.10
Capital Expenditure	266.69	257.42	37.27	18.79	-	-	303.96	276.21
Depreciation	152.47	112.65	27.00	20.17	-	-	179.47	132.82
Non Cash Expenses Other than Depreciation	-	-	-	-	-	-	-	-

Notes:

- The Company has identified geographic segments as its primary segment and business segments as its secondary segment.
- Geographic segments of the Company are India, Mexico and Others as its risk and returns are affected predominantly by the fact that it operates in different countries or other geographical areas.
- Business segments comprise of only one segment namely Tyre, Tubes & Flaps. Therefore, reporting as required under Accounting Standard (AS-17) - "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

	2013-2014	2012-2013
44. Raw Material Consumed:		
Rubber	2822.81	2967.80
Reinforcement Material	745.69	725.80
Carbon Black	614.65	571.35
Chemicals	473.25	398.74
Others	227.93	167.06
	4884.33	4830.75
45. Work-in-Progress:	As at 31.03.2014	As at 31.03.2013
Compounds	33.78	38.65
Semi-finished Tyres	17.78	18.42
Others	20.40	17.82
	71.96	74.89

46. Figures less than ₹ 50000 have been shown at actuals in bracket.

47. Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

48. Previous year figures have been reclassified / regrouped / recast, wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
VIKRAMPATI SINGHANIA
SWAROOP CHAND SETHI
ARUN KUMAR BAJORIA
OM PRAKASH KHAITAN
ARVIND SINGH MEWAR
BAKUL JAIN
VIMAL BHANDARI
Dr. WOLFGANG HOLZBACH
KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors

New Delhi, the 28th May, 2014

JK TYRE & INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2014

₹ in Crores (10 Million)
2013-2014 2012-2013

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net profit before tax	374.44	264.29
Adjustment for:		
Depreciation and Amortisation expense	225.69	169.87
Transferred from revaluation reserve	(46.22)	(37.05)
Finance costs	276.20	232.75
(Profit) / Loss on sale of assets	(20.27)	(24.93)
Foreign Exchange Fluctuation	11.35	(25.45)
Foreign Currency Translation gain / (loss) on Consolidation	(5.30)	(5.48)
Diminution in value of Investments	(0.17)	(0.03)
Interest / Dividend Received	(18.15)	(13.69)
Provision for Doubtful Debts / Advances & Balances Written off	18.40	20.09
Earlier Year Provisions no longer required	(2.91)	(1.98)
Operating Profit before working capital changes	813.06	578.39
(Increase) / Decrease in Trade and Other Receivables	(273.50)	(42.72)
(Increase) / Decrease in Inventories	7.07	(142.18)
Increase / (Decrease) in Trade and other Payables	221.29	(379.73)
Cash generated from Operations	767.92	13.76
Direct taxes (net)	(113.11)	(29.23)
Net Cash from / (used in) Operating activities	654.81	(15.47)

B. CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(274.62)	(241.16)
Sale of Fixed Assets	33.57	17.80
Movement in Loans & Advances	(0.72)	(0.04)
Purchase of Investments	(4.00)	(3.67)
Redemption of Investment	-	10.00
Interest Received	16.47	13.67
Dividend Received	1.68	0.02
Net Cash used in Investing activities	(227.62)	(203.38)

C. CASH FLOW FROM FINANCING ACTIVITIES:

Money received against Share Warrants	12.37	-
Proceeds from borrowings	193.02	650.45
Repayment of borrowings	(244.99)	(101.88)
Finance Costs paid	(278.78)	(284.89)
Dividend paid (including dividend tax)	(16.81)	(11.93)
Net cash from / (used in) Financing activities	(335.19)	251.75
Net increase in Cash and Cash Equivalents	92.00	32.90
Cash and Cash Equivalents as at the beginning of the year	139.52	104.35
Foreign Currency Translation gain on Cash and Cash Equivalents	4.08	2.27
Cash and Cash Equivalents as at the end of the year	235.60	139.52

Notes:

Cash and Cash Equivalents Include:

- Cash, Cheques on hand and Remittances in transit	104.27	86.81
- Balances with Banks	127.25	50.44
- Unrealised Translation gain on Foreign Currency balances	4.08	2.27
Total	235.60	139.52

As per our report of even date

For LODHA & CO.
Chartered Accountants

SAURABH CHHAJER
Partner

P.K. RUSTAGI
Secretary

Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
VIKRAMPATI SINGHANIA
SWAROOP CHAND SETHI
ARUN KUMAR BAJORIA
OM PRAKASH KHAITAN
ARVIND SINGH MEWAR
BAKUL JAIN
VIMAL BHANDARI
Dr. WOLFGANG HOLZBACH
KALPATARU TRIPATHY

Chairman & Managing Director
Managing Director

Directors

New Delhi, the 28th May, 2014



FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

₹ in Crores (10 Million)

Sl. No.	Name of the Subsidiary Company	Share Capital	Reserves & Surplus / (Accumulated Losses)	Total Assets	Total Liabilities	Details of Investments (other than Investment in Subsidiary Companies)	Turnover including other income	Profit / (Loss) before taxation	Income Tax expense	Profit / (Loss) after taxation	Proposed Dividend
1.	J. K. International Ltd.	0.95	(0.94)	0.01	0.01	-	-	-	-	-	-
2.	J. K. Asia Pacific Ltd.	0.71	0.79	1.55	1.55	-	-	(0.02)	-	(0.02)	-
3.	J. K. Asia Pacific (S) Pte. Ltd. (Subs. of J. K. Asia Pacific Ltd.)	0.34	0.75	1.15	1.15	0.21	0.01	(0.01)	-	(0.01)	-
4.	Lankros Holdings Ltd.	26.31	(0.03)	26.84	26.84	-	-	(0.08)	-	(0.08)	-
5.	Sarvi Holdings Switzerland AG. (Subs. of Lankros Holdings Ltd.)	27.24	(1.84)	26.07	26.07	-	0.01	(0.29)	-	(0.29)	-
6.	JK Tornel S.A. de C.V. (JKTSA) (Subs. of Sarvi Holdings Switzerland AG.)	25.75	(150.78)	282.52	282.52	-	959.74	50.07	18.60	31.47	-
7.	Comercializadora América Universal, S.A. de C.V. (Subs. of JKTSA)	0.02	3.60	3.80	3.80	-	0.11	0.11	-	0.11	-
8.	Compañía Hulera Tacuba, S.A. de C.V. (Subs. of JKTSA)	0.41	65.45	145.65	145.65	-	9.32	4.55	1.56	2.99	-
9.	Compañía Hulera Tornel, S.A. de C.V. (Subs. of JKTSA)	81.85	82.13	596.57	596.57	-	1584.06	112.63	36.35	76.28	-
10.	Compañía Inmobiliaria Norida, S.A. de C.V. (Subs. of JKTSA)	1.48	173.59	189.07	189.07	-	10.37	5.47	-	5.47	-
11.	General de Inmuebles Industriales, S.A. de C.V. (Subs. of JKTSA)	0.05	40.87	45.85	45.85	-	5.54	3.05	0.65	2.40	-
12.	Gintor Administración, S.A. de C.V. (Subs. of JKTSA)	0.01	5.51	70.46	70.46	-	38.67	2.39	1.06	1.33	-
13.	Hules y Procesos Tornel, S.A. de C.V. (Subs. of JKTSA) (* ₹ 2056)	*	11.10	13.88	13.88	-	2.77	0.77	0.23	0.54	-

Converted at exchange rates as applicable.

The Company has complied with the conditions as stipulated by the Ministry of Corporate Affairs, Govt. of India, New Delhi vide its General Circular No. 2/2011 dated 8th February, 2011, whereby direction u/s 212(8) of the Companies Act, 1956 was issued granting general exemption from attaching the Accounts of Subsidiaries of the Company. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Head Office of the Company and the concerned subsidiary.





Link House, 3, Bahadur Shah Zafar Marg, New Delhi-110 002

NOTICE

NOTICE is hereby given that the sixty-first Annual General Meeting of the Members of JK Tyre & Industries Limited will be held at the Registered Office of the Company at Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan) on Thursday, 25th September 2014 at 3.0 P.M. to transact the following business:

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Swaroop Chand Sethi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that M/s Lodha & Co., Chartered Accountants (Registration Number-301051E), the retiring Auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this, the 61st Annual General Meeting(AGM) until the conclusion of the 64th Annual General Meeting, subject to ratification of the appointment by the members at the respective AGMs to be held in the years 2015 and 2016, on a remuneration of ₹ 21 Lacs (Rupees Twenty One Lacs only) upto the conclusion of the next AGM in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorised to fix the remuneration for the remaining tenure of the Auditors.
5. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that Smt. Sunanda Singhania whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation".
6. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Bakul Jain, Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years."
7. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Kalpataru Tripathy, Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years."
8. To consider and if thought fit to pass, with or without modification(s),

the following as Ordinary Resolution:

- "RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Arvind Singh Mewar, Director of the Company whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."
9. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri O.P. Khaitan, Director of the Company whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."
 10. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Vimal Bhandari, Director of the Company whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."
 11. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Wolfgang Holzbach, Director of the Company whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed with immediate effect, as an Independent Director of the Company for a term of five consecutive years."
 12. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:
"RESOLVED that in supersession of the Ordinary Resolution passed by the Company with respect to borrowing powers of the Board of Directors at the Annual General Meeting held on 21st December 1995, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof, to the Board of Directors for borrowing moneys (apart from temporary loans from time to time obtained from the Company's bankers in the ordinary course of business) where the money to be borrowed, together with the money already borrowed by the Company from any one or more banks/financial institutions/other lending institutions/bodies, whether in India

or abroad, in excess of the aggregate of paid-up share capital and free reserves, as the Board may, from time to time, deem necessary for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ₹ 3,500 Crores (Rupees Thirty Five Hundred Crores only).”

13. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

“RESOLVED that in supersession of the Ordinary Resolution passed by the Company under Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting held on 21st December 1995, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act 2013 or any statutory modification(s) or re-enactment(s) thereof, to mortgaging and/or charging by the Board of Directors of the Company (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or trustees for debentures/bonds) all the immovable and movable properties, present and future, pertaining to any one or more of the Company’s undertakings viz, the tyre units situate in the States of Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu, and any other existing or future units of the Company wheresoever situate, and the whole or substantially the whole of any one or more of the said units of the Company, to or in favour of any financial institutions, banks and other lending institutions or funds, trustees for debentures/bonds to secure their respective rupee and foreign currency loans or other financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the debentures/ bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such institutions/banks/ funds, or any other persons, of such amount or amounts outstanding at any time not exceeding ₹ 3,500 Crores (Rupees Thirty Five Hundred Crores only) in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the trustees, costs, charges and other monies payable by the Company to the respective financial institutions, banks and other lending institutions and holders of debenture/ bonds and/or trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures/ bonds or other financial instruments or assistance.

RESOLVED further that the Board of Directors of the Company including a Committee thereof be and are hereby authorized to finalise with the financial institutions, banks and other lending institutions or trustees for debentures/bonds, the documents for creating mortgage(s) and/ or charge(s) as aforesaid and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.”

14. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Listing Agreements entered into with the Stock Exchanges or any statutory modification(s) or re-enactment(s) thereof, approval of the Company be and is hereby accorded to the payment of remuneration not exceeding in aggregate one percent of the annual net profits of the Company for each financial year as computed in the manner laid down in the said Section 198 or any other applicable provisions of the Companies Act, 2013, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, to the non-executive directors other than the Managing Director(s) and Whole-time Director(s) of the Company as the Board of

Directors may from time to time determine.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

15. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions of the Companies Act 2013, if any, (including any statutory modification(s) or enactment(s) thereof for the time being in force) and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded for inviting/accepting/renewing unsecured/ secured deposits from its members and/or from the public, in any form or manner, through circular, advertisement or through any other mode as permitted, upto the maximum permissible limits prescribed under the applicable provisions and on such terms and conditions as the Board of Directors of the Company may in its absolute discretion deem fit and necessary.

RESOLVED FURTHER that Board of Directors of the Company including Committee thereof be and is hereby authorized to do all such acts, deeds and things as they may deem necessary and proper in this matter and to settle any question or difficulty in connection therewith and incidental thereto.”

16. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED that in supersession of the resolution passed by the Company at its Annual General Meeting held on the 19th November 1993, consent of the Company be and is hereby accorded pursuant to the provisions of Section 181 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors contributing in any financial year to bona fide charitable and other funds, sum or sums upto ₹ 10 Crores or 5% of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year.”

17. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification(s) or re-enactment thereof, the Cost Accountants appointed by the Board as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2014, be paid the remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only), in addition to reimbursement of actual expenses of travel outside Delhi for the said audit, as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 28th May 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Regd. Office:
Jaykaygram, PO-Tyre Factory,
Kankroli-313 342(Rajasthan)
Phone: 02952-302400/330011
Fax: 02952-232018
Email Id: investorjkyre@jkmil.com
CIN:L67120RJ1951PLC045966
Website:www.jkyre.com
Date: 12th August 2014

By Order of the Board

Pawan Kumar Rustagi
Vice President (Legal)
& Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 5 to 17 of the Notice, is annexed hereto.
3. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be open for inspection by the members at the Registered Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of the Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th September to 25th September, 2014 (both days inclusive).
5. The Dividend of ₹ 5/- per Equity Share of ₹ 10/- each (50%) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within two weeks of the date of the Annual General Meeting to the Members whose names are borne on the Company's Register of Members on 25th September 2014 or to their mandatees. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
6. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email addresses are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2013-14 may be sent on request by any Member.
7. Electronic copy of the Notice of the 61st Annual General Meeting (AGM) of the Company, inter alia, indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the Members whose email addresses are registered with the Company/Depository Participants. Members may note that the Notice of the 61st AGM and the Annual Report for 2013-14 will also be available on the Company's website- 'www.jktyre.com'.
8. Members who have not registered their email addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. APPOINTMENT OF DIRECTORS:

Brief resumes of the Directors proposed to be reappointed/ appointed (Item Nos. 3, 5, 6, 7, 8, 9, 10, and 11 of the Notice) are given hereunder:

- Shri Swaroop Chand Sethi, aged 77 years, holds Bachelor's Degree in Law, a Master's Degree in Commerce and a post graduate Diploma in Business Administration from Calcutta University. He also holds diploma in Company Secretaryship from the then Department of Company Affairs, Central Government. He joined the Board of Directors of the Company on 24th November 1994. He has an experience of over 56 years in various JK Group Companies and other organizations. He was President and Chief Executive of the Company from

August 1985 to November 1994. Before joining the Company, he was Vice President of Saurashtra Chemicals, a Birla group company and prior to that he was with JK Batteries Limited. He is also a Director of JK Agri Genetics Ltd., Bhopal Udyog Ltd., JKT&I Employees Welfare Association Ltd., Nav Bharat Vanijya Ltd. and JK Plant Bio Sciences Research Ltd. He is also a member of Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). Shri Swaroop Chand Sethi is also Chairman of Stakeholders' Relationship Committees of JK Agri Genetics Ltd. and Bhopal Udyog Ltd. and member of Stakeholders' Relationship Committee of Nav Bharat Vanijya Ltd. He is also Chairman of Audit Committees of Nav Bharat Vanijya Ltd. and Bhopal Udyog Ltd. and a Member of Audit Committee of JK Agri Genetics Ltd. (Chairmanship/Membership of Shri Sethi in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). His Director Identification No. is 00328990.

- Smt. Sunanda Singhania (aged 62 years) is a Member of the Managing Committee and Executive Director of Pushpawati Singhania Research Institute (PSRI Hospital), since its inception, 18 years back. Ever since, Smt. Singhania has been responsible for development of PSRI Hospital, South East Asia's first super speciality hospital for Liver, Renal & Digestive Diseases. It is today one of the leading Hospitals in India, dedicated to providing advanced and comprehensive medical and surgical treatment in the areas of Gastroenterology, Nephrology, Urology, Hepatology, Endocrinology, Organ Transplant, and is equipped with most modern diagnostic and radiology facilities. Kidney transplant programme is one of the flagship programmes of PSRI. Smt. Singhania is also overseeing affairs of Indica Travels & Tours Pvt. Ltd., for the last 26 years, a Travel House providing comprehensive services relating to travel and tours. She is also a Director of Radical Agro Products Pvt. Ltd. She holds 112500 Equity Shares of JK Tyre & Industries Ltd. Her Director Identification No. is 02356376.
- Shri Bakul Jain, aged 59 years, holds a Bachelor's Degree in Commerce and also holds Master's Degree in Business Administration from Switzerland. He joined the Board of Directors of the Company on 22nd February 1989. He is an Industrialist with over 36 years of experience. He is presently the Managing Director of DCW Ltd. and also a Director of Sahu Brothers Private Ltd., B.J. Holdings Private Ltd., Canvas Shoe Co. (Goa) Private Ltd., D.P.B. Holdings Private Ltd., Jain Sahubrothers Properties Private Ltd., DCW Pigments Ltd. and Cashco Holdings Private Ltd. (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). He is a member of Stakeholders' Relationship Committee of DCW Ltd. (Chairmanship/Membership of Shri Jain in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). His Director Identification No. is 00380256.
- Shri Kalpataru Tripathy, aged 42 years, holds Bachelor's Degree in Science and is a Law Graduate and also holds Post Graduate Diploma in International Business Laws. He joined the Board of Directors of the Company on 1st October 2010. He is a Member of Bar Council of Delhi and has rich experience of over 17 years in diverse corporate legal matters. His other Directorships are – Nil. His Director Identification No. is 00865794.
- Shri Arvind Singh Mewar, aged 69 years, holds a Bachelor's Degree in English Literature, Economics and Political Science. He has also done Hotel Management in UK. He joined the Board of Directors of the Company on 7th April 1975. He is a well known Hotelier and is Chairman and Director of HRH

Group of Hotels, Udaipur. He is former Maharana of Udaipur. He is also a Director of The Lake Palace Hotels & Motels Pvt. Ltd., The Lake Shore Palace Hotel Pvt. Ltd., Lake Palace Trade & Travels Pvt. Ltd., Historic Resort Hotels Pvt. Ltd., Central Office Mewar Palace Organisation Pvt. Ltd., Chetak Exports (India) Pvt. Ltd., Shikarabadi Hotel Pvt. Ltd., Mewar Memorable Millennium Melodious Music Pvt. Ltd., HRH Information Technology Pvt. Ltd., Meva Media Management Pvt. Ltd., Mewar Hospitality Management Solutions (India) Pvt. Ltd., Padmaja-Kush Enterprises Pvt. Ltd. and The Mayo Foundation (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). Chairmanship/ Membership of Shri Mewar in Committees of Directors in other Companies in terms of Clause 49 of the Listing Agreement – Nil. His Director Identification No. is 00008244.

- Shri O.P. Khaitan, aged 70 years, holds Bachelor's Degree in Commerce and is also a Law Graduate and Attorney-at-Law (Solicitor) from Calcutta High Court. He joined the Board of Directors of the Company on 30th August 1974. He has been practicing as a solicitor and an advocate since 1967. He is also a Director of ECE Industries Ltd., Honda Siel Power Products Ltd., Shriram Pistons & Rings Ltd., Bengal & Assam Company Ltd., VLCC Health Care Ltd., Sharda Motor Industries Ltd., Howden Insurance Brokers India Pvt. Ltd., Nipshell Builders Pvt. Ltd. and JKT&I Employees Welfare Association Ltd. (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). Shri Khaitan is the Chairman of the Audit Committees of Sharda Motor Industries Ltd. and Shriram Pistons & Rings Ltd. and a member of the Audit Committees of ECE Industries Ltd., Honda Siel Power Products Ltd., VLCC Health Care Ltd. and Bengal & Assam Company Ltd. Shri Khaitan is also the Chairman of Stakeholders' Relationship Committee of Bengal & Assam Company Ltd. and a member of Stakeholders' Relationship Committee of Sharda Motor Industries Ltd. (Chairmanship/ Membership of Shri Khaitan in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). His Director Identification No. is 00027798.
- Shri Vimal Bhandari, aged 56 years, holds Bachelor's Degree in Commerce and is a Chartered Accountant. He joined the Board of Directors of the Company on 1st July 2011. He has over 27 years of experience as a Sr. Management Professional in the financial services industry. He is Managing Director and CEO of IndoStar Capital Finance Private Ltd. He is also a Director of Kalpataru Power Transmission Ltd., DCM Shriram Ltd., Bayer CropScience Ltd., The Ratnakar Bank Ltd., Piramal Glass Ltd. ING Investment Management (India) Private Ltd., Bharat Forge Limited and IndoStar Asset Advisory Pvt. Ltd. (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). He is Chairman of Audit Committees of The Ratnakar Bank Ltd. and Piramal Glass Ltd. and a Member of Audit Committees of Kalpataru Power Transmission Ltd. and Bayer CropScience Ltd. (Chairmanship/Membership of Shri Bhandari in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement). His Director Identification No. is 00001318.
- Dr. Wolfgang Holzbach, aged 64 years, holds a Doctorate Degree in Natural Science. He joined the Board of Directors of the Company on 6th November 2012. He has had a very long and distinguished career of 31 years with a leading international tyre company where he was responsible for various strategic areas including Material Development, Quality Management, Manufacturing, Engineering and Technology. Besides wide knowledge and rich experience in manufacturing and tyre technology, he has international perspective. His other Directorships are – Nil. His Director Identification No. is 06422833.

and Shri Bharat Hari Singhania are brothers and Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania. Smt. Sunanda Singhania is wife of Dr. Raghupati Singhania.

11. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members, facility to exercise their right to vote at the 61st Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited(CDSL). E-voting is optional.

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com during the period from 18th September, 2014 (10.01 A.M.) to 20th September, 2014 (5.30 P.M.) and Click on "Shareholders" tab.

- (ii) Now enter your User ID:

User ID	<ul style="list-style-type: none"> - For beneficial owners holding account with Depository Participants of NSDL- 8 character DP ID and 8 digit demat account number. - For beneficial owners holding account with Depository Participants of CDSL-16 digit demat account number. - For members holding shares in Physical mode- Registered Folio Number.
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- (iii) Enter the image verification as displayed and click on Login.
- (iv) Members holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any company, then your existing password is to be used.
- (v) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in capital letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's after the folio number. For example, if your name is Ramesh Kumar with folio number 1234, then enter RA12340000 in the PAN field. • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in capital letter followed by 8 digit CDSL/NSDL client id. For example: In case the name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'.
Date of Birth or Dividend Bank Details or Number of Shares	Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on 22 nd August 2014 in the Dividend Bank details field.

10. Relationships between directors inter-se: Dr. Raghupati Singhania

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided such company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on "JK Tyre & Industries Ltd."
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xv) If Demat account holder has forgotten the password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvi) The voting period begins on 18th September 2014 at 10.01 a.m. and ends on 20th September 2014 at 5.30 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xviii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of 22nd August, 2014.
- (xix) The Company has appointed Shri Ronak Jhuthawat of M/s Ronak Jhuthawat & Co., Practising Company Secretary as Scrutinizer and Shri Puneet Manawat, Practising Company Secretary as Alternate Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- (xx) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxi) The Results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.jktyre.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

Smt. Sunanda Singhania was appointed as an Additional Director of the Company w.e.f. 12th August 2014. Pursuant to Section 161 of the Companies Act, 2013, Smt. Sunanda Singhania holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the said Act, together with requisite deposit from a member of the Company proposing candidature of Smt. Sunanda Singhania for appointment as a Director of the Company.

Appointment of Smt. Sunanda Singhania as a Director will make the Company compliant of Section 149 of the said Act and also Clause 49 of the Listing Agreement with the Stock Exchanges, requiring every listed company to have atleast one woman director.

The Board recommends the aforesaid resolution for approval by the Members. Brief resume of Smt. Sunanda Singhania is given in the notes appended to the Notice of this meeting.

Except Smt. Sunanda Singhania and Dr. Raghupati Singhania, who is her relative and Chairman & Managing Director of the Company and their relatives to the extent of their shareholding, if any in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 6

Shri Bakul Jain retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. The Board of Directors of the Company has recommended appointment of Shri Jain as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri Bakul Jain has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement. Shri Bakul Jain is also not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Bakul Jain fulfils the conditions specified in the Act and rules made thereunder in respect of his appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter of appointment of Shri Bakul Jain as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resume of Shri Bakul Jain is given in the notes appended to the Notice of the meeting.

Except Shri Bakul Jain and his relatives to the extent of their shareholding, if any in the Company, none of the Directors or Key

Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the aforesaid Resolution for approval by the Members.

Item No. 7

Shri Kalpataru Tripathy retires by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. The Board of Directors of the Company has recommended appointment of Shri Tripathy as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri Kalpataru Tripathy has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement. Shri Kalpataru Tripathy is also not disqualified from being appointed as a Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Kalpataru Tripathy fulfils the conditions specified in the Act and rules made thereunder in respect of his appointment as an Independent Director of the Company and he is independent of the management. Copy of the draft letter of appointment of Shri Kalpataru Tripathy as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resume of Shri Kalpataru Tripathy is given in the notes appended to the Notice of the meeting.

Except Shri Kalpataru Tripathy and his relatives to the extent of their shareholding, if any in the Company, none of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board recommends the aforesaid Resolution for approval by the Members.

Item Nos. 8,9,10 and 11

Shri Arvind Singh Mewar, Shri O.P. Khaitan, Shri Vimal Bhandari and Dr. Wolfgang Holzbach are the Directors of the Company whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. The Board of Directors of the Company has recommended appointment of Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach as Independent Directors each for a term of five consecutive years from the date of this Annual General Meeting, in terms of Section 149 of the Companies Act, 2013 as mentioned in the respective resolutions.

The Company has received declarations from Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach that they meet with the criteria of independence as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement. In the opinion of the Board, Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management.

Copies of the draft letters for appointment of Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach as Independent Directors setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company. Brief resumes of Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach are given in the notes appended to the Notice of this meeting.

Except Shri Mewar, Shri Khaitan, Shri Bhandari and Dr. Holzbach, being appointees respectively, and their relatives to the extent of their shareholding, if any in the Company, none of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolutions.

The Board recommends the aforesaid Resolutions for approval by the Members.

Item No. 12

The Members of the Company at the Annual General Meeting held on 21st December 1995 had authorised the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1) (d) of the Companies Act 1956, to borrow moneys, in excess of the paid-up capital of the Company and its free reserves, upto an amount not exceeding ₹ 1,500 Crores, at any point of time. Subsequently, the borrowing limit of ₹ 400 Crores of erstwhile Vikrant Tyres Ltd. was also made available to the Company consequent upon its amalgamation with the Company effective from 1st April 2002, thereby taking aggregate borrowing power of the Board to ₹1,900 Crores.

The Company has undertaken a project for expansion of Chennai Tyre Plant, apart from which, it may undertake, in future, other expansion projects from time to time. It was, therefore, considered necessary to obtain approval of the Members by means of a Special Resolution in terms of Section 180(1)(c) of the Companies Act, 2013, enabling the Board of Directors of the Company to borrow from time to time for the purpose of the Company upto ₹ 3,500 Crores on account of principal, in supersession of the said limits.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 13

The Members of the Company at the Annual General Meeting held on 21st December 1995 had authorised the Board of Directors of the Company, by an Ordinary Resolution passed under Section 293(1) (a) of the Companies Act 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 1,500 Crores, in the aggregate on account of principal, together with interest thereon. Subsequently, the amount of ₹ 1,500 Crores stood increased to ₹ 1,900 Crores consequent upon amalgamation of erstwhile Vikrant Tyres Ltd. with the Company effective from 1st April 2002.

The Company has undertaken a project for expansion of Chennai Tyre Plant, apart from which, it may undertake, in future, other expansion projects from time to time. It was, therefore, considered necessary to obtain approval of the Members by means of a Special Resolution in terms of Section 180(1)(a) of the Companies Act, 2013, enabling the Board of Directors of the Company to mortgaging and/or charging all the immovable and movable properties, present and future, pertaining to any one or more of the Company's undertakings, to or in favour of any Financial Institution/Bank/other lending Institution/Fund/Trustee for Debentures/Bonds to secure their respective Rupee and Foreign Currency Loans of such amount or amounts outstanding at any time not exceeding ₹ 3,500 Crores in the aggregate on account of principal, together with interest thereon, in supersession of the said limits.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 14

The Members at the Annual General Meeting of the Company held on 31st August 2009 had approved by a Special Resolution pursuant to Section 309 of the Companies Act 1956, payment of commission, as might be decided by the Board of Directors from time to time, not exceeding 1% of the annual net profits of the Company, to the Directors other than the Managing or Whole-time Director(s) of the Company for a period of 5 financial years commencing 1st April 2009 i.e., upto 31st March, 2014.

Section 197 of the Companies Act 2013 (the Act) now authorises payment of remuneration to Directors, other than Managing Directors

or Whole-time Directors of the Company, upto 1% of the net profits of the Company, calculated in the manner referred to in Section 198 of the Act, without the approval of the Company in General Meeting.

The revised Clause 49 of the Listing Agreement stipulates that all fees/compensation (excluding sitting fees), paid to the non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting.

Accordingly, it is considered necessary to obtain approval of the Members for payment of remuneration to Directors who are neither managing directors nor whole-time directors, not exceeding one percent of the net profits of the Company for each financial year in terms of Section 197 of the Companies Act, 2013.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution.

All the Directors, other than the Managing Director(s) and Whole-time Director(s) of the Company, and their relatives to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested in the resolution to the extent of the share of remuneration that they may receive. None of the Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No.15

Pursuant to the provisions of the Companies Act, 1956, the Company has been having scheme of acceptance of public deposits. The Text of Advertisement inviting public deposits was last approved by the Board at its meeting held on 27th May 2013.

With effect from 1st April 2014, the new Companies Act 2013 and Rules thereunder, have been made operational including provisions relating to acceptance of deposits by companies. The Board of Directors at its meeting held on 28th May 2014 decided to continue to invite/accept/renew secured/unsecured deposits from its Members and/or the public after complying with the provisions of the Companies Act, 2013 and Rules thereunder which, inter alia, provides for credit rating, deposit insurance, maintenance of liquid assets, approval of the Members, etc. Accordingly, approval of the Members is being sought by way of Special Resolution for inviting/accepting/renewing deposits.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution, except to the extent of their deposits which they may/will have with the Company.

Item No.16

The Company at its Annual General Meeting held on 19th November 1993 accorded its consent pursuant to Section 293(1)(e) of the Companies Act 1956 to the Board of Directors contributing in any financial year to charitable and other funds not directly relating to the

business of the Company or welfare of its employees, subject to a ceiling of ₹ 5 Crores or 5% of the average net profits, whichever is greater.

As per Section 181 of the Companies Act 2013, the Board of the Company may now contribute to bona fide charitable and other funds, in any financial year, upto 5% of its average net profits for the three immediately preceding financial years. Contribution to such funds in any financial year can exceed 5% of the average net profits for the three immediately preceding financial years, with prior permission of the Company in general meeting.

It is, therefore, considered necessary to authorise the Board of Directors of the Company under the Companies Act, 2013, to contribute to bona fide charitable and other funds, sum or sums upto ₹ 10 Crores or 5% of the average net profits of the Company for the three immediately preceding financial years, whichever is higher, in any financial year.

The Board recommends the aforesaid resolution for approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No.17

The Board at its meeting held on 28th May 2014, on the recommendations of the Audit Committee, has appointed M/s R.J. Goel & Co., Cost Accountants as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year commencing 1st April 2014 at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only), in addition to reimbursement of actual expenses of travel outside Delhi for the said audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board recommends aforesaid resolution for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Regd. Office:
Jaykaygram, PO-Tyre Factory,
Kankroli-313 342(Rajasthan)
Phone: 02952-302400/330011
Fax: 02952-232018
Email Id: investorjktyre@jkmail.com
CIN:L67120RJ1951PLC045966
Website:www.jktyre.com
Date: 12th August 2014

By Order of the Board

Pawan Kumar Rustagi
Vice President (Legal)
& Company Secretary

FOR ATTENTION OF THE SHAREHOLDERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form. Re. dematerialized holdings please see Note No.5.
3. Shareholders seeking transfer of shares in physical form should furnish copy of PAN card of the Transferee to the Company/RTA for registration of transfer of shares.
4. Multiple folios: Shareholders having multiple folios are requested to write to Company/RTA for consolidation of the folios.
5. Dividend Warrants, Share transfer etc.:

As per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Accordingly, the Members are requested to register/ update their correct bank account details with the Company/RTA/Depository Participant, as the case may be.

6. In terms of the Circular No.51/12/2007-CL-III dated 8th February 2011 of the Ministry of Corporate Affairs, Annual Accounts of the subsidiary companies and the related detailed information will be kept open for inspection on all working days between 11.00 A.M. to 1.00 P.M. at the Head Office of the Company and of the concerned subsidiary companies.
7. Unclaimed Dividends - Transfer to Investor Education and Protection Fund:
Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed dividend will be transferred to the Investor Education and Protection Fund on expiry of 7 years from the date the dividend became due for payment as under : -

Dividend	Due date for transfer to the said Fund
> Financial Year ended 30.09.2007	
● 27% Dividend	13 th April 2015
> Financial Year ended 31.3.2009	
● 27% Dividend	17 th September 2016
> Financial Year ended 31.3.2010	
● 35% Dividend	25 th August 2017

Members who have not encashed their Dividend Warrants for the said financial years and subsequent years are requested to send the same for revalidation to the Secretarial Department of the Company at New Delhi.

The unpaid dividend in respect of the prior period have already been transferred to the General Revenue Account of the Central Government or the Investor Education and Protection Fund, as the case may be, as per the provisions of the Companies Act, 1956 read with the relevant Rules framed thereunder.

8. **NOMINATION:** Pursuant to Section 72 of the Companies Act, 2013 Shareholders holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Shareholders.



Regd. Office: Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan)
 Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjkyre@jkmil.com
 CIN: L67120RJ1951PLC045966; Website: www.jktyre.com

ADMISSION SLIP

Folio No. or DP Id #/Client-Id #	
No. of Shares held	

I hereby record my presence at the 61st Annual General Meeting of the Company being held at **Jaykaygram, PO-Tyre Factory, Kankroli - 313 342 (Rajasthan)** on Thursday , the 25th September 2014 at 3.0 P.M.

Name of the Member (in block letters)	
Name of the Proxy-holder/ Authorised Representative attending the Meeting * (in block letters)	

Signature of the Member/Proxy/Authorised Representative *

- Notes:**
- 1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.**
 - 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form at the Company's Registered Office at least 48 hours before the Meeting.**

* Strike out whichever is not applicable. # Applicable for investors holding shares in dematerialised form.



Regd. Office: Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan)
 Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjkyre@jkmil.com
 CIN: L67120RJ1951PLC045966; Website: www.jktyre.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules,2014]

Name of the Company : JK Tyre & Industries Ltd.
 Registered Office : Jaykaygram, PO-Tyre Factory, Kankroli-313 342 (Rajasthan)
 Name of the member(s) :
 Registered Address :
 E-mail Id :
 Folio No/ Client Id :
 DP ID :

I/We, being member(s) ofshares of JK Tyre & Industries Ltd., hereby appoint

- Name :
 Address :
 E-mail Id :
 Signature :....., or failing him
- Name :
 Address :
 E-mail Id :
 Signature :....., or failing him
- Name :
 Address :
 E-mail Id :
 Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 61st Annual General Meeting of the Company, to be held on the 25th day of September 2014 at 3.0 P.M. at Jaykaygram, PO-Tyre Factory, Kankroli- 313 342, (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
1. Considering and adoption of the financial statements and the reports of the Directors and Auditors thereon.		
2. Declaration of Dividend		
3. Re-appointment of Shri Swaroop Chand Sethi, who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Smt. Sunanda Singhania as a Director		
6. Appointment of Shri Bakul Jain as an Independent Director		
7. Appointment of Shri Kalpataru Tripathy as an Independent Director		
8. Appointment of Shri Arvind Singh Mewar as an Independent Director		
9. Appointment of Shri O.P. Khaitan as an Independent Director		
10. Appointment of Shri Vimal Bhandari as an Independent Director		
11. Appointment of Dr. Wolfgang Holzbach as an Independent Director		
12. Borrowing in excess of the paid-up share capital and free reserves		
13. Creating mortgage/charging the movable and immovable properties of the Company		
14. Payment of remuneration to non-executive directors other than the Managing Director(s) and Whole-time Director(s)		
15. Inviting/accepting/renewing deposits from members/ public		
16. Contribution to bona fide charitable and other funds		
17. Remuneration of the Cost Auditors		

Signed this.....day of.....2014

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



Regd. Office: Jaykaygram, PO-Tyre Factory, Kankroli-313 342(Rajasthan)
Phone: 02952-302400/330011; Fax: 02952-232018; Email id: investorjkyre@jkmail.com
CIN: L67120RJ1951PLC045966; Website: www.jkyre.com

E-COMMUNICATION REGISTRATION FORM

Dear Shareholders,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules issued thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those shareholders who have registered their e-mail address either with the Company or with the Depository.

To support this 'Green Initiative', the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

Pawan Kumar Rustagi
Vice President (Legal) & Company Secretary

E-COMMUNICATION REGISTRATION FORM

(For Members holding Equity Shares in physical mode)

Folio No. :

Name of the 1st Registered Holder :

Name of the Joint Holder(s) :

Registered Address :
.....

E-mail Id (to be registered) :

I/We Member(s) of JK Tyre & Industries Ltd. agree to receive communication from the Company in electronic mode.

Please register my/our above e-mail ID in your records for sending communication in electronic form.

Date:

Signature

Note: Member(s) are requested to complete this Form and send to the Company Secretary at the above address or send the scanned copy of this Form duly completed at the email id - investorjkyre@jkmail.com

