

FORM - A

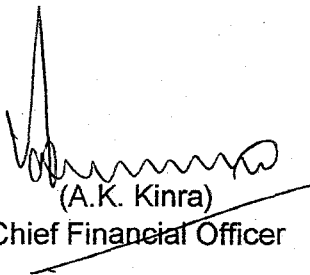
Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges
Financial Year ended 31st March 2015

1.	Name of the Company	JK TYRE & INDUSTRIES LTD.
2.	Annual financial statements for the year ended	31st MARCH, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.

5.



(Dr. Raghupati Singhania)
Chairman & Managing Director

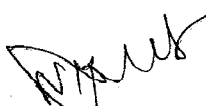


(A.K. Kinra)
Chief Financial Officer



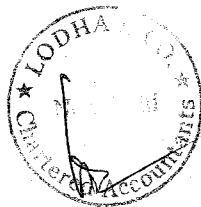
(O.P. Khaitan)
Audit Committee Chairman

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E



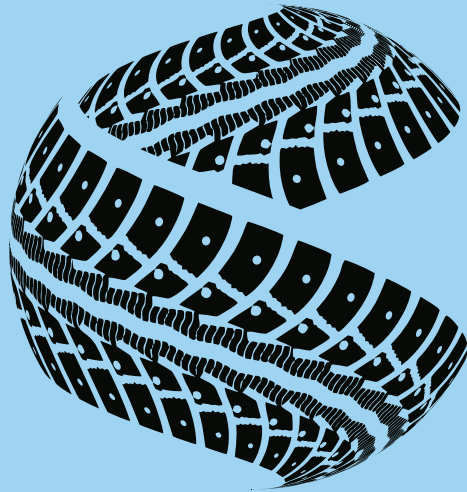
(N. K. Lodha)
Partner

Membership No. 85155



14 MAY 2015

ANNUAL REPORT 2014-15



IT'S NOT JUST ABOUT THE TYRE



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The story at JK Tyre is not just about tyres. **It is about our passion.**

Our passion to delight customers to the point that they will buy no other brand.

Our passion to keep introducing new tyre varieties even before the market asks for it.

Our passion to raise benchmarks to levels that most would have considered impossible.

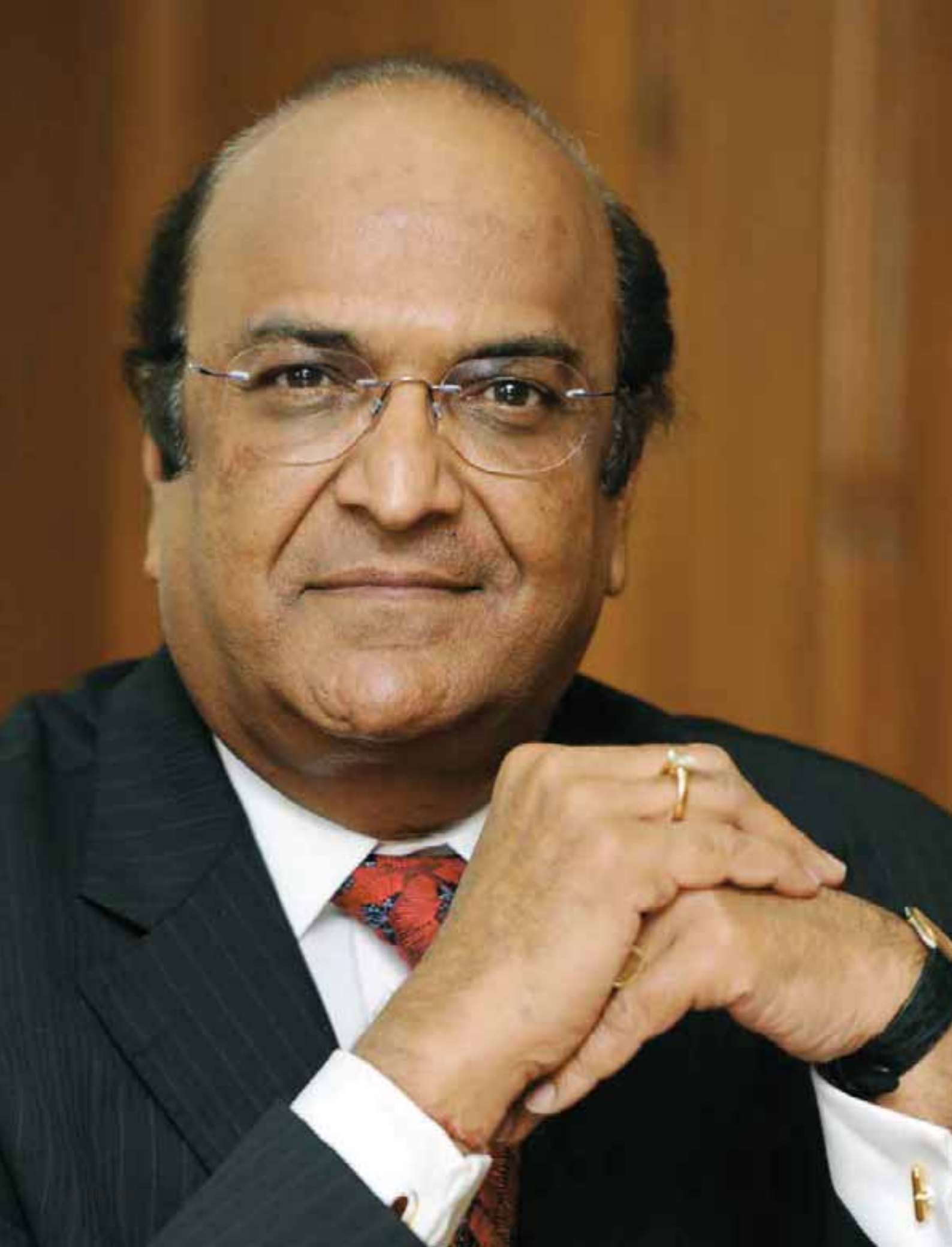
Our passion to evolve a conventional product into a modern solution well before considered necessary.

There is just one by-product of this passion.

Outperformance.

For instance, despite a challenging 2014-15, JK Tyre reported attractive profitability, with a higher percentage increase in profit after tax over revenues.

Passion pays.



MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

“THE HARDER
THE EXTERNAL
ENVIRONMENT
TURNED,
THE MORE
PASSIONATE
OUR RESPONSE
BECAME.”

Chairman & Managing Director, Raghupati
Singhania, explains how a passionate JK
Tyre reported an outstanding performance
during a challenging 2014-15

Dear fellow Shareholders,

I WOULD LIKE TO SHARE THE HIGHLIGHTS OF THE YEAR 2014-15.

JK TYRE'S CONSOLIDATED TURNOVER STOOD AT ₹8,060 CRORES AND PROFIT AFTER TAX STRENGTHENED 46% TO ₹330 CRORES IN THE FY2014-15.

FURTHERMORE, THE COMPANY'S MARKET CAPITALISATION INCREASED 226% DURING THE PERIOD UNDER REVIEW, ENRICHING OUR SHARE-OWNERS.

It is heartening that JK Tyre reported profitable growth despite a challenging environment.

The key message I wish to communicate is that the harder the external environment turned, the more passionate our response became.

Challenges

JK Tyre possessed the foresight to introduce radial tyres three decades ago in India in response to evolving marketplace realities. This introduction was followed by proactive investments in brand-building that helped grow a nascent radial market into a vibrant one, making radialisation a preferred trend in India.

At JK Tyre, we played the role of an evangelist with timely investments in modern radial capacities. The result: radial tyres constituted 52% of our revenues in 2014-15. Besides, we made a progressive cost reduction effort in the truck bias segment, strengthening our overall competitiveness.

Passion at work

At JK Tyre, we recognised that addressing industry challenges through sporadic responses, as and when they manifested, would prove inadequate; what we needed was a consistently passionate response.

This is not as easy as it sounds. How do you make a 38-year company younger virtually overnight?

At JK Tyre, we made passion our spearhead. We questioned every paradigm. We inducted younger managers. We invested in cutting-edge plants. We proactively enhanced capacity. We reassessed every process. We evolved our focus from customer satisfaction to delight. We incorporated best-in-class practices. We widened our product range. We maintained a constant dialogue with our dealers. We graduated from marketing products to providing solutions.

In other words, the reinvented JK Tyre.

Earlier, we focused on being competitive in regional pockets; at the reinvented JK Tyre, we aspired to emerge among the most competitive across various geographies.

Earlier, we ushered steady improvements in operating efficiencies; at the reinvented JK Tyre, we focus singularly on the substantial.

Earlier, we focused on one-off improvements linked to timely capital investments; at the reinvented JK Tyre, we focus on

continuous improvement leading to sustainable growth.

Earlier, we focused on delivering products in line with customer needs; at the reinvented JK Tyre, we strive to deliver world-class products that can be as successfully marketed in any developed country.

Earlier, we used to be topline-driven to the point that we believed that any increase in revenues would amortise our fixed costs more effectively and contribute to the bottomline; at the reinvented JK Tyre, our managers are aware of precisely the kind of realisations that need to be generated to enhance profitability.

Strategic outlook

India's automobile sector appears poised for an attractive recovery. As one of India's premier tyre manufacturers, we are pursuing a multi-pronged strategic approach to address emerging challenges.

Maintain leadership position in truck/bus radials segment: JK Tyre possesses one of India's largest tyre capacities (1.87 million truck/bus radials per annum); the Company will continue to capitalise on this growing segment to enhance margins, maintain leadership, deepen market presence and ensure that products reach new customers.

Provide differentiated service:

JK Tyre is increasingly focusing on service differentiators in a competitive environment. As a means to this end, we provide comprehensive 360-degree tyre solutions, carving a niche for ourselves.

Innovation-led fuel-efficient products:

The need of the hour is to improve road safety, lower fuel costs and reduce environment impact. At JK Tyre, the competitive

Passion at work



“At JK Tyre, we played the role of an evangelist with timely investments in modern radial capacities. The result: radial tyres constituted 52% of our revenues in 2014-15.”

Raghupati Singhania, Chairman & Managing Director



① Dr. Raghupati Singhania felicitated as Asia's Most Admired Leader ② Managing Director, D. Harley Davidson India receiving the Indian Motorcycle of the Year Award- 2015 from Dr. Raghupati Singhania ③ CEO & MD, Hyundai Motor India being presented the Indian Car of the Year Award- 2015 by Dr. Raghupati Singhania

manufacture of 'green' tyres addresses these issues in an affordable manner. Consequently, we have commenced assembling technologies and resources to break into this innovative, fuel-efficient segment with a first-mover's advantage.

Conclusion

The Company has effectively addressed the needs of the entire stakeholder family – customers, employees, shareholders, bankers

and society – through a number of farsighted initiatives.

In view of the above, I am optimistic that JK Tyre will continue to report attractive and profitable growth across the foreseeable future.



Raghupati Singhania
Chairman & Managing Director

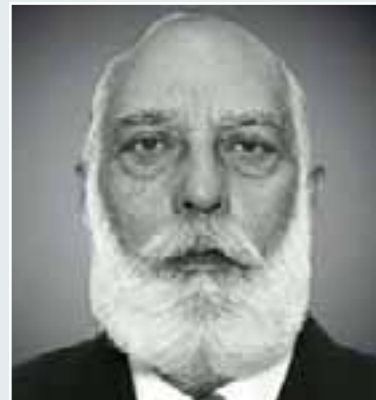
ADMINISTRATIVE OFFICE
3, Bahadur Shah Zafar Marg,
New Delhi – 110 002

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

AUDITORS
Lodha & Co.
Chartered Accountants

**VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY**
Pawan Kumar Rustagi
CIN: L67120RJ1951PLC045966
Website: www.jktyre.com

BOARD OF DIRECTORS



01

DR. RAGHUPATI SINGHANIA
Chairman & Managing Director

02

ARVIND SINGH MEWAR
Director

03

BAKUL JAIN
Director

04

OM PRAKASH KHAITAN
Director

05

SUNANDA SINGHANIA
Director



06

DR. WOLFGANG HOLZBACH
Director



07

KALPATARU TRIPATHY
Director



08

BHARAT HARI SINGHANIA
Managing Director



09

VIMAL BHANDARI
Director



10

VIKRAMPATI SINGHANIA
Dy. Managing Director

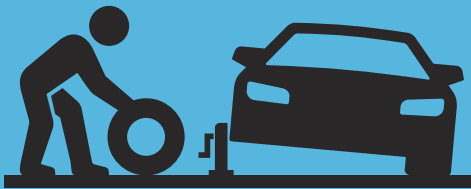


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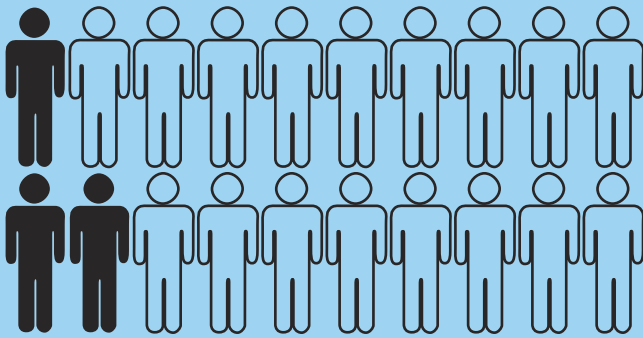
ARUN K. BAJORIA
Director & President –
International Operations

JK TYRE

IS MORE THAN JUST ABOUT TYRES.



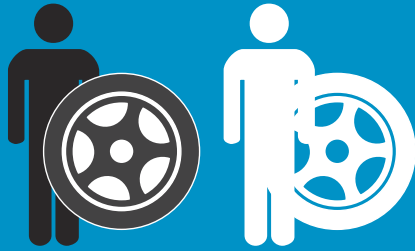
It is a brand-driven company whose recall is inspired by words like **'durable'**, **'dependable'** and **'customer-centric'**.



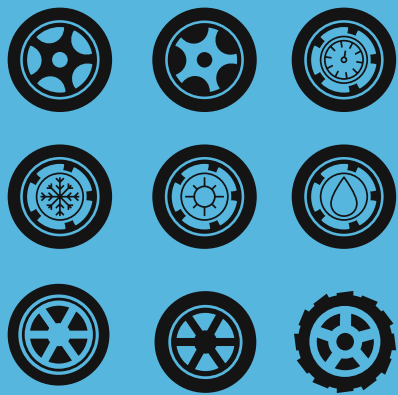
It is a future-focused organisation providing consumers today with the tyres of tomorrow.

It is a research-led company, creating tyres in line with the best global quality standards.





IT IS A SOLUTIONS-DRIVEN COMPANY, FOCUSING INCREASINGLY ON MODERN CONCEPTS LIKE COST OF TYRE PER KM COVERED.



It is a multi-location company delivering products to customers in the shortest time and the lowest delivered cost.



It is an Indian global tyre manufacturing organisation servicing the growing needs of competitive and quality tyres across more than 100 countries.

IT IS A VALUE-ACCRETIVE COMPANY THAT HAS ENHANCED MARKET CAPITALISATION SEVEN-FOLD IN JUST THREE YEARS.



Overview

JK Tyre & Industries Ltd is a part of the JK Organisation, one of India's leading private sector conglomerates with multi-product, multi-location, multi-country and multi-business operations founded more than 100 years ago.

JK Tyre is one of India's leading four-wheeler tyre manufacturers and among the 25 largest tyre manufacturers in the world.

JK Tyre pioneered radial technology in India in 1977; the Company is the leader in the country's truck /bus radial segment today.

MISSION

- Be a customer-obsessed company – where the customer comes first 24x7
- Be India's number one tyre brand
- Be the most profitable tyre company in India
- Sustain a motivated and committed team for performance excellence
- Be widely respected for 'green' practices
- Deliver enhanced value to all stakeholders
- Widen global presence through acquisition/joint ventures/strategic partnerships

MARKET STATUS

The Company has the highest market share in truck radials and is amongst the largest players in India's truck bias and passenger car segments.

BRAND

The Company's tyres are marketed under the brands of JK Tyre, Vikrant and Tornel.

DISTRIBUTION AND SERVICE NETWORK

JK Tyre is one of the widest distributed tyre brands in India.

JK Tyre's pan-India network comprises 143 locations, 4,000 dealers, 116 JK Tyre Steel Wheel retail outlets, 17 JK Tyre Truck Wheels retail outlets and 17 JK Tyre Care Centres.

JK Tyre was the only Company to introduce the unique 'Dial-a-Tyre' and the only tyre company to launch a 24x7 on-road tyre assistance called 'Fix-a-Tyre'.





Awards and accolades

JK Tyre has received several awards and accolades during the year; some of these are:

- Highest rank in JD Power 2015 India Original Equipment Tyre Customer Satisfaction Index Study
- Asia's Most Promising Brand for 2014 by World Consulting & Research Council (WCRC)
- Asia's Most Admired Brand by Voicewhat White Page (VWP) World Brands
- India's only tyre brand to be chosen as Superbrand for the third successive year
- National Energy Conservation Award, 2014 – Chennai Tyre Plant won First Prize in the 'Tyre Sector'
- Greenco Gold Company by CII - Godrej GBC, the first tyre company
- 15th Annual Greentech Environment Award 2015 - Gold Category
- General Motor Quality Excellence Award 2014 for Exceptional Quality Performance
- CII's National Award 2014 for HR Excellence
- Greentech Safety Award 2014 – Silver Category

KEY PARTNERS AND OEM

JK Tyre is a preferred supplier to prominent automotive Original Equipment Manufacturers like Maruti Suzuki, Tata Motors, Honda, Ashok Leyland, Mahindra & Mahindra, Volvo Eicher, General Motors, Volkswagen, Fiat, Nissan, TAFE, BEML and Caterpillar India, among others.

STRATEGIC ACQUISITION - JK TORNEL

The Company acquired a tyre company with three manufacturing plants in Mexico in 2008 with a view to add capacity at a low cost. JK Tyre analysed every function. It made 'reinvention' the mantra. And within the time of just seven years, the plant moderated employees by 10 per cent and more than doubled its turnover. JK Tornel has widened the company's global footprint through its free access to NAFTA and trade blocks, contributing attractively to the bottomline with a

profit after tax of ₹71 crores during the year.

JK Tornel has a capacity of 6.6 million tyres per annum with three plants in Mexico (Azcapotzalco, Tultitlan and Hidalgo). Its PCR capacity is being further enhanced by 50%.

JK Tornel enjoys strategic tie-ups with leading OEMs including Chrysler, Volkswagen, Nissan (car/light truck radial) and John Deere (Farm).



**passion
and the
big print.**

JK TYRE,

**Our
consolidated
growth**
Five-year CAGR

Revenues

10.6%

Profit after tax

8.1%

EBIDTA

12.7%

Gross block

9.0%



NOW DRIVING NEW YORK CITY



Performance by geography (standalone)

- Grew domestic business by 8.1% from ₹5,349 crores in 2013-14 to ₹5,785 crores, a result of strong marketing and branding.
- Exports declined from ₹1,040 crores in 2013-14 to ₹844 crores, following geopolitical disturbances in the Middle East and economic turmoil in South America.

Consolidated Performance

- Revenues stood at ₹8,060 crores against ₹7,950 crores in 2013-14.
- 12.4% growth in EBIDTA from ₹843 crores in 2013-14 to ₹948 crores.
- 46% growth in profit after tax from ₹226 crores in 2013-14 to ₹330 crores.

47:53

RADIAL-NYLON TYRE
RATIO, 2013-14

52:48

RADIAL-NYLON TYRE
RATIO, 2014-15

Valuations

- Earnings per share grew to ₹15.68 from ₹11.02 in 2013-14 (face value of ₹2 each).

- Market capitalisation stood at ₹2,393 crores at the end of 2014-15 against ₹734 crores in the previous year, a result of sustained performance growth.

Responsiveness

In an increasingly competitive market, the Company responded by not just addressing customer needs and launching new products but also creating new markets through the development of pioneering products.

New products launched

63

2010-11

40

2011-12

62

2012-13

65

2013-14

63

2014-15





Global presence (including traded tyres) (₹ crores)

1475 2012-13

1632 2013-14

1370 2014-15

Working capital efficiency

The Company prudently managed its working capital, which declined significantly as demonstrated hereunder:

Working capital days in terms of turnover equivalent

60

2013-14

50

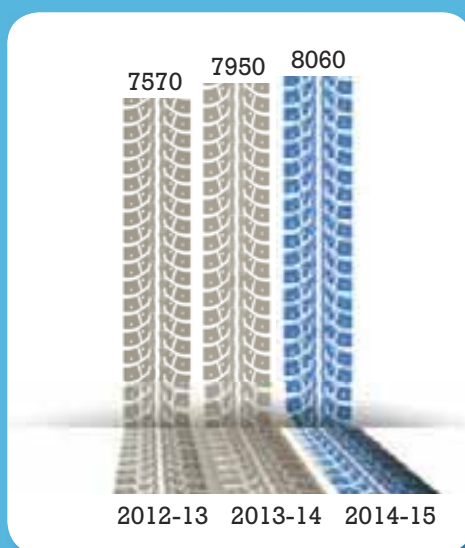
2014-15

Expanding horizons

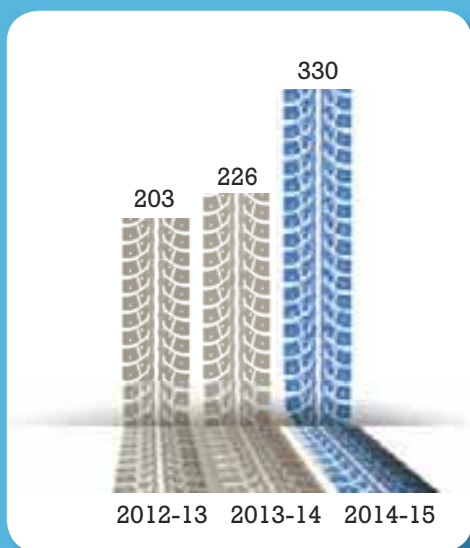
JK Tyre's acquisition of Tornel opened gates to several new international markets (the decline in export value in 2014-15 on account of the Middle East turmoil was an aberration, partly corrected by an increase in non-Middle East export growth and a growing proportion of sales in India).

HOW OUR PASSION-DRIVEN CULTURE HAS UNFOLDED OVER THE YEARS

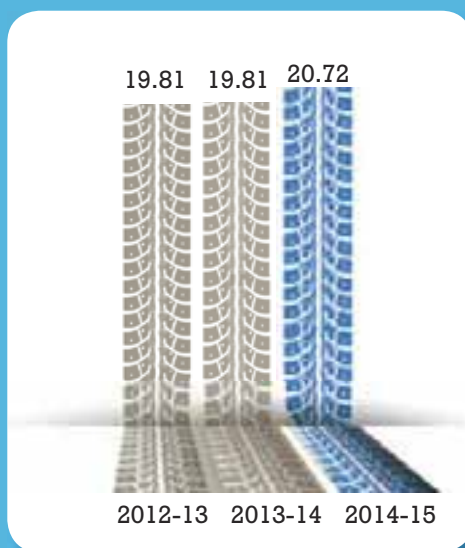
REVENUES (₹ crores)



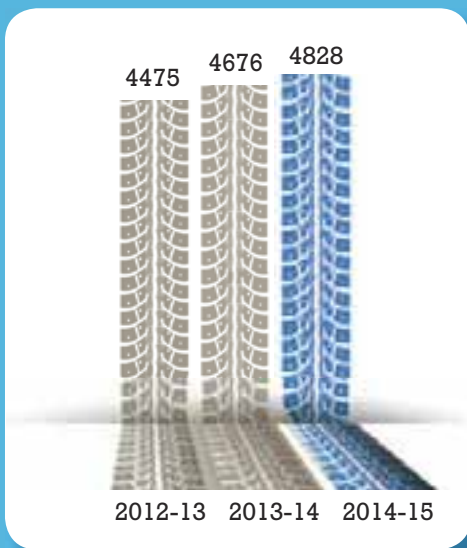
NET PROFIT (₹ crores)



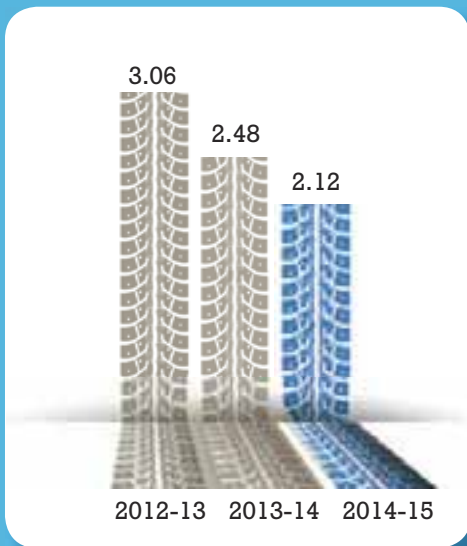
CAPACITY (million tyres per annum)



GROSS BLOCK (₹ crores)

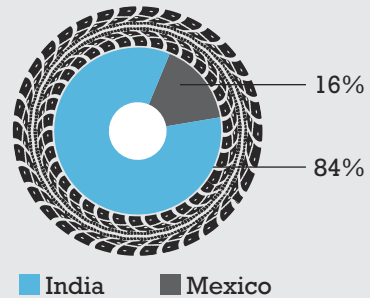


DEBT-EQUITY RATIO

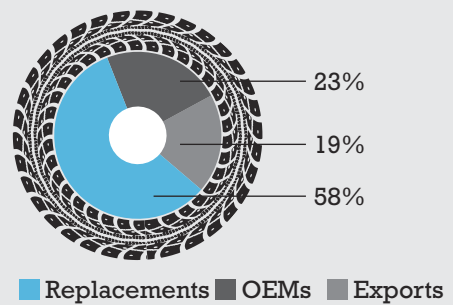


REVENUE SEGMENTATION

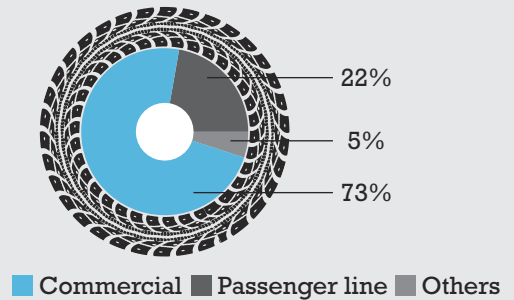
BY GEOGRAPHY



BY CUSTOMER



BY PRODUCT



BEHIND OUR PROFITABILITY



**... As India's
tyre industry
grew in
2014-15**



The Indian
automobile
industry grew
7.8% against
4.3% in 2013-14



The Indian tyre
industry grew 8%
against a muted
demand of 1% backed
by auto segment
improvement and
higher replacement
demand



There was
better road
building
by the
government



**... JK Tyre
enhanced its
presence**



JK Tyre
strengthened
its dealer
base



Widened its
network



Launched
several new
JK Tyre Steel
Wheels outlets
in urban and
semi-urban
India



Added many
new JK Tyre
Truck Wheels
outlets in
transport
nagars for
sales, buy
back and
service
arrangements



Widened its
global presence
across 100
countries



... Enhanced its market share



Already enjoying a market leadership in the truck /bus radial segment



Invested various initiatives (branding, distribution, service, solutions) to raise market share



Strengthened market share across passenger car radial, replacement and OEM segments



... Enriched its product mix



Evangelised radial products; introduced new radial variants



Focused on radials that generated win-win value for company and user



Enhanced capacity for radials by setting up a new unit at Chennai



Reported higher sales for truck/bus radials and passenger car radials by 17% and 13% respectively



Proportion of radials in product mix increased from 47% to 52% in 2014-15



... And strengthened its research-driven growth



Launched 63 new products in line with customer needs



Created green tyres (first in India) in line with growing environment concerns



Focused on creating crude independent products, de-risking the Company from raw material volatility

OUR PASSION IS DICTATED BY A SIMPLE BELIEF...



JK Tyre was the first Indian company to market radial tyres in India (passenger radials in 1977; truck/bus radials in 1999)

First Indian company to launch an eco-friendly 'green' tyre

First in India to launch high performance H, V and Z-rated tyres

First in India to introduce 'dual contact' aquasonic tyres

First in India to launch 'asymmetric' tyres

First TQM-driven company, certified for ISO 9001, QS 9000 and TS 16949

First company in India to commission an independent research and development centre – HASETRI (Hari Shankar Singhania Elastomer & Tyre Research Institute), a one-of-its-kind state-of-the-art R&D centre in Asia

First company in India to conduct institutionalised national racing and national karting championships, the biggest motorsport events of India

...THAT THE FIRST TO MARKET IS INEVITABLY THE FIRST IN THE MARKET.



First in India with OE fitment of tubeless radials

First tyre vendor selected by Suzuki Motor Corporation to work on its Swift model from the drawing board onwards

First Indian tyre to be recognised as a Superbrand by global advertising professionals

First (and only) tyre company in India to be awarded the CII-EXIM Business Excellence Award commendation certificate

First tyre company in the world to be certified for ISO 9001 across its entire operations

First tyre company in the world to be certified for QS 9000 for multi-location operations across the entire product range

First company in India to have taken over an FIA-accredited racing series, the Formula BMW Asia

radialisation

AT JK TYRE

Passion at JK Tyre is not just about selling more tyres. It is about taking the country to another level.





JK TYRE PIONEERED THE INTRODUCTION OF RADIAL TYRES IN INDIA IN 1977, WELL AHEAD OF THE COUNTRY'S IMMEDIATE APPETITE.

We evangelised radialisation. We educated customers. We highlighted user benefits and fuel savings - a national gain. We created markets. We positioned the product as modern for a modernising country.

Even as recently as 2010, a high 65 per cent of the company's tyre sales were of the nylon variety; only 35 percent were radial.

At JK Tyre, we could have continued this way except for a few changes that we perceived on the horizon.

India's roads were getting better, ideal for radial tyres. Fleet owners and customers were buying into the idea of investing in better tyres. OEMs were moving towards radialisation with a trickle-down influence across the country's replacement market. There was a growing awareness that the use

of radials was enhancing kilometric coverage and moderating consumable expenditure.

Correspondingly, we invested in additional radial capacity. We widened radial applications across segments. We strengthened our operating competitiveness. We invested in research to enhance quality. We evolved our role from product sale to solutions.

At JK Tyre, the vision is clear. A 'radial' approach represents a profitable strategy.

And in line with this conviction, JK Tyre has invested in production capacity to increase the radial proportion in its product mix to an estimated 65 per cent by 2016-17.

Passion graduates.



JK TYRE



JK TYRE

FINISH

IT'S NOT JUST
ABOUT **THE TYRE.**

IT IS ABOUT A NUMBER OF COMPETITIVE
ADVANTAGES THAT MAKE JK TYRE A
TRULY SUSTAINABLE COMPANY.



At the corporate level

Experience: Our four-decade presence within India's tyre manufacturing and marketing space has translated into a rich industry experience and knowledge.

Brand: Our brand (JK Tyre) is one of the most enduring, enjoying a recall for product longevity, dependability, control and safety.

Pioneering: Our corporate recall is that of an industry pioneer, possessing the foresight to introduce futuristic products or embark on futuristic initiatives. The Company introduced radial technology in India in 1977 and the first to make radial tyres for an entire range of vehicles – truck/bus, LCV, passenger cars, MUV and tractors.

Largest range: Our largest range of truck/bus radial tyres translates into the best performance proposition around any load, road and tyre fitment position in line with the 'Fit to application' philosophy.

At the market level

Presence: We manufacture products in India and Mexico; our products are marketed in 100 countries; exports (from India and Mexico) accounted for 16% of our revenues in 2014-15.

Enduring relationships: We enjoy long-term relationships with OE partners and dealers leading to product development in line with market needs. Over 60% of our 4000 dealers have been associated with the Company for more than ten years.

Product range: The Company's product range comprises tyres for truck/bus bias, truck/bus radial, farm, industrial and speciality vehicle, passenger cars radials, off-the-road tyres for earth moving and construction equipment, racing cars, military and defence, light commercial vehicle radial and LCV/SCV bias.

Performance: We are the first (and only) tyre company to have crossed the 9 million tyre mark, with more than 7 million truck/bus radial tyres on Indian roads.

Efficiency: Our products offer the lowest cost per km, resulting in competitive operations

for fleet operators and superior value-for-money proposition for users.

Service: We follow product sale with superior service support, educating customers on how to maximise product life through automated service updates and attending to customer needs within 48 hours of intimation.

Fleet management service: We offer total tyre solutions to customers – from the purchase of new tyres to tyre disposal. We are the only company with a CRM programme for fleets and the sole provider of customised tyre management solutions to the fleets.

At the operational level

Innovation: We developed innovative products built specifically for Indian roads, generating higher savings, lower tyre failure and a hassle-free performance.

Certification: Our manufacturing facilities are certified for TPM, ISO/TS – 16949, ISO – 14001, OHSAS 18001 and EnMS-50001 (Energy Management System). The Company is gearing towards SA – 8000 in the area of social accountability and Information Security Management System (ISO-27001).

R&D: We invested an aggregate ₹207 crores in R&D over the decade ending 2014-15. This sustained research commitment translated into pioneering products and superior performance.

Green units: The Company's manufacturing units have been assessed by CII Green Business Centre (GBC), Hyderabad, on the Greenco rating system and are successfully declared as 'Green Units' - zero effluent discharge units. The Company has been assessed by BSI Group India (British Standards Institution) for Carbon Footprint Verification as per ISO-14064 (Scope 1 and 2) and our carbon emission per tonne of production is comparable with global tyre companies. The Company has progressively moderated its carbon footprint with the objective to manufacture 'green' tyres. The Company is also working with BSI Group India for water footprint verification as per ISO-14046.

RESEARCH AT JK TYRE

PASSION AT JK TYRE LIES IN PUSHING THE FRONTIER INCH BY INCH TO REPORT LARGE RESEARCH-LED BREAKTHROUGHS.

At JK Tyre, we are continuously engaged in making newer varieties of tyres coupled with improving ours existing tyre range.

This priority necessitated forward-looking investments in institutionalised research. These investments were made in institutions engaging focused research professionals. This commitment graduated JK Tyre from occasional improvements towards technology leaps. In turn, these leaps evolved JK Tyre into a respected tyre technology major as distinct from being just another tyre manufacturer.

Our R&D achievements



Crude-independent

JK Tyre proactively replaced petroleum-based raw materials with renewable sources which moderated its volatile exposure to movements in crude prices. As an extension of this commitment, JK Tyre emerged as the first company in India to leverage silica technology to manufacture greener and safer tyres (against the widely used carbon black technology).



Environment-friendly: JK Tyre responded to the growing regulatory need for environment-friendly tyres through the use of high-strength new-generation and environment-friendly raw materials; this translated into the manufacture of lighter and stronger tyres, enhancing fuel-efficiency and declining cost per km.



Migration: JK Tyre helped enhance sectoral product standards through the progressive extension of high-end technologies towards the mid-tyre segment, helping raise overall automobile standards.



Product development: JK Tyre accelerated product development that made it possible for its OEM customers to shrink time-to-market; its pioneering use of simulated testing equipment across the last five years helped substantially shrink product development cycle time.



Pipeline: JK Tyre and its associate HASETRI collaborated with different IITs and universities of international and national importance including Indian Rubber Institute (IRI) and Rubber Skill Development Council (RSDC) under NSDC, Government of India to train young scientists and engineers in rubber science and technology. This empowers the Indian rubber industry to meet a growing demand for qualified and skilled personnel to conduct R&D activities in the field of elastomer and tyre research in India. Till date, over 600 people have been trained through workshops, short-term courses and on-the-job training.

Outlook: Going ahead, the focus of the Company's research will be to shrink product development cycle time, enhance the use of renewable materials, reduce rolling resistance, enhance fuel efficiency, improve traction (dry and wet roads) and enhance radialisation in the OTR segment.

OUR R&D FACILITIES

HASETRI (Hari Shankar Singhania Elastomer and Tyre Research Institute), Kankroli. Established in October 1991. India's first, and now foremost, independent research and testing centre, addressing modern India's need to develop cutting-edge elastomer and tyre technologies.

JK Tyre Tech Center, Faridabad. Established in January 2007. Critical centre for new product development. Addressing existing and emerging customer needs. Focused on product design, development, validation and industrialisation. Invested in sophisticated tools and techniques. Products covering passenger car radial, light truck radial, light truck bias, truck and bus

radial, farm and off-the-road tyres.

RPS Centre of Excellence, Chennai. Established in April 2004. Industry-Institute collaboration. Addresses tyre and vehicle mechanics. Located in the Department of Engineering Design, Indian Institute of Technology, Chennai. Centre sponsored by JK Tyre.

Cumulative experience of the R&D team (person years)

765

New products introduced over the last three years

190

New products introduced during 2014-15

63

R&D facilities across the country

3

* All figures are for 2014-15

Synopsis

- Pioneered radialisation in India
- First to launch environment-friendly tyres in India
- Implemented on-level flat track technology, first in Asia-Pacific
 - Only Indian tyre company with plants aligned to Total Productive Maintenance





BRANDING AND MARKETING AT JK TYRE

PASSION AT JK TYRE LIES IN ENHANCING THE CONSUMER RECALL OF 'COMPLETE DEPENDABILITY' ACROSS MARKETS, GEOGRAPHIES - AND TIME.

AT JK TYRE, THERE WAS A GROWING premium on the ability to market products effectively and efficiently for a number of reasons.

In a slowing market economy, consumers selected to downtrade purchases.

Retreading technologies improved and moderated cost per km, enhancing tyre life and deferring purchases. As road quality improved, tyre replacements slowed. Competition increased following the entry of large tyre multinationals in India. The Chinese dumped tyres into India. The country's bias tyre market share declined as did bias capacity utilisation. Geopolitical tension in the Middle East affected exports.

JK Tyre responded with passion to these challenges. The Company showcased products (especially radial) around performance superiority and enhanced value. The Company launched a compelling advertisement around 'The farther you go, the closer you come', strengthening market impact. Besides, JK Tyre was ranked highest in JD Power 2015 India Original Equipment Tyre Customer Satisfaction Index survey, strengthening respect among OEMs.

Branding and marketing achievements

- **Reorientation:** JK Tyre shifted its erstwhile inside-out pitch with outside - in communication, connecting with consumers emotionally.
- **Youthfulness:** JK Tyre reinforced its digital presence at social networking platforms through differentiated engagements.
- **Communication:** JK Tyre's e-connect connected ERP and email, transforming dealer mindsets and enhancing process consistency.
- **Engagement:** JK Tyre engaged with customers through in-shop and outdoor branding, wall paintings, advertisements, product catalogues and plant visits by customers to showcase technology competence; conducted periodic product launches, fleet meets and conferences.

Key achievements, 2014-15

- **Outperformance:** JK Tyre reported a growth in each tyre segment of the domestic market for the second successive year and recorded a 24% growth in the domestic TBR and a 14% growth in the domestic PCR.



- **Realisations:** JK Tyre successfully held its realisations through a combination of enduring dealer relationships, product dependability and progressive solutionisation.

- **Branding:** JK Tyre centred its brand building around 'Total Control'. The Company launched a television campaign around 'The farther you go, the closer you come' showing the Indian family rising in foreign cars using the Company's tyres; this campaign showcased the global aspect of this Indian product. The Company enhanced digital media investments, reaching 600,000 customer 'likes' on Facebook.

transport nagars for sales, buy back and service arrangements.

- **Training:** JK Tyre strengthened sales training. This function was stewarded by a senior training manager with the objective to transform field salespersons into trusted consultants advising customers on the right product to match their needs.

- **Solutions:** JK Tyre offered tyre solutions – tyre purchase to disposal – that optimised fleet cost per kilometre below the prevailing level. A fleet management team helped transporters maximise benefits through the optimised tyre use. The Company managed around 1000 fleets in 2014-15.

- **Repeat income:** JK Tyre worked closely with 2800 large regular tyres buyers, providing post-purchase product care.

Outlook

Going ahead, the Company intends to enhance its share of the replacement markets (TBR and PCR) through new products, superior product mix and entry into new OEMs with PCR products.

There will be a growing focus on enhancing transaction ease using new age technology. The Company intends to participate on e-commerce platforms where products can be bundled with services.

The Company plans to enhance replacement market presence, extend deeper, increase realisations through stronger product mix and enhance solutions through customer engagement and fleet management.

Our TBR launches, 2014-15

- Semi lug tyres for buses
- Higher load tyres
- High speed normal road tyres

Our PCR launches, 2014-15

- New sizes and patterns
- Larger OEM presence
- Increased share of Maruti

- **Launches:** JK Tyre launched nine passenger car radial products and two truck/bus radial products, plugging market gaps and enhancing dealer confidence. It launched products and sizes in the farm, LCV and SCV categories as well.

- **Outlets:** JK Tyre opened a number of branded showrooms with the objective to interface directly with customers, understand their needs and offer the right product at the right price. The Company launched 20 JK Tyre Steel Wheels outlets in urban and semi-urban India, and five JK Tyre Truck Wheels outlets in

A blue car's front wheel and fender are in the foreground, with a man and a child playing on a road in the background. The man is holding a colorful ball high in the air, and the child is reaching up towards it. The scene is set on a paved road under a bright, cloudy sky.

**THE FARTHER YOU GO,
THE CLOSER
YOU COME**

IXO

MANUFACTURING EXCELLENCE AT JK TYRE

PASSION AT JK TYRE LIES IN GETTING MORE FROM LESS ON A CONTINUOUS BASIS.

IN A BUSINESS WHERE MANUFACTURING COSTS account for 80 per cent of revenues and there is a growing threat from cheaper imports, the ongoing JK Tyre priority is to locate manufacturing inefficiencies and enhance margins.

In a sector where the proportion of bias tyres is declining, there is a corresponding priority to enhance quality with the objective to sell these products faster and generate a premium over the market average.

In a country where customers are becoming increasingly discerning, there is a corresponding priority to enhance product quality through manufacturing improvements (coupled with a faithful communication of the improvements) with the objective to turn all improvements into marketplace advantages.

In a sector where research and product needs

are dynamic, there is a need to translate product learnings into an evolving manufacturing agenda and improve product quality.

Over the years, JK Tyre leveraged the cumulative value emerging from men-materials-methods-machines to reinforce a culture of manufacturing excellence.

Our people questioned every paradigm, they deconstructed large problems into smaller ones and there was nothing considered impossible. This translated into continuous process improvement, radial segment leadership and peer respect.

Outlook

The Company declared 2015-16 as 'Quality Year' with the objective to graduate process and product standards, emerging as the sectoral benchmark.



PRODUCTIVITY: JK Tyre achieved a higher per person hour productivity than the industry average; its state-of-the-art Chennai facility reported one of the highest productivity standards across plants anywhere



MATERIAL EFFICIENCY: JK Tyre reported one of the highest material efficiency standards in India's tyre industry through targeted improvements monitored in real-time



PROCESS MANAGEMENT: JK Tyre strengthened process efficiency through a number of initiatives like SMED (single minute exchange of die) that reduced downtime and enhanced productivity



CONSISTENCY: JK Tyre ensures tyre weight consistency across batches and products



VALUE-ENGINEERING: JK Tyre strengthened its manufacturing orientation around value engineering (process improvement and cost rationalisation) with a distinct focus on energy optimisation.



TECHNOLOGY ABSORPTION: JK Tyre entered into a multi-year technology arrangement with a leading multinational tyre company with the objective to build 'technology self-reliance'; this resulted in technology development, absorption and implementation capabilities



CLAIMS: Replacement losses (measured by claims) were progressively moderated





DEMONSTRATING PRODUCT SUPERIORITY THROUGH A MOTORSPORT PRESENCE.

JK TYRE SELECTED TO BUILD ITS BRAND THROUGH A FOCUSED ASSOCIATION WITH MOTORSPORT.

The Company's motorsport engagement represented a product testing opportunity, evolving its R&D to address the challenges posed by Indian road conditions. Over the years, the Company has evolved its presence from rallying towards a full-fledged motorsport programme. In doing so, the Company has helped evolve the sport and also capitalised on the evolution.

- JK Tyre invested over ₹100 crores in building motor sport infrastructure.
- The Company packaged motorsport to enhance mass appeal and graduate it to an international standard
- The Company invested in grassroots motorsport properties and programmes; its racing and karting events represent a breeding ground for young talent.
- The Company partnered TATA Motors for 'Tata T1 Prima Truck Racing Championship', showcasing its Jetracing product, the first truck racing tyre in India. The latest tyre, developed using the new 'tapered tread profile' technique ('HE wire' and 'special wire wrap'), made it possible for these tyres to sustain a 160 km/hr speed. The Jetracing tyre is an example of the company's superior research and product development capabilities (measuring 315/80R22.5, designed with special low heat and high traction compound) addressing the gruelling braking requirements of a racing circuit.



JK Tyre ranked **No.1** in **Customer Satisfaction*** with Original Tyres by **J.D. Power Asia Pacific StudySM 2015**



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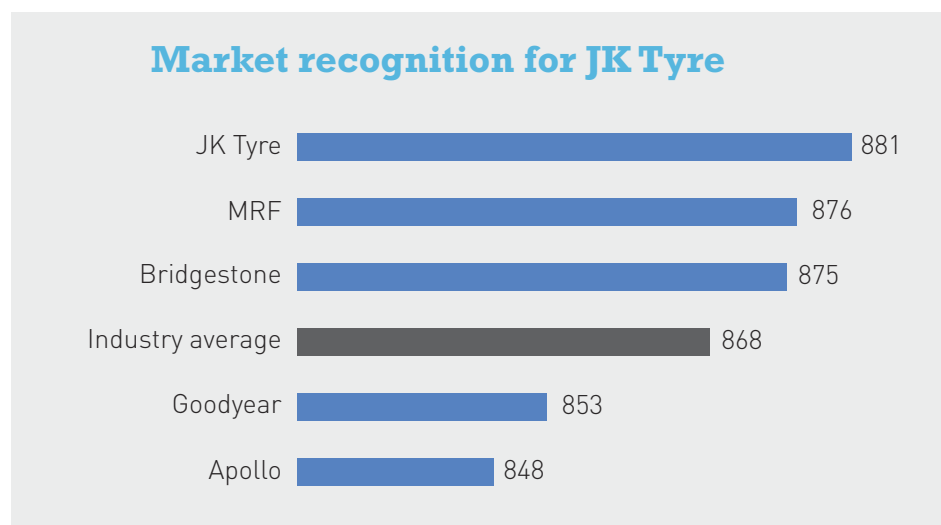
JK TYRE RANKED HIGHEST IN JD POWER 2015 INDIA ORIGINAL EQUIPMENT TYRE CUSTOMER SATISFACTION INDEX (TCSI) STUDY

JD POWER IS THE TRUSTED SOURCE FOR RECOGNISING TOP-PERFORMING brands and products in India's automobile sector. It captures opinions and feedback of millions of consumers across the globe. The data and insights are used by companies to improve quality, satisfaction and business performance, while its ratings help consumers in making informed purchase decisions.

JK Tyre added a feather in its cap when its Passenger Radial Tyres were ranked highest in the JD Power 2015 India Original Equipment Tyre Customer Satisfaction Index. The company received the highest rank for quality and consumer relationship.

The JD Power 2015 India Original Equipment Tyre Customer Satisfaction Index (TCSI) Study covered responses from more than 4000 car owner participants, especially new-vehicle owners who purchased vehicles between May 2012 and August 2013.

JK Tyre reported the highest scores in overall customer satisfaction with 881 points. The key factors behind JK Tyre's exceptional performance were Appearance (tyre design and styling) where it scored 882 points and Ride (quality and handling) where it scored 886 points.



PEOPLE

PASSION AT JK TYRE LIES IN GETTING ITS PEOPLE TO ACHIEVE SUPPOSEDLY IMPOSSIBLE THINGS IN A USUAL WAY

AT JK TYRE, OUR SUCCESS IS DERIVED from our people – their experience, focus, perseverance – and their passion.

The employees comprised individuals drawn from different nationalities located in several countries.

The Company's people management has been reinforced by prudent talent attraction, ongoing talent retention, extensive empowerment, leadership development and a customer-first responsiveness.

The Company recruited a good number of freshers for management positions during the year under review across campuses, which helped reduce average organisational age (management cadre) to 38 years.

A competence framework was aligned to performance management, whereby formal learning and development needs were identified, coupled with a structured training plan. The Company conducted well designed training programmes to upgrade skills and competencies, with a focus to create leaders. The Company followed a structured approach for employee engagement, performance and compensation management, competency mapping and assessment centres, competency-based development, career and succession planning as well as a 360-degree feedback.

The objective of the Human Resource function is employee development with a vision to emerge among the 25 best employers in India by 2018.

38,715

Cumulative industry experience (person years)

5.3

Training man days

74

More than 3 years' experience in the Company (%)

38

Average age (years)

* All figures are for 2014-15 and in relation to employees who are Management Cadre Staff.







CORPORATE SOCIAL RESPONSIBILITY

PASSION AT JK TYRE LIES IN EXTENDING THE PROSPERITY FROM THE COMPANY TO THE COMMUNITY.

AT JK TYRE, WE BELIEVE THAT GROWTH needs to be inclusive for it to be truly sustainable, benefiting all stakeholders.

The Company made large investments in community development, focusing largely on education and health during the year under review.

Education: The Company conducted adult literacy programmes across all its Indian manufacturing locations in the last ten years, making it possible for more than 30,000 rural women to develop basic reading and writing skills. In 2014-15, more than 6,000 rural women were enrolled across 110 adult literacy centres. This strengthened their ability to read, write, calculate and use of mobile phones, among others. The Company helped more than 3,300 inmates in correctional homes become literate; it conducted an adult literacy centre in Central Prison, Mysore, addressing 550 prison inmates during the year under review. The Company adopted four ITIs through the PPP model



to enhance vocational skills. The Hari Shankar Singhania Saraswati Shishu Mandir was built with the Company's support in Uttarakhand.

The Company also co-founded specific bodies such as Lakshmipat Singhania Education Foundation, which runs schools and a university i.e. JK Lakshmipat University.

Health: The Company is engaged in two programmes - Parivartan Program for improvement in reproductive and child healthcare and HIV/AIDS prevention and awareness generation programme.

The Company promoted Lakshmipat Singhania Medical Foundation, which undertakes various projects in the medical field. The Company has also promoted Pushpawati Singhania Research Institute for Liver, Renal and Digestive Diseases (PSRI), which provides treatment for a range of diseases related to the

kidneys, liver and digestive system. PSRI Hospital is a leading Super Speciality Institute of South Asia, providing state-of-the-art facilities. PSRI is also engaged in conducting research in these fields.

Project Parivartan: The Company addresses reproductive and child healthcare in remote tribal areas of Rajasthan (Rajasmand district). The project benefited more than 200,000 individuals from 60 villages, moderating maternal and infant mortality rate. In 2014-15, the project was extended to remote tribal Kumbhalgarh.

HIV/AIDS prevention: The Company actively engaged in HIV/AIDS awareness generation and prevention. Eight clinics addressed transporters in high-risk HIV/AIDS locations in association with TCI Foundation and NGO partners. The initiative helped 250,000 people; it

benefited more than 50,000 truck drivers in 2014-15. People living with the disease in Rajasmand district were provided the motivation to live with dignity and hope. Eight clinics were set up along highways in association with TCI Foundation and Vatsalya NGO.

Environment: More than 600,000 trees were planted. Green patches like public park and garden area were maintained.

Road safety: Awareness generation on road safety issues for drivers and the general public was regularly done.

Disaster relief: As a humanitarian response, help and support was provided to victims of natural calamities through contributions to PM Relief Fund. The Company contributed to the relief activities related to the J&K and Uttarakhand flood victims.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Annual Report of your Company, along with Audited Financial Statements for the financial year ended 31st March, 2015.

Operations

The Company recorded an impressive performance during the year under review. Turnover (standalone basis) was ₹ 6799 crores; operating profit at ₹ 766 crores, was higher by 14% while profit before tax at ₹ 377 crores, grew 93% over the previous year.

This performance is considered satisfactory, given the challenges of all-round low growth in the year gone by.

On a consolidated basis, your Company, (including its wholly-owned subsidiary JK Tornel, Mexico) reported a turnover of ₹ 8060 crores during the year under review. Operating profit was ₹ 948 crores, an increase of 13% over the previous year while consolidated profit before tax at ₹ 486 crores, grew 49%.

The Company responded to the request of the Government of Kerala and agreed to support procurement of domestic rubber at prices 20% higher than those prevailing in the market. This was done with a view to support in particular small rubber growers.

The Company continued to strengthen its leadership in the truck/bus radial segment while consolidating its position in the passenger car segment. Besides, the Company reported improvements across operating parameters, cost compression and increased value-added product volumes; a softening of input costs helped the Company enhance profitability.

In the export markets, the Company achieved an export turnover of ₹ 844 crores (standalone) during the year despite geopolitical turmoil in some key international markets.

Expansion Project

Foreseeing an increasing demand for truck/bus radialisation and an economic recovery, the Company undertook an expansion of its truck/bus and passenger line radial capacities at its all-radial Chennai plant. This ₹ 1430 crores project progressed well and is expected to be commissioned in phases during the current year.

Awards

Your Company received several awards for excellence in various areas, comprising the following:

- Asia's Most Promising Brand 2014 by World Consulting and Research Council (WCRC)
- Greenco Gold Company by CII-Godrej GBC
- Greentech Environment Award 2015 – Gold Category
- General Motors Quality Excellence Award 2014 for Exceptional Quality Performance
- International Convention on Quality Concept (ICQC)
- IEI Industry Excellence Award 2014 for Business Excellence and Industry Practices
- CII's National Award 2014 for HR Excellence

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share of ₹ 2 each (i.e. 75%) on the equity share capital of ₹ 45.36 crores for the financial year ended 31st March 2015. The dividend outgo will be ₹ 40.95 crores (inclusive of a dividend tax of ₹ 6.93 crores).

Appropriations

The amount available for appropriation, including surplus from the previous year, is ₹ 356.21 crores. The Directors

propose this to be appropriated as under:

	(₹ crores)
General Reserve	150.00
Dividend	34.02
Corporate Dividend Tax	6.93
Surplus carried to Balance Sheet	165.26
Total	356.21

Share Capital

(a) Sub-division of Equity Shares

In order to infuse additional liquidity in the Company's stock and attract small investors to invest, each equity share of a face value of ₹ 10 (fully paid-up) was sub-divided into five equity shares of a face value of ₹ 2 each (fully paid-up). For the purpose, 19th December 2014 was fixed as the record date.

Consequently, 4,10,59,346 equity shares of ₹ 10 each as on the record date, were sub-divided into 20,52,96,730 equity shares of ₹ 2 each.

(b) Conversion of Warrants

As per the terms of 43,03,350 warrants issued to the promoter group on a preferential basis, the holders of warrants exercised the option of converting the said warrants into equity shares by paying the balance 75% of the total consideration of the issue value, amounting to ₹ 37.11 crores. Accordingly, 43,03,350 warrants were converted into 2,15,16,750 equity shares of ₹ 2 each on 8th January 2015.

Consequently, the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 41.06 crores (comprising 20,52,96,730 equity shares of ₹ 2 each) to ₹ 45.36 crores (comprising 22,68,13,480 equity shares of ₹ 2 each).

Extract of Annual Return

An extract of the Annual Return as on 31st March 2015, in the prescribed form MGT 9, is attached as Annexure 'A' with this Report and forms a part of it.

Related Party Transactions

During the financial year ended 31st March 2015, all the contracts or arrangements or transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees, securities and investments, covered under the provisions of Section 186 of the Companies Act, 2013, are given in the financial statements.

Directors and Key Managerial Personnel

With the enactment of the Companies Act, 2013, all six Independent Directors of the Company, Shri Arvind Singh Mewar, Shri Bakul Jain, Shri O.P. Khaitan, Shri Kalpataru Tripathy, Shri Vimal Bhandari and Dr. Wolfgang Holzbach were appointed by the members at the Annual General Meeting (AGM) held on 25th September 2014 under Section 149 of the Act for a term of five consecutive years commencing from the date of the AGM. All Independent Directors of the Company have given declarations that they meet the criteria of

independence as provided in Section 149(6) of the Companies Act, 2013 and also Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri Vikrampati Singhania retires by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

The Board of Directors appointed Smt. Sunanda Singhania as an Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 effective 12th August 2014. The members of the Company have appointed her as a Director liable to retire by rotation at the AGM held on 25th September 2014.

The Board of Directors re-appointed Shri Swaroop Chand Sethi as a Whole-time Director of the Company for a term of three years commencing 1st April 2015, subject to the approval of the members of the Company. Shri Swaroop Chand Sethi, however, resigned from the directorship of the Company from the close of business hours of 14th May 2015. The Board took note of his resignation and placed on record its deep appreciation for the valuable services rendered by Shri Sethi during his tenure of office.

The Board of Directors of the Company also re-appointed Shri Arun K. Bajoria as Whole-time Director of the Company with the designation - Director & President-International Operations, for a term of three years commencing 20th January 2016, subject to the approval of members of the Company at the ensuing AGM.

Further, in terms of Section 203 of the Companies Act, 2013, Dr. Raghupati Singhania, Chairman & Managing Director; Shri Bharat Hari Singhania, Managing Director; Shri Vikrampati Singhania, Dy. Managing Director; Shri S.C. Sethi, Whole-time Director; Shri Arun K. Bajoria, Director & President-International Operations; Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary and Shri Ashok Kumar Kinra, Finance Director were appointed as Key Managerial Personnel (KMP) of the Company on their existing terms and conditions. Out of the above, Shri S.C. Sethi has ceased to be a KMP from the close of business hours of 14th May 2015, upon his resignation from the directorship of the Company.

Conservation of Energy, Etc.

The details, as required under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014, are annexed to this Report as Annexure 'B' and forms a part of it.

Consolidated Financial Statements

The Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements, together with the Auditors' Report, form part of the Annual Report.

A report on the performance and financial position of each of the subsidiaries and associates included in the Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer to AOC-1 annexed to the Financial Statements in the Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements, the consolidated financial statements, along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

During the financial year under review, no company has become or ceased to be your Company's subsidiary or joint venture. With the coming into effect of the Companies Act, 2013, Florence Investech Ltd. and Dwarakesh Energy Ltd. have become associates of the Company.

Deposits

Pursuant to the approval of members by means of a Special Resolution dated 25th September 2014, the Company has continued to accept deposits from the public, in accordance with the provisions of the Companies Act, 2013 and rules thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2015 are - (a) Accepted during the year - ₹ 12.37 crores; (b) Remained unclaimed as at the end of the year - ₹ 1.43 crores; (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - NIL and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act - NIL.

Auditors

(a) Statutory Auditors and their Report

M/s Lodha & Co., Chartered Accountants, have been appointed Auditors of the Company to hold office from the conclusion of the 61st Annual General Meeting held on 25th September 2014 until the conclusion of the 64th Annual General Meeting to be held in 2017, subject to ratification of the appointment by the members at the respective AGMs to be held in the years 2015 and 2016. Accordingly, being eligible, matters relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out the Secretarial Audit of the Company for the financial year 2014-15. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 'C'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditor and Cost Audit Report

The Cost Audit for the financial year ended 31st March 2014 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi, and as required, the 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 2015 is also being conducted by the said firm.

Particulars of Remuneration

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed to this Report. However, as per the provisions of Section 136 of the said Act, 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. The said information is available for inspection at the Registered Office of the Company during working hours.

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 the overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development, etc.

The Company has framed its Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The contents of the CSR Policy are disclosed on the website of the Company.

The annual report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure 'D'.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial controls commensurate with the size and nature of its operations. The Company also has a robust Budgetary Control System and Management Information System (MIS) which is the backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During the financial year under review, there were no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

CORPORATE GOVERNANCE – including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism

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 Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report as Annexure 'E'.

The Corporate Governance Report which forms a part of this Report also covers the following:

- a) Particulars of the five Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for the performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.

Directors' Responsibility Statement

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 and loss of the Company for that period;
- c) proper and sufficient care has been taken for the 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;

- d) the annual accounts have been prepared on a going concern basis;
- e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

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

4th August 2015
New Delhi

Dr. Raghupati Singhania
Chairman & Managing Director

ANNEXURE A TO THE DIRECTORS' REPORT

FORM NO. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

(i)	CIN	:	L67120RJ1951PLC045966
(ii)	Registration Date	:	14th February 1951
(iii)	Name of the Company	:	JK Tyre & Industries Ltd.
(iv)	Category/Sub-Category of the Company	:	Public Company/Limited by Shares
(v)	Address of the registered office and contact details	:	Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan) Ph. No. : 02952-302400/330011 Fax No. : 02952-232018 Email id : investorjktyre@jkm.com Website : www.jktyre.com
(vi)	Whether listed Company (Yes/ No)	:	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	Alankit Assignments Ltd. Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi- 110 055 Ph. No. : 91-11-42541234;23541234 Fax No. : 91-11-41543474 Email id : rta@alankit.com Website : www.alankit.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company:

Sl. No.	Name and description of the main products/ services	NIC code of the product/ service*	% to total turnover of the Company
1.	Manufacture of automotive tyres	221	90.79%

* As per National Industrial Classification (2008) – Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
1	J.K. International Ltd. Suite 11, Keynes House, Chester Park, Alfreton Road, Derby, DE214AS	Not Applicable	Subsidiary	100	2(87)
2	J.K. Asia Pacific Ltd. Room 908, Dominion Centre, 43-59, Queens Road, East, Hong Kong	Not Applicable	Subsidiary	100	2(87)
3	J.K. Asia Pacific (S) Pte. Ltd. 10, Jalan Besar, #10-12, Sim Lim Tower, Singapore- 208 787	Not Applicable	Subsidiary	100	2(87)
4	Lankros Holdings Ltd. Lambousas1, P.C. 1095, Nicosia, Cyprus	Not Applicable	Subsidiary	100	2(87)
5	Sarvi Holdings Switzerland AG Acton Treuhand AG, Gotthardstrasse 28, Postfach 4029 6304 Zug	Not Applicable	Subsidiary	100	2(87)
6	JK Tornel S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
7	Comercializadora America Universal, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
8	Compania Hulera Tacuba, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
9	Compania Hulera Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
10	Compania Inmobiliaria Norida, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
11	General de Inmuebles Industriales, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
12	Gintor Administracion, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held*	Applicable Section
13	Hules Y Procesos Tornel, S.A. de C.V. Santa Lucia No. 311, Col. Santa Cruz, Acayucan CP 02770 Azcapotzalco, Mexico D.F.	Not Applicable	Subsidiary	99.96	2(87)
14	Dwarkesh Energy Ltd. Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002	U31200DL2005PLC278945	Associate	Equity -35 OCCRPS^ - 34.38	2(6)
15	Hari Shankar Singhania Elastomer and Tyre Research Institute(HASETRI) Jaykaygram, P.O. Tyre Factory, Kankroli, Rajsamand, Rajasthan	U73100RJ1991NPL006245	Associate	24*	2(6)
16	Florence Investech Ltd. Link House, 3, Bahadur Shah Zafar Marg, New Delhi - 110 002	L24211DL1993PLC254964	Associate	32.29	2(6)

^ OCCRPS – Optionally Convertible Cumulative Redeemable Preference Shares.

* HASETRI is an approved Scientific and Research Institute which cannot distribute Equity Dividend to its shareholders, being a Company licensed under Section 25 of the Companies Act, 1956.

* Represents aggregate % of shares held by the Company and/or its subsidiaries.

IV. Shareholding Pattern (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

	Category of shareholders	No. of shares held at the beginning of the year (as on 1st April 2014) ₹				No. of shares held at the end of the year (as on 31st March 2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters **									
(1)	Indian									
a)	Individual/HUF	3575805	-	3575805	1.74	5123305	-	5123305	2.26	0.52
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	93621600	-	93621600	45.60	113594350	-	113594350	50.08	4.48
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	97197405	-	97197405	47.34	118717655	-	118717655	52.34	5.00
(2)	Foreign									
a)	NRIs –Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)**	97197405	-	97197405	47.34	118717655	-	118717655	52.34	5.00

** The total shareholding of Promoters at (A) above includes 5,28,05,610 Equity Shares (25.72%) as on 1st April 2014, 6,13,10,360 Equity Shares (27.03%) as on 31st March 2015 and a change of 1.31% during the year, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

	Category of shareholders	No. of shares held at the beginning of the year (as on 1st April 2014) ₹				No. of shares held at the end of the year (as on 31st March 2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B.	Public shareholding									
1.	Institutions									
a)	Mutual Funds	3962160	5260	3967420	1.93	2383827	5260	2389087	1.05	(0.88)
b)	Banks/FI	371780	21855	393635	0.19	352134	20730	372864	0.16	(0.03)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	1427600	-	1427600	0.70	1427600	-	1427600	0.63	(0.07)
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	5481315	695	5482010	2.67	1981315	695	1982010	0.87	(1.80)
g)	FII's	5825135	-	5825135	2.84	32454366	-	32454366	14.31	11.47
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1):-	17067990	27810	17095800	8.33	38599242	26685	38625927	17.03	8.70

	Category of shareholders	No. of shares held at the beginning of the year (as on 1st April 2014) ₹				No. of shares held at the end of the year (as on 31st March 2015)				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	22989395	358180	23347575	11.37	15112478	29040	15141518	6.68	(4.69)
ii)	Overseas	17437500	-	17437500	8.49	17437500	-	17437500	7.69	(0.80)
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	24981530	2162620	27144150	13.22	23767070	2012725	25779795	11.37	(1.85)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13124375	-	13124375	6.39	7160198	-	7160198	3.16	(3.23)
c)	Others (specify)									
i)	Clearing Members	2205305	-	2205305	1.07	690262	-	690262	0.30	(0.77)
ii)	Directors and relatives (other than Promoters)	17180	4000	21180	0.01	17180	4000	21180	0.01	-
iii)	Non-Resident Indians	7592640	129800	7722440	3.76	3096825	127275	3224100	1.42	(2.34)
iv)	Trust	1000	-	1000	0	15345	-	15345	0.01	0.01
	Sub-total (B)(2):-	88348925	2654600	91003525	44.33	67296858	2173040	69469898	30.63	(13.70)
	Total public shareholding (B)= (B)(1)+(B)(2)	105416915	2682410	108099325	52.66	105896100	2199725	108095825	47.66	(5.00)
C.	Shares held by custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	Grand total (A+B+C)	202614320	2682410	205296730	100.00	224613755	2199725	226813480	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2014) ₹			Shareholding at the end of the year (as on 31st March 2015)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Bengal & Assam Company Ltd.	42946250	20.92	-	55074250	24.28	-	3.36
2	Shri Hari Shankar Singhania (since deceased) ^Δ	749200	0.36	-	749200	0.33	-	(0.03) [∞]
3	Shri Bharat Hari Singhania	490825	0.24	-	718325	0.32	-	0.08
4	Dr. Raghupati Singhania	158990	0.08	-	818990	0.36	-	0.28
5	Shri Vikrampati Singhania	46530	0.02	-	46530	0.02	-	-
	Total	44391795	21.62	-	57407295	25.31	-	3.69

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2014) ₹		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bengal & Assam Company Ltd.				
	At the beginning of the year	42946250	20.92	42946250	20.92
	Increase in Promoters' shareholding during the year - <i>Allotment of equity shares of ₹ 2 each on conversion of warrants on 8th January 2015</i>	12128000	5.35	55074250	24.28
	At the end of the year i.e., 31st March 2015			55074250	24.28
2.	Shri Hari Shankar Singhania (since deceased) ^o				
	At the beginning of the year	749200	0.36	749200	0.36
	Date-wise increase/decrease in Promoters' shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31st March 2015			749200	0.33 [∞]
3.	Shri Bharat Hari Singhania				
	At the beginning of the year	490825	0.24	490825	0.24
	Increase in Promoters' shareholding during the year - <i>Allotment of equity shares of ₹ 2 each on conversion of warrants on 8th January 2015</i>	227500	0.10	718325	0.32
	At the end of the year i.e. 31st March 2015			718325	0.32
4.	Dr. Raghupati Singhania				
	At the beginning of the year	158990	0.08	158990	0.08
	Increase in Promoters Shareholding during the year - <i>Allotment of equity shares of ₹ 2 each on conversion of warrants on 8th January 2015</i>	660000	0.29	818990	0.36
	At the end of the year i.e. 31st March 2015			818990	0.36
5.	Shri Vikrampati Singhania				
	At the beginning of the year	46530	0.02	46530	0.02
	Date-wise increase/decrease in Promoters' shareholding during the year	NO CHANGE			
	At the end of the year i.e. 31st March 2015			46530	0.02

^o Pursuant to the Probate granted by the Hon'ble High Court of Bombay, these shares stand temporarily vested with the executors to the Estate of Late Shri Hari Shankar Singhania, pending allocation thereof to the respective beneficiaries, in terms of the will of Late Shri Hari Shankar Singhania. The names of three executors are - Shri Bharat Hari Singhania, Dr. Raghupati Singhania and Shri Harsh Pati Singhania.

₹ During the year, each equity share of the face value of ₹ 10 has been sub-divided into 5 equity shares of ₹ 2 each, for which 19th December 2014 was the record date. However, for comparative reporting, the number of shares at the beginning of the year have been shown after taking into effect the sub-division of equity shares.

[∞] There is no change in the shareholding except change in percentage of shares held due to increase in capital on allotment of equity shares.

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl. No.	Top ten shareholders	Shareholding at the beginning of the year (1st April 2014) ₹		Shareholding at the end of the year (31st March 2015)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Florence Investech Ltd.^	30170350	14.70	32659100	14.40
2	J.K. Fenner (India) Ltd.^	18000000	8.77	18000000	7.94
3	Edgefield Securities Ltd.^	17437500	8.49	17437500	7.69
4	Life Insurance Corporation of India^	5480445	2.67	1980445	0.87
5	Morgan Stanley Asia (Singapore) Pte^	4043550	1.97	7183938	3.17
6	Ultima Finvest Ltd.^	3173665	1.55	2439675	1.08
7	Ricky Ishwardas Kirpalani**	2512180	1.22	770000	0.34
8	BMF Investments Ltd. ^	2455000	1.20	7807500	3.44
9	Keswani Haresh**	2181415	1.06	805000	0.35
10	Status Portfolios Ltd.**	1845775	0.90	1565275	0.69
11	Russell Investment Company PLC – Russell Emerging Markets Equity Fund @	343005	0.17	3066511	1.35
12	Merril Lynch Capital Markets Espana S.A. S.V. @	-	-	2616845	1.15
13	Goldman Sachs (Singapore) Pte @	-	-	1824458	0.80

Note: More than 99% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis. Therefore, the date-wise increase/decrease in shareholding is not indicated.

^ Common top ten shareholders as on 1st April 2014 and 31st March 2015.

** Top ten shareholders only as on 1st April 2014.

@ Top ten Shareholders only as on 31st March 2015.

₹ During the year, each equity share of the face value of ₹ 10 has been sub-divided into 5 equity shares of ₹ 2 each, for which 19th December 2014 was the record date. However, for comparative reporting, the number of shares at the beginning of the year have been shown after taking into effect the sub-division of equity shares.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2014) ₹		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Dr. Raghupati Singhania, Chairman & Managing Director				
	At the beginning of the year	158990	0.08	158990	0.08
	Increase in shareholding during the year - Allotment of equity shares of ₹ 2 each on conversion of warrants on 8th January 2015	660000	0.29	818990	0.36
	At the end of the year i.e. 31st March 2015			818990	0.32
2.	Shri Bakul Jain, Director				
	At the beginning of the year	6000	0.00	6000	0.00
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			6000	0.00
3.	Shri O.P. Khaitan, Director				
	At the beginning of the year	13680	0.01	13680	0.01
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			13680	0.01
4.	Smt. Sunanda Singhania, Director				
	At the beginning of the year	562500	0.27	562500	0.27
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			562500	0.25∞
5.	Shri Bharat Hari Singhania, Managing Director				
	At the beginning of the year	490825	0.24	490825	0.24
	Increase in Shareholding during the year - Allotment of equity shares of ₹ 2 each on conversion of warrants on 8th January 2015	227500	0.10	718325	0.32
	At the end of the year i.e. 31st March 2015			718325	0.32
6.	Shri Vikrampati Singhania, Dy. Managing Director				
	At the beginning of the year	46530	0.02	46530	0.02
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			46530	0.02

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2014) ₹		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Shri S.C. Sethi, Whole-time Director				
	At the beginning of the year	1000	0.00	1000	0.00
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			1000	0.00
8.	Shri Arun Kumar Bajoria, Director & President - International Operations				
	At the beginning of the year	500	0.00	500	0.00
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			500	0.00
9.	Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary				
	At the beginning of the year	250	0.00	250	0.00
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			250	0.00
10.	Shri Ashok Kumar Kinra, Chief Financial Officer				
	At the beginning of the year	1870	0.00	1870	0.00
	Date-wise increase/decrease in shareholding during the year	No Change			
	At the end of the year i.e. 31st March 2015			1870	0.00

Note: Shri Arvind Singh Mewar, Shri Vimal Bhandari, Shri Kalpataru Tripathy and Dr. Wolfgang Holzbach, Directors of the Company, were not holding any shares in the Company at the beginning of the year, i.e., as on 1st April 2014 and at the end of the year i.e., as on 31st March 2015. Also, there was no increase/decrease in their shareholding during the financial year.

∞ There is no change in the shareholding except change in percentage of shares held due to increase in capital on allotment of equity shares.

₹ During the year, each equity share of the face value of ₹ 10 has been sub-divided into 5 equity shares of ₹ 2 each, for which 19th December 2014 was the record date. However, for comparative reporting, the number of shares at the beginning of the year have been shown after taking into effect the sub-division of equity shares.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crores)

	Secured loans excluding deposits	Unsecured loans	Deposit	Total indebtedness
Indebtedness at the beginning of the financial year (as on 1st April 2014)				
(i) Principal amount	2,113.88	218.64	38.43	2,370.95
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	3.75	2.83	2.84	9.42
Total (i+ii+iii)	2,117.63	221.47	41.27	2,380.37
Change in indebtedness during the financial year				
• Addition	481.77	42.72	12.73	537.22
• Reduction	(233.25)	(52.14)	(13.27)	(298.66)
Net Change	248.52	(9.42)	(0.54)	238.56
Indebtedness at the end of the financial year (As on 31st March 2015)				
(i) Principal amount	2,358.65	210.31	37.53	2,606.49
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	7.50	1.74	3.20	12.44
Total (i+ii+iii)	2,366.15	212.05	40.73	2,618.93

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director, Whole-time Directors and/or Manager

(₹ crores)

Sl. No.	Particulars of remuneration	Name of MD/WTD/Manager					Total amount
		Dr. Raghupati Singhania (Chairman & Managing Director)	Shri Bharat Hari Singhania (Managing Director)	Shri Vikrampati Singhania (Dy. Managing Director)	Shri S.C. Sethi (Whole-time Director)	Shri Arun K. Bajoria (Director & President, International Operations)	
1.	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.94	0.25	1.19	1.32	2.50	8.19
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.62	0.01	0.47	0.11	0.14	1.35
2.	Commission - as % of profit	8.30	8.30	6.20	0.45	0.85	24.10
3.	Others (mainly contribution to Provident Fund)	0.34	0.02	0.13	0.10	0.12	0.72
	Total (A)	12.20	8.58	7.99	1.98	3.61	34.36
	Ceiling as per the Act	₹ 41.55 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

(The Company does not have sweat equity/scheme for stock option.)

B. Remuneration of other Directors

(₹ crores)

Sl. No.	Particulars of remuneration	Name of Directors						Total amount	
		Shri Arvind Singh Mewar	Shri Bakul Jain	Shri Om Prakash Khaitan	Smt. Sunanda Singhania	Shri Kalpataru Tripathy	Shri Vimal Bhandari		Dr. Wolfgang Holzbach
1	Independent Directors								
	• Fee for attending Board/ Committee meetings	0.05	0.04	0.07	-	0.04	0.04	0.01	0.25
	• Commission	0.12	0.12	0.12	-	0.12	0.12	0.12	0.72
	Total (1)	0.17	0.16	0.19	-	0.16	0.16	0.13	0.97
2	Other Non-executive Directors								
	• Fee for attending Board/ Committee Meetings	-	-	-	0.01	-	-	-	0.01
	• Commission	-	-	-	0.08	-	-	-	0.08
	Total (2)	-	-	-	0.09	-	-	-	0.09
	Total(B)= (1+2)	0.17	0.16	0.19	0.09	0.16	0.16	0.13	1.06
	Total Managerial Remuneration ((A)+(B))								35.42*
	Overall Ceiling as per the Act	₹ 45.70 crores (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

*Total Remuneration to Managing Directors, Whole-time Directors and other Directors (being the total of A and B), includes sitting fees of ₹ 0.26 crores.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ crores)

Sl. No.	Particulars of remuneration	Key Managerial Personnel		Total amount
		Shri Pawan Kumar Rustagi, Vice President (Legal) & Company Secretary	Shri Ashok Kumar Kinra, Chief Financial Officer	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0.59	1.24	1.83
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.03	0.15	0.18
2.	Others (mainly contribution to Provident Fund)	0.04	0.05	0.09
	Total	0.66	1.44	2.10

(The Company does not have sweat equity/scheme for stock option. Commission – Not Applicable)

VII. Penalties/Punishment/Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended 31st March 2015.

ANNEXURE B TO THE DIRECTORS' REPORT

A. Energy Conservation

The Company accords highest priority to sustainability and is committed to stringent energy conservation measures in all its manufacturing facilities. The Company's energy conservation programmes are being regularly reviewed both internally as well as by external energy experts for effective control on utilization of energy. The Company has designed its new plants and other facilities, to ensure minimal energy losses.

(i) Steps taken or impact on conservation of energy:

The Company has managed to control the rising energy costs by continuous investments in replacing its energy systems with the latest energy efficient systems. Several measures implemented during the year include, shifting of coal based generation to grid due high fuel costs, waste heat recovery in all plants, innovative usage of high pressure to generate power without losing on intended end use of energy. Major activities of redesigning pipelines and reusing heat energy with improved condensate recovery were put in place. Efficient lighting systems, installation of solar pipes and optimizing usage of day light have been major focus areas. Water conservation has been a major priority for the Company, we have achieved industry benchmark levels on water consumption through harvesting, recovering and recycling.

(ii) Steps taken by the Company for utilizing alternate source of energy:

Our focus has been greatly on renewable energy. A number of initiatives in this regard have started yielding results and would prove even better in coming years.

To mention few, the first solar roof top project is nearing completion at one of our plants which would be operational shortly. The Company is also harnessing wind power through bilateral route, agreements are in final stages and results would be visible shortly.

(iii) Capital investment on energy conservation equipments:

During the year, the Company has made investment of ₹ 6.30 crores on various energy saving equipment.

B. Technology Absorption

a) Research & Development

i) Areas of R&D activities

Maintaining technological excellence through innovation and creativity has been the Company's focus and key to success.

Your Company's in-house Research and Development Centre at Faridabad, work in close association with 'Hari Shankar Singhania Elastomer and Tyre Research Institute' (HASETRI), a Scientific and Industrial Research Organisation (SIRO) and RPS Centre of Excellence for Tyre & Vehicle Mechanics at IIT, Madras. These nerve Centres help Company to maintain Technological edge in meeting the customers emerging needs.

To enhance the speed of product development, a "Satellite Product Development Centre" has been set up in Mexico City, where new tyre designs and patterns are developed jointly online with JK Tyres Design and Product Development Team in India. A large number of products are being designed and developed in PCR, Farm and Industrial Tyre categories.

During the year, our Research activities focus on evaluation of new materials including development of alternate cost effective material, development of new products, design cycle time reduction through simulation and predictive techniques, productivity improvement through process optimization & atomization, apart from energy, water and environment conservation.

ii) Expenditure on R&D

The expenditure on R&D during the year was ₹ 38.13 crores, which was 0.56 % of the turnover.

b) Technology, Absorption and Innovation

i) Efforts towards Technology Absorption, Adaptation and Innovation:

The Company has a highly competent, professionally qualified and well trained team of scientists, engineers and technologists who have successfully adopted, adapted

and absorbed latest global technologies as well as best practices for improving the productivity and quality of its processes, products and services.

Projects initiated, inter-alia, include speeding up of operation to reduce cycle time, optimization of components in the tyres, rationalization of process to reduce handling time and manpower.

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

The Company has derived immense benefits as a result

of the above efforts in the areas of development of green Technology, product performance improvement, cost optimization, improved product reliability and optimization of material uses. These are continual efforts which will greatly benefit the Company for sustainable business development in the time ahead as well.

(iii) Details of Imported technology (imported during last 3 years reckoned from the beginning of financial year):

No technology was imported during previous three financial years.

C. Export, Foreign Exchange Earnings and Outgo

₹ crores

	2014-15	2013-14
Foreign Exchange Earnings	860.78	1,057.99
Foreign Exchange Outgo	1,896.28	1,748.80

ANNEXURE C TO THE DIRECTORS' REPORT

Secretarial Audit Report

For the financial year ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
JK Tyre & Industries Ltd.
Jaykaygram, PO-Tyre Factory,
Kankroli- 313 342, Rajasthan

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JK Tyre & Industries Ltd. (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015(Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 - (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the Audit Period) and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable to the Company during the Audit Period);
- (vi) Other laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - Not applicable to the Company during the Audit Period;
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda are also sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has -

- (i) Shifted its Registered Office from the State of West Bengal to the State of Rajasthan w.e.f 28th July 2014 and the Situation Clause of the Memorandum of Association of the Company was duly altered.
- (ii) Sub-divided each equity share of the face value of ₹ 10 into five (5) equity shares of the face value of ₹ 2 each for which 19th December 2014 was the record date and the Capital Clause of the Memorandum of Association of the Company was duly altered.
- (iii) Allotted equity shares on conversion of warrants to the constituents of the Promoter Group on preferential basis on 8th January 2015. Consequently, the equity share capital of the Company has increased from ₹ 41.06 crores comprising 20,52,96,730 equity shares of ₹ 2 each to ₹ 45.36 crores comprising 22,68,13,480 equity shares of ₹ 2 each. The equity shares allotted upon conversion of warrants were listed on National Stock Exchange of India Ltd. and BSE Ltd.
- (iv) Obtained Members' approval pursuant to Section 180(1)(c) of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 25th September 2014 for borrowing upto ₹ 3,500 crores.
- (v) Obtained Members' approval pursuant to Section 180(1)(a) of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 25th September 2014 for creating mortgage/charging all the movable and immovable properties of the Company for securing borrowings upto an amount not exceeding ₹ 3,500 crores.

Namo Narain Agarwal

Place: New Delhi
Date: 14th May 2015

CP No. 3331
FCS No. 234

ANNEXURE D TO THE DIRECTORS' REPORT

Annual Report on the CSR activities undertaken by the Company during the Financial year ended 31st March 2015

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs-

The Company has been one of the foremost proponents of inclusive growth and since inception it has been undertaking projects for overall development and welfare of the society in areas pertaining to promoting preventive healthcare, education, rural development, environmental sustainability, conservation of natural resources, etc.

Now, as required under the provisions of Section 135 of the Companies Act 2013, the Company has framed a CSR Policy. The details of the CSR Policy have been posted on the website of the Company and the web-link for the same is <http://www.jktyre.com/CSRPolicy.pdf>.

As mentioned above, various projects/programmes

undertaken by the Company as per the CSR Policy are in the areas of healthcare, education including adult literacy, women empowerment, road safety, promotion of sports, environment protection, etc.

2. The Composition of the CSR Committee:

The CSR Committee comprises the following Directors:

- Dr. Raghupati Singhania (Chairman of the Committee), Non-independent
- Shri Arun K. Bajoria, Non-independent
- Shri Arvind Singh Mewar, Independent

3. Average Net Profit of the Company for last three financial years: ₹ 9229 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 185 lakh

5. Details of CSR spent during the financial year

a. Total amount to be spent for financial year : ₹ 207.55 lakh

b. Amount unspent, if any : NIL

c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise (₹ in Lakh)	Amount spent on the projects or programmes Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
1	Supporting HIV/AIDS Clinics	Cl.(i) Promoting healthcare including preventive healthcare and sanitation and making available safe drinking water	Ludhiana (Punjab), Gurgaon (Haryana), Jaipur (Rajasthan), Raipur (Chattisgarh), Bhiwandi and Vashi (Maharashtra)	20.00	23.84	23.84	TCI Foundation and Vatsalya
2	Supporting Rajsamand network of people living with HIV/AIDS (RNP+)		Kankroli (Rajasthan)	5.00	6.95	6.95	Rajsamand network of people living with HIV/AIDS
3	Regular health camps		Kankroli (Rajasthan); Banmore (MP); Mysore (Karnataka) and Sriperumbudur (Tamil Nadu)	12.00	1.73	1.73	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (budget) project or programme-wise (₹ in Lakh)	Amount spent on the projects or programmes Sub Heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakh)	Cumulative expenditure upto the reporting period (₹ in Lakh)	Amount Spent Direct or through implementing agency
4	Drinking water management and sanitation facilities		Kankroli (Rajasthan) and Banmore (MP)	3.00	3.22	3.22	Direct
5	Parivartan project		Kankroli and Kumbhalgarh (Rajasthan)	21.00	14.58	14.58	Direct
6	Green cover	Cl. (iv) ensuring environmental sustainability and ecological balance	Kankroli (Rajasthan); Banmore (MP); Mysore(Karnataka) and Sriperumbudur (Tamil Nadu)	13.00	26.66	26.66	Direct
7	Road safety awareness programmes	Cl. (ii) promoting education including special education	Delhi, Mysore(Karnataka)	2.00	2.56	2.56	Direct
8	Adult literacy project		Kankroli (Rajasthan); Banmore (MP); Mysore(Karnataka) and Sriperumbudur (Tamil Nadu)	15.00	28.35	28.35	Direct
9	Support to schools, ITI and students		Kankroli (Rajasthan); Banmore (MP); Mysore (Karnataka) and Sriperumbudur (Tamil Nadu)	18.67	1.11	1.11	Direct
10	Scholarships		Kankroli (Rajasthan)	2.33	0.32	0.32	Direct
11	Ekal Vidhyalayas		Kankroli (Rajasthan), Sriperumbudur (Tamil Nadu)	6.00	7.44	7.44	Bhartiya Jan Seva Pratishthan and SVRD Society
12	Infrastructure to Kankroli stadium	Cl. (vii) training to promote rural sports	Kankroli (Rajasthan)	10.00	28.50	28.50	Direct
13	Development of rural sports, helping villagers/tribals and adoption of SC/ST Girls Hostel	Cl. (vii) training to promote rural sports, Cl. (x) Rural Development Projects and Cl. (iii) setting up homes and hostels for women	Banmore (MP), Kankroli (Rajasthan)	7.00	1.20	1.20	Direct
14	Contribution to funds	Cl. (viii) contribution to funds		20.00	31.09	31.09	Direct
15	Women empowerment through holistic rehabilitation of mentally challenged women	Cl. (ii) promoting education including special education and employment enhancement vocational skills for the differently abled	Mumbai (Maharashtra)	25.00	25.00	25.00	Om Creations Trust, Mumbai
16	Contribution to IIT, Bombay for NR Kamath Legacy Fund	Cl. (ii) promoting education including special education	Mumbai (Maharashtra)	5.00	5.00	5.00	IIT, Bombay
	Total			185.00	207.55	207.55	

6. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

(Arun K. Bajoria)
Director & President - International Operations

(Dr. Raghupati Singhania)
Chairman, CSR Committee

Date: 4th August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

National Environment

In May 2014, a new Indian Government was elected with a resounding mandate, which infused hope in formulating of stable fiscal policies. A number of manufacturing-centric policies announced by the new government shall cascade into positive economic growth over the foreseeable future.

Economic and Business Scenario

Fiscal 2014-15 was indeed a challenging year for the Indian economy. There was a partial acceleration in some segments viz. mining, manufacturing, construction and services. Industrial sector grew at 2.8%. Inflationary pressures also eased considerably during the year. In addition, there was some softening of interest rates leading to hopes of higher economic growth. Consequently, this is expected to boost demand for automotive sectors specially for commercial vehicles. Since the demand for tyres is driven by overall growth of economy, particularly in automotive and transport sectors, this augurs well for the tyre industry in fiscal 2015-16.

Indian Automobile Industry

The Indian Automobile Industry posted overall sales growth of 7.8% during FY 2014-15.

The medium and heavy commercial vehicle segments which had hit a low in 2013-14, registered a production growth of 21.7% during the year. Passenger Car and Multi Utility Vehicle recorded a marginal turnaround with 6.8% growth compared to 4.4% de-growth in previous year.

Low micro level economic activity has been reflected by a de-growth in the segments providing the last mile connect. As a result, Small Commercial Vehicles saw a sharp drop for the second year in succession, and Light Commercial Vehicle segment was also impacted registering a 4% de-growth.

The poor performance of the Agricultural sector reflected in the muted sales of Tractors.

Indian Tyre Industry

The Tyre Industry being the wheels of economy has a direct bearing on the Industry performance. The over-all demand for tyres for the 4-wheeler segment grew marginally.

The total Truck/Bus tyre segment grew by 6.3%. The level of radialization in the Indian domestic market has grown to a level of 33%, while in the OEM segment, radialisation was at a high 65%. Truck/Bus radial demand is growing substantially and will continue to be an Industry growth driver in the next few years. The non Truck tyre segments have recorded a moderate growth of 4%.

Despite thrust on 'Make in India' the scourge of Tyre imports specially from China remains unabated. The anomaly of inverted duty structure favouring finished goods over raw material was not corrected even in budget 2015-16. Currently, the import of Truck/Bus and Passenger Car radials constitutes as much as 26% and 24% respectively of the domestic sales.

Outlook

The Indian tyre industry's outlook is positive as growth in domestic tyre volume is expected to increase by around 8-10% during 2015-16 on the back of a pickup in auto demand, improving economy and stable raw material prices.

Following the US anti-dumping duty on Chinese tyres, imports into India increased to around ₹ 800 crores during 2014-15, which affected Indian tyre makers. On the other hand, capacity addition continued in anticipation of the recovery in auto demand.

Overview - JK Tyre (India)

JK Tyre achieved several landmarks during the year under review, these include:

- Maintained its number 1 position in the truck/bus radial segment.

- Strengthened its presence in the passenger car radials segment.
- Introduced several premium products in the commercial and passenger car categories.
- Expansion of TBR/passenger car tyre capacities at the All Radial Chennai Tyre Plant progressed well and expected to be completed during the current year.
- Expansion of the passenger car tyre capacity at JK Tornel (Mexico) is on its way to completion.

It is a matter of pride that JK Tyre was recently ranked highest in terms of customer satisfaction in the OE tyres segment as per the 'JD POWER 2015' India Tyre Customer Satisfaction Index. This performance was well above the overall industry average. It is the third time since the inception of the Survey that JK Tyre has received this recognition, which is a testimony to the Company's focus on Quality and Customer-orientation.

Segment-wise performance

Truck/Bus radials

JK Tyre having a wide range of Truck/Bus Radials crossed yet another milestone by putting over nine million Truck/Bus radials on the road globally, out of which, over seven million are on Indian roads. In order to meet customer needs, two new value added products were introduced, they include -10.00-R- 20 16 PR Jet Way JUH3+ and 10.00-R- 20 16 PR Jet Steel JDH3. With the objective of encouraging its customers, a National Fleet Conference was organized which is a dedicated interactive business platform for fleet owners, where amongst others, best practices are shared to strengthen the business relationship.

The network of 'JK Tyre Truck Wheels', providing services for maintenance and repair of tyres, is rapidly expanding. The initiative of 'Radial Baadshah' CRM, was recognised at the Asian Customer Engagement Awards.

Truck/Bus Bias

This segment, which although has declined, still remains a high-value segment. Riding on the success of earlier rib tyres, a super-premium mileage tyre 10.00-20 JET R Xtra Miles, was introduced. Various promotional as well as customer centric activities were pursued at select locations, which received an encouraging customer response.

Passenger Car Radial

Brand building, retail network expansion, customer engagement were the key elements of the passenger car radial strategy during the year. JK Tyre brand campaign was built around passenger tyres. JK Tyre's domestic passenger radial sales grew by 11% as against a single digit industry growth.

In order to expand geographical reach a large number of new 'JK Tyre Steel Wheels' were opened. In addition, multi-brand dealerships were awarded, thereby enabling dedicated displays and counter shares for JK Tyre. The concept was well received and a large number of such channel partners have been designated as 'Preferred Trade Partners'.

As much as it is important to communicate to customers, it is equally important to engage and reward loyal customers. Two major consumer offers of car and UV radials - 'Drive in Style' and 'Celebration on Wheels' were made during the year. Customers in Delhi NCR took part in the 'JK Tyre Experience Zone' at the prestigious Buddh International Circuit during successive rounds of JK Racing Championship.

LCV and SCV

During the year, the Company connected with LCV/SCV customers through various attractive offers including a national campaign held in Delhi-NCR and other high potential markets.

Farm vehicles

In line with JK Tyre's 'Customer First' approach, the 'Kisan Mitra' campaign was undertaken for the welfare of customers in the rural markets. This campaign which facilitates them with agricultural services (soil testing, tractor tyre check-up and agri-counseling services) was organised across several States in the country. Through the campaign, several hundred villages were covered and a large number mechanics were reached.

JK Tyre also participated in numerous *kisan melas*. The *kisan melas* were organised in the high-yielding agricultural states of India like Punjab, Uttar Pradesh, Haryana, Maharashtra, Madhya Pradesh, Rajasthan and Karnataka.

To improve the brand recall and develop positive perception among the tractor OEM franchise, visibility enhancing campaigns were organised in the top-11 agricultural states of India. This campaign enhanced customer awareness about the premium range of tractor rear tyres, SONA 1 and strengthened relationships with our tractor dealerships as well as our OEM partners. More than 3,700 villages were covered and ties were forged with more than 35,000 customers.

OTR

The OTR segment was affected by the slowdown in mining and construction activities. New product introduction and customer education were thrust areas during the year. JK Tyre evolved as one of the preferred supplier for world's largest off-the-road OEM, Caterpillar, for supply of ultra large OTR tyres in size 27.00 49 for their 100 tonne rear dump trucks in India.

India's largest OTR tyre size 40.00 57 VEM045 68PR E4 TL was commercially launched at the 12th International Mining & Machinery Exhibition(IMME) in Kolkata. This, India's largest tyre, is yet another example of JK Tyre's undisputed leadership in R&D and Technology. Standing 12 feet high and weighing 3.7 tonnes, this tyre is specifically built for Country's biggest rigid dump-truck, having payload capacity of 240 tonnes. The JK Tyre stall at IMME was awarded for the best display.

Several new special application products were launched, for improving the life and productivity of reach-stackers, which promises massive tread design to optimize tread wear assuring longevity and mobility.

Specially developed cranes for Indian Navy rolled-out exclusively on specially developed JK Tyre, meeting their exacting standards.

Retread Business

The Company provides an end-to-end retreading solutions to customers through a wide product range including, pre-cured rubber treads and allied materials. JK Treads expanded its franchisee network within India and Nepal. Its personnel have been trained to retread bias and radial tyres as per international standards. JK Treads now services various State Transport Corporation in India.

OEM and Institutional Business

JK Tyre has grown substantially in the OEM and STU segments during the year. Many new tyres have been approved at TATA, Escorts, New Holland, Ashok Leyland and Maruti Suzuki. Vendor recognition awards have been bestowed upon the Company by General Motors and Maruti Suzuki. International commercial vehicle manufacturer, Scania, which established a manufacturing facility in India has also approved JK Tyre products.

It is a matter of pride that JK Tyre has garnered a large share in the Bus radials segment purchased by State Transport Undertakings across India.

"Customer First" – At the Core

The philosophy of JK Tyre is 'Customer First' and to create brand differentiation by extending proactive tyre care. Such initiatives by the technical service team are an ongoing effort to guide end-users on tyre usage and safety, enabling them to derive superior tyre performance.

With a view to create awareness among the student & schools, and other educational institutes & authorities, and bus drivers, a special programme – 'Mission Back to School' was conducted, highlighting the importance of proper tyre care and maintenance to ensure road safety.

JK Tyre works closely with OEM customers and participates in their service campaign for enlightening their customers on better tyre care and maintenance, as also receiving their first hand performance feedback.

Brand Building

A high-impact nationwide brand campaign, woven around a passenger-centric theme was executed across the electronic, new-age digital and social media platforms.

Market Coverage

Widening distribution channels with higher coverage and penetration was a thrust area during the year under review. The Company's network of branded retail sales and service

outlets – ‘JK Tyre Steel Wheels’ for passenger tyres and ‘JK Tyre Truck Wheels’ for truck/bus tyres - was expanded. The existing channel partner network was enlarged, quantitatively and qualitatively.

Future Perspective

JK Tyre as a brand enjoys immense consumer confidence and has a strong brand recall. This has been possible due to a multifaceted approach in brand, building a distribution network comprising of over 4,000 dealers, 116 JK Tyre Steel Wheels and 17 JK Tyre Truck Wheels. This reach has enabled JK Tyre to entrench itself as a market leader. The various innovative consumer outreach programmes further enhancing consumer loyalty and brand admiration.

Exports

During the year, conditions in the export markets became tougher following the geopolitical tensions in the Middle East, Bangladesh and an economic collapse in Nigeria and Venezuela following a crash in global oil prices. The Company raked in export revenues of ₹ 844 crores during the year under review.

The Company re-strategised its export efforts and strengthened its presence in various growing markets with a view to enlarge its passenger and truck radial exports.

Review of the Financial Performance

The brief summary of the Company’s financial performance for the year ended March 31, 2015:

Particulars	₹ crores	
	2014-15	2013-14
Turnover	6,799.12	6,576.54
Operating profit (PBIDT)	766.48	671.65
Finance costs	240.80	248.30
Profit before tax (PBT)	377.11	195.05
Tax expenses	123.81	60.37
Profit after tax	253.30	134.68

The Company crossed another milestone by achieving a turnover of ₹ 6,799 crores. The profit has grown significantly on account of improvement in all-round efficiencies, various cost-cutting measures, as well as softer raw material prices.

JK Tornel

JK Tornel (Mexico) recorded a turnover of ₹ 1,287 crores despite a continued slowdown in the US and South America and collapse of a key market like Brazil during the latter part of the year.

It recorded a PBT of ₹ 109 crores during the year. The plants in Mexico manufacture ‘JKTyre’, ‘Vikrant’ and ‘Tornel’ tyre brands. A PCR capacity expansion is on its way to completion during the current year; trial runs commenced and production is expected to start shortly.

R&D and Technology

JK Tyre’s R&D and technology activities allow continuous product and process improvement in addition to sustainable development. Innovation and creativity are driving the Company’s research and technology initiatives.

JK Tyre’s continuous efforts to serve customers with technologically superior products catalyse its research and development initiative to manufacture value-added products that address diverse market needs. These activities have helped to strengthen the Company’s business model in addition to accelerating market responsiveness and environment-friendliness.

JK Tyre alongwith ‘Hari Shankar Singhania Elastomer and Tyre Research Institute’ (HASETRI), a premier ‘Scientific and Industrial Research Organisation’, and ‘RPS Centre of Excellence’ for Tyre and Vehicle Mechanics is working in the area of advanced & alternative materials, nanotechnology, process and product simulation, predictive technologies, advanced tyre mechanics and tyre characterisation (including material reduction, recycling and efficient use). The Company has developed an ultra-low rolling resistance tyre, which is expected to majorly contribute to CO₂ emission reduction.

HASETRI is also conducting research in retreading solutions to improve total retreaded tyre life and fuel efficiency to address the Company’s ‘Total Control’ mission.

Motorsports

The Company made significant strides to catalyse motorsport visibility in India over the last year. JK Tyre Superbike Cup was a new addition to the JK Tyre Racing Championship, enlarging the Company’s motorsport footprint within the country.

JK Tyre Racing Championship (17th year) and JK Tyre National Rotax Karting Championship (11th year) gained new ground. JK Tyre widened its presence in the North-East, organising the annual Hornbill Rally in Nagaland. The third JK Tyre Himalayan Drive (four-day event) attracted participation from adventure enthusiasts and numerous high-ranking state officials. Presented by JK Tyre, the fourth season of Mahindra Spice Challenge saw vehicles maneuvering the challenging 500 kilometre-long route from Trivandrum to Kochi across two days. The year saw the second Tata Motors 'T1 Truck Racing' partnered by your Company; the Company manufactured another batch of special truck racing tyres, reinforcing its position as the only manufacturer of these tyres in India.

One of the highlights was JK Tyre Formula Design Challenge 2015, a unique race-car designing competition, where thousands of students - the future engineers - were exposed to the challenges faced by professional formula racing teams. JK Tyre earned considerable goodwill by supporting budding race drivers and a large number of engineers-in-the-making.

Human Resource Development

JK Tyre recognises people as the crucial source of its competitiveness, and continues to focus on people development. The Company firmly believes that talented and engaged employees are the critical differentiators as they provide the competitive advantage for sustaining and growing the business in the environment of global competition. As such, it has been continually focusing on the means to achieve the company's goals of meeting growth targets through acquisition of external talent and by improving the capabilities of existing people through people development initiatives. It fosters a culture of ongoing coaching and feedback for all employees and on-the-job development.

The Company has been bestowed with number of awards in recognition of its human resources development initiatives such as CII's National Award 2014 for significant achievement in HR Excellence, Golden Peacock Award for HR Excellence-Special Commendation.

Risk and Concerns

Every business is marked by a variety of risks. The Company identifies and assesses risks associated with its business and correspondingly undertakes strategic measures to minimise losses and maximise realisations.

Industry risk

A downturn in user industries could affect growth

The Indian auto sector has shown signs of improvement which has cascaded down to the tyre sector as well. The sector's growth is driven by an improved economy, infrastructural growth and higher incomes.

Marketing risk

Inability to address customer needs may affect market share

The Company offers a range of tyres across vehicle segments. The Company's product range comprises tyres for truck/bus bias & radial, passenger car radials, LCV/SCV bias & radials, farm & industrial vehicles, specialty vehicles, off-the-road applications, military & defence and racing. The Company offers a wide sectoral network of over 4,000 retail outlets. Backed by strong R&D, the Company makes periodic product introductions, widening choice.

The Company enjoys a leading market share in the truck/bus radial segment and a growing share across the passenger radials, truck bias, LCV, SCV, OTR and tractor segments.

The Company established a greenfield facility in Chennai to address the growing demand for radial tyres with an initial capacity of 4 lac TBRs and 25 lac PCRs. This capacity is now being expanded by 8 lac TBRs and 15 lac PCRs.

Brand risk

Inability to keep pace with evolving preferences could affect growth

The Company focused its branding around longevity, control and safety. The Company embarked on a 360-degree brand building exercise comprising successful promotions, engaging customers across multiple points. The Company engaged with influencers (dealers) to understand customer needs and preferences.

Liquidity risk

Insufficient funds could impact operations and growth

The Company is adequately funded in terms of working capital through a consortium of several banks. The Company enjoyed a comfortable debt-equity ratio of 2.39 at the close of 2014-15 (2.81 in the previous year).

Quality risk

Any deviation from quality standards could affect the brand

JK Tyre invested in world-class manufacturing technologies.

All the Company's units are ISO 9001-certified. Its manufacturing facilities are certified for TPM, ISO/TS – 16949, ISO – 14001 and OHSAS 18001. The Company was the first tyre company in the world to be certified for ISO 9001 across its entire operations and the first in the world to be certified for QS 9000 for multi-location operations across the entire product range.

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 along with 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 system 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

The 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 statements 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.

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 the 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 practised by its entire management cadre.

2. Board of Directors:

The Board of Directors consists of twelve Directors as on 31st March 2015, of which five are Executive Directors and seven are Non-Executive Directors (NED); out of seven NED, six are Independent Directors (IND). Five Board Meetings were held during the twelve months period from 1st April 2014 to 31st March 2015 i.e. on 28th May 2014, 12th August 2014, 25th September 2014, 14th November 2014 and 9th February 2015. 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 held in other companies		
				Directorships \$	Committee Memberships **	Committee Chairmanships **
Dr. Raghupati Singhania, Chairman & Managing Director	Executive	5	Yes	7	2	1
Shri Arvind Singh Mewar Δ	IND	4	Yes	-	-	-
Shri Bakul Jain Δ	IND	4	Yes	2	1	-
Shri O.P. Khaitan Δ	IND	5	No	7	5	3
Smt. Sunanda Singhania #	NED	2	No	-	-	-
Shri Vimal Bhandari Δ	IND	5	Yes	7	3	2
Shri Kalpataru Tripathy Δ	IND	5	Yes	-	-	-
Dr. Wolfgang Holzbach Δ	IND	2	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	5	Yes	5	1	3
Shri Arun K. Bajoria, President & Director ◇	Executive	5	Yes	-	-	-

Δ Pursuant to the provisions of the Companies Act, 2013, all the six Directors of the Company were appointed by the shareholders as Independent Directors at the Annual General Meeting (AGM) held on 25th September 2014 for a term of five consecutive years commencing from the date of AGM and the formal letters of appointment have also been issued to each of them. The terms and conditions of appointment have been disclosed on the website of the Company.

Smt. Sunanda Singhania was appointed as an Additional Director of the Company w.e.f. 12th August 2014 and was appointed as a Director at the AGM held on 25th September 2014.

* Shri S.C. Sethi resigned from the Directorship of the Company from the close of business hours of 14th May 2015.

◇ Designation of Shri Arun K. Bajoria changed to Director & President - International Operations w.e.f. 1st June 2015.

\$ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Clause 49 of the Listing Agreement.

** Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee/ 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 Board is satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

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. 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. Separate Meeting of the Independent Directors:

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 9th February 2015. Shri O.P. Khaitan was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said meeting.

4. Familiarisation Programme for Independent Directors:

In accordance with the provisions of Clause 49 of the Listing Agreement, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is http://www.jktyre.com/Familiarizatin_Prog_IND.pdf.

5. Performance Evaluation:

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as

prescribed under Clause 49 of the Listing Agreements with Stock Exchanges.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due and reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of the non-independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director were evaluated, taking into account the views of Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. Audit Committee:

The Company has an Audit Committee of Directors since 1986. The composition and the Terms of Reference of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Committee consists of four Directors, out of which three are Non-executive Independent Directors and one is Executive Director.

Four meetings of the Audit Committee were held during the financial year ended 31st March 2015.

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

Date of the meeting	Number of members attended
28th May 2014	4
12th August 2014	4
14th November 2014	2
9th February 2015	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	3
Shri Bakul Jain	Member	3
Shri S.C. Sethi *	Member	4

* Consequent to resignation of Shri S.C. Sethi from Directorship of the Company w.e.f. close of business hours of 14th May 2015, Shri Sethi ceased to be a member of this Committee. Shri Arun K. Bajoria has been nominated as a member of the Committee to fill the vacancy.

Shri Kalpataru Tripathy attended the Audit Committee Meeting held on 14th November 2014.

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

7. Stakeholders' Relationship Committee:

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of four Directors out of which two are Non-executive Independent Directors and two are Executive Directors. The composition and the Terms of Reference of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

Date of the meeting	Number of members attended
28th May 2014	4
12th August 2014	4
14th November 2014	3
9th February 2015	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	4

* Consequent to resignation of Shri S.C. Sethi from Directorship of the Company w.e.f. close of business hours of 14th May 2015, Shri Sethi ceased to be a member of this Committee. Shri Arun K. Bajoria has been nominated as a member of the Committee to fill the vacancy.

Shri PK Rustagi, Vice President (Legal) & Company Secretary is the Compliance Officer. During the financial year ended 31st March 2015, the Company received two 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 2015, 24 meetings of this Committee were held.

8. Nomination and Remuneration Committee:

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Independent Directors. The composition and the role of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

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

Date of the meeting	Number of members attended
12th August 2014	3
9th February 2015	3

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	2
Shri Arvind Singh Mewar	Member	2
Shri Vimal Bhandari	Member	2

9. Nomination and Remuneration Policy:

In accordance with the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company:
 - (a) Qualifications and experience
 - (b) Positive attributes like -respect for Company's core values, professional integrity, strategic capability with business vision, etc.
 - (c) In case the proposed appointee is an Independent Director, he should fulfil the criteria for appointment as Independent Director as per the applicable laws & regulations
 - (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws and regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Agreement with Stock Exchanges and other applicable laws and regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.
- (iv) The Committee will review from time to time the Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy and human resource management in the Company. The Company will keep succession planning and Board diversity in mind while recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In

particular, the position of KMPs shall be filled by senior personnel having relevant qualifications and experience. The compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10. Remuneration Paid to Directors:

- (i) Executive Directors: The remuneration comprising salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March 2015 to the following Executive Directors is as follows: Dr. Raghupati Singhanian, Chairman & Managing Director ₹ 3.90 crores plus ₹ 8.30 crores payable as commission; Shri Bharat Hari Singhanian, Managing Director ₹ 0.28 crore plus ₹ 8.30 crores payable as commission; Shri Vikrampati Singhanian, Dy. Managing Director ₹ 1.79 crores plus ₹ 6.20 crores payable as commission; Shri S.C.Sethi, Whole-time Director ₹ 1.53 crores plus ₹ 0.45 crore payable as commission and Shri Arun K. Bajoria, Director & President - International Operations ₹ 2.76 crores plus ₹ 0.85 crore payable as commission.

The Company does not have any stock option scheme. In case of Whole-time Director and Director & President - International Operations, the 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 ₹ 0.26 crores 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 ₹ 0.12 crore and proportionate to Smt. Sunanda Singhanian ₹ 0.08 crore, aggregating to ₹ 0.80 crore.

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

The number of Equity Shares of ₹ 2 each (i.e. shares) held by the Non-executive Directors as on 31st March 2015 are: Shri Arvind Singh Mewar – Nil Shares, Shri Bakul Jain - 6,000 Shares, Shri O.P. Khaitan - 13,680 Shares, Smt. Sunanda Singhanian - 5,62,500 Shares, Shri Kalpataru Tripathy - Nil Shares, Shri Vimal Bhandari - Nil Shares and Dr. Wolfgang Holzbach - Nil Shares. As on 31st March 2015, the Company does not have any outstanding convertible instruments.

11. General Body Meetings:

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

Financial Year	Location	Date	Time
2011-2012	Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020	30.07.2012	11.00 A.M.
2012-2013	Same as above	14.08.2013	11.00 A.M.
2013-2014	Jaykaygram, PO - Tyre Factory, Kankroli - 313 342 (Rajasthan)	25.09.2014	3.00 P.M.

Details of the Special Resolution (SR) passed: Two SRs were passed at the each AGM held in the year 2012 and year 2013. Four SRs were passed at the AGM held in the year 2014.

No SRs were required to be put through postal ballot during the financial year. However, two ordinary resolutions were passed by way of postal ballot during the financial year ended 31st March 2015. 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 Pranav Kumar, Partner M/s Pranav Kumar & Associates, Company Secretaries, was appointed as Scrutiniser for conducting the postal ballot/e-voting process. After receiving the Scrutiniser's Report, it was announced that the ordinary resolutions were passed with requisite majority on 25th November 2014, for sub-division of each equity share of the face value of ₹ 10 into five equity shares of the face value of ₹ 2 each and consequent alteration of the Capital Clause of the Memorandum of Association of the Company. The voting patterns on the said resolutions are as under:

For Resolution No.1 - Sub-division of equity shares

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

For Resolution No.2 - Alteration of Capital Clause of Memorandum of Association

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

12. Disclosure:

- (i) **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: None

Suitable disclosures as required by Accounting Standard (AS-18) – Related Party Transactions, have been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company has also formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <http://www.jktyre.com/RPolicy.pdf>.

- (ii) Details of non-compliance by the Company, penalties and 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) **Vigil Mechanism/Whistle Blower Policy:** The Board of Directors of the Company at its meeting held on 12th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

- (iv) **Prevention of Sexual Harassment of Women at Workplace:** Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up an Internal Complaints Committee (ICC) at its workplaces to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

- (v) **Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimisation procedures. A Risk Management Committee, headed by a Whole-time Director, evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed.

- (vi) **Subsidiary Companies:** The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee.

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board Meeting of the Company. A statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are also placed at the Board Meeting of the Company.

During the year, the Company did not have any material subsidiary as defined in Clause 49 of the Listing Agreement.

13. Means of Communication:

Quarterly, half-yearly and annual results are published in leading English newspapers and also in a Hindi language newspaper (published from Rajasthan). 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.

The Management Discussion and Analysis forms a part of the Annual Report.

14. General Shareholder Information:

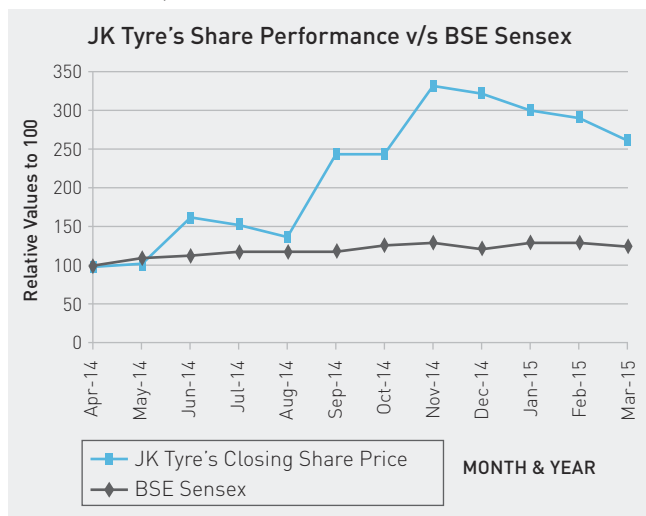
(i) Registered Office	Jaykaygram, PO- Tyre Factory, Kankroli- 313 342, (Rajasthan) Phone No: 02952-302400/330011
(ii) Annual General Meeting (AGM)	
(a) Date, time and venue	22nd September, 2015 at the Registered Office of the Company at 11.30 a.m.
(b) A brief resume and other particulars of Director(s) 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:	
<ul style="list-style-type: none"> ■ 1st Quarter ending June 30, 2015 ■ 2nd Quarter ending September 30, 2015 ■ 3rd Quarter ending December 31, 2015 ■ Annual and 4th Quarter ending March 31, 2016 ■ Annual General Meeting for the financial year 2015-16 	<p>} Within 45 days of the end of the quarter</p> <p>Within 60 days of the end of the 4th quarter Between July and September 2016</p>
(iv) Dividend Payment Date	Within three weeks of conclusion of the AGM
(v) Date of Book Closure	16th September to 22nd September, 2015
(vi) Listing on Stock Exchanges	The equity shares of the Company are listed on the BSE Ltd. and National Stock Exchange of India Ltd. (NSE). The annual listing fee for the financial year 2015-16 has been paid to both the aforesaid Stock Exchanges.
(vii) Security code for the Company's equity shares on Stock Exchanges and ISIN	BSE – 530007 NSE – JKTYRE ISIN – INE573A01042

(viii) Stock Market Price Data

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Pre-sub-division*				
April 2014	226.70	175.40	226.60	175.00
May 2014	249.85	186.50	250.00	186.20
June 2014	329.30	212.30	329.40	210.95
July 2014	338.50	266.70	338.90	266.15
August 2014	323.70	257.60	323.90	257.40
September 2014	534.90	278.90	535.00	279.00
October 2014	527.55	478.05	527.25	477.90
November 2014	669.45	489.25	669.80	489.70
December 2014	692.00	552.00	691.70	552.90
Upto 17.12.2014				
Post-sub-division*				
- From				
18.12.2014 to	162.95	120.80	163.00	120.80
31.12.2014				
January 2015	138.80	116.20	138.95	116.25
February 2015	132.35	103.20	132.35	103.10
March 2015	121.30	94.05	121.40	94.10

* Each equity share of the face value of ₹ 10 has been sub-divided into five equity shares of the face value of ₹ 2 each and was effective for all trades done on and from the ex-date i.e. 18th December 2014.

JK Tyre & Industries Ltd's (JK Tyre's) Share Performance v/s BSE Sensex (April 2014 – March 2015)



* The equity share price effective 18th December 2014 is of sub-divided equity shares of ₹ 2 each. The relative value of the equity share, for drawing the above chart, has been adjusted accordingly.

(ix) Distribution of shareholding (as on 31.3.2015)

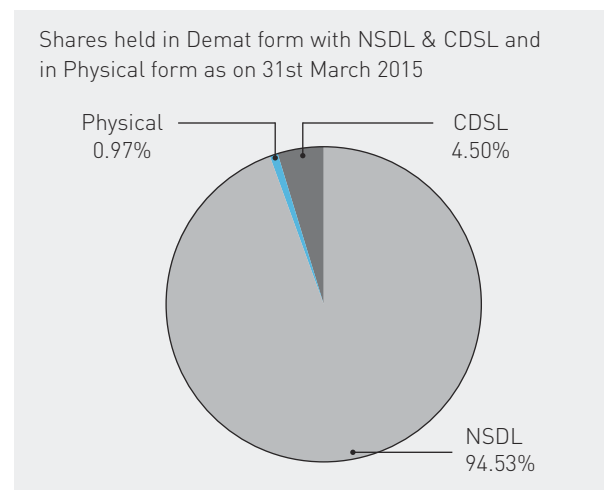
No. of equity shares held (of ₹ 2 each)	No. of shares		Shareholders	
	Number	% of total	Number	% of total
1-250	4107915	1.81	43913	69.78
251-500	3669813	1.62	9356	14.87
501-1000	15196047	6.70	9126	14.50
1001-5000	8022047	3.54	370	0.59
5001-10000	4888337	2.15	67	0.11
10001 and above	190929321	84.18	101	0.15
Total	226813480	100.00	62933	100.00

(x) Share Transfer System

The transfer/transmission of shares in the physical form is normally processed and completed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialised 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, rematerialisation, etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.



As on 31st March 2015, 99.03% of the equity shares are held in dematerialised form.

(xii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on equity

As on 31st March 2015 - NIL.

(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: investorjktyre@jkm.com
Website: www.jktyre.com
2. Registrar & Share Transfer Agent
Alankit Assignments Ltd.
Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi-110 055 (India)
Phone No.:91-11-42541234; 91-11-23541234
Fax No.: 91-11-41543474
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:

- a) As on 31st March 2014, the Company had 74,164 equity shares of the face value of ₹ 10 each (prior to sub-division), issued in physical form, which remained unclaimed by 1,514 equity shareholders.

Prior to sub-division, the Company received 10 requests for the dispatch of share certificates for 382 equity shares which have since been dispatched. Post sub-division, the Company had 3,68,910 equity shares of the face value of ₹ 2 each issued in physical form, which remained unclaimed by 1,504 equity shareholders. Further, post sub-division, the Company received 7 requests for dispatch of share certificates for 2,375 equity shares of ₹ 2 each which have since been dispatched. Accordingly, as on 31st March 2015, the Company has 3,66,535 equity shares, issued in physical form, which remained unclaimed by 1,497 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.

- b) Upon sub-division of each equity share of the face value of ₹ 10 into five equity shares of the face value of ₹ 2 each, the existing share certificates in respect of equity shares of the face value of ₹ 10 each have been cancelled and new share certificates in respect of equity shares of the face value of ₹ 2 each have been issued to shareholders holding equity shares of the Company in the physical mode as on the record date i.e., 19th December 2014. On such sub-division, there are 2,39,960 equity shares of the face value of ₹ 2 each held in the physical form, which remained unclaimed by 982 equity shareholders. The Company received 8 requests for dispatch of share certificates for 3,245 equity shares of ₹ 2 each which have since been dispatched. Accordingly, as on 31st March 2015, the Company has 2,36,715 equity shares, issued in physical form, which remained unclaimed by 974 equity shareholders.

In terms of Clause 5A of the Listing Agreement, the Company will send three reminders to the said shareholders for providing the correct address and other details and thereafter, the unclaimed equity shares, if any, will be transferred to unclaimed suspense account and also dematerialised as required under the said Clause of the Listing Agreement.

15. 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 2015.

Dr. Raghupati Singhania
Chairman & Managing Director

16. 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 2015, 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

(N.K. Lodha)
Partner

Place: New Delhi
Date: 4th August, 2015

Firm Registration No.:301051E
Membership No.85155

FINANCIAL **SECTION**

Independent Auditor's Report

To the Members of
JK Tyre & Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JK TYRE & INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no. 32, 34 & 39 to the financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)
Partner

New Delhi, the 14th May, 2015

Membership No. 85155

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March, 2015.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management according to the programme of periodical physical 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.
2. (a) The inventories of the Company (except stock lying with third parties and in transit, for which confirmations have been received / materials received) have been physically verified by the management at reasonable intervals.
(b) 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.
(c) 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.
3. (a) With respect to clause 3 (iii) of the Order, as informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013; outstanding year-end balance of deferred receivable from a Company is ₹ 93.40 crores (maximum balance outstanding during the year ₹ 101.40 crores) as shown in Note no. 15 & 21 of the accompanying financial statements.
(b) In this regard, the receipt of the principal as well as interest is regular.
(c) Furthermore, no amount, principal as well as interest, is overdue and therefore, provision of clause 3(iii) (b) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. 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 Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under 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 other tribunal in this regard.
6. 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 148(1) 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.
7. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.
(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, wealth tax or cess that have not been deposited with the appropriate authorities to the extent applicable on account of any dispute and the dues in respect of sales tax, excise duty, custom duty, service tax and entry 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	Forum where dispute is pending	Amount (₹ in lacs)
Sales Tax Act	Sales Tax/VAT	Additional Commissioner (Appeals)	8.13
		Deputy Commissioner	1.32
		Deputy Commissioner (Appeals)	21.43
		Revision Board	14.57
		Joint Commissioner	0.96
		Tribunal	46.89
		High Court	1.80
		Appellate Tribunal	3.41
Central Excise Act	Excise Duty	Commissioner-Appeals	39.68
		Additional Commissioner	52.34
		Additional Superintendent	0.47
		CESTAT	312.57
		Assistant Commissioner / Deputy Commissioner	2.54
Custom Act	Custom Duty	High Court	0.49
		Supreme Court	241.15
Finance Act	Service Tax	High Court	1,558.33
		Assistant Commissioner	104.32
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	CESTAT	4.12
The Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	Commissioner	139.51
		High Court	148.53

Refer Note no. 32, 34 & 39.

- (c) According to the records of the Company and information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. 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 & in the immediately preceding financial year.
9. In our opinion, on the basis of audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company did not have any outstanding debentures during the year.
10. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks.
11. On the basis of information and explanations given to us, term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
12. 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 our audit.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)

Partner

New Delhi, the 14th May, 2015

Membership No. 85155

JK Tyre & Industries Limited

Balance Sheet As at 31st March, 2015

₹ in Crores (10 Million)

	Note No.	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	45.36	41.06
Reserves and Surplus	3	1046.12	794.99
Money Received against Share Warrants	4	-	12.37
		1091.48	848.42
Non-current Liabilities			
Long-term borrowings	5	1415.90	1163.30
Deferred tax liabilities (Net)	6	319.82	252.42
Other Long-term liabilities	7	330.11	341.98
Long-term provisions	8	13.33	9.70
		2079.16	1767.40
Current Liabilities			
Short-term borrowings	9	964.48	1044.87
Trade payables		902.64	903.44
Other current liabilities	10	640.19	425.75
Short-term provisions	11	206.01	129.88
		2713.32	2503.94
TOTAL		5883.96	5119.76
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible assets	12	2354.40	2273.41
- Intangible assets	12	-	0.23
- Capital work-in-progress		697.10	143.32
Non-current investments	13	83.61	89.14
Long-term loans and advances	14	186.52	136.51
Other non-current assets	15	84.86	93.39
		3406.49	2736.00
Current Assets			
Current investments	16	9.01	12.62
Inventories	17	741.62	765.70
Trade receivables	18	1256.19	1186.37
Cash and bank balances	19	100.20	177.78
Short-term loans and advances	20	361.52	232.84
Other current assets	21	8.93	8.45
		2477.47	2383.76
TOTAL		5883.96	5119.76
Significant Accounting Policies	1		

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

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

New Delhi, the 14th May, 2015

JK Tyre & Industries Limited

Profit and Loss Statement For the year ended 31st March, 2015

₹ in Crores (10 Million)

	Note No.	2014-2015	2013-2014
Revenue from operations			
Gross Sales & Operating Income	22	6784.37	6560.29
Less: Excise Duty		659.14	609.21
Net Sales & Operating Income		6125.23	5951.08
Other income	23	14.75	16.25
Total Revenue [I]		6139.98	5967.33
Expenses			
Cost of materials consumed	24	3861.62	3972.66
Purchases of Stock-in-Trade	25	40.62	39.74
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	47.40	24.14
Employee benefits expense	27	459.48	398.39
Other expenses	28	964.38	860.75
Total [II]		5373.50	5295.68
Profit before Interest, Depreciation & Tax (PBIDT) [I - II]			
		766.48	671.65
Finance costs	29	240.80	248.30
Depreciation and amortisation expense	30	139.14	152.47
Profit before exceptional items and tax		386.54	270.88
Exceptional Items	47	(9.43)	(75.83)
Profit before tax		377.11	195.05
Tax Expenses:			
- Current Tax		76.08	40.59
- Mat Credit Entitlement		(23.05)	(40.59)
- Deferred Tax		70.78	60.37
Profit after tax		253.30	134.68
Earnings per share of ₹2 each			
	48		
- Basic		12.05	6.56
- Diluted		11.37	6.51

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

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

New Delhi, the 14th May, 2015

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 as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013.
- 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 Depreciation on fixed assets has been provided using Straight Line Method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. Continuous process plants as defined in Schedule II have been considered on technical evaluation. However, in respect of certain assets, depreciation is provided as per their useful lives as assessed by the valuer ranging from 15 to 43 years for plant and machinery and 18 to 80 years for buildings. Accelerated depreciation in respect of a production accessory is provided over 6 years.
Leasehold land is being amortised over the lease period.
- 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:

Notes to financial statements

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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)

	As at 31.03.2015	As at 31.03.2014
NOTE - 2 SHARE CAPITAL		
Authorised:		
Equity Shares - 62,50,00,000 of ₹2 each	125.00	125.00
(Previous Year: 12,50,00,000 Equity Shares of ₹10 each)		
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 - 22,68,13,480 of ₹2 each fully paid up	45.36	41.06
(Previous Year: 4,10,59,346 Equity Shares of ₹10 each)		
	45.36	41.06

Details of each shareholder holding more than 5% shares:	No. of Shares held	No. of Shares held
	As at 31.03.2015	As at 31.03.2014
Name of Shareholder		
Bengal & Assam Company Limited	5,50,74,250	85,89,250
J.K. Fenner (India) Limited	1,80,00,000	36,00,000
Florence Investech Ltd.	3,26,59,100	60,34,070
Edgefield Securities Limited	1,74,37,500	34,87,500

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 2 SHARE CAPITAL (Contd.)		
Reconciliation of the number of shares outstanding:		
Shares outstanding as at the beginning of the year	20,52,96,730	4,10,59,346
Addition during the year (Refer note 4)	2,15,16,750	-
Deletion during the year	-	-
Shares outstanding as at the end of the year	22,68,13,480	4,10,59,346

Pursuant to shareholders' approval dated 25th November, 2014, the Equity Shares of ₹10/- each of the Company were sub-divided into 5 Equity Shares of ₹2/- per share w.e.f. 19th December, 2014 (Record date). Accordingly, the current year notes have been stated to this effect.

Rights and preferences attached to Equity Shares:

- The Company has only one class of Equity Shares having face value of ₹2/- (Previous year: ₹10/-) each and each shareholder is entitled to one vote per share.
- 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.
- 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 31.03.2015	As at 31.03.2014
NOTE - 3 RESERVES AND SURPLUS		
Capital Reserve (a)		
Opening Balance	1.50	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
Addition during the year (Refer note 4)	45.18	-
	262.88	217.70
Revaluation Reserve		
Opening Balance	5.54	22.08
Transfer during the year (b)	(5.54)	(16.54)
	-	5.54
General Reserve		
Opening Balance	460.34	385.34
Addition during the year	150.00	75.00
Transfer during the year (b)	(0.86)	-
	609.48	460.34

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 3 RESERVES AND SURPLUS (Contd.)		
Surplus in Profit and Loss Statement		
Opening Balance	102.91	67.25
Addition during the year	253.30	134.68
Amount available for appropriation	356.21	201.93
Appropriation:		
Transfer to General Reserve	(150.00)	(75.00)
Proposed Dividend @ ₹1.50 (Previous year: ₹1.00) per equity share	(34.02)	(20.53)
Corporate Dividend Tax	(6.93)	(3.49)
Closing Balance	165.26	102.91
Total	1046.12	794.99

(a) Represents Capital subsidy.

(b) Represents ₹5.54 crores transfer from Revaluation Reserve to General Reserve. Also, ₹6.40 crores adjusted pursuant to adoption of Schedule II of the Companies Act, 2013 towards written down value in respect of certain fixed assets (net of deferred tax ₹3.38 crores), whose lives had expired on 31st March, 2014.

(Previous Year: Adjustment from Revaluation Reserve ₹15.95 crores towards depreciation arising out of revaluation transferred to Profit & Loss Statement and ₹0.59 crore for fixed assets sold / transferred.)

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 4 MONEY RECEIVED AGAINST SHARE WARRANTS		
Money Received against Share Warrants	-	12.37
Total	-	12.37

The Company has allotted 2,15,16,750 equity shares of ₹2/- each at a premium of ₹21/- per share on preferential basis on 8th January, 2015 to the Promoter Group at a price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 against 43,03,350 Warrants of ₹115/- each on payment of balance 75% amount on these warrants. The proceeds of the issue have been used towards augmenting the net worth of the Company.

Notes to financial statements

₹ in Crores (10 Million)

	Non Current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
NOTE - 5 LONG-TERM BORROWINGS				
Secured Loans				
Term Loans:				
- Financial Institutions	333.80	206.10	26.83	19.32
- Banks	976.19	763.61	102.10	101.20
- Others	32.69	40.87	8.17	8.20
Loan from Bank	-	50.00	50.00	-
	1342.68	1060.58	187.10	128.72
Unsecured Loans				
Deferred Sales Tax	51.36	77.04	25.68	25.68
Fixed Deposits	21.86	25.68	13.33	8.38
	73.22	102.72	39.01	34.06
	1415.90	1163.30	226.11	162.78
Less: Amount Disclosed under the head "Other Current Liabilities" (Note No. 10)	-	-	(226.11)	(162.78)
	1415.90	1163.30	-	-

Notes:

- Term Loan of ₹24.29 crores 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 17 equal quarterly instalments.
- Term Loans aggregating ₹71.71 crores 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 ₹41.71 crores is repayable in 13 equal quarterly instalments and from another bank ₹30 crores is repayable in 9 equal quarterly instalments.
- Term Loans aggregating ₹83.44 crores 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 32 equal quarterly instalments.
- Term Loans aggregating ₹682.98 crores (₹468.33 crores from Banks and Foreign Currency Loan from a Financial Institution amounting to ₹214.65 crores including ₹38.78 crores due to forex reinstatement), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future are repayable in 32 equal quarterly instalments.
- Term Loans aggregating ₹436.95 crores (₹135.67 crores from Banks / Financial Institution, Foreign Currency Loan from a Financial Institution amounting to ₹125.18 crores including ₹0.83 crore due to forex reinstatement and Buyer's Credit of ₹176.10 crores net of ₹0.11 crore due to forex reinstatement availed from Banks, which will be substituted by Term Loans), secured by a first pari passu charge created on movable and immovable assets at a Company's Plant in Tamil Nadu, both present and future and also secured by way of hypothecation created on the specified movable assets at Company's Plants in Madhya Pradesh and Karnataka are repayable in 40 equal quarterly instalments commencing from December 2017.
Buyer's credit from a Bank of ₹21.79 crores including ₹0.57 crore due to forex reinstatement, which will be substituted by Term Loan, is secured by a subservient charge on movable assets of the Company.
- Foreign Currency Loan from a Bank amounting to ₹117.76 crores including ₹3.30 crores due to forex reinstatement, secured by charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Karnataka and Tamil Nadu, is repayable in 32 equal quarterly instalments commencing from February 2016.
- Term Loan of ₹40.86 crores 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 20 equal quarterly instalments.
- Loan of ₹50 crores from a Bank, secured by a subservient charge on current assets of the Company is repayable on 31.03.2016.
- 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.
- Unsecured Deferred Sales Tax ₹77.04 crores is repayable in 3 equal annual instalments.
- Fixed Deposits of ₹13.33 crores, ₹12.71 crores and ₹9.15 crores (aggregating ₹35.19 crores) are due for repayment in 2015-16, 2016-17 and 2017-18 respectively.

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
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	352.45	296.76
2. Deferred Tax Assets		
(i) Expenses / Provision Allowable	32.63	25.63
(ii) Unabsorbed depreciation / Loss	-	18.71
3. Deferred Tax Liability / (Asset) - Net	319.82	252.42

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 7 OTHER LONG-TERM LIABILITIES		
Trade Deposits & Others	330.11	341.98
	330.11	341.98

	As at 31.03.2015	As at 31.03.2014
NOTE - 8 LONG-TERM PROVISIONS		
Provision for Employee Benefits	13.33	9.70
	13.33	9.70

	As at 31.03.2015	As at 31.03.2014
NOTE - 9 SHORT-TERM BORROWINGS		
Secured Loans		
Repayable on demand from Banks *	828.87	924.58
	828.87	924.58
Unsecured Loans		
Fixed Deposits	2.34	4.37
Short-term Loans from Banks	133.27	115.92
	135.61	120.29
	964.48	1044.87

* 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 Tamil Nadu except for prior charge in favour of State Industries Promotion Corporation of Tamilnadu Ltd. (SIPCOT) to be created on movable and immovable assets of the Company's Plant in Tamil Nadu.

	As at 31.03.2015	As at 31.03.2014
NOTE - 10 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	226.11	162.78
Interest accrued but not due on borrowings	12.44	9.42
Unclaimed dividends #	0.71	0.65
Unclaimed / Uncollected Fixed Deposits and interest accrued thereon #	1.43	2.28
Others:		
- Government and Other Statutory Dues	92.12	95.43
- Other Payables	307.38	155.19
	640.19	425.75

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

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 11 SHORT-TERM PROVISIONS		
Provision for Employee Benefits	10.62	4.85
Others:		
- Provision for Taxation	154.44	101.01
- Proposed Dividend	34.02	20.53
- Provision for Corporate Dividend Tax	6.93	3.49
	206.01	129.88

NOTE - 12 FIXED ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value			Depreciation / Amortisation				Net Value		
	As at 31.03.2014	Additions / Adjustments [^]	Sales / Adjustments	As at 31.03.2015	Upto 31.03.2014	For the Year **	Sales / Adjustments	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets										
Land - Freehold	58.53	-	-	58.53	-	-	-	-	58.53	58.53
- Leasehold	10.62	-	0.01	10.61	1.32	0.11	-	1.43	9.18	9.30
Buildings *	512.55	20.31	-	532.86	97.57	19.82	-	117.39	415.47	414.98
Plant & Equipments	3217.14	204.14	4.59	3416.69	1458.70	118.70	4.18	1573.22	1843.47	1758.44
Furniture and Fixtures	13.61	2.37	0.28	15.70	6.71	1.36	0.15	7.92	7.78	6.90
Office Equipments	14.64	0.98	0.35	15.27	5.69	5.69	0.26	11.12	4.15	8.95
Vehicles	23.50	4.20	3.04	24.66	7.19	3.01	1.36	8.84	15.82	16.31
	3850.59	232.00	8.27	4074.32	1577.18	148.69	5.95	1719.92	2354.40	2273.41
Previous Year	3710.52	167.99	27.92	3850.59	1431.26	167.53	21.61	1577.18	2273.41	
(ii) Intangible Assets										
Software #	11.78	-	-	11.78	11.55	0.23	-	11.78	-	0.23
	11.78	-	-	11.78	11.55	0.23	-	11.78	-	0.23
Previous Year	11.78	-	-	11.78	10.66	0.89	-	11.55	0.23	

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

** Pursuant to adoption of Schedule II of the Companies Act, 2013, the lives of certain assets had expired on 31st March, 2014. Consequently, after retaining residual value, the carrying amount of ₹9.78 crores in respect of such fixed assets has been adjusted to General Reserve.

Being amortised over a period of 5 years.

[^] Includes capitalisation of finance cost ₹4.19 crores and forex reinstatement ₹12.36 crores (Unamortised forex reinstatement as on 31.03.2015: ₹43.18 crores)

[^] Government Subsidy of ₹0.35 crore 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 ₹544.23 crores (Previous year: ₹545.21 crores)

Notes to financial statements

	As at 31.03.2015		As at 31.03.2014	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
NOTE - 13 NON-CURRENT INVESTMENTS (LONG-TERM) (Other than Trade)				
Investment in Equity Shares:				
Subsidiary Companies:				
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 Tornel 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 Companies:				
Hari Shankar Singhania Elastomer & Tyre Research Institute (₹100 each) (₹2400; As at 31.03.2014: ₹2400)	24		24	
Dwarkesh Energy Ltd. (₹10 each)	3,50,000	0.35	3,50,000	0.35
Florence Investech Ltd. (₹10 each)	10,74,994	32.50	10,74,994	32.50
Others:				
HDFC Bank Ltd. (₹2 each) (₹10000; As at 31.03.2014: ₹10000)	5,000		5,000	
Bengal & Assam Company Ltd. (₹10 each)	11,641	0.05	11,641	0.05
Dhampur Sugar Mills Ltd. (₹10 each)	4,60,075	2.68	4,60,075	2.68
V. S. Lignite Power Pvt. Ltd. (₹10 each) #	12,56,039	1.26	12,56,039	1.26
J.K.I. Employees Co-operative Credit Society Ltd. (₹1000 each) (₹5000; As at 31.03.2014: ₹5000)	5		5	
Larsen & Toubro Ltd. (₹2 each)	-	-	4,200	0.48
Reliance Industries Ltd. (₹10 each) **	4,360	0.36	4,360	0.41
Investment in Preference Shares:				
Associate Company:				
Dwarkesh Energy Ltd. (7% Optionally Convertible Cumulative Redeemable Preference Shares - [₹100 each])	11,00,000	11.00	10,00,000	10.00
Others:				
V. S. Lignite Power Pvt. Ltd. (₹10 each) (0.01% Cumulative Redeemable) #	11,14,222	1.11	11,14,222	1.11
Dhampur Sugar Mills Limited (8% Cumulative Redeemable Preference Shares of ₹100 each) - Redeemable equally on 1.4.2014, 1.4.2015 & 1.4.2016	18,01,817	6.01	18,01,817	12.01
Investment in Mutual Fund:				
LIC Nomura Mutual Fund Growth Fund (₹10 each)	2,50,000	0.25	2,50,000	0.25
Investment in Government or Trust Securities:				
Government Securities (Deposited with Government Department)				
National Savings Certificates (₹25000; As at 31.03.2014: ₹25000)				
		83.61		89.14
Aggregate amount of quoted Investments		35.59		36.12
Market Value of quoted Investments		39.13		18.83
Aggregate amount of unquoted Investments		48.02		53.02
Aggregate provision for diminution in value of Investments		0.17		0.13

Under lien with Issuer.

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

** Net of provision for diminution.

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 14 LONG-TERM LOANS & ADVANCES (Unsecured - Considered Good)		
Advances - Project related	58.86	27.57
Security Deposits with Government Authorities and Others	31.28	35.61
MAT Credit Entitlement	96.38	73.33
	186.52	136.51

NOTE - 15 OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)		
Deferred Receivable	84.86	93.39
	84.86	93.39

	As at 31.03.2015		As at 31.03.2014	
	Numbers	₹ in Crores (10 Million)	Numbers	₹ in Crores (10 Million)
NOTE - 16 CURRENT INVESTMENTS (Unquoted)				
Investment in Preference Shares:				
Dhampur Sugar Mills Limited (8% Cumulative Redeemable Preference Shares of ₹100 each)	18,01,817	9.01	18,01,817	6.01
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
		9.01		12.62

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 17 INVENTORIES (Valued at lower of cost or net realisable value)		
Raw Materials*	293.28	272.30
Work-in-Progress	49.23	51.44
Finished Goods**	347.48	388.82
Stock-in-trade	4.43	4.48
Stores and Spares	47.20	48.66
	741.62	765.70

* Includes raw materials in transit ₹78.75 crores (Previous Year - ₹76.01 crores)

** Includes finished goods in transit ₹1.55 crores (Previous Year - ₹9.16 crores)

NOTE - 18 TRADE RECEIVABLES (Unsecured)		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	19.26	23.88
Doubtful	4.49	3.74
Less: Allowance for Bad and Doubtful debts	(4.49)	(3.74)
(b) Others (Considered Good)	1236.93	1162.49
	1256.19	1186.37

Notes to financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 19 CASH & BANK BALANCES		
(a) Cash and Cash Equivalents		
Balances with Banks:		
Current Accounts	11.53	73.16
Remittances in transit and Cheques on hand	60.84	103.90
Cash on hand	0.08	0.07
	72.45	177.13
(b) Other Bank Balances		
Unclaimed Dividend Accounts	0.71	0.65
Deposit Accounts*	27.04	-
	100.20	177.78

* Includes ₹4.75 crores Deposit Repayment Reserve Account, ₹1.29 crores margin money under lien with bank against bank guarantee and ₹21 crores temporary deployment of funds, pending its utilisation.

NOTE - 20 SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Balances with Government Authorities	154.50	82.38
Export Benefit Receivable	-	0.15
Loans & Advances to related parties	0.58	5.95
Prepaid Expenses	6.30	8.77
MAT Credit Entitlement	2.49	2.49
Income Tax Advance Payments	169.08	104.49
Other Advances	28.57	28.61
	361.52	232.84

NOTE - 21 OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Interest Accrued on Investments	0.39	0.44
Deferred Receivable	8.54	8.01
	8.93	8.45

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 22 REVENUE FROM OPERATIONS		
Sale:		
Tyres	6172.61	5975.64
Tubes & Others	550.02	526.40
Royalty and Management Fee	16.72	18.26
Other operating revenues:		
Liability for earlier years written back	0.05	0.93
Miscellaneous Income*	44.97	39.06
	6784.37	6560.29

* Includes Government Incentive of ₹22.26 crores (Previous Year: ₹19.30 crores)

Notes to financial statements

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 23 OTHER INCOME		
Income from Long-term Investments		
- Dividends	0.18	1.68
- Interest	0.30	0.57
- Reversal of Provision for Diminution in value of Long-term Investments	-	0.17
- Profit / (Loss) on Sale of Investments	0.20	-
Other Interest Income	14.07	13.83
	14.75	16.25

NOTE - 24 COST OF MATERIALS CONSUMED		
Raw Material Consumed	3861.62	3972.66

NOTE - 25 PURCHASES OF STOCK-IN-TRADE		
Tyres	6.67	0.80
Flaps	33.95	38.94
	40.62	39.74

NOTE - 26 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	388.82	421.80
Work-in-Progress	51.44	55.84
Stock-in-Trade	4.48	4.43
	(A) 444.74	482.07
Closing Stock		
Finished Goods	347.48	388.82
Work-in-Progress	49.23	51.44
Stock-in-Trade	4.43	4.48
	(B) 401.14	444.74
(Increase) / Decrease in Stocks	(A-B) 43.60	37.33
Less: Adjustments for differential excise duty	(3.80)	13.19
Net (Increase) / Decrease in Stocks	47.40	24.14

NOTE - 27 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	330.89	289.99
Contribution to Provident and other Funds	39.69	27.62
Employees' Welfare and other Benefits	88.90	80.78
	459.48	398.39

Notes to financial statements

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 28 OTHER EXPENSES		
Conversion Charges	57.70	55.42
Consumption of Stores and spares **	61.68	54.13
Power and Fuel	243.59	233.46
Rent	14.35	13.24
Lease Rent	20.32	20.32
Repairs to Buildings	8.06	5.35
Repairs to Machinery	19.45	17.06
Insurance	3.87	3.52
Rates & Taxes	13.17	10.44
Discount & Commission	64.48	63.53
Freight and Transportation	244.98	214.01
Advertisement and sales promotion	85.67	71.10
Bad Debts written off	-	0.56
Provision for Diminution in Value of Long-term Investments	0.05	-
Provision for Doubtful Debts / Advances	0.75	0.67
Corporate Social Responsibility Expenses	2.08	-
Miscellaneous Expenses	124.18	97.94
	964.38	860.75
** Break up of consumption of Stores & Spares		
Indigenous	56.57	50.66
% of Total	91.72	93.59
Imported	5.11	3.47
% of Total	8.28	6.41

NOTE - 29 FINANCE COSTS		
Interest Expenses	238.48	246.29
Other Borrowing Costs	2.32	2.01
	240.80	248.30

NOTE - 30 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation	139.14	168.42
Less: Transfer from Revaluation Reserve	-	(15.95)
	139.14	152.47

NOTE - 31

Estimated amount of contracts remaining to be executed on capital account ₹470.44 crores (Previous year: ₹603.54 crores).

NOTE - 32

Contingent liabilities in respect of claims not accepted and not provided for ₹40.84 crores (Previous year: ₹41.89 crores) pertain to Excise & Customs duty matters in appeal ₹8.41 crores, Service tax matters ₹0.04 crore, Sales Tax matters in appeal ₹2.14 crores, Income tax matters in appeal ₹2.97 crores & other matters ₹27.28 crores (Previous year: ₹8.60 crores, ₹0.04 crore, ₹3.40 crores, ₹2.97 crores & ₹26.88 crores respectively).

Notes to financial statements

NOTE - 33

Bills discounted with Banks outstanding ₹8.06 crores (Previous year: ₹14.09 crores).

NOTE - 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 crores 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.

NOTE - 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:

	₹ in Crores (10 Million)	
	As at 31.03.2015	As at 31.03.2014
Raw Material Consumption	0.27	-
Employee Benefit Expenses	16.27	9.44
Rates and Taxes (including excise)	-	0.02
Insurance Expenses	0.56	0.23
Power and Fuel Consumed	0.73	0.27
Finance Costs	12.93	3.19
Unrealised Exchange Fluctuation on borrowings	5.59	(1.39)
Miscellaneous expenditure	6.46	2.20
	42.81	13.96
Less: Scrap Sale	0.02	-
	42.79	13.96
Add: Expenditure upto previous year	12.62	1.56
	55.41	15.52
Less: Transferred to Fixed Assets	12.88	2.90
	42.53	12.62

NOTE - 36

Debts over six months / Advances include ₹3.92 crores (Previous year: ₹3.28 crores) 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.

NOTE - 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.

NOTE - 38

The Company has taken certain specified Plant & Machinery on operating lease basis, which is cancellable at the option of lessee.

Notes to financial statements

NOTE - 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.

NOTE - 40

- Forward Contracts for hedging Receivables - US \$ 24 Million (Previous year: Nil) and for hedging Payables – Nil (Previous year: US \$ 41.60 Million and Euro 0.79 Million) are outstanding as at 31.03.2015.
- Foreign currency exposure unhedged net payable is ₹997.28 crores – US \$ 159.34 Million (Previous year: ₹158.18 crores – US \$ 26.32 Million) as at 31.03.2015.

NOTE - 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:

- Principal & Interest amount due and remaining unpaid as at 31.03.2015: Nil (Previous year: Nil),
- Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and
- Interest Accrued and unpaid as at 31.03.2015: Nil (Previous year: Nil).

NOTE - 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.

NOTE - 43

Pursuant to adoption of Schedule II to the Companies Act, 2013, the depreciation charge for the year is lower by ₹31.72 crores

NOTE - 44

Miscellaneous expenses include contribution to Satya Electoral Trust ₹0.75 crore (Previous Year: Nil) for political purpose.

NOTE - 45

Expenditure on Research and Development (R&D) activities during the year:

	₹ in Crores (10 Million)	
	2014-2015	2013-2014
i) Revenue Expenditure*:		
1. Employee Cost	9.93	7.81
2. Cost of Materials and Testing Charges	21.50	17.44
3. Other R & D Expenses	3.31	3.19
Sub total (i)	34.74	28.44
ii) Capital Expenditure	3.39	1.50
Total (i+ii)	38.13	29.94

* Included in respective revenue accounts.

Notes to financial statements

NOTE - 46 Amount paid to Auditors

	₹ in Crores (10 Million)	
	2014-2015	2013-2014
i) Statutory Auditors		
a) Audit Fee	0.21	0.18
b) Taxation	0.03	0.02
c) Certificates / other services	0.04	0.08
d) Reimbursement of expenses	0.05	0.03
ii) Cost Auditors		
a) Audit Fee	0.02	0.01
b) Certificates / other services ₹3000 (Previous year: Nil)		
c) Reimbursement of expenses ₹12750 (Previous year: ₹13300)		

NOTE - 47

Exceptional items include net impact of unfavourable Foreign Exchange Rate fluctuation ₹7.24 crores (Previous Year: ₹70.94 crores), net gain on sale of certain assets ₹0.36 crore (Previous Year: ₹1.19 crores), and expenditure on VRS for the employees ₹2.55 crores (Previous Year: ₹6.08 crores).

NOTE - 48 Earnings Per Share (EPS)

	₹ in Crores (10 Million)	
	2014-2015	2013-2014
a. Profit after Tax	253.30	134.68
b. Weighted average number of Equity Shares for Basic EPS	210189580	205296730
Add: Adjustment relating to Share Warrants	12500909	1444630
Weighted average number of Equity Shares for Diluted EPS	222690489	206741360
c. Earnings per share of ₹2 each		
- Basic	12.05	6.56
- Diluted	11.37	6.51

Previous year figures have been recast pursuant to sub-division of the face value of equity shares of the Company from ₹10/- each to ₹2/- each during the year.

NOTE - 49

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)

Particulars	₹ in Crores (10 Million)			
	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2014-2015	2013-2014	2014-2015	2013-2014
I Expenses recognised in the Profit and Loss Statement*				
1 Current Service Cost	4.75	3.13	7.43	6.60
2 Interest Cost	1.10	0.96	7.02	6.48
3 Expected return on plan assets	-	-	(7.11)	(6.56)
4 Actuarial (Gains) / Losses	3.44	2.28	7.74	0.22
5 Total expense	9.29	6.38	15.08	6.73

Notes to financial statements

(a) Defined Benefit Plan

(i) (Contd.)

₹ in Crores (10 Million)

Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2014-2015	2013-2014	2014-2015	2013-2014
II Net Asset / (Liability) recognised in the Balance Sheet as at year end				
1 Present Value of Defined Benefit Obligation	17.19	13.79	97.12	81.98
2 Fair value of plan assets	-	-	90.97	84.27
3 Funded status [Surplus / (Deficit)]	(17.19)	(13.79)	(6.15)	2.29
4 Net asset / (liability)	(17.19)	(13.79)	(6.15)	2.29
III Change in obligation during the year				
1 Present Value of Defined Benefit Obligation at the beginning of the year	13.79	12.85	81.98	77.80
2 Current Service Cost	4.75	3.13	7.43	6.60
3 Interest Cost	1.10	0.96	7.02	6.48
4 Actuarial (Gains) / Losses	3.44	2.28	8.64	1.00
5 Benefits Payments	(5.89)	(5.43)	(7.95)	(9.90)
6 Present Value of Defined Benefit Obligation as at year end	17.19	13.79	97.12	81.98
IV Change in Assets during the year				
1 Fair value of plan assets at the beginning of the year	-	-	84.27	76.46
2 Expected return on plan assets	-	-	7.11	6.56
3 Contributions by employer	5.89	5.43	6.64	10.36
4 Actual benefits paid	(5.89)	(5.43)	(7.95)	(9.90)
5 Actuarial gains / (losses)	-	-	0.90	0.78
6 Fair value of plan assets as at year end	-	-	90.97	84.27
7 Total Actual Return on Plan Assets	-	-	8.01	7.34
V The major categories of plan assets as % of total plan				
Insurer Managed Funds	-	-	100%	100%
VI Actuarial Assumptions:				
1 Discount Rate	8.00%	9.32%	8.00%	9.32%
2 Expected rate of return on plan assets	-	-	8.00%	8.70%
3 Mortality	Indian Assured Lives Mortality (2006-08) Ultimate			
4 Salary Escalation	5.50%	5.00%	5.50%	5.00%

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

Notes to financial statements

(ii) ₹ in Crores (10 Million)

Particulars	Leave Encashment					Gratuity				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Defined Benefit Obligation	17.19	13.79	12.85	11.15	9.35	97.12	81.98	77.80	66.60	64.20
Fair Value of Plan Assets	-	-	-	-	-	90.97	84.27	76.46	69.44	66.65
Surplus / (Deficit)	(17.19)	(13.79)	(12.85)	(11.15)	(9.35)	(6.15)	2.29	(1.34)	2.84	2.45
Experience adjustment on Plan Liabilities (Gain) / Loss	2.42	2.79	1.49	2.85	0.51	1.60	4.61	1.10	2.78	1.59
Experience adjustment on Plan Assets (Gain) / Loss	-	-	-	-	-	(1.42)	(0.78)	(0.93)	0.11	0.75

- (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, 2015 of ₹1.45 crores (Previous Year: ₹1.27 crores) 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, 2015 of ₹23.16 crores (Previous Year: ₹19.62 crores) has been included under the head Employee Benefits Expense. (Refer Note 27)

NOTE - 50 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 JKTSA

b) Associates:

- Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
- Valiant Pacific LLC. (VPL)
- Florence Investech Ltd. (FINVL) ^
- Dwarkesh Energy Ltd. (DEL) ^

Notes to financial statements

c) Key Management Personnel (KMP):

Dr. Raghupati Singhania	Chairman & Managing Director
Shri Bharat Hari Singhania	Managing Director
Shri Vikrampati Singhania	Dy. Managing Director
Shri Swaroop Chand Sethi	Whole Time Director
Shri Arun Kumar Bajoria	President & Director
Shri Ashok Kumar Kinra ^	Chief Financial Officer
Shri Pawan Kumar Rustagi ^	Vice President (Legal) & Co. Secretary

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

JK Lakshmi Cement Ltd. (JKLC)
 J.K. Fenner (India) Ltd. (JKFIL)
 Nav Bharat Vanijya Ltd. (NBVL) ^

e) Other Related Parties with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) ^ – Public company in which Directors of the company are directors and hold more than two percent of its paid-up share capital

Pushpawati Singhania Research Institute for Liver, Renal & Digestive Diseases (PSRI) ^ – Private company in which Directors are Directors & members

Niyojit Properties Pvt. Ltd. (NPPL) ^ - Private company in which Directors are members (ceased to be related w.e.f. 30.03.2015)

O.P. Khaitan & Co. (OPKC) ^ – Firm in which Director is a partner

^ Related w.e.f. 01.04.2014 pursuant to Companies Act, 2013.

I. The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Subsidiaries	Associates	Enterprise over which KMP is able to exercise Significant Influence	Other Related Parties	TOTAL
Sale of Tyres to CHT, VPL & JKLC	11.81	326.40	0.65		338.86
Sale of Tyres to CHT, VPL & JKLC	(17.29)	(443.28)	(0.48)		(461.05)
Sale of Stores to HASETRI		0.09			0.09
Sale of Stores to HASETRI		(0.07)			(0.07)
Sale of Capital items to CHT	0.09				0.09
Sale of Capital items to CHT & JKLC	(4.48)		(0.05)		(4.53)
Purchase of cement from JKLC - 0.22 & Spares from JKFIL			0.27		0.27
Purchase of cement from JKLC - 0.28 & Spares from JKFIL			(0.30)		(0.30)
Purchase of Capital Items from CHT	0.60				0.60
Sharing of Expenses received – HASETRI, JKFIL - 0.77, JKLC – 0.36, NBVL & BACL		1.78	1.48	0.02	3.28
Sharing of Expenses received – CHT, HASETRI, JKFIL - 0.65 & JKLC	(0.10)	(1.63)	(0.98)		(2.71)
Sharing of Expenses paid – JKFIL - 0.54, JKLC, NBVL – 8.56, BACL – 0.39 & NPPL			9.56	0.43	9.99

Notes to financial statements

I. The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis (Contd.):

₹ in Crores (10 Million)

Nature of Transactions	Subsidiaries	Associates	Enterprise over which KMP is able to exercise Significant Influence	Other Related Parties	TOTAL
Sharing of Expenses paid – JKFIL - 0.53 & JKLC			(1.00)		(1.00)
Services Availed – HASETRI – 16.68, VPL, JKLC – 2.20, NBVL, OPKC – 0.09 & PSRI		16.84	2.28	0.11	19.23
Services Availed – HASETRI – 10.69, VPL & JKLC		(10.86)	(3.05)		(13.91)
Services Rendered – JKTSA	14.53				14.53
Services Rendered – JKTSA	(14.97)				(14.97)
Advances given - SARVI	0.08				0.08
Advances given – CHT - 0.08, JKTSA - 0.05, SARVI - 0.22, LANKROS, HASETRI - 0.58, VPL, JKFIL - 0.64 & JKLC	(0.39)	(0.64)	(0.82)		(1.85)
Advances received – HASETRI - 0.06, VPL, JKLC - 0.52 & JKFIL		(0.10)	(0.56)		(0.66)
Lease Rent paid to JKFIL			23.16		23.16
Lease Rent paid to JKFIL			(23.16)		(23.16)
Interest Income from JKFIL			9.35		9.35
Interest Income from JKFIL			(10.08)		(10.08)
Royalty income from VPL		2.19			2.19
Royalty income from VPL		(3.29)			(3.29)
Contribution to PSRI				6.00	6.00
Money received against Share Warrants		4.29		20.92	25.21
Outstanding as at year end:					
Receivable:					
- CHT – 11.92, JKTSA – 3.23, SARVI – 0.38 & LANKROS – 0.07	15.60				15.60
- CHT – 15.77, JKTSA – 13.21, SARVI – 0.30 & LANKROS – 0.07	(29.35)				(29.35)
- VPL – 147.19, JKLC – 2.05 & JKFIL – 93.48		147.19	95.53		242.72
- HASETRI - 0.72, VPL – 146.74, JKLC – 2.08 & JKFIL – 101.49		(147.46)	(103.57)		(251.03)

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

II. Remuneration to Chairman & Managing Director ₹12.20 crores (₹7.74 crores), Managing Director ₹8.58 crores (₹4.53 crores), Dy. Managing Director ₹7.99 crores (₹4.60 crores), Whole time Director ₹1.98 crores (₹1.73 crores) and President & Director ₹3.61 crores (₹3.16 crores). (Previous year figures in brackets)

Remuneration paid to Chief Financial Officer ₹1.44 crores and Vice President (Legal) & Co. Secretary ₹0.66 crore

Received ₹1.14 crores (₹0.38 crore) and ₹0.39 crore (₹0.13 crore) against Share warrants allotted to Chairman & Managing Director and Managing Director respectively. (Previous year figures in brackets)

Notes to financial statements

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 51 RAW MATERIAL CONSUMED:		
Rubber	2048.83	2328.19
Reinforcement Material	660.41	627.14
Carbon Black	534.80	477.61
Chemicals	514.15	445.34
Others	103.43	94.38
	3861.62	3972.66
Indigenous	2226.87	2177.70
% of Total	57.67	54.82
Imported	1634.75	1794.96
% of Total	42.33	45.18
NOTE - 52 WORK IN PROGRESS:	As at 31.03.2015	As at 31.03.2014
Compounds	25.38	24.42
Semi-finished Tyres	10.77	11.87
Others	13.08	15.15
	49.23	51.44
NOTE - 53	2014-2015	2013-2014
a) Expenditure in Foreign Currency:		
(i) Professional charges	2.89	3.51
(ii) Interest expense	16.22	11.84
(iii) Others	22.59	14.82
b) Remittances in foreign Currency on account of Dividend for the year 2013-14 (Previous year 2012-13)		
(i) Number of Non-resident shareholders	1	1
(ii) Number of Equity shares held by them	3487500	3487500
(iii) Amount of dividend remitted	1.74	1.22
c) Earnings in Foreign Currency on account of:		
F.O.B. value of exports	844.06	1039.73
Royalty & Management Fee	16.72	18.26
d) C.I.F. Value of Imports:		
Raw Materials	1475.33	1668.85
Capital Goods	368.84	41.62
Spares	8.67	6.94

NOTE - 54

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

NOTE - 55

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

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

New Delhi, the 14th May, 2015

JK Tyre & Industries Limited

Cash Flow Statement For the year ended 31st March, 2015

₹ in Crores (10 Million)

	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extraordinary items	377.11	195.05
Adjustment for:		
Depreciation and Amortisation expense	139.14	168.42
Transfer from revaluation reserve	-	(15.95)
Finance Costs	240.80	248.30
(Profit) / Loss on sale of assets	(0.36)	(1.19)
Profit on sale of Investments	(0.20)	-
Provision / (Reversal of Provision) for diminution in value of Long-Term Investments	0.05	(0.17)
Liability for earlier years written back	(0.05)	(0.93)
Unrealised Foreign Exchange Fluctuation	(2.78)	9.01
Interest / Dividend Received	(14.55)	(16.08)
Provision for Doubtful Debts / Advances and Bad Debts written off	0.75	1.23
Operating Profit before working capital changes	739.91	587.69
(Increase) / Decrease in Trade and Other Receivables	(129.07)	(235.64)
(Increase) / Decrease in Inventories	24.08	44.10
Increase / (Decrease) in Trade and Other Payables	39.12	204.18
Cash generated from Operations	674.04	600.33
Direct taxes (Net)	(87.24)	(37.82)
Net Cash from Operating activities	586.80	562.51
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(686.36)	(239.15)
Sale of Fixed Assets	10.68	10.94
Movement in Loans & Advances	5.37	(2.37)
Purchase of Investments	(1.00)	(4.00)
Redemption of Investments	10.29	-
Deposit Accounts with Banks	(27.04)	-
Interest Received	14.42	14.40
Dividend Received	0.18	1.68
Net Cash used in Investing activities	(673.46)	(218.50)

Cash Flow Statement

For the year ended 31st March, 2015

₹ in Crores (10 Million)

	2014-2015	2013-2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money received against Share Warrants	37.11	12.37
Proceeds from borrowings	519.11	184.09
Repayment of borrowings	(299.51)	(190.10)
Finance Costs paid	(250.71)	(250.51)
Dividend paid (including dividend tax)	(24.02)	(16.81)
Net Cash used in Financing activities	(18.02)	(260.96)
Net increase / (decrease) in Cash and Cash Equivalents	(104.68)	83.05
Cash and Cash Equivalents as at the beginning of the year	177.13	94.08
Foreign Currency Translation gain on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents as at the end of the year	72.45	177.13
Notes:		
Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	60.92	103.97
- Balances with Banks	11.53	73.16
- Unrealised Translation gain on Foreign Currency balances	-	-
Total	72.45	177.13

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar
Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 14th May, 2015

Independent Auditor's Report

To the Members of
JK Tyre & Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JK TYRE & INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associates as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of ₹1344.30 crores as at 31st March, 2015, total revenues of ₹1939.54 crores and net cash flows of ₹29.24 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹3.60 crores for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, namely, Valiant Pacific LLC. whose financial statements have not been audited by us. These financial statements have been audited by other auditors, whose reports have been

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report of the other auditors.

- b) We did not audit the financial statements of a subsidiary, namely, J. K. International Limited whose financial statements reflect total assets of ₹0.01 crore as at 31st March, 2015, as considered in the consolidated financial statements. These financial statements are unaudited (exempted under UK laws as stated in Note-1(g)) and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the group.

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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Holding Company and its associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates—Refer Note no. 32, 34 & 38 to the consolidated financial statements.
 - ii. The group and its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any; on long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group and its associates.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)
Partner

New Delhi, the 14th May, 2015

Membership No. 85155

Annexure referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date for the year ended 31st March, 2015.

1. (a) The Holding company and associates have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets of the Holding company and associates have been physically verified by the management, according to the programme of periodical physical verification in phased manner which in our opinion is reasonable having regard to the size of the holding company and associates and the nature of their fixed assets. The discrepancies noticed on such physical verification were not material.
2. i) a) The inventories of the Holding company (except stock lying with third parties and in transit, for which confirmations have been received / materials received) have been physically verified by the management at reasonable intervals.
b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Holding company and nature of its business.
c) The Holding company is maintaining proper records of inventories. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
ii) Associates does not have any inventory during the year hence these clauses are not applicable to them.
3. i) a) With respect to clause 3 (iii) of the Order, as informed to us, the Holding company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013; outstanding year-end balance of deferred receivable from a Company is ₹93.40 crores (maximum balance outstanding during the year ₹101.40 crores) as shown in Note no. 15 & 21 of the accompanying consolidated financial statements.
b) In this regard, the receipt of the principal as well as interest is regular.
c) Furthermore, no amount, principal as well as interest, is overdue and therefore, provision of clause 3(iii) (b) of the Order is not applicable.
ii) Associates have not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) (a) & (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Holding company & associates and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods & services (including shares and securities in respect of an associate). Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. i) In our opinion and according to the information and explanations given to us, the Holding company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act 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 other tribunal in this regard.
ii) Associates have not accepted any deposits from the public.
6. i) We have broadly reviewed the books of account maintained by the Holding company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) 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.
ii) As per information provided to us, associates are not required to maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.
7. (a) According to the records of the Holding Company and associates, they are generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.
(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 to the extent applicable on account of any dispute and the dues in respect of Income tax, Sales tax, Excise duty, Custom duty, Service tax and Entry 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	Forum where dispute is pending	Amount (₹ in lacs)
Holding Company			
Sales Tax Act	Sales Tax/VAT	Additional Commissioner (Appeals)	8.13
		Deputy Commissioner	1.32
		Deputy Commissioner (Appeals)	21.43
		Revision Board	14.57
		Joint Commissioner	0.96
		Tribunal	46.89
		High Court	1.80
		Appellate Tribunal	3.41
Central Excise Act	Excise Duty	Commissioner-Appeals	39.68
		Additional Commissioner	52.34
		Additional Superintendent	0.47
		CESTAT	312.57
		Assistant Commissioner / Deputy Commissioner	2.54
Custom Act	Custom Duty	High Court	0.49
		Supreme Court	241.15
Finance Act	Service Tax	High Court	1,558.33
		Assistant Commissioner	104.32
Madhya Pradesh Entry Tax Act, 1976	Entry Tax	CESTAT	4.12
The Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	Commissioner	139.51
		High Court	148.53
Associate			
Income tax Act, 1961	Income Tax	Commissioner (Appeal)	143.39

Refer Note no. 32, 34 & 38.

- (c) According to the records of the Holding Company & associate and information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Holding company and associates do not have accumulated losses at the end of the financial year and have not incurred cash losses in the current financial year and in the immediately preceding financial year.
9. i) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to financial institution or bank. There were no debentures outstanding during the year.
ii) Associates did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
10. According to the information and explanations given to us, the Holding company and associates have not given any guarantee for loan taken by others from banks.
11. i) On the basis of information and explanations given to us, term loans were applied for the purpose for which the loans were obtained, other than temporary deployment pending application.
ii) Associates have not raised any term loan during the year.
12. i) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud on or by the Holding Company has been noticed or reported during the course of our audit.
ii) As per audit report of associates, no fraud on or by the associates has been noticed or reported during the course of our audit.

For LODHA & CO.,
Chartered Accountants
Firm's Registration No. 301051E

(N. K. LODHA)
Partner

New Delhi, the 14th May, 2015

Membership No. 85155

JK Tyre & Industries Limited

Consolidated Balance Sheet As at 31st March, 2015

₹ in Crores (10 Million)

	Note No.	31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	45.36	41.06
Reserves and Surplus	3	1355.65	1043.69
Money Received against Share Warrants	4	-	12.37
		1401.01	1097.12
Non-current Liabilities			
Long-term borrowings	5	1503.60	1230.77
Deferred tax liabilities (Net)	6	319.82	252.42
Other Long-term liabilities	7	330.11	341.98
Long-term provisions	8	80.57	92.58
		2234.10	1917.75
Current Liabilities			
Short-term borrowings	9	1205.82	1275.22
Trade payables		1054.53	1053.23
Other current liabilities	10	751.53	531.72
Short-term provisions	11	256.83	167.57
		3268.71	3027.74
TOTAL		6903.82	6042.61
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible assets	12	2701.30	2690.10
- Intangible assets	12	-	0.23
- Capital work-in-progress		830.32	177.10
Non-current investments	13	131.25	102.82
Long-term loans and advances	14	186.52	136.51
Other non-current assets	15	84.86	93.39
		3934.25	3200.15
Current Assets			
Current investments	16	9.01	12.62
Inventories	17	875.03	936.79
Trade receivables	18	1434.58	1335.08
Cash and bank balances	19	190.58	236.25
Short-term loans and advances	20	451.44	313.27
Other current assets	21	8.93	8.45
		2969.57	2842.46
TOTAL		6903.82	6042.61
Significant Accounting Policies	1		

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

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

New Delhi, the 14th May, 2015

JK Tyre & Industries Limited

Consolidated Profit and Loss Statement For the year ended 31st March, 2015

₹ in Crores (10 Million)

	Note No.	2014-2015	2013-2014
Revenue from operations			
Gross Sales & Operating Income	22	8042.85	8260.97
Less: Excise Duty		659.14	609.21
Net Sales & Operating Income		7383.71	7651.76
Other income	23	16.88	18.32
Total Revenue [I]		7400.59	7670.08
Expenses			
Cost of materials consumed	24	4434.65	4884.33
Purchases of Stock-in-Trade	25	53.70	46.00
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	83.23	(38.45)
Employee benefits expense	27	728.85	754.97
Other expenses	28	1152.52	1133.60
Total [II]		6452.95	6780.45
Profit before Interest, Depreciation & Tax (PBIDT) [I - II]		947.64	889.63
Finance costs	29	257.41	276.20
Depreciation and amortisation expense	30	157.77	179.47
Profit before exceptional items and tax		532.46	433.96
Exceptional Items	39	(46.91)	(59.52)
Profit before tax		485.55	374.44
Tax Expenses:			
- Current Tax		113.93	99.04
- Mat Credit Entitlement		(23.05)	(40.59)
- Deferred Tax		70.78	60.37
Profit after tax		323.89	255.62
Share in Profits of Associates		5.77	7.40
Profit for the year		329.66	263.02
Earnings per share of ₹2 each	40		
- Basic		15.68	12.81
- Diluted		14.80	12.72

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

As per our report of even date

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 14th May, 2015

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar
Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

Directors

Notes to Consolidated financial statements

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 31.03.2015:

i) Subsidiaries:

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

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

ii) Associates:

Name	Status	Ownership Interest
Valiant Pacific LLC., UAE	Audited	49.00%
Florence Investech Limited, India ^	Audited	32.29%
Dwarkesh Energy Limited, India ^	Audited	35.00%

^ W.e.f. 01.04.2014 pursuant to Companies Act, 2013

Hari Shankar Singhania 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 31.03.2015 include results of Subsidiaries and Associates for the period of 12 months from April 2014 to March 2015 whereas Audited Consolidated Financial Statements for the previous year include results of certain Subsidiaries and an Associate for the period of 15 months. 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”.

Notes to Consolidated financial statements

NOTE - 1 PRINCIPLES OF CONSOLIDATION (Contd.)

- 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 31.03.2015	As at 31.03.2014
NOTE - 2	SHARE CAPITAL		
Authorised:			
Equity Shares - 62,50,00,000 of ₹ 2 each		125.00	125.00
(Previous Year: 12,50,00,000 Equity Shares of ₹ 10 each)			
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 - 22,68,13,480 of ₹ 2 each fully paid up		45.36	41.06
(Previous Year: 4,10,59,346 Equity Shares of ₹ 10 each)			
		45.36	41.06

Pursuant to shareholders' approval dated 25th November, 2014, the Equity Shares of ₹ 10/- each of the Company were sub-divided into 5 Equity Shares of ₹ 2/- per share w.e.f. 19th December, 2014 (Record date). Accordingly, the current year notes have been stated to this effect.

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 3 RESERVES AND SURPLUS		
Capital Reserve		
Opening Balance	152.51	182.15
Addition during the year (a)	(30.02)	23.25
Transfer during the year (b)	(22.66)	(52.89)
	99.83	(c) 152.51
Capital Redemption Reserve		
Opening Balance	7.00	7.00
	7.00	7.00
Legal Reserve		
Opening Balance	-	-
Addition during the year	1.80	-
	1.80	-
Securities Premium Reserve		
Opening Balance	217.70	217.70
Addition during the year (Refer note 4)	45.18	-
	262.88	217.70
Revaluation Reserve		
Opening Balance	5.54	22.08
Transfer during the year (d)	(5.54)	(16.54)
	-	5.54
General Reserve		
Opening Balance	460.34	385.34
Addition during the year	150.00	75.00
Transfer during the year (d)	(0.86)	-
	609.48	460.34
Foreign Currency Translation Reserve		
Opening Balance	(37.61)	(23.09)
Addition during the year	20.81	-
Transfer during the year	-	(14.52)
	(16.80)	(37.61)
Surplus in Profit and Loss Statement		
Opening Balance	238.21	74.21
Addition during the year (e)	16.34	-
Addition during the year	329.66	263.02
Amount available for appropriation	584.21	337.23
Appropriation:		
Transfer to General Reserve	(150.00)	(75.00)
Transfer to Legal Reserve	(1.80)	-
Proposed Dividend @ ₹ 1.50 (Previous Year: ₹ 1.00) per equity share	(34.02)	(20.53)
Corporate Dividend Tax	(6.93)	(3.49)
Closing Balance	391.46	238.21
Total	1355.65	1043.69

(a) Represents loss on reinstatement of net Capital Reserve on consolidation of ₹ 30.02 crores (Previous year: Gain of ₹ 23.25 crores) as at Balance Sheet date.

(b) Represents depreciation charge arising out of revaluation for foreign subsidiaries (Previous Year: ₹ 30.27 crores towards depreciation arising out of revaluation for foreign subsidiaries transferred to Profit & Loss Statement and ₹ 22.62 crores adjusted for Fixed Assets sold / transferred).

(c) Capital Reserve at year end, includes ₹ 98.33 crores (Previous year: ₹ 151.01 crores) on Consolidation.

(d) Represents ₹ 5.54 crores transfer from Revaluation Reserve to General Reserve and ₹ 6.40 crores adjusted pursuant to adoption of Schedule II of the Companies Act, 2013 towards written down value in respect of certain fixed assets (net of deferred tax ₹ 3.38 crores), whose lives had expired on 31st March, 2014. (Previous Year: Adjustment from Revaluation Reserve ₹ 15.95 crores towards depreciation arising out of revaluation transferred to Profit & Loss Statement and ₹ 0.59 crore for fixed assets sold / transferred.)

(e) Represents reserves of Associate on consolidation.

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 4 MONEY RECEIVED AGAINST SHARE WARRANTS		
Money Received against Share Warrants	-	12.37
Total	-	12.37

The Company has allotted 2,15,16,750 equity shares of ₹ 2/- each at a premium of ₹ 21/- per share on preferential basis on 8th January, 2015 to the Promoter Group at a price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 against 43,03,350 Warrants of ₹ 115/- each on payment of balance 75% amount on these warrants. The proceeds of the issue have been used towards augmenting the net worth of the Company.

₹ in Crores (10 Million)

	Non Current		Current	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
NOTE - 5 LONG-TERM BORROWINGS				
Secured Loans				
Term Loans:				
- Financial Institutions	333.80	206.10	26.83	19.32
- Banks	1063.89	831.08	141.35	137.12
- Others	32.69	40.87	8.17	8.20
Loan from Bank	-	50.00	50.00	-
	1430.38	1128.05	226.35	164.64
Unsecured Loans				
Deferred Sales Tax	51.36	77.04	25.68	25.68
Fixed Deposits	21.86	25.68	13.33	8.38
	73.22	102.72	39.01	34.06
	1503.60	1230.77	265.36	198.70
Less: Amount Disclosed under the head "Other Current Liabilities" (Note No. 10)	-	-	(265.36)	(198.70)
	1503.60	1230.77	-	-

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
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	352.45	296.76
2. Deferred Tax Assets		
(i) Expenses / Provision Allowable	32.63	25.63
(ii) Unabsorbed depreciation / Loss	-	32.63
3. Deferred Tax Liability / (Asset) - Net	319.82	252.42

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

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 7 OTHER LONG-TERM LIABILITIES		
Trade Deposits & Others	330.11	341.98
	330.11	341.98

NOTE - 8 LONG-TERM PROVISIONS		
Provision for Employee Benefits	80.57	92.58
	80.57	92.58

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 9 SHORT-TERM BORROWINGS		
Secured Loans		
Repayable on demand from Banks	1048.06	1134.10
	1048.06	1134.10
Unsecured Loans		
Fixed Deposits	2.34	4.37
Short-term Loans from Banks	155.42	136.75
	157.76	141.12
	1205.82	1275.22

NOTE - 10 OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings	265.36	198.70
Interest accrued but not due on borrowings	13.43	10.39
Unclaimed dividends #	0.71	0.65
Unclaimed / Uncollected Fixed Deposits and interest accrued thereon #	1.43	2.28
Others:		
- Government and Other Statutory Dues	151.99	159.47
- Other Payables	318.61	160.23
	751.53	531.72

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

NOTE - 11 SHORT-TERM PROVISIONS		
Provision for Employee Benefits	39.76	23.65
Others:		
- Provision for Taxation	176.12	119.90
- Proposed Dividend	34.02	20.53
- Provision for Corporate Dividend Tax	6.93	3.49
	256.83	167.57

NOTE - 12 FIXED ASSETS

₹ in Crores (10 Million)

Particulars	Gross Value				Depreciation / Amortisation					Net Value		
	As at 31.03.2014	Additions / Adjustments ^	Sales / Adjustments	Translation Adjustment @	As at 31.03.2015	Upto 31.03.2014	For the Year **	Sales / Adjustments	Translation Adjustment @	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i) Tangible Assets												
Land - Freehold	215.01	-	-	15.96	199.05	-	-	-	-	-	199.05	215.01
- Leasehold	10.62	-	0.01	-	10.61	1.32	0.11	-	-	1.43	9.18	9.30
Buildings *	669.42	20.31	-	16.00	673.73	153.91	27.31	-	6.32	174.90	498.83	515.51
Plant & Equipments	3696.66	215.33	4.59	49.38	3858.02	1781.69	151.42	4.18	34.86	1894.07	1963.95	1914.97
Furniture and Fixtures	21.15	2.50	0.28	0.77	22.60	12.17	1.87	0.15	0.60	13.29	9.31	8.98
Office Equipments	23.92	1.12	0.35	0.96	23.73	14.92	5.86	0.26	0.96	19.56	4.17	9.00
Vehicles	27.06	4.68	3.05	0.40	28.29	9.73	3.41	1.37	0.29	11.48	16.81	17.33
	4663.84	243.94	8.28	83.47	4816.03	1973.74	189.98	5.96	43.03	2114.73	2701.30	2690.10
Previous Year	4463.44	193.00	56.99	(64.39)	4663.84	1750.13	224.80	27.96	(26.77)	1973.74	2690.10	
(ii) Intangible Assets												
Software #	11.78	-	-	-	11.78	11.55	0.23	-	-	11.78	-	0.23
	11.78	-	-	-	11.78	11.55	0.23	-	-	11.78	-	0.23
Previous Year	11.78	-	-	-	11.78	10.66	0.89	-	-	11.55	0.23	

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

** Pursuant to adoption of Schedule II of the Companies Act, 2013, the lives of certain assets of Parent Company had expired on 31st March, 2014. Consequently, after retaining residual value, the carrying amount of ₹ 9.78 crores in respect of such fixed assets has been adjusted to General Reserve.

Notes to Consolidated financial statements

NOTE - 12 FIXED ASSETS (contd...)

The depreciation charge of ₹ 22.66 crores arising out of revaluation for foreign subsidiaries has been debited to Capital Reserve.

Being amortised over a period of 5 years.

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

^ Includes capitalisation of finance cost ₹ 4.19 crores and forex reinstatement ₹ 12.36 crores (Unamortised forex reinstatement as on 31.03.2015: ₹ 43.18 crores).

^ Government Subsidy of ₹ 0.35 crore 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 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. 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 ₹ 939.37 crores as at 31.03.2015 (Previous year: ₹ 980.40 crores) arising on revaluation.

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 13 NON-CURRENT INVESTMENTS (LONG-TERM) (Other than Trade)		
Investment in Shares:		
Equity	4.35	37.73
Preference	7.12	23.12
Investment in associates *	119.53	41.72
Mutual Funds	0.25	0.25
Government Securities (₹ 25000; As at 31.03.2014: ₹ 25000)		
	131.25	102.82

* Carrying amount of investment in associates includes ₹ 11.60 crores (Previous Year: Nil) towards Goodwill as well as Share of profits & reserves on consolidation.

NOTE - 14 LONG-TERM LOANS & ADVANCES (Unsecured - Considered Good)

Advances - Project related	58.86	27.57
Security Deposits with Government Authorities and Others	31.28	35.61
MAT Credit Entitlement	96.38	73.33
	186.52	136.51

NOTE - 15 OTHER NON-CURRENT ASSETS (Unsecured, Considered Good)

Deferred Receivable	84.86	93.39
	84.86	93.39

NOTE - 16 CURRENT INVESTMENTS

Investment in Preference Shares	9.01	6.01
Investment in Bonds	-	6.61
	9.01	12.62

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	As at 31.03.2015	As at 31.03.2014
NOTE - 17 INVENTORIES (Valued at lower of cost or net realisable value)		
Raw Materials*	324.10	305.51
Work-in-Progress	68.04	71.96
Finished Goods**	416.45	483.06
Stock-in-trade	11.62	20.52
Stores and Spares	54.82	55.74
	875.03	936.79

* Includes raw materials in transit ₹ 87.42 crores (Previous Year - ₹ 81.97 crores)

** Includes finished goods in transit ₹ 4.90 crores (Previous Year - ₹ 9.16 crores)

NOTE - 18 TRADE RECEIVABLES (Unsecured)		
(a) Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	29.88	29.57
Doubtful	12.98	18.23
Less: Allowance for Bad and Doubtful debts	(12.98)	(18.23)
(b) Others (Considered Good)	1404.70	1305.51
	1434.58	1335.08

NOTE - 19 CASH & BANK BALANCES		
(a) Cash and Cash Equivalents		
Balances with Banks:		
Current Accounts	35.55	93.13
Deposit Accounts	66.25	38.20
Remittances in transit and Cheques on hand	60.87	103.93
Cash on hand	0.16	0.34
	162.83	235.60
(b) Other Bank Balances		
Unclaimed Dividend Accounts	0.71	0.65
Deposit Accounts*	27.04	-
	190.58	236.25

* Includes ₹ 4.75 crores Deposit Repayment Reserve Account, ₹ 1.29 crores margin money under lien with bank against bank guarantee and ₹ 21 crores temporary deployment of funds, pending its utilisation.

NOTE - 20 SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Balances with Government Authorities	220.77	154.93
Export Benefit Receivable	-	0.15
Loans & Advances to related parties	0.01	0.72
Prepaid Expenses	8.44	8.82
MAT Credit Entitlement	2.49	2.49
Income Tax Advance Payments	188.99	115.33
Other Advances	30.74	30.83
	451.44	313.27

NOTE - 21 OTHER CURRENT ASSETS (Unsecured, Considered Good)		
Interest Accrued on Investments	0.39	0.44
Deferred Receivable	8.54	8.01
	8.93	8.45

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 22 REVENUE FROM OPERATIONS		
Sale:		
Tyres	7430.99	7675.79
Tubes & Others	553.81	529.19
Royalty	2.19	3.29
Other operating revenues:		
Liability for earlier years written back	8.02	2.91
Miscellaneous Income*	47.84	49.79
	8042.85	8260.97

* Includes Government Incentive of ₹22.26 crores (Previous Year: ₹19.30 crores)

NOTE - 23 OTHER INCOME		
Income from Long-term Investments		
- Dividends	0.18	1.68
- Interest	0.30	0.57
- Reversal of Provision for Diminution in value of Long-term Investments	-	0.17
- Profit / (Loss) on Sale of Investments	0.20	-
Other Interest Income	16.20	15.90
	16.88	18.32

NOTE - 24 COST OF MATERIALS CONSUMED		
Raw Material Consumed	4434.65	4884.33

NOTE - 25 PURCHASES OF STOCK-IN-TRADE		
Tyres	18.68	3.77
Tubes	1.07	1.68
Flaps	33.95	40.55
	53.70	46.00

NOTE - 26 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	483.06	464.78
Work-in-Progress	71.96	74.89
Stock-in-Trade	20.52	10.61
	(A) 575.54	550.28
Closing Stock		
Finished Goods	416.45	483.06
Work-in-Progress	68.04	71.96
Stock-in-Trade	11.62	20.52
	(B) 496.11	575.54
(Increase) / Decrease in Stocks	(A-B) 79.43	(25.26)
Less: Adjustments for differential excise duty	(3.80)	13.19
Net (Increase) / Decrease in Stocks	83.23	(38.45)

Notes to Consolidated financial statements

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 27 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	503.88	537.38
Contribution to Provident and other Funds	95.49	99.97
Employees' Welfare and other Benefits	129.48	117.62
	728.85	754.97

NOTE - 28 OTHER EXPENSES		
Conversion Charges	57.70	55.42
Consumption of Stores and spares	87.70	94.69
Power and Fuel	277.51	292.74
Rent	18.27	15.86
Lease Rent	20.32	20.32
Repairs to Buildings	10.38	8.02
Repairs to Machinery	43.17	42.55
Insurance	12.52	12.51
Rates & Taxes	16.76	18.56
Discount & Commission	69.09	68.62
Freight and Transportation	276.08	256.89
Advertisement and sales promotion	91.39	80.12
Bad Debts written off	-	0.56
Provision for Diminution in Value of Long-term Investments	0.05	-
Provision for Doubtful Debts / Advances	0.75	17.84
Corporate Social Responsibility Expenses	2.08	-
Miscellaneous Expenses	168.75	148.90
	1152.52	1133.60

NOTE - 29 FINANCE COSTS		
Interest Expenses	254.95	274.19
Other Borrowing Costs	2.46	2.01
	257.41	276.20

NOTE - 30 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation	157.77	225.69
Less: Transfer from Revaluation Reserve	-	(46.22)
	157.77	179.47

NOTE - 31

Estimated amount of contracts remaining to be executed on capital account ₹ 474.28 crores (Previous year: ₹ 658.31 crores).

NOTE - 32

Contingent liabilities in respect of claims not accepted and not provided for ₹ 44.21 crores (Previous year: ₹ 46.92 crores), pertaining to Excise & Customs duty matters in appeal ₹ 8.41 crores, Service Tax matters ₹ 0.04 crore, Sales Tax matters in appeal ₹ 2.14 crores, Income Tax matters in appeal ₹ 2.97 crores & other matters ₹ 30.65 crores (Previous year: ₹ 8.60 crores, ₹ 0.04 crore, ₹ 3.40 crores, ₹ 2.97 crores & ₹ 31.91 crores respectively).

Notes to Consolidated financial statements

NOTE - 33

Bills discounted with Banks outstanding ₹ 8.06 crores (Previous year: ₹ 14.09 crores).

NOTE - 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 crores 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.

NOTE - 35

Debts over six months / Advances include ₹ 8.95 crores (Previous year: ₹ 6.50 crores), 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.

NOTE - 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.

NOTE - 37

JKTSA has given Guarantee to a bank against counter indemnity from a body corporate in respect of non-fund based facilities outstanding at year end ₹ 29.73 crores (Previous year: ₹ 70.28 crores).

NOTE - 38

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.

NOTE - 39

Exceptional items include net impact of unfavourable Foreign Exchange Rate fluctuation ₹ 44.79 crores (Previous Year: ₹ 73.71 crores), net gain on sale of certain assets ₹ 0.43 crore (Previous Year: ₹ 20.27 crores), and expenditure on VRS for the employees ₹ 2.55 crores (Previous Year: ₹ 6.08 crores).

NOTE - 40 Earnings Per Share (EPS)

	₹ in Crores (10 Million)	
	2014-2015	2013-2014
a. Profit for the year	329.66	263.02
b. Weighted average number of Equity Shares for Basic EPS	210189580	205296730
Add: Adjustment relating to Share Warrants	12500909	1444630
Weighted average number of Equity Shares for Diluted EPS	222690489	206741360
c. Earnings per share of ₹2 each		
- Basic	15.68	12.81
- Diluted	14.80	12.72

Previous year figures have been recast pursuant to sub-division of the face value of equity shares of the Company from ₹ 10/- each to ₹ 2/- each during the year.

Notes to Consolidated financial statements

NOTE - 41

Auditors of a subsidiary company J. K. Asia Pacific Limited have invited attention towards recoverability in respect of amount due ₹ 0.91 crore equivalent HK\$ 1124838 (Previous year: ₹ 0.87 crore equivalent HK\$ 1124838) from an associate company.

NOTE - 42 Related Parties

a) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)
Valiant Pacific LLC. (VPL)
Florence Investech Ltd. (FINVL) ^
Dwarkesh Energy Ltd. (DEL) ^

b) Key Management Personnel (KMP):

Dr. Raghupati Singhania	Chairman & Managing Director
Shri Bharat Hari Singhania	Managing Director
Shri Vikrampati Singhania	Dy. Managing Director
Shri Swaroop Chand Sethi	Whole Time Director
Shri Arun Kumar Bajoria	President & Director
Shri Ashok Kumar Kinra ^	Chief Financial Officer
Shri Pawan Kumar Rustagi ^	Vice President (Legal) & Co. Secretary

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

JK Lakshmi Cement Ltd. (JKLC)
J.K. Fenner (India) Ltd. (JKFIL)
Nav Bharat Vanijya Ltd. (NBVL) ^

d) Other Related Parties with which Company has transactions:

Bengal & Assam Company Ltd. (BACL) ^ – Public company in which Directors of the company are directors and hold more than two percent of its paid-up share capital
Pushpawati Singhania Research Institute for Liver, Renal & Digestive Diseases (PSRI) ^ – Private company in which Directors are Directors & members
Niyojit Properties Pvt. Ltd. (NPPL) ^ - Private company in which Directors are members (ceased to be related w.e.f. 30.03.2015)
O.P. Khaitan & Co. (OPKC) ^ – Firm in which Director is a partner
^ Related w.e.f. 01.04.2014 pursuant to Companies Act, 2013.

Notes to Consolidated financial statements

I. The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis:

₹ in Crores (10 Million)

Nature of Transactions	Associates	Enterprise over which KMP is able to exercise Significant Influence	Other Related Parties	TOTAL
Sale of Tyres to VPL & JKLC	326.72	0.65		327.37
Sale of Tyres to VPL & JKLC	(443.82)	(0.48)		(444.30)
Sale of Stores to HASETRI	0.09			0.09
Sale of Stores to HASETRI	(0.07)			(0.07)
Sale of Capital Items to JKLC		(0.05)		(0.05)
Purchase of cement from JKLC - 0.22 & Spares from JKFIL		0.27		0.27
Purchase of cement from JKLC - 0.28 & Spares from JKFIL		(0.30)		(0.30)
Purchase of Raw Material from VPL	122.86			122.86
Purchase of Raw Material from VPL	(182.22)			(182.22)
Sharing of Expenses received – HASETRI, JKFIL - 0.77, JKLC - 0.36, NBVL & BACL	1.78	1.48	0.02	3.28
Sharing of Expenses received – HASETRI, JKFIL - 0.65 & JKLC	(1.63)	(0.98)		(2.61)
Sharing of Expenses paid – JKFIL – 0.54, JKLC, NBVL - 8.56, BACL – 0.39 & NPPL		9.56	0.43	9.99
Sharing of Expenses paid – JKFIL – 0.53 & JKLC		(1.00)		(1.00)
Services Availed – HASETRI – 16.68, VPL, JKLC - 2.20, NBVL, OPKC – 0.09 & PSRI	16.84	2.28	0.11	19.23
Services Availed – HASETRI – 10.69, VPL & JKLC	(10.86)	(3.05)		(13.91)
Advances given – HASETRI - 0.58, VPL, JKFIL - 0.64 & JKLC	(0.64)	(0.82)		(1.46)
Advances received – HASETRI - 0.06, VPL, JKLC - 0.52 & JKFIL	(0.10)	(0.56)		(0.66)
Lease Rent paid to JKFIL		23.16		23.16
Lease Rent paid to JKFIL		(23.16)		(23.16)
Interest Income from JKFIL		9.35		9.35
Interest Income from JKFIL		(10.08)		(10.08)
Royalty income from VPL	2.19			2.19
Royalty income from VPL	(3.29)			(3.29)
Contribution to PSRI			6.00	6.00
Money received against Share Warrants	4.29		20.92	25.21
Outstanding as at year end:				
- Receivable:				
VPL – 132.34, JKLC - 2.05 & JKFIL- 93.48	132.34	95.53		227.87
HASETRI - 0.72, VPL- 131.96, JKLC - 2.08 & JKFIL- 101.49	(132.68)	(103.57)		(236.25)
- Guarantee Given on behalf of VPL	29.73			29.73
Guarantee Given on behalf of VPL	(70.28)			(70.28)

II. Remuneration paid to Key Management Personnel (KMP) for the year ₹ 36.46 crores (Previous year: ₹ 21.76 crores).

Proceeds received against Share warrants allotted to KMP ₹ 1.53 crores (Previous year: ₹ 0.51 crore).

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

Notes to Consolidated financial statements

NOTE - 43 Segment Information for the year ended 31st March, 2015

Information about Primary Geographical Segments:

₹ in Crores (10 Million)

Particulars	India		Mexico		Others		Total	
	2014-15	2013-14	2014-15	2013-14*	2014-15	2013-14*	2014-15	2013-14
1. REVENUE								
External Revenue from Operation	6125.23	5951.08	1284.82	1732.94	-	-	7410.05	7684.02
Inter segment Sales	(26.34)	(32.26)	-	-	-	-	(26.34)	(32.26)
Total Sales	6098.89	5918.82	1284.82	1732.94	-	-	7383.71	7651.76
Other Income	14.75	16.25	2.13	2.07	-	-	16.88	18.32
Total Revenue	6113.64	5935.07	1286.95	1735.01	-	-	7400.59	7670.08
2. RESULT								
Segment result (PBIT) before exceptional items	627.34	519.18	162.86	191.38	(0.33)	(0.40)	789.87	710.16
Finance Costs	240.80	248.30	16.61	27.90	-	-	257.41	276.20
Profit / (Loss) before Exceptional Items	386.54	270.88	146.25	163.48	(0.33)	(0.40)	532.46	433.96
Exceptional Items	(9.43)	(76.46)	(37.52)	16.93	0.04	0.01	(46.91)	(59.52)
Profit / (Loss) before Tax	377.11	194.42	108.73	180.41	(0.29)	(0.39)	485.55	374.44
Income Taxes	123.81	60.37	37.85	58.45	-	-	161.66	118.82
Profit / (Loss) after Tax	253.30	134.05	70.88	121.96	(0.29)	(0.39)	323.89	255.62
Share of Profit in Associates	2.17	-	-	-	3.60	7.40	5.77	7.40
Net Profit	255.47	134.05	70.88	121.96	3.31	7.01	329.66	263.02
3. OTHER INFORMATION								
Segment assets	5858.83	5062.37	986.29	936.99	58.70	43.25	6903.82	6042.61
Segment liabilities	4792.48	4271.34	709.89	673.85	0.44	0.30	5502.81	4945.49
Capital Expenditure	817.07	266.69	111.38	37.27	-	-	928.45	303.96
Depreciation	139.14	152.47	18.63	27.00	-	-	157.77	179.47
Non Cash Expenses Other than Depreciation	-	-	-	-	-	-	-	-

* 15 Months period.

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" is not applicable.

₹ in Crores (10 Million)

	2014-2015	2013-2014
NOTE - 44 RAW MATERIAL CONSUMED:		
Rubber	2327.11	2822.81
Reinforcement Material	747.79	745.69
Carbon Black	624.25	614.65
Chemicals	535.38	473.25
Others	200.12	227.93
	4434.65	4884.33

	As at 31.03.2015	As at 31.03.2014
NOTE - 45 WORK-IN-PROGRESS:		
Compounds	33.96	33.78
Semi-finished Tyres	16.19	17.78
Others	17.89	20.40
	68.04	71.96

Notes to Consolidated financial statements

NOTE - 46 Consolidated Net assets and Share in Consolidated Profit & Loss:

₹ in Crores (10 Million)

Sl. No.	Name of the entity	Net Assets (i.e., total assets minus total liabilities)		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
A	Parent				
	JK Tyre & Industries Limited	74.79%	1047.84	76.84%	253.30
B	Subsidiaries				
(a)	Indian	N.A	N.A	N.A	N.A
(b)	Foreign				
1	J. K. International Ltd.	0.00%	0.01	-	-
2	J. K. Asia Pacific Ltd.	0.07%	0.94	-0.01%	(0.02)
3	J. K. Asia Pacific (S) Pte. Ltd.	0.05%	0.65	0.01%	0.04
4	Lankros Holdings Ltd.	-0.01%	(0.13)	-0.03%	(0.11)
5	Sarvi Holdings Switzerland AG.	-0.01%	(0.17)	-0.06%	(0.20)
	JK Tornel & Its Subsidiaries	16.48%	276.40	21.50%	70.88
6	JK Tornel S.A. de C.V. (JKTSA)	-15.72%	(220.21)	-6.18%	(20.40)
7	Comercializadora América Universal, S.A. de C.V.	-0.01%	(0.11)	-0.01%	(0.04)
8	Compañía Hulera Tacuba, S.A. de C.V.	5.36%	75.13	0.61%	2.02
9	Compañía Hulera Tornel, S.A. de C.V.	19.88%	278.55	24.63%	81.19
10	Compañía Inmobiliaria Norida, S.A. de C.V.	9.39%	131.62	1.24%	4.09
11	General de Inmuebles Industriales, S.A. de C.V.	1.26%	17.61	0.56%	1.85
12	Gintor Administración, S.A. de C.V.	-0.98%	(13.74)	0.55%	1.83
13	Hules y Procesos Tornel, S.A. de C.V.	0.54%	7.55	0.10%	0.34
(c)	Minority Interest is insignificant and immaterial, hence not considered.				
C	Associates (Investment as per the equity method)				
(a)	Indian				
1	Hari Shankar Singhania Elastomer & Tyre Research Institute \$	-	-	-	-
2	Dwarkesh Energy Limited	0.00%	(0.02)	-0.01%	(0.04)
3	Florence Investech Limited	1.32%	18.53	0.67%	2.21
(b)	Foreign				
1	Valiant Pacific LLC	4.07%	56.96	1.09%	3.60
	TOTAL	100.00%	1401.01	100.00%	329.66

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

Notes to Consolidated financial statements

NOTE - 47

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

NOTE - 48

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

NOTE - 49

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

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

*Chairman & Managing Director
Managing Director*

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

New Delhi, the 14th May, 2015

JK Tyre & Industries Limited

Consolidated Cash Flow Statement For the year ended 31st March, 2015

₹ in Crores (10 Million)

	2014-2015	2013-2014
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	485.55	374.44
Adjustment for:		
Depreciation and Amortisation Expense	157.77	225.69
Transferred from Revaluation Reserve	-	(46.22)
Finance Costs	257.41	276.20
(Profit) / Loss on sale of assets	(0.43)	(20.27)
Profit on sale of Investments	(0.20)	-
Provision / (Reversal of Provision) for diminution in value of Long-Term Investments	0.05	(0.17)
Liability for earlier years written back	(8.02)	(2.91)
Unrealised Foreign Exchange Fluctuation	35.25	11.35
Foreign Currency Translation gain / (loss) on Consolidation	4.27	(5.30)
Interest / Dividend Received	(16.68)	(18.15)
Provision for Doubtful Debts / Advances and Bad debts Written off	0.75	18.40
Operating Profit before working capital changes	915.72	813.06
(Increase) / Decrease in Trade and Other Receivables	(183.09)	(273.50)
(Increase) / Decrease in Inventories	46.26	7.07
Increase / (Decrease) in Trade and Other Payables	86.26	221.29
Cash generated from Operations	865.15	767.92
Direct taxes (net)	(131.00)	(113.11)
Net Cash from Operating activities	734.15	654.81
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(810.23)	(274.62)
Sale of Fixed Assets	10.61	33.57
Movement in Loans & Advances	0.71	(0.72)
Purchase of Investments	(1.00)	(4.00)
Redemption of Investments	10.29	-
Deposit Accounts with Banks	(27.04)	-
Interest Received	16.55	16.47
Dividend Received	0.18	1.68
Net Cash used in Investing activities	(799.93)	(227.62)

Consolidated Cash Flow Statement

For the year ended 31st March, 2015

₹ in Crores (10 Million)

	2014-2015	2013-2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Money received against Share Warrants	37.11	12.37
Proceeds from borrowings	576.51	193.02
Repayment of borrowings	(323.63)	(244.99)
Finance Costs Paid	(267.19)	(278.78)
Dividend paid (including dividend tax)	(24.02)	(16.81)
Net cash used in Financing activities	(1.22)	(335.19)
Net increase / (decrease) in Cash and Cash Equivalents	(67.00)	92.00
Cash and Cash Equivalents as at the beginning of the year	235.60	139.52
Foreign Currency Translation gain / (loss) on Cash and Cash Equivalents	(5.77)	4.08
Cash and Cash Equivalents as at the end of the year	162.83	235.60
Notes:		
Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	61.03	104.27
- Balances with Banks	107.57	127.25
- Unrealised Translation gain / (loss) on Foreign Currency balances	(5.77)	4.08
Total	162.83	235.60

As per our report of even date

Dr. Raghupati Singhania
Bharat Hari Singhania

Chairman & Managing Director
Managing Director

For LODHA & CO.
Chartered Accountants

A. K. KINRA
Chief Financial Officer

Vikrampati Singhania
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar
Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhania
Kalpataru Tripathy

Directors

N. K. LODHA
Partner

P. K. RUSTAGI
Company Secretary

New Delhi, the 14th May, 2015

FORM AOC-I

Financial Information of Subsidiaries and associate companies
(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Closing Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	% of Shareholding
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	J. K. International Ltd.	N.A	Pound	92.8742	1.72	(1.71)	0.01	0.01	-	-	-	-	-	-	100.00
2	J. K. Asia Pacific Ltd.	N.A	HKD \$	8.0733	1.61	0.21	1.93	1.93	0.98	-	(0.02)	-	(0.02)	-	100.00
3	J. K. Asia Pacific (S) Pte. Ltd.	N.A	SGD \$	45.5618	0.59	0.64	1.29	1.29	0.34	0.08	(0.05)	-	(0.05)	-	100.00
4	Lankros Holdings Ltd.	N.A	Euro	67.9314	27.19	(0.78)	26.97	26.97	26.97	-	(0.10)	-	(0.10)	-	100.00
5	Sarvi Holdings Switzerland AG.	N.A	CHF	64.9232	41.55	(1.60)	40.82	40.82	40.53	-	(0.25)	-	(0.25)	-	100.00
6	JK Tornel S.A. de C.V. (JKTSA)	N.A	MXN PESO	4.1086	26.20	(161.23)	266.73	266.73	92.00	649.57	(23.97)	(2.08)	(21.89)	-	99.96
7	Comercializadora América Universal, S.A. de C.V.	N.A	MXN PESO	4.1086	0.02	3.19	3.38	3.38	-	0.06	(0.04)	-	(0.04)	-	99.96
8	Compañía Hulera Tacuba, S.A. de C.V.	N.A	MXN PESO	4.1086	0.41	54.61	85.61	85.61	-	6.66	2.88	1.02	1.86	-	99.96
9	Compañía Hulera Tornel, S.A. de C.V.	N.A	MXN PESO	4.1086	88.33	134.22	653.20	653.20	-	1,101.62	117.44	32.99	84.45	-	99.96
10	Compañía Inmobiliaria Norida, S.A. de C.V.	N.A	MXN PESO	4.1086	1.48	155.73	171.15	171.15	-	7.41	4.53	0.76	3.77	-	99.96
11	General de Inmuebles Industriales, S.A. de C.V.	N.A	MXN PESO	4.1086	0.05	37.59	42.66	42.66	-	3.96	2.21	0.49	1.72	-	99.96
12	Gintor Administración, S.A. de C.V.	N.A	MXN PESO	4.1086	0.01	6.63	37.76	37.76	-	32.52	3.31	1.62	1.69	-	99.96
13	Hules y Procesos Tornel, S.A. de C.V. (* ₹2054)	N.A	MXN PESO	4.1086	*	9.98	12.81	12.81	-	1.98	0.44	0.13	0.31	-	99.96

Notes

1. Name of subsidiaries which are yet to commence operations - N.A.
2. Name of Subsidiaries which have been liquidated or sold during the year - N.A.

Part "B": Associates

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associates

₹ in Crores (10 Million)

Sl. No.	Name of Associates	Valiant Pacific LLC	HASETRI	Dwarkesh Energy Ltd.	Florence Investech Ltd.
1	Latest audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015
2	Share of Associates held by the Company on the year end				
	No. of Shares	147	24	1450000 *	1074994
	Amount of Investment in Associates	0.21	(₹ 2400)	11.35	32.50
	Extent of Holding %	49.00%	24.00%	34.39%	32.29%
3	Description of how there is significant influence	Holding > 20 %	Holding > 20 %	Holding > 20 %	Holding > 20 %
4	Reason why the Associate is not consolidated	N.A	HASTERI, an approved Scientific and Research Institute (a non-profit organisation) cannot be consolidated as the equity of the said Institute is not available for distribution.	N.A	N.A
5	Networth attributable to shareholding as per latest audited Balance Sheet	57.17	7.26 @	11.33	39.24
6	Profit / (Loss) for the year				
	Considered in Consolidation	3.60	-	(0.04)	2.21
	Not Considered in Consolidation	3.75	4.32	0.04	4.63

* Includes 11,00,000 fully paid-up 7% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹11 crores
@ Not Considered in Consolidation

1. Name of Associates which are yet to commence operations - N.A.
2. Name of Associates which have been liquidated or sold during the year - N.A.

A. K. KINRA
Chief Financial Officer

P. K. RUSTAGI
Company Secretary

New Delhi, the 14th May, 2015

Dr. Raghupati Singhanian
Bharat Hari Singhanian

Vikrampati Singhanian
Swaroop Chand Sethi
Arun Kumar Bajoria
Om Prakash Khaitan
Arvind Singh Mewar

Bakul Jain
Vimal Bhandari
Smt. Sunanda Singhanian
Kalpataru Tripathy

Chairman & Managing Director
Managing Director

Directors

JK TYRE
TOTAL CONTROL

THE FARTHER YOU GO,
THE CLOSER YOU COME

HIGH PERFORMANCE TUBELESS TYRES

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK Tyre
TOTAL CONTROL

THE PAIR THAT SAVES.

HIGH PERFORMANCE TUBELESS TYRES

JK TYRE
TOTAL CONTROL

THE FARTHER YOU GO,
THE CLOSER YOU COME

HIGH PERFORMANCE TUBELESS TYRES

JK Tyre
TOTAL CONTROL

Jet II XTRA Mile

No distance is too far with
Xtra mileage and Xtra power.

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK Tyre
TOTAL CONTROL

Catch the Grand Finale of
17th JK TYRE RACING CHAMPIONSHIP 2014

FEEL THE ROAR OF THE ENGINES

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK Tyre
TOTAL CONTROL

THE ROLLING STAR
UX1

THE BEST OF BOTH WORLDS

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK TYRE
TOTAL CONTROL

51,00,000
टायर्स का भरोसा

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK Tyre
TOTAL CONTROL

सोना सुहागा

2

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

JK Tyre
TOTAL CONTROL

JETSTEEL-JDC3
TOUGH LIKE YOU

DRIVE, STOP, TURN, BRAKE, ACCELERATE, FUEL EFFICIENT, SAFETY.

BRAND COMMUNICATION



JK Tyre & Industries Ltd.

Annexure to the Directors' Report For the Financial Year ended 31st March, 2015

Particulars of Employees

The details pertaining to remuneration as required under Section 197 (12) of the Companies Act 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Non-executive directors	Ratio to median remuneration
1.	Shri Om Prakash Khaitan	3.5
2.	Shri Arvind Singh Mewar	3.5
3.	Shri Bakul Jain	3.5
4.	Shri Vimal Bhandari	3.5
5.	Smt. Sunanda Singhania (w.e.f August 12, 2014)*	-
6.	Dr. Wolfgang Holzbach	3.5
7.	Shri Kalpataru Tripathy	3.5

Sl. No.	Executive directors	Ratio to median remuneration
1.	Dr. Raghupati Singhania, Chairman & Managing Director	358.8
2.	Shri Bharat Hari Singhania, Managing Director	252.4
3.	Shri Vikrampati Singhania, Deputy Managing Director	235.0
4.	Shri S.C.Sethi, Wholetime Director	58.2
5.	Shri A.K. Bajoria, President & Director	106.2

* Since this information is for part of the year, the same is not comparable

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Sl. No.	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
1.	Shri Om Prakash Khaitan	33.33%
2.	Shri Arvind Singh Mewar	33.33%
3.	Shri Bakul Jain	33.33%
4.	Shri Vimal Bhandari	33.33%
5.	Smt. Sunanda Singhania	*
6.	Dr. Wolfgang Holzbach	33.33%
7.	Shri Kalpataru Tripathy	33.33%
8.	Dr. Raghupati Singhania, Chairman & Managing Director	57.62%
9.	Shri Bharat Hari Singhania, Managing Director	89.40%
10.	Shri Vikrampati Singhania, Deputy Managing Director	73.70%
11.	Shri S.C. Sethi, Wholetime Director	14.45%
12.	Shri A.K. Bajoria, President & Director	14.24%
13.	Shri A.K. Kinra, Chief Financial Officer	9.92%
14.	Shri P. K. Rustagi, Vice President (Legal) & Company Secretary	22.22%

* Since this information is for part of the year, the same is not comparable.

c. The percentage increase in the median remuneration of employees in the financial year: 4.1%

d. The number of permanent employees on the rolls of the Company: 7,285

e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 9.5% based on individual performance.

The increase in remuneration is in line with the market trends. In order to establish a relationship between remuneration and Company's performance, a performance linked pay is also paid based on individual's performance.

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 2014-15 (₹ crores)	36.46
Revenue (₹ crores)	6799.12
Remuneration of KMPs (as % of revenue)	0.54%
Profit before Tax (PBT) (₹ crores)	377.11
Remuneration of KMP (as % of PBT)	9.67%

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (₹ crores)	2392.88	734.35	226%
Price Earning ratio	8.76	5.45	61%

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars		March 31, 2015	IPO (FY 1975)*	% Change
Market Price (BSE)	Face Value ₹ 2 per share	105.50	2.00	5175%
Market Price (NSE)		105.10	2.00	5155%

* Adjusted for Equity share split in 2014

i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During F.Y. 2014-15, average increase in the salaries of employees other than the Managerial Personnel was 9.5% and increase for Managerial Personnel was 57.7%. Such increase was mainly attributable to increase in payment of commission linked with net profits, which increased by 88%.

j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Sl. No.	Name & Designation	Remuneration in FY 2014-15	Revenue	Remuneration as % of revenue	Profit before Tax (PBT)	Remuneration (as % of PBT)
		(₹ crores)	(₹ crores)		(₹ crores)	
1.	Dr. Raghupati Singhania, Chairman & Managing Director	12.20	6799.12	0.18%	377.11	3.24%
2.	Shri Bharat Hari Singhania, Managing Director	8.58		0.13%		2.28%
3.	Shri Vikrampati Singhania, Deputy Managing Director	7.99		0.12%		2.12%
4.	Shri S.C.Sethi, Wholetime Director	1.98		0.03%		0.53%
5.	Shri A.K. Bajoria, President & Director	3.61		0.05%		0.96%
6.	Shri A.K. Kinra, Chief Financial Officer	1.44		0.02%		0.38%
7.	Shri P. K. Rustagi, Vice President (Legal) & Company Secretary	0.66		0.01%		0.18%

k. The key parameters for any variable component of remuneration availed by the directors:

The members have, at the AGM of the Company on September 25, 2014 approved payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.



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

NOTICE

NOTICE is hereby given that the sixty-second Annual General Meeting of the Members of **JK Tyre & Industries Ltd.** will be held **at the Registered Office** of the Company at **Jaykaygram, PO-Tyre Factory, Kankroli-313 342 (Rajasthan)** on Tuesday, 22nd September 2015 at 11.30 A.M. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company (including audited consolidated financial statements) for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend.

3. To appoint a Director in place of Shri Vikrampati Singhania who retires by rotation and being eligible, offers himself for reappointment.

4. To ratify appointment of the 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act 2013, the Rules made thereunder as amended from time to time and pursuant to the resolution of the Members passed at the 61st Annual General Meeting (AGM), the appointment of M/s. Lodha & Co., Chartered Accountants, New Delhi, (Registration No. 301051E) as Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2016, be and is hereby ratified on the existing remuneration of ₹ 21 Lacs (Rupees Twenty One Lac only) p.a. in addition to service tax, as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

5. 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 2015, be paid the remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only), in addition to service tax as applicable and 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 14th May 2015.

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."

6. 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 190, 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act 2013, and rules thereunder or any statutory modification(s) or re-enactment(s) thereof, the reappointment of Shri Swaroop Chand Sethi as Whole-time Director of the Company for a period of 44 days i.e., with effect from 1st April 2015 to 14th May 2015, be and is hereby approved on the terms and the remuneration as set out in the Statement under Section 102 of the Companies Act, 2013 annexed hereto which shall be deemed to form part hereof.

RESOLVED FURTHER that the Chairman & Managing Director/

Managing Director of the Company be and are hereby severally authorized to vary and/or revise the remuneration of the said Whole-time Director within the overall limit approved herein and to settle any question or any difficulty in connection therewith or incidental thereto."

7. 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 190, 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act 2013, and rules thereunder or any statutory modification(s) or re-enactment(s) thereof, the reappointment of Shri Arun K. Bajoria as Whole-time Director with the designation "Director & President-International Operations" of the Company for a period of 3 years with effect from 20th January 2016 be and is hereby approved on the terms and remuneration as set out in the Statement under Section 102 of the Companies Act, 2013 annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Section 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period or periods not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman & Managing Director/ Managing Director of the Company be and are hereby severally authorized to vary and/or revise the remuneration of the said Whole-time Director within the overall limit approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

8. 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 the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions of the Companies Act 2013, if any, (including any statutory modification(s) or re-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, from time to time, through circular, advertisement or through any other mode as permitted, up to 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."

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: 4th August 2015

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 8 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 available for inspection at the Registered Office and at the Administrative 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 and also at the venue of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2015 to 22nd September, 2015 (both days inclusive).
5. The Dividend of ₹ 1.50 per Equity Share of ₹ 2/- each (75%) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within three weeks of the date of the Annual General Meeting (AGM) to the Members whose names are borne on the Company's Register of Members on 22nd September 2015 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 2014-15, the Notice of the 62nd AGM of the Company along with Admission Slip and Proxy Form are being sent to all the members whose email addresses are registered with the Company/Depository Participants (Physical copy of the aforesaid documents may be sent on request by any such Member).
7. Physical copy of the Annual Report for 2014-15, the Notice of the 62nd AGM of the Company along with Admission Slip and Proxy Form are being sent to those members who have not registered their email addresses with the Company/Depository Participants. The Annual Report for 2014-15 and the Notice of the 62nd AGM 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-please see page 11.

9. APPOINTMENT OF DIRECTOR:

Brief resume of the Director proposed to be reappointed (Item No. 3 of the Notice) is given hereunder:

- Shri Vikrampati Singhania, M. Com., MBA (USA), aged 49 years is Dy. Managing Director of the Company since 27th August, 1997, before that he was Whole-time Director of the Company since 14th March, 1994. He is an industrialist with over 23 years of experience and has been involved in managing various industries including automotive tyres,

industrial v-belts & oil seals, pharmaceuticals, sugar, clinical research, etc. Shri Singhania is Managing Director of J.K. Fenner (India) Ltd. and a Director of JK Agri Genetics Ltd. (Directorships held in other companies are as per Section 165 of the Companies Act, 2013). Also, Shri Singhania is a member of Stakeholders' Relationship Committee of JK Agri Genetics Ltd. (Chairmanship/Membership of Shri Singhania in Committees of Directors in other Companies are in terms of Clause 49 of the Listing Agreement).

Shri Singhania attended all the five meetings of the Board of Directors of the Company held during the financial year ended 31st March 2015. Shri Singhania holds 46,530 Equity Shares of ₹ 2/- each of the Company. Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania, Managing Director of the Company and except this he is not related to any other Director and other Key Managerial Personnel of the Company. The terms and conditions of appointment including remuneration of Shri Singhania as Dy. Managing Director of the Company are as approved by the members at the Annual General Meeting held on 30th July, 2012. His Director Identification Number is 00040659.

10. Relationships between Directors inter-se: Dr. Raghupati Singhania 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. Remote e-voting procedure:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules thereunder 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 62nd AGM by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for shareholders for remote e-voting are as under:

- (i) The voting period begins on 19th September, 2015 from 10.00 A.M. and ends on 21st September, 2015 (5.00 P.M.). During this period, shareholders of the Company, holding Equity Shares either in physical form or in dematerialized form, as on the cut-off date 15th September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM may attend the AGM but would not be entitled to vote at the AGM.
- (iii) Log on to the e-voting website www.evotingindia.com during the voting period and click on 'Shareholders' tab.
- (iv) Shareholders maintaining their holding in Demat form should enter their User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical form should enter Folio Number registered with the Company.
- (v) Enter the characters displayed on the image verification and Click on Login.
- (vi) 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.
- (vii) For the 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> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in capital letters followed by number of Equity Share(s) of the Company held by them as on the cut-off date in the PAN field.</p> <p>In case the number of Equity Share(s) held are less than eight digits, enter the applicable number of 0's after the first two letters of name and before the number of Equity Shares held as on the cut-off date. For example: If your name is RAMESH KUMAR and number of Equity Shares held as on cut-off date are 250, then enter RA00000250 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 that 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.
- (x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant for JK Tyre & Industries Ltd.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September 2015 may follow the same instructions as mentioned above for remote e-voting.
- (xx) 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. The contact details of official responsible to address grievances connected with remote e-voting are Shri Wenceslaus Furtado, Deputy Manager, Central Depository Services (India) Limited, 16th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001; Phone No. 18002005533 or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) 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 15th September 2015 and a person who is not a member as on the cut-off date should treat the Notice for information purpose only.
- (xxii) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. 12094) of M/s Ronak Jhuthawat & Co., Company Secretary in practice as Scrutinizer to scrutinize the voting (at AGM venue) and remote e-voting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 3 days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
12. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e., 15th September 2015 and who has not cast vote by remote e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.
13. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.jktyre.com and on the website of CDSL and shall simultaneously be forwarded to the Stock Exchanges.
14. This Notice also contains a route map of the venue of AGM.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

The Board at its meeting held on 14th May 2015, 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 2015 at a remuneration of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand Only), in addition to service tax as applicable and 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.

Item No. 6

At present, the Company has manufacturing facilities at four different locations in the states of Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu. The Company also has manufacturing facilities through wholly owned subsidiary companies, in Mexico. The Company has also undertaken expansion projects at Chennai Tyre Plant (₹ 1430 Crores) and at other locations (₹ 156 Crores). All this will further increase business activities of the Company and will increase responsibilities of the managerial personnel substantially. The Board at its meeting held on 9th February 2015, therefore, decided to continue with the services of Shri S.C. Sethi as Whole-time Director for a further period of three years commencing 1st April 2015, on the terms and conditions set out hereunder, subject to the approval of shareholders and such other necessary approvals, as may be required. However, Shri S.C. Sethi resigned from the Board of Directors with effect from the close of business hours of 14th May 2015. Accordingly, his tenure as Whole-time Director of the Company, which commenced on 1st April 2015, ended on 14th May 2015.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 9th February 2015 approved the terms of remuneration for the three years tenure of Shri Swaroop Chand Sethi commencing 1st April 2015 as under:

- A. Salary: ₹ 6.90 Lacs per month in the salary range of ₹ 6 Lacs to ₹ 10 Lacs per month with such increments as may be decided by the Chairman & Managing Director/Managing Director of the Company from time to time.
- B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman & Managing Director/Managing Director of the Company.

- C. Performance linked incentive.
- D. Commission: 1% of the net profits computed under Section 198 of the Companies Act 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.
- Items C and D above will be as may be determined by the Chairman & Managing Director/Managing Director of the Company from time to time.
- E. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.
- F. Gratuity at the rate of 15 days Salary for each completed year of Service.
- G. Encashment of unavailed leave as per Rules of the Company.
- H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.
- I. In the event of inadequacy or absence of profits under Section 198 of the Companies Act in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.

The Board recommends the aforesaid Resolutions for approval by the Members for passing as Special Resolutions.

Except Shri Swaroop Chand Sethi 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 Resolutions.

Item No. 7

The Board of Directors has re-appointed Shri Arun K. Bajoria, as Whole-time Director of the Company with the designation 'Director and President-International Operations' for a tenure of three years commencing 20th January 2016 on the terms and remuneration set out hereunder subject to the approval of shareholders and such other necessary approvals, as may be required.

In terms of Schedule V to the Companies Act 2013, the relevant details are as under:

I. General Information:

- (1) Nature of Industry: Automotive Tyres and Tubes.
- (2) Date or expected date of commencement of commercial production: The first Tyre Plant of the Company commenced commercial production in the month of January 1977.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- (4) Financial performance based on given indicators:

Particulars for the financial year ended 31st March 2015	₹ In Crores
- Sales and Other Income	6799.12
- Profit before Interest, Depreciation and Tax	757.05
- Profit Before Tax	377.11

- (5) Foreign investments or collaborators, if any: Not Applicable

II. Information about the appointee:

- (1) Background, Recognition or Awards details: Shri Arun Kumar Bajoria, aged 70 years, holds Bachelor's Degree in Engineering from BITS, Pilani and a post Graduate Diploma in Advance Management from London Business School. Shri Bajoria has been Whole-time Director with the designation

'President & Director' since 20th January 2010 and his current designation is "Director & President-International Operations". Before that he was President of the Company since June 2003. Before that he was President & Whole-time Director of Vikrant Tyres Ltd., erstwhile subsidiary of the Company. He joined in the year 1997, at the time of Company acquiring Vikrant Tyres Ltd. and was instrumental in turning it around to a profitable entity. Shri Bajoria brings with him rich experience of managing and running manufacturing enterprises for about 48 years. Shri Bajoria is not related to any other Director and Key Managerial Personnel of the Company. Shri Bajoria attended all the five Board Meetings of the Company held during the financial year ended 31st March 2015. Shri Bajoria holds 500 Equity Shares of ₹ 2/- each of the Company.

His other Directorships are- JK Tornel, S.A. de. C.V.; Hules Y Procesos Tornel, S.A. de C.V.; Compania Inmobiliaria Norida, S.A. de. C.V.; Compania Hulera Tacuba, S.A. de. C.V.; General De Inmuebles Industriales, S.A. de C.V., all of which are Mexico based wholly-owned subsidiaries of the Company and are part of leading tyre manufacturing company of Mexico. He is also a Director of Natext Biosciences Pvt. Ltd., a wholly owned subsidiary of the Company.

He is also a Member of Managing Committee of Hari Shankar Singhania Elastomer and Tyre Research Institute and Pushpawati Singhania Research Institute for Liver, Renal & Digestive Diseases. Chairmanship/Membership of Shri Bajoria in Committees of other Boards-NIL.

Shri Bajoria is also a member of the Board of Governors of Madhav Institute of Technology and Science (MITS), Gwalior – one of the leading Engineering Colleges of India. He is also associated with several religious, educational and social service organizations and is a Trustee of Birla Institute of Medical Research.

(2) Past remuneration: The remuneration of Shri Arun K. Bajoria approved by the members of the Company at their Annual General Meeting held on 14th August 2013 is as under :-

- A. Salary: ₹ 9 lacs per month in the salary range of ₹ 6 lacs to ₹ 10 lacs per month with such increments as may be decided by the Chairman & Managing Director/Managing Director of the Company from time to time.
- B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman & Managing Director/Managing Director of the Company.

- C. Performance linked incentive.
- D. Commission: 1% of the net profits computed under Sections 349 and 350 of the Companies Act, 1956 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.

Items C and D above will be as may be determined by the Chairman & Managing Director/Managing Director of the Company from time to time.

- E. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.
 - F. Gratuity at the rate of 15 days Salary for each completed year of Service.
 - G. Encashment of unavailed leave as per Rules of the Company.
 - H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.
 - I. In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.
- (3) Job Profile and his suitability: Shri Arun K. Bajoria, Whole-time Director with the designation 'Director & President-International Operations' of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors, the Chairman and the Managing Directors of the Company.

The Company has grown manifold since commencement of automobile tyre/tubes business in 1975. Further, the Company has taken up Research & Development activities and exports in big way besides expansion/debottlenecking at the new greenfield and existing multi location plants. The Company has also acquired a large tyre manufacturing plant in Mexico in the year 2008. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company. It has therefore been considered desirable to continue with the services of Shri Bajoria as Whole-time Director with the designation 'Director & President- International Operations' for a further period of 3 years commencing from 20th January 2016.

(4) Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 4th August 2015 approved the terms of remuneration for the three years tenure of Shri Arun K. Bajoria commencing 20th January 2016 as under:

- A. Salary: ₹ 9 Lacs per month in the salary range of ₹ 8 Lacs to ₹ 15 Lacs per month with such increments as may be decided by the Chairman & Managing Director/Managing Director of the Company from time to time.
- B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman & Managing Director/Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as

may be decided by the Chairman & Managing Director/ Managing Director of the Company.

- C. Performance linked incentive.
- D. Commission: 1% of the net profits computed under Section 198 of the Companies Act 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.

Items C and D above will be as may be determined by the Chairman & Managing Director/Managing Director of the Company from time to time.

- E. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.
- F. Gratuity at the rate of 15 days Salary for each completed year of Service.
- G. Encashment of unavailed leave as per Rules of the Company.
- H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.
- I. In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.

- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry is on the rise. The 'Nomination and Remuneration Committee' constituted by the Board in terms of the Companies Act, 2013 and the Listing Agreement perused remuneration of managerial persons in the automotive tyre industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Arun K. Bajoria, before approving the remuneration as proposed herein before.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri Arun K. Bajoria does not have any pecuniary relationship with the Company.

III. Other Information:

- (1) Reasons of inadequate profits: At present, the Company is having adequate profits. However, the appointment is for a term of three years commencing 20th January 2016 and the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
- (2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: With a view to improve overall financial health of the Company and also to derive benefits of economies of scale which will result in overall profitability, the Company has taken several steps, which have enabled the Company to achieve impressive growth with a turnover of ₹ 6799.12

Crores on standalone basis for the financial year ended 31st March 2015 as against the turnover of ₹ 6576.54 Crores in the financial year ended 31st March 2014. With the expected upswing in the economy, the Company is poised to sustain the growth momentum in the coming years as well. To support this, the Company has undertaken expansion of its capacities at various existing plants. In addition, the Company has also been continuously focusing on conserving cost by improving operational parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, etc. to ensure that the Company stays on the course of sustainable profitability and growth trajectory.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding financial year.

The Resolutions are recommended to the shareholders for passing as Special Resolutions.

Except Shri Arun K. Bajoria 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 Resolutions.

Item No. 8

Pursuant to the provisions of the Companies Act, 2013 and approval of the members of the Company at its meeting held on 25th September 2014, the Company has issued a Circular in the form of Advertisement for inviting deposits from its Members and/or the public, which is valid upto the date of 62nd Annual General Meeting of the Company i.e., upto 22nd September 2015.

The Board of Directors at its meeting held on 4th August 2015 decided to continue to invite/accept 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, from time to time.

The Board recommends the aforesaid resolution for approval of the members by means of a Special Resolution. As required, the Company will be again issuing a circular in the form of advertisement for inviting deposits as aforesaid in the prescribed form under the said Act and Rules thereunder.

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.

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: 4th August 2015

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. Unclaimed Dividends-Transfer to Investor Education and Protection Fund:

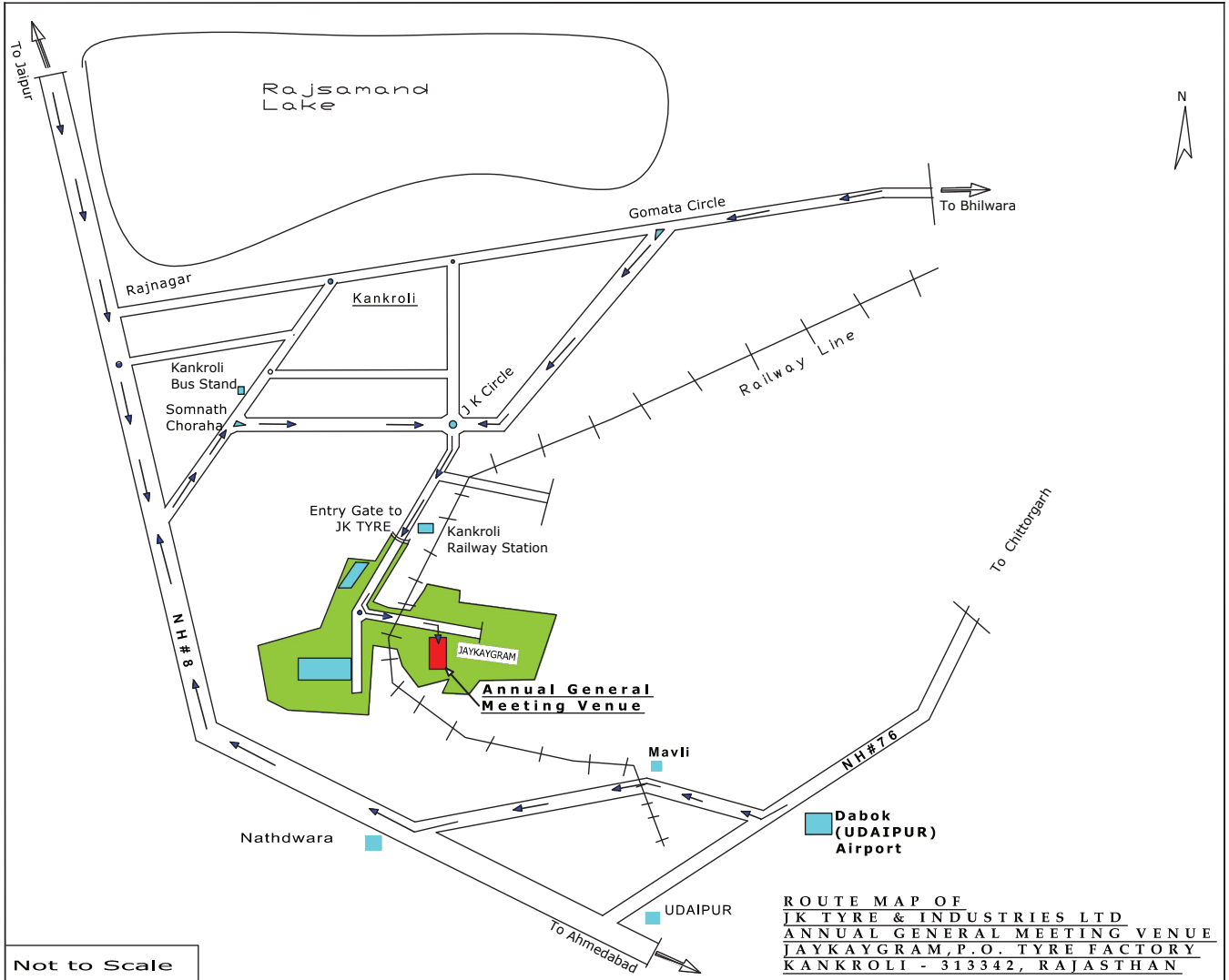
Pursuant to Section 205A read with Section 205C and other applicable provisions, if any, of the Companies Act, 1956, the unclaimed dividend will be transferred to the Investor Education and Protection Fund on expiry of 7 years from the date the dividend became due for payment as under :-

Dividend	Due date for transfer to the said Fund
> Financial Year ended 31.03.2009	17th September 2016
• 27% Dividend	
> Financial Year ended 31.3.2010	25th August 2017
• 35% Dividend	
> Financial Year ended 31.3.2011	9th August 2018
• 30% Dividend	

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 said Act read with the relevant Rules framed thereunder.

7. **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.



Not to Scale



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 62nd Annual General Meeting of the Company being held at Jaykaygram, PO-Tyre Factory, Kankroli - 313 342 (Rajasthan) on Tuesday, the 22nd September 2015 at 11.30 A.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 62nd Annual General Meeting of the Company, to be held on the 22nd day of September 2015 at 11.30 A.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 (including consolidated financial statements) for the financial year ended 31 st March 2015 and the reports of the Directors and Auditors thereon.		
2. Declaration of Dividend.		
3. Re-appointment of Shri Vikrampati Singhania as a Director, who retires by rotation.		
4. Ratification of appointment of Auditors and their remuneration.		
5. Remuneration of the Cost Auditors.		
6. Remuneration of Shri Swaroop Chand Sethi as Whole-time Director from 1 st April 2015 to 14 th May 2015.		
7. Re-appointment of Shri Arun K. Bajoria as Whole-time Director with the designation 'Director & President- International Operations' for a period of three years with effect from 20 th January 2016.		
8. Inviting/accepting/renewing deposits from members/public.		

Signed this.....day of.....2015

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

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