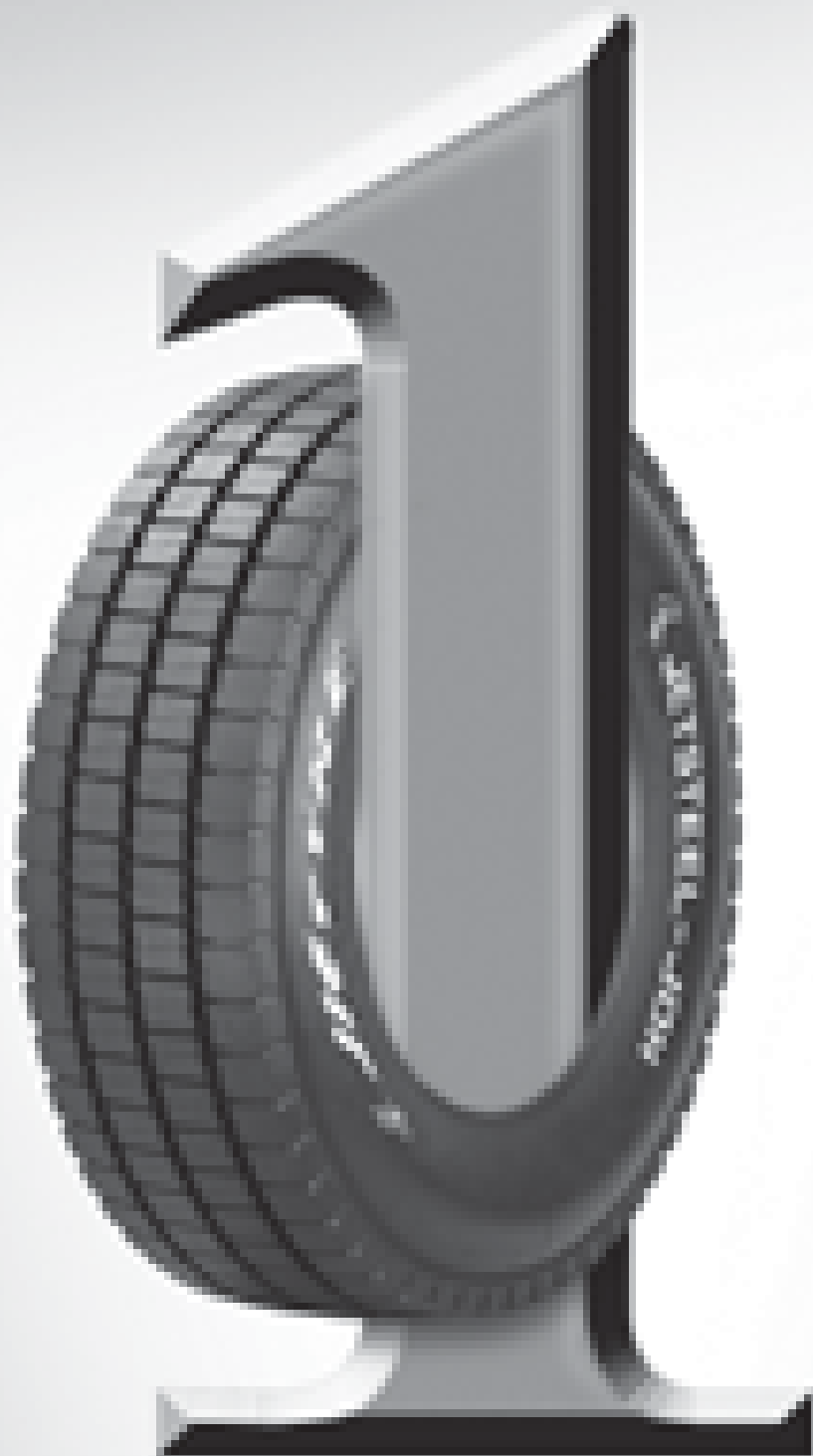


A N N U A L R E P O R T 2 0 0 9 - 2 0 1 0



India's No.1 Truck/Bus Radial

Remembering A Visionary

The Company is celebrating the birth centenary of its Founder, Lala Lakshmipat Singhanian, one of the key architects of JK Organization. As a true visionary, he laid the foundation for taking the Organization to new heights in the journey of building a self reliant India. He was a dynamic leader who championed the cause of domestic industry with Indian ownership and management.

The JK Organization became one of the top four private sector Groups in the country during his lifetime.

He pioneered the manufacturing of many products, for the first time in India. Through a plant set up in West Bengal in 1944, he started the production of aluminium metal in India from Indian Bauxite for the first time. This metal was further converted into complete range of aluminium products including aluminium foils. The company, Aluminium Corporation of India Limited, was one of the few integrated Aluminium plants in the world.

Lala Lakshmipat Singhanian set up many successful companies in different parts of the country, which provided thousands of job opportunities, particularly in the backward areas of rural India. These include, Straw Products Ltd in Bhopal in 1938 which commenced production of straw boards and later on paper boards. Production of high quality writing and printing paper was started in 1962 in Orissa and the company is now operating under the name of JK Paper Limited, known for its high value added products. He was also instrumental in setting up various other plants for the manufacture of Automobile Tyres (JK Tyre & Industries Ltd.) and Cement (JK Lakshmi Cement Ltd.), amongst many other initiatives of the group.

He was the Chairman of National Insurance Company for several years. The Company covered both life and general insurance activities. He made it grow as the 3rd largest insurance company of the country with largest overseas network. Unfortunately Insurance – Life and General as well as Aluminium were nationalized in India as a matter of the then policy of the Government.

He was the guiding spirit for the JK Group to set up several medical and educational institutions across the country including scores of primary schools in the rural areas.

Lala Lakshmipat Singhanian embodied the rare qualities that transcend time through their single-minded purpose, simplicity, vision and the constant working of an enquiring mind that rejects the status quo. Apart from being a philanthropist entrepreneur he believed in upliftment of the society at large. He has left behind a value system based on Trust, Nationalism and Care which serves as a beacon for the Group Companies to charter their course into future. The core values are:

- Caring for people
- Integrity including intellectual honesty, openness, fairness and trust
- Commitment to Excellence

Centenary Year



LALA LAKSHMIPAT SINGHANIA
1910 - 1976

KEY ARCHITECT OF JK ORGANISATION

"We seek a society which is proud of its past,
conscious of the present and full of hope for the future."



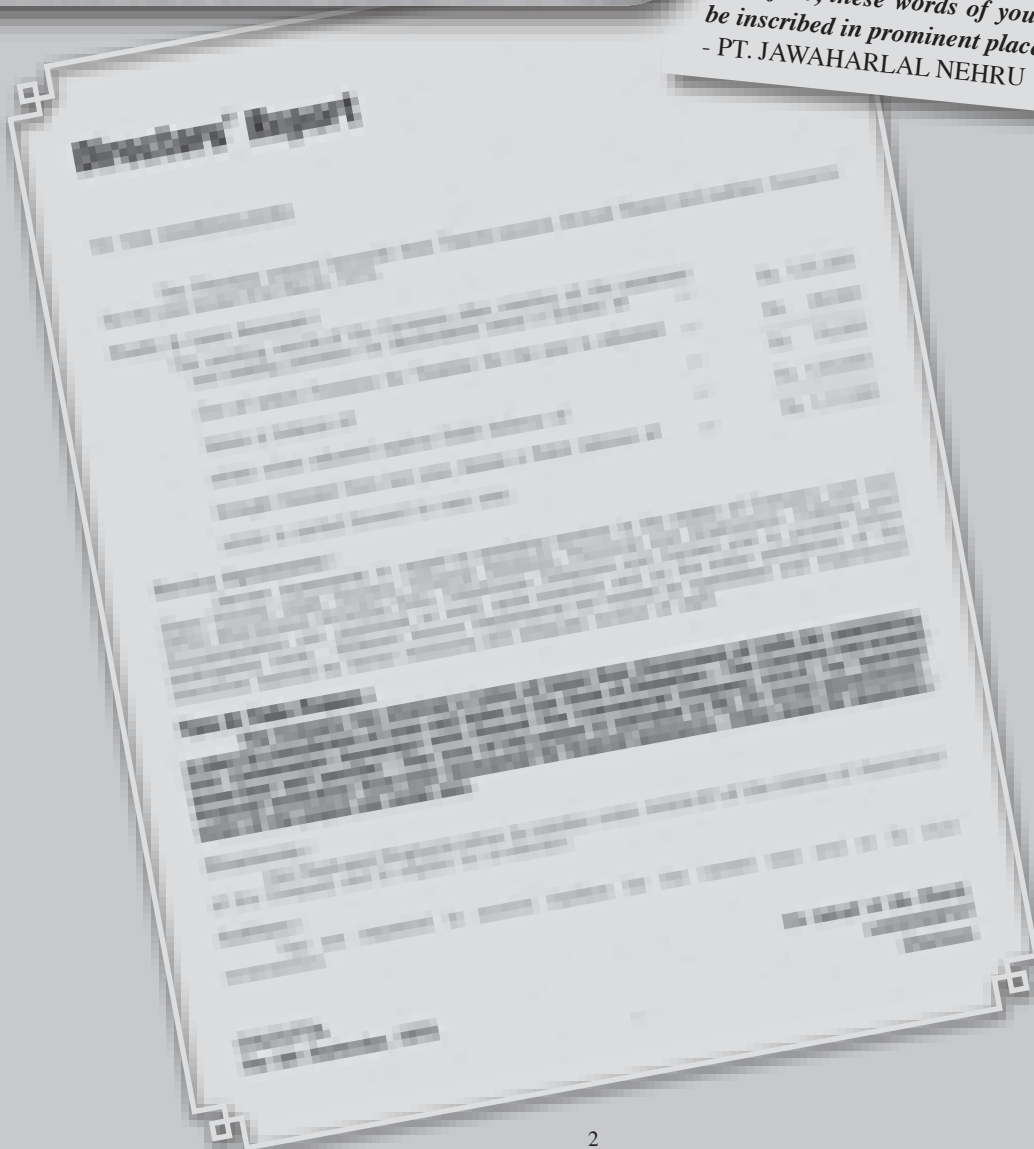
LALA LAKSHMIPAT SINGHANIA CENTENARY YEAR, 1910-1976

During his tenure as President of FICCI at its..... Annual Session Lakshmipat Singhanian ji observed

"It is not only machinery that becomes obsolete: one has to guard against the obsolescence of the mind"
- LAKSHMIPAT SINGHANIA

"The then Prime Minister of India Pt. Jawaharlal Nehru who was present on the occasion applauded and endorsed thus -"

"To my mind no truer words could have been said. Therefore, these words of yours, Mr. President, should be inscribed in prominent places..."
- PT. JAWAHARLAL NEHRU





BOARD OF DIRECTORS

Hari Shankar Singhania
Chairman

Arvind Singh Mewar

Govind Ballabh Pande

Dr. T.K. Mukhopadhyay

Vikrampati Singhania
Dy. Managing Director

Arun K. Bajoria
President & Director

Dr. Raghupati Singhania
Vice Chairman & Managing Director

Bakul Jain

Om Prakash Khaitan

Bharat Hari Singhania
Managing Director

Swaroop Chand Sethi
Whole-time Director

AUDITORS

Lodha & Co.
Chartered Accountants

BANKERS

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

PLANTS

Jaykaygram, Kankroli, Rajasthan
Banmore, Madhya Pradesh
Mysore Plant I, Karnataka
Mysore Plant II, Karnataka
Mysore Plant III, Karnataka

REGISTERED OFFICE

7, Council House Street,
Kolkata - 700 001

ADMINISTRATIVE OFFICE

3, Bahadurshah Zafar Marg,
New Delhi - 110 002

VICE PRESIDENT (CORP. LAWS) & COMPANY SECRETARY

P K Rustagi

Visit us at www.jktyre.com



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Dear Fellow Shareholders,

Indian economy has shown tremendous resilience in the face of recent global economic downturn and demonstrated yet again, that its fundamental pillars are strong. Government policy initiatives have helped the Indian economy to recover faster as compared to other developed nations.

Indian economy with its growing domestic market, rising income and aspirations of people, is back on its growth trajectory.

The automobile sector particularly has fast emerged as a major growth driver in the economy and has recorded a robust growth of around 27% during 2009-10. This is remarkable especially in the backdrop of economic crisis.

It is a matter of great satisfaction that JK Tyre has achieved its highest ever turnover and profits during the year, which happens to be the Centenary year of our Founder, Lala LakshmiPat Singhania. Our global acquisition of Tornel, the well known tyre company in Mexico, turned out satisfactory results with the operations adding to both top and bottom lines of JK Tyre.

JK Tyre already envisioned that Truck/Bus Radials are the future of Indian Tyre Industry and introduced Truck/Bus Radial Tyres, for the first time in India, way

back in 1999. It is rewarding that Truck/Bus Radialisation is picking up fast.

Encouraged by this and the overall growth in demand for tyres, your Company has undertaken further expansion of its capacities at a cost of Rs. 930 crores, both for Passenger Car Radials as well as Truck/Bus Radials. This includes setting up of a green site plant near Chennai.

Research and Technology is the cornerstone of your Company's leadership in Tyre Industry more so in Radial Technology and Ultra Large OTR tyres.

Your Company is committed to deliver value to its customers by offering them products of global quality standards. "JK Tyre" continues to enjoy "Superbrand" status and is a preferred choice of customers. A chain of "JK Radial Tyre Care Centres" across the country, enable the customer to derive maximum return for the high value Truck/Bus Radials.

I would like to thank all our stake holders i.e., channel partners, suppliers, financial institutions, banks and the staff and workers for their whole hearted support.

I am sure, with your support JK Tyre will continue to make strides and achieve greater heights.

Hari Shankar Singhania
Chairman



Dear Shareholders,

The year gone by was indeed one full of challenges and achievements. India recovered faster than most of the world from the global slow down witnessed in the recent past. Government's various policy initiatives alongwith the stimulus package helped revival of the economy. One of the large beneficiary of this was auto industry and in turn the tyre industry.

It is indeed satisfying that this year, JK Tyre achieved a Turnover of Rs. 3971 Crores and Operating Profit of Rs. 420 Crores, both highest ever. The all round improvement in performance, in no small measure aided by enrichment of product and segment mix, helped the Company achieve these results. The continued consumer confidence and support serve as strong pillars for Company's future growth.

Truck/Bus Radial plant at Mysore which was doubled, to 8 Lac tyres per annum capacity, started commercial production during the year. JK Tyre manufactures 75% of India's total Truck/Bus radial tyre production and continues to be the No. 1 player in this segment. The expansion of OTR tyres is well underway with

initial production having started and Ultra Large OTRs supplied to customers. The expansion of Passenger Car Radial tyres, at Banmore, is progressing well on schedule.

Your Company has undertaken further expansion of its capacity of Truck/Bus Radial tyres to 12 Lac tyres per annum as also of Passenger Car Radial tyres to 75.56 Lac tyres per annum. This involves setting up of a green site facility near Chennai for which the work has already commenced.

Tornel, the Mexican company acquired last year, performed well despite the global meltdown which also affected the automobile sector.

Our "Team JK Tyre" is committed to deliver high quality products and services to fulfill the growing needs of the customers both in India and abroad.

Company's initiatives on R&D front are the backbone of our high quality products, that we offer to our esteemed OEMs and after market customers.

Company is committed to its responsibility towards the Society at large. Facilities for education, healthcare, sports, rural upliftment and development, in the vicinity of the units of the Company, have significant impact in the overall prosperity of the people around our establishments.

With your continued support, I am confident that JK Tyre will grow from strength to strength in the years ahead.

Raghuapati Singhania
Vice Chairman & Managing Director



DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended 31st March 2010.

The Company is observing this year as the **Birth Centenary Year** to pay humble respects to late Lala Lakshmipat Singhania (1910-1976), who had been a great Visionary and a Key Architect of JK Organisation. He believed in the philosophy of inclusive growth encompassing all sections of the Society. The Company's all time high Sales and Profits this year is a befitting tribute to the great Founder.

Sales and other income during the year under review was Rs. 3971 Crores, recording an increase of 8% over that of previous period (annualised). Operating Profit for the year was double at Rs. 420 Crores. Profit Before Tax for the year was Rs. 246 Crores and Profit After Tax was Rs. 163 Crores.

The year was full of challenges and achievements. India is one of the few countries which recovered early from economic slowdown and recorded GDP growth of 7.2% during the year 2009-10. As a consequence, Automobile Industry grew at about 27-28% and tyre production increased by 19% during the year.

JK Tyre's domestic operations improved with overall higher production. Despite prolonged illegal strike at its Kankroli plant, the turnover increased by 8%. The Directors are pleased to report that the operations have normalised and the Company has achieved

improved operating efficiencies on all parameters.

Tornel – Mexico, which your Company acquired last year, has turned around and recorded an impressive performance during the year. Tornel has contributed to your Company's growth both in top line as well as profitability. This is despite severe world-wide economic slowdown last year which particularly affected global Automobile Industry.

Automobile Industry in India having made an impressive recovery last year, continues to consolidate and perform exceedingly well in the current year as well. With an expected GDP growth of 8 - 9% in the current year and continued good performance by the Automobile Industry, this augurs well for the Tyre Industry which is poised to grow in the years ahead.

There has been spurt in the input costs with natural rubber prices more than doubling during the year. The Company could partly mitigate the increased costs by all round improvement in operating efficiencies, higher productivity, cost reduction measures and richer product mix.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 3.50 per Equity Share of Rs. 10 each (i.e. 35%) on the Equity Share Capital of Rs 41.06 Crores. The dividend outgo will be Rs. 16.76 Crores (inclusive of dividend tax of Rs. 2.39 Crores).

APPROPRIATIONS

The amount available for appropriation including surplus from previous year and debenture redemption reserve no longer required is Rs. 196.04 Crores. The Directors propose this to be appropriated as under:

	(Rs. Crores)
Debenture Redemption Reserve	1.01
General Reserve	100.00
Dividend	14.37
Corporate Dividend Tax	2.39
Surplus carried to Balance Sheet	78.27
	<hr/>
	196.04



Shri Hari Shankar Singhania, President JK Organisation inaugurating India's First Truck/Bus Radial Plant



NO. 1 IN TRUCK/BUS RADIAL

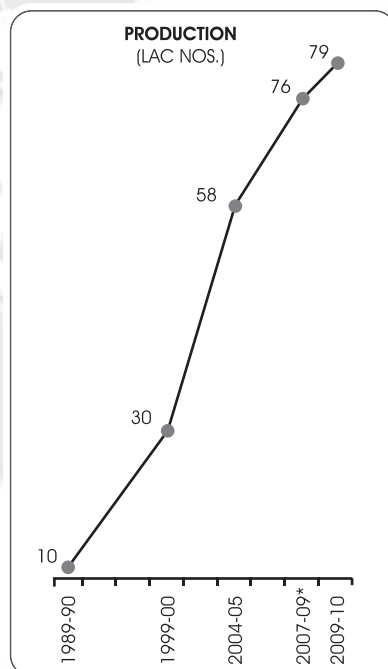
***JK Tyre India's first and largest manufacturer
of Truck/Bus Radial***

Produces 75% of Indian Truck/ Bus Radials

JK TYRE – A YEAR OF ACHIEVEMENTS

In the year gone by, apart from achieving highest sales and profits, the Company crossed many significant milestones.

- Capacity expansion of Truck/Bus Radials (TBR) from 4 Lacs to 8 Lacs tyres per annum with an investment of Rs. 315 Crores becoming fully operational.
- Cumulative sales of TBR tyres in the domestic market crossed 2 million mark and JK Tyre continuing to be India's Number 1 TBR manufacturer, accounting for 75% of Indian Truck/Bus Radial production.
- JK Tyre produced, its first, Ultra Large OTR tyres of 51" size, and 9 feet high, weighing 1.8 tons each. These were delivered to BEML.



* Annualised

- JK Tyre was selected as 'Superbrand', yet again, for the period 2009-10 based on an extensive consumer survey, and selection by the Superbrands Council of India.
- The World's first OnLEVEL flat surface tyre testing machine, capable of doing various performance tests, was installed at HASETRI in association with Company's R&D. The machine, the first of its kind in the world, has enhanced Company's technological capability manifold.

GROWTH – A WAY OF LIFE AT JK TYRE

India is fast emerging as a global hub for small cars. World's major automobile manufacturers have set up or have plans to set up world class manufacturing facilities in India for domestic as well as global markets.

Driven by accelerated economic activity and buoyancy in demand for tyres, your Company has already undertaken a series of expansions.

EXPANSIONS

Truck/Bus Radial

Your Company continues to be the leader in Truck/Bus Radial with a state-of-the-art manufacturing facility at Mysore. The expanded capacity of Truck/Bus Radial tyres at 8 Lac tyres p.a. at this plant was formally inaugurated during the year. This has further strengthened Company's commanding position



Shri Sushil Kumar Shinde, Union Minister for Power Presenting the National Energy Conservation Award 2009 to A.K. Bajoria, President and Director, JK Tyre

in this growing segment. This plant is now being further expanded to 1 million tyres per annum. The expanded capacity shall be available in first quarter of next fiscal year.

Passenger Car Radials

Company's ongoing expansion at the existing Car Radial Plant at Banmore for enhancing the capacity by 5.34 Lac Car Radial tyres per annum is well on schedule and shall be completed by the middle of current year.

Off The Road Tyres (OTR)

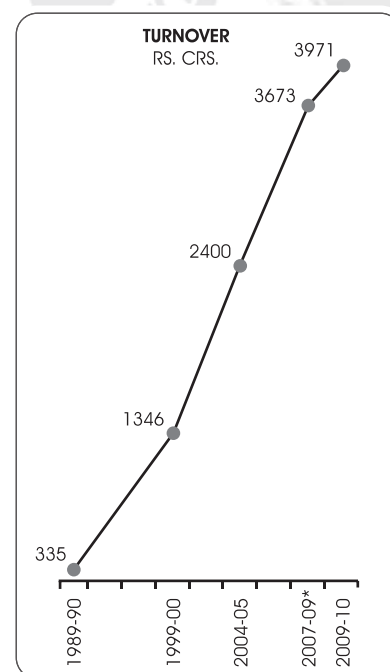
Your Company enjoys the highest market share in the OTR market. To further strengthen its position, the Company undertook an expansion project estimated to cost Rs.120 Crores, which is progressing as per schedule and is expected to be completed by mid 2010. The Company has already delivered the first batch of Ultra large size OTR tyres, ahead of the agreed schedule, to BEML, our prime OEM customer.

New Green Site project

Your Company has undertaken to set up a new green site facility in Tamil Nadu for manufacture of 25 Lac Car radial and 2 Lac Truck/Bus radial tyres per annum. This is, in addition to the above mentioned expansion at its existing Truck/Bus Radial tyre facility at Mysore to 1 million tyres per annum. The above expansions are estimated to cost Rs.930 Crores. All arrangements

have been made for tying up financing thereof.

The Company has already taken possession of land and construction at the new site is expected to start shortly. The green site project shall be operational by the end of next year. With the completion of these projects, the turnover is expected to increase significantly in the years ahead.



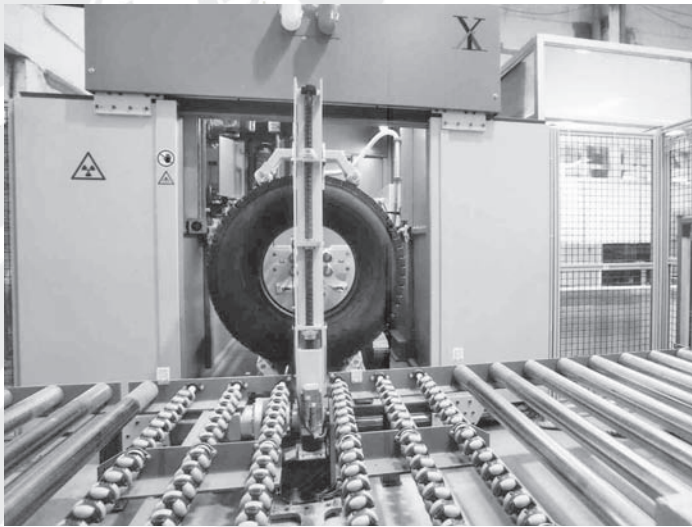
* Annualised

TORNEL

Last year, your Company acquired 100% Equity Shares and management of Compania Hulera Tornel (CHT), a well established Tyre Company in Mexico with 3 tyre manufacturing plants and combined capacity of 6.6 million tyres p.a. Soon after acquisition, JK Tyre started streamlining and improving Tornel's operations. Despite economic downturn which has severely hit Automotive Industry in North and South America resulting into significant demand contraction, Tornel has recorded an excellent performance during the year 2009. Tornel achieved Gross Sales of 2472 million pesos (Rs. 893 Crores) and recorded a Profit After Tax of 169 million pesos (Rs. 61 Crores) in the year 2009.

CUSTOMER ENGAGEMENT

With a view to build long term sustainable relationship with the customers, your Company has taken several steps, thereby moving up the value chain. Towards this end, JK Tyre Steel Wheels have been providing wide range of services and tyre care solutions primarily to the passenger car customers. JK Tyre



has 125 Steel Wheels in 75 cities across the country from Srinagar to Kanyakumari and Ahmedabad to Aizawal. Further more, 'JK Radial Tyre Care Centres' provide necessary facilities for Truck / Bus Radial tyre repair & servicing including alignment / balancing, enabling the customer to derive maximum value out of the technologically superior JK Truck / Bus Radial tyre. In addition, the Company's Fleet Management Programme has been a success since its inception for providing pre and post sales service and technical assistance to fleets. Your Company has now launched Retreading facilities to provide end to end solution to the customers.

RETREAD BUSINESS

Your Company has entered the Retreading business under the brand "**JK TREADS**". This will provide end to end solutions to the customers helping them realize enhanced value from Company's products.

TECHNOLOGICAL EDGE

JK Tyre pioneered the Radial Technology in the country three decades ago, and is in the forefront of development of tyre technology in India.

Your Company's technological strength is derived from its in-house R&D centre's multidisciplinary collaborative research work with premier institutions of research and development such as HASETRI, in fields of materials, predictive technology, tyre characteristics testing and other allied areas.

Towards this end, Company's in-house R&D Centre in association with HASETRI has installed a state-of-the-art ONLEVEL Tyre Test System, the first of its kind in the world, to provide real data in real time for a wide range of tests and evaluate various scenarios a tyre may be subjected to on a vehicle. This has helped the Company in reducing the tyre development time and make available to the customer technologically superior products.

The Centre of Excellence at IIT Madras is the epitome of industry academia collaboration in the field of vehicle dynamics & tyre Mechanics. The tools & techniques developed here are used and integrated into product development process at JK Tyre.

JK Tyre Test Track at Chennai keeps your Company at the cutting edge of tyre technology.

EXPORTS

Your Company is a strong global player with a presence in over 80 countries across 6 continents



JK Tyre Plant, Jaykaygram, Kankaroli



Dr. Raghupati Singhania presenting a memento to Karun Chandhok on his entry into Formula 1

offering a wide range of products backed by world class technology.

JK Tyre enjoys a premium brand status in various advanced markets including USA and Australia.

The acquisition of TORNEL in Mexico has further added substantial value to the existing JK Tyre exports and has reinforced your Company's brand positioning in the global markets.

CONSERVATION OF ENERGY ETC.

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are annexed.

DIRECTORS

Shri Hari Shankar Singhania and Shri Arvind Singh Mewar retire by rotation and being eligible offer themselves for re-appointment at the Annual General Meeting.

The Board of Directors appointed Shri Arun K. Bajoria with effect from 20th January 2010 as an Additional Director pursuant to Section 260 of the Companies Act, 1956. The Board also appointed Shri Arun K. Bajoria as Whole-time Director with the designation "President & Director" of the Company for a period of three years, with effect from the said date. In terms of Section 260 of the said Act, Shri Bajoria will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in

writing from a member proposing candidature of Shri Bajoria for the office of a Director, liable to retire by rotation. The Board recommends appointment of Shri Bajoria as a Director.

The Board at its meeting held on 20th January 2010 noted withdrawal of nomination of Shri N.C. Muniyappa, IAS by Karnataka State Industrial Investment & Development Corporation Ltd. (KSIIDC) and placed on record its appreciation for the valuable services rendered by Shri N.C. Muniyappa as a Director of the Company during his tenure of office. The Government of Karnataka has since withdrawn the nomination of KSIIDC nominee from the Board of the Company.



SUBSIDIARY COMPANIES

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

The Statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Company's subsidiaries is attached.



Dr. Raghupati Singhania taking the Board of Directors around the new truck/bus radial plant

In terms of the approval granted by the Central Government under Section 212 (8) of the Companies Act, 1956, copies of the Balance Sheet, Profit & Loss Account, Reports of the Board and the Auditors of all the Subsidiary Companies have not been attached to the Balance Sheet of the Company. However, the related detailed information of the annual accounts of the Subsidiary Companies will be made available to the investors seeking this information at any point of time. The annual accounts of the Subsidiary Companies are also available for inspection by the investors at the Head Office of the Company and that of the respective Subsidiary Companies.

AUDITORS

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

COST AUDIT

The Audit of the Cost Accounts of the Company for the year ended 31st March 2010 is being conducted by the Cost Auditor and the Cost Audit Report will be submitted to the Ministry of Corporate Affairs, Government of India.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended regarding employees is annexed to this Report. However, as per the

provisions of Section 219(1)(b)(iv) of the Companies Act 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Company's New Delhi address.

CORPORATE GOVERNANCE

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

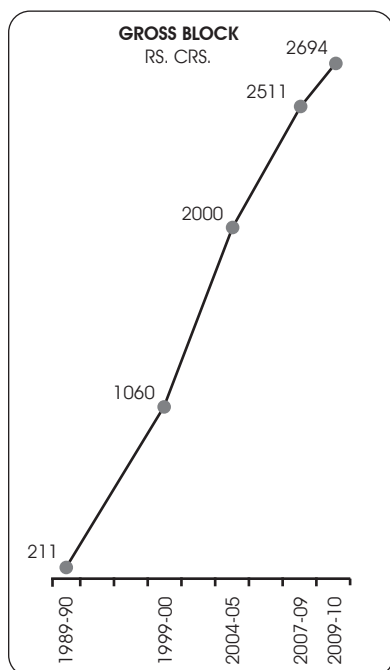
DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and



Truck/Bus Radial Tyre Plant, Mysore



of the profit or loss of the Company for that period;

iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation received from the financial institutions, banks, various central and state government agencies, the technical collaborators M/s Continental AG - Germany, shareholders, suppliers, dealers and in particular the valued customers.

Your Directors also record their appreciation for the dedication and passion of 'Team-JK Tyre' which has enabled the Company to remain at the forefront of the Industry.

On behalf of the board

The 25th May 2010
New Delhi

H.S.SINGHANIA
CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

A. ENERGY CONSERVATION

Conservation of Energy is accorded highest priority at all our plants and offices being one of the major input cost in manufacturing. Consumption parameters for Power, Steam, Air, Water are continuously benchmarked with domestic and international manufacturers and possibilities of reducing Energy Consumption scanned.

Your Company continues to invest in replacement of low energy efficient systems and installations with effective and high efficient systems in order to retain competitive advantage despite raising costs. These include installation of boiler economizer, better insulations, conversion of oil fired boilers, installation of energy efficient compressors, counter flow cooling towers, ongoing activity on plugging all leakages, water harvesting, water recycling etc.

During the year, Kankroli Tyre Plant was awarded the "Excellent Energy Efficient Unit" by Confederation of Indian Industry (CII); "Excellent Water Efficient Unit" by CII and "Energy Conservation Award 2009" by Rajasthan Renewable Energy Corporation Ltd., Government of Rajasthan.



B. TECHNOLOGY ABSORPTION

Research & Development

a) Areas of R&D activities

Increasingly competitive environment, highly volatile raw materials and energy cost and strict global tire legislation and regulations are forcing new approaches in design, material and energy uses in tyre industry. JK Tyre with its dedicated Research and Development facility was able to develop tyres to meet such stringent requirement for domestic as well as overseas market. The In-house R&D Centre of your Company in association with Hari Shankar Singhania Elastomer & Tyre Research Institute (HASETRI), a SIRO

set up, is an example of our continuous effort on basic and applied research on elastomers & tyre in this part of the world to support the Company's vision to achieve Self Sufficiency in Technology. Several world class models of cars were launched on JK Radial Tyre in India – a testimony of Company's leadership in technology.

In the period under review, the R&D team focused on uses of environmental friendly material, new product development, reduction in development cycle time through reverse engineering and using advanced simulation & predictive techniques, cost



Dr. Raghubati Singhania being awarded, Hall of Fame International Golden Steelling Wheel 2010, by India Today Group.



NO. 1 IN CUSTOMER SATISFACTION

JK Tyre's unique fleet management programme provides complete tyre solutions to its valued customers



optimization through material substitution, process improvement, energy & water conservations etc.

Our focus for future development, besides concentrating on competitive product and manufacturing practices, is towards cleaner and greener technologies, development of substitute materials and ensure compliance of global standards in such areas.

b) Research and Development Expenses

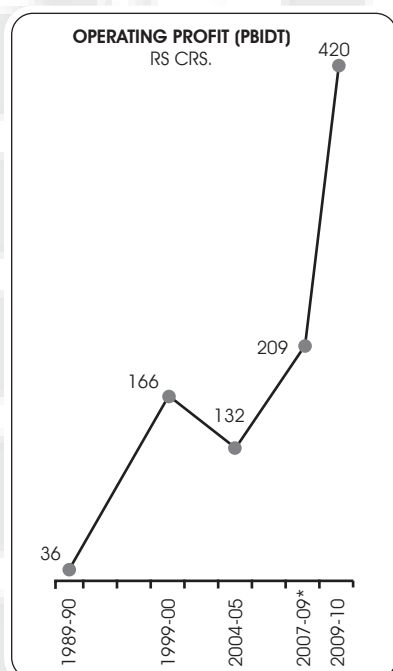
The expenditure on R&D during the year was Rs. 16.39 Crores, which was 0.41% of the turnover.

C. Technology, Absorption, Adaption and Innovation

Competent, professionally qualified and well trained team of scientists, engineers and technologists through their unflinching dedication, committed energy & enthusiasm have successfully adopted, adapted and absorbed latest global technologies as well as best practices. For absorption of design & manufacturing technology for high performance Truck / Bus Radials, PCR / LCV Radial and OTR bias tyres, our intense indigenous Technology programmes are duly supported by our Collaborator (Continental AG; Germany). Continuous upgradation



Lakshmipapf Singhania – IIM Lucknow 'National Leadership Awards'- Hon'ble Vice President of India Shri Hamid Ansari and H.S. Singhania, President, JK Organisation alongwith distinguished winners.



*Annualised

of our infrastructure & competence in technology as well as manufacturing & simultaneous timely execution of modernization and expansion plans at our manufacturing plants, are key catalytic factors in maintaining our technology leadership in India.

PARTICULARS OF CONSERVATION OF ENERGY

I. Power & Fuel Consumption

2009-10 **2007-09**
(12 Months) (18 Months)

1. Electricity

a) Purchased :

Unit (Kwh in lacs)	1313.32	1781.34
Total Amount (Rs. in Crores)	63.68	80.98
Rate / Unit (Rs.)	4.85	4.55

b) Own Generation:

Fuel Oils

Unit (kwh in lacs)	293.80	375.17
Unit / Ltr. of Fuel Oil (kwh)	3.16	2.98
Cost / Unit (Rs.)	4.70	4.40

c) Turbo Generator

Thru Coal

Unit (kwh in lacs)	405.16	645.92
Unit / MT of Coal	748.59	873.38
Cost / Unit (Rs.)	5.03	4.08

2. Coal

Quantity (MT)	166382	174257
Total Amount (Rs. in Crores)	65.72	60.94
Average Rate (Rs./MT)	3950	3497

3. Furnance Oil

Quantity (KL)	5093	25281
Total Amount (Rs. in Crores)	11.57	61.44
Average Rate (Rs./Ltr.)	22.72	24.30

II. Consumption per unit of production:

Electricity (kwh/MT)	928	912
Coal/Furnance Oil	0.54	0.55

D. EXPORT, FOREIGN EXCHANGE EARNINGS AND OUTGO

	Rs. Crores	
	2009-10	2007-09
	(12 Months)	(18 Months)
Foreign Exchange Earnings	361.43	752.36
Foreign Exchange Outgo	820.58	1166.05



ACCOLADES

Corporate & Marketing

1. Hall of Fame Golden Steering Wheel, 2010
2. Recognised as Superbrand 2009-10

Environment

1. CII Energy Management Award 2009
2. CII Water Management Award, 2009
3. Rajasthan Energy Conservation Award 2009
4. National Energy Conservation Award
5. 10th Annual Green Tech Environment Excellence Award, 2009 by Greentech Foundation

Manufacturing

1. Golden Peacock Environment Award, 2009
2. Golden Peacock National Quality Award

HR

1. Certificate of Appreciation from the Secretary Labour, Govt. of India
2. Talent Management Award from Employer Branding Institute, Mumbai
3. National CSR Award for Best Corporate Social Practices Instituted by Bombay Stock Exchange
4. 4th Employer Branding Award, 2009 for Excellence in Training

Export

1. Capexil Top Export Award for the year 2009
2. Export Excellence Award, 2009, Federation of Karnataka, Chambers of Commerce & Industry



MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The Indian economy demonstrated remarkable resilience in withstanding the challenges with the now receding global economic crisis in the year gone by. Prudent fiscal management of the economy by Government of India aided by economic stimuli programs like NREGA, infrastructural development & other measures, put growth back on its trajectory, registering a growth of over 7%. However, a weak monsoon in 2009 impacted the agricultural output leading to inflationary pressures.

TYRE INDUSTRY SCENARIO

The Automotive sector was a great beneficiary of the overall recovery and registered healthy growth, i.e., 38% in commercial vehicle segment and 26% for passenger vehicles. This in turn led to an increase of four-wheeler tyre production by 17%.

Encouraged by the growth forecasts of the Automotive Industry and the resultant tyre demand, the Industry has announced large capital investments of the order of Rs. 20,000 Crores for adding tyre capacities over the next few years.

Raw material prices on the other hand are a cause

of concern with Natural Rubber prices more than doubling in the last 12 months, and Synthetic Rubber and other input prices, also registering significant increases.

JK TYRE – A YEAR OF ACHIEVEMENTS

Progress is a way of life at JK Tyre. In the year gone by, apart from achieving highest sales and profits, the Company crossed many significant milestones.

- Capacity expansion of Truck/Bus Radials (TBR) from 4 Lacs to 8 Lacs tyres per annum with an investment of Rs. 315 Crores becoming fully operational.
- Cumulative sales of TBR tyres in the domestic market crossed 2 million mark and JK Tyre continuing to be India's Number 1 TBR manufacturer, accounting for 75% of Indian Truck/Bus Radial production.
- JK Tyre produced, its first, Ultra Large OTR tyres of 51" size, and 9 feet high, weighing 1.8 tons each. These were delivered to BEML.
- JK Tyre was selected as 'Superbrand', yet again, for the period 2009-10 based on an extensive consumer survey, and selection by the Superbrands Council of India.
- The World's first OnLEVEL flat surface tyre testing machine, capable of doing various performance tests, was installed at HASETRI in association with Company's R&D. The machine, the first of its kind in the world, has enhanced Company's technological capability manifold.

COMMERCIAL TYRE SEGMENT

Production of the medium and heavy vehicle tyres increased by nearly 15%, driven by the increased economic activity in the country.



Mr P.M. Telang, MD, Tata Motors receiving Indian Car of the Year 2010 Award from Dr. Raghupati Singhania.



NO. 1 IN CUSTOMER RELATIONS

Benchmark CRM programme – building strong and lasting bonds

The LCV segment experienced a shift and substantial growth was recorded in sub-one-toner vehicles and the tyres for this application.

JK Tyre increased its output in TBR tyres. The Company maintained its No. 1 position in this fast growing segment and accounts for 75% of India's total TBR production.

TRUCK/BUS TYRES

Company's premium product offerings, such as, 'Jet Xtra', 'Jet R Miles' and 'Jet One' continue to be the segment leaders in the Bias category.

In the TBR segment, new Hi-performance Tubeless

and Rib pattern tyres were introduced. JK Tyre registered its highest sales ever and reigned the market as "Badshah of Radials". Company's 10.00-R-20 Jet Steel tyre continues to enjoy high consumer confidence and demand. JK Tyre's message of "Made in India - Made for India" for TBRs was extensively communicated to customers through dealer plant visits, training programmes for drivers & re-treaders and other consumer communication initiatives. Fleet management programme of the Company is greatly appreciated by its customers.

Company's expanded TBR tyre capacity to 8 Lac tyres per annum became fully effective, and has helped meet the increasing demand for TBR tyres.

Encouraged by the current demand for this product, JK Tyre has undertaken another expansion of its Truck/Bus Radial capacity by further 4 Lac tyres per annum.

LCV TYRES

Focused consumer contact programmes addressing specific needs of the LCV customers were undertaken across the country.



Dr. Raghupati Singhania receiving the JD Power award from Mr. John Humphrey, Senior VP, Global Automotive, J.D. Power & Associates

High performing 'Jet R Miles' tyre was launched for LCVs. The sub-one-ton segment product 'Jumbo Ace' continues to enjoy increasing consumer preference in this segment.

CAR TYRES

JK Tyre continues to be major supplier of PCRs to leading OEMs. Company known for partnering from drawing board stage itself, added General Motors to its list of prestigious customers, with Chevrolet Cruz, the new D segment car riding exclusively on JK Tyre Vectra 'V' rated radials. New Generation Cars like Maruti Ritz, Chevrolet Beat, Fiat Punto, Volkswagen Polo have all rolled out on premium JK Tyre Tubeless Radials.

The Company maintained its aggressive thrust by expanding its nationwide retail chain 'Steel Wheels' for PCRs. Placing emphasis on getting closer to the customer and penetrating the market, new state of the art outlets were established across the country, be it, in Aizawl (Mizoram) or Hissar & Yamunanagar in Haryana, or Tirupati & Nizamabad (AP), or the Metros of Chennai and Mumbai. Road safety programmes conducted in partnership with Society of Indian Automobile Manufacturers (SIAM) & Confederation of Indian Industry (CII), were highly appreciated by the motorists and the authorities alike.

JK Tyre, yet again, was ranked highest in the JD Power Tyre Customer Satisfaction Index for original Tyres in 2009. It continues to enjoy the 'SUPER BRAND' status,



The winners of the 3rd JK Tyre Indo-Bhutan Friendship Rally 2010, with the Foreign Minister of Bhutan, Mr. Lyonpo Ugyen Tshering and Indian Ambassador, Mr. Pavan K Verma

being the only Tyre Company to have received this coveted recognition.

FARM TYRES

In the farm tyre segment, the Company launched 18.4 -30 Sona tyre for Harvester Combine. Extensive consumer awareness program for SONA-1 Tractor tyres, was organized in more than 200 villages. More



than 40,000 tractor owners were benefited from nearly 200 farmer's "Sammelans" organized in villages and mandis.

OTR

JK Tyre continues to command leadership in this segment. Company has introduced, its first, Ultra Large OTR tyre of 51" size, and 9 feet high, weighing 1.8 tons.

The ongoing expansion project for OTR tyres is



Winners of the JK Tyre national Rotax Karting Championship 2009



A.K. Bajoria, President & Director receiving CAPEXIL 'Top Export Award' from Shri Jyotiraditya Scindia, Minister for Commerce & Industry, G.O.I.

progressing well and is expected to be completed by mid 2010. This will further strengthen Company's standing in the OTR segment.

RETREAD BUSINESS

In line with "Customer first - 24x7" policy, yet another initiative was taken by the Company by entering the Retreading segment under the brand "JK TREADS". This will help deliver high value for the Company's products to the customers by enhancing the product life. A nationwide chain of franchisees has been established to reach out to the customers.

GLOBAL PRESENCE

The Company continues to be a leading tyre exporter from India and exports its products across 6 continents to over 80 countries. Apart from exporting tyres from India, 'JK Tyre' and 'Vikrant' brand of tyres are being exported from Company's Mexico plants as well. The Mexican Company also exports tyres in 'Tornel' brand to Northern and Southern American markets.

To meet the needs of the customers, across the markets, the Company continues to outsource different categories of tyres from various countries.

R&D AND TECHNOLOGY

Research and Technology is the cornerstone of your Company's leadership in Tyre Industry more so in

Radial Technology and Ultra Large OTR Tyres.

Multidisciplinary collaborative research work of your Company's in-house R&D with premier academic institutions and research organizations like HASETRI (a Scientific and Industrial Research Organisation) in Material & Rubber Compounds, Predictive Technology, Nano Technology, Eco Drive Initiative, Tyre Characteristics testing and Validation enable superior Products to our valued customers.

Towards this endeavour, your Company's in-house R&D in association with HASETRI has commissioned a state of the art, first of its kind in the world "OnLEVEL" flat surface tyre testing machine capable of a realistic flat road surface tyre testing at computer-controlled speed, load, inflation pressure, steer angle, and camber angle while capturing tire performance data for instant analyses.

'Centre of Excellence' for Tyre and Vehicle Mechanics at IIT-Madras an innovative "Academia Industry Collaboration" continues to deliver world class Predictive Technological capabilities in composite structure analysis. This Centre is a benchmark in Indian Industry for developing future technology.

In-house R&D, 'Centre of Excellence for Tyre and Vehicle Mechanics' at IIT Madras, Test Track at Chennai and the JK Tyre Tech Centre, in association with HASETRI continues to work on cutting edge



Mr Eric Vas, Vice President, Bajaj Auto Ltd. receiving Indian Motorcycle of the Year 2010 Award from Dr. Raghupati Singhania

technology in Product Design, Advanced Finite Element Simulation and Vehicle Dynamics. New Research initiatives in “Eco Friendly Materials”, “Noise Modeling”, “Fracture Mechanics of Rubber” and Tyre Characteristics measurement on OnLEVEL flat surface are the building blocks of product innovations for your Company.

MOTORSPORTS

JK Tyre, as part of its continued vision to promote Motorsports in India has endeavoured sustained efforts to encourage and develop motorsport talents through a structured program. This initiative has yielded success once again for JK Tyre, as its prodigy Karun Chandhok has made it to Formula 1 and is the second JK Tyre prodigy to have joined the coveted grid at the highest echelon of motor sport in the world.

The eagerly awaited JK Tyre National Racing Championship was conducted for the 12th year in succession and the fourth year in a row with new format with Formula LGB Swift, Formula LGB Hyundai, Rolon Formula Chevrolet, Super Saloon and Super Bikes.

This year, JK Tyre has embarked on a unique initiative to take motorsport to every nook and corner of the

country and make it more popular and accessible to the youth. The Company successfully began the talent search programme for young motorsport enthusiasts from remote parts of the country. This innovative programme was kicked off in North-East India.

JK Tyre promoted the BAJA SAE India championship for engineering students for the 3rd year. This year saw remarkable participation from students from 80 leading engineering colleges across the country, which has considerably gone up from 27 colleges in the first year. This unique event is held under aegis of NATRIP, SIAM and ARAI.

The 6th JK Tyre National Rotax Karting Championship was successfully completed. JK Tyre in its constant endeavour to promote motorsports in Indian Subcontinent sponsored ‘The 3rd Indo Bhutan Friendship Car Rally 2010’.

HUMAN RESOURCES DEVELOPMENT

JK Tyre believes that talented and engaged employees are critical differentiators and the competitive advantage for sustaining and growing the business in fierce global competition. Company continued its focus on ‘Talent Strategy & its execution for Business Excellence’. Building strong leadership



JK Tyre Plant, Banmore



NO. 1 IN SERVICE

JK Tyre Care Center located on the highways, offer radial repair, service tyre and other services 24x7



JK Tyre Baja SAE India 2010 winners

capabilities at each level has been your Company's constant endeavour. Towards this end, initiatives such as, 360 feedback and the Executive Coaching and Mentoring for senior leadership, are pursued on an ongoing basis.

Your Company has been appreciated by ILO for work done for "Prevention of HIV / AIDS", Vikrant Tyre Plant was conferred "Employer Branding Award", Banmore Tyre Plant was conferred "ARCH of Excellence Award" by reputed institutions and Kankroli Tyre Plant won "CII Water Management Award 2009".

High performance, talent retention, employee engagement and customer first remained cornerstones of our HR Strategy.

Industrial relations across all plants in your Company remained cordial except at Kankroli Tyre Plant (KTP). Production was disrupted due to slow down followed by illegal strike by the workmen for a period of three months. The strike was thereafter called off and normalcy restored.

FINANCIAL STATEMENT

PARTICULARS	(Rs. Crores)	
	2009-10 (12 months)	2007-09 (18 months)
Sales & Other Income	3971.01	5510.12
Operating Profit (PBIDT)	420.29	313.05
Interest	88.66	157.79
Profit Before Tax (PBT)	245.68	41.91
Provision for Tax/(Credit)	82.21	22.86
Net Profit	163.47	19.05

During the year, the Company recorded its highest ever sales and net profit. Since April 2009, the raw material costs have gone up significantly. The



Tornel, Mexico

Company could mitigate a part of its effect through increased efficiencies.

INTERNAL CONTROL SYSTEM

The philosophy of the Company with regard to adequacy of internal control system has been the formulation of effective systems and their strict implementation to ensure that assets and interests of your Company are safeguarded, checks and balances are put in place to determine the accuracy and reliability of financial data. Your Company has an Internal Audit Department which prepares the audit programmes of all Units/Offices to cover significant areas to ensure conformance with internal checks and controls. The Internal Audit Department carries out extensive audits throughout the year covering all areas of operations and the reports are reviewed by senior management and placed before Audit Committee of the Board of Directors alongwith actions taken.

Management Information System (MIS) is the

backbone of the Company's review and monitoring system. All the efficiency parameters are reviewed with reference to the annual targets and budgets.

Annual budgets and targets are placed before the Board and material deviations are reported to the



JK Tyre BAJA SAE 2009 Championship

Board on quarterly basis. Effective budgetary control system is in place and has resulted into significant savings.

CAUTIONARY STATEMENT

"Management Discussion and Analysis Report" contains forward-looking statements, which may be



Mera Sapna painting competition organized for children of LCV owners and drivers



Greentech Environment Gold Award received by D. Ganguli, Vikrant Tyre Plant, Mysore

identified by the use of the 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.

JK Tyre as a responsible corporate citizen believes in caring for the society and the environment which has provided it support and resources required for its continued existence and growth.

Over the years, JK Tyre has been partnering action towards this cause by supporting various social and community initiatives in the field of health-care, social, cultural and educational programmes.



Fleet owners visit Truck Radial Plant

Besides focusing on the welfare of economically and socially deprived sections of society, JK Tyre also works towards development of techno-economically viable and environment-friendly products for the benefit of millions of its consumers.



SOCIAL RESPONSIBILITY & COMMUNITY SERVICE

JK Tyre has always believed in 'Caring for the Society'. Over the years, extensive Corporate Social Responsibility programmes have been initiated reaching out to those sections of society who are less privileged in the vital areas of education, adult literacy, health, environmental protection, social infrastructure & sports.

HEALTH CARE

The old adage 'Health is Wealth' is acquiring larger significance than ever before and is vital for human development. Many initiatives have been undertaken especially in the vicinity of our plants where public health facilities need to be augmented. Doorstep health care is provided by medical and para medical personnel in well equipped mobile vans, which go around the villages as per a predetermined schedule. These services are well received by the community around the Kankroli Plant.

The "Parivartan" programme is focused on special services for maternal and child health care in the adopted villages in addition to the primary objective of counseling and motivating the community members on issues relating to family welfare and birth control.

Eye Care facilities have been provided by way of active participation in eye checking camps at various locations including sensitization on the effect of diabetes on ocular health.



Parivartan project for the special care of mother - child, as well as for health and care in rural areas

The scourge of AIDS has afflicted many sections of society largely on account of lack of awareness on prevention and subsequently timely medical care. Truck drivers by virtue of the nature of their job are particularly vulnerable. Recognising this JK Tyre in partnership with the TCI Foundation (supported by Bill & Melinda Gates foundation) continues to provide Free Care through 'Jeevan Kiran Clinics' at major transport clusters as well as disseminate information through roadside events on AIDS and STIs. More than 13000 people availed this facility during the year.

Furthermore, AIDS awareness Programmes have been conducted for Company employees across the organization.

Single unit Light Commercial Vehicle owners are bread winners for their families and work for long hours, often at the cost of their health. Simple ailments remain unattended. JK Tyre has adopted more than 66 LCV Union stands where health check up camps have been conducted. Similar facilities have been made available to their families. Children of LCV owners were encouraged to display their painting skills in a nationwide painting competition and regional winners were brought to Delhi.

Medical care is not provided only in out flung areas. In Delhi, the Company has promoted a super specialty hospital "Pushpawati Singhanian Research Institute for Liver, Renal & Digestive Diseases" which in addition to



Pushpawati Singhanian Research Institute, New Delhi



the public at large also provides specialized medical care to economically weaker sections of society .

ADULT LITERACY & EDUCATION

We believe that quality of life improves with literacy. At JK Tyre, Adult Literacy was recognized as an area



Child literacy program

where much could be contributed to society. In a major social initiative JK Tyre has focused on enabling adult literacy to the communities in the vicinity of the Plant locations at Kankroli in Rajasthan, Mysore in Karnataka and Banmore in Madhya Pradesh. Literacy is provided in vernacular languages and this programme is supported by advanced techniques like Computer Based Functional Literacy. Five Centres have been established with adequate infrastructure and faculty for this purpose. Special attention is provided to the upliftment of woman in rural areas through this programme.

JK Tyre supports Ekal Vidyalayas (Schools) in 7 different interior adivasi villages around Kankroli Plant in Rajasthan. These Vidyalyas provide education both to the young boys & girls as also to the adults.

JK Tyre actively supports Lakshmipat Singhania School, located at Jaykaygram, Kankroli. Children of employees and from diverse social strata are able to avail the best possible educational facilities.

SPORTS

Encouraging Excellence has always been a way of life at JK Tyre. Through a structured Motor Sports programme individuals are identified, encouraged and provided the best possible opportunities to develop and showcase their talent. They have not only earned individual laurels but brought glory to the country. JK Tyre prodigies Karun Chandhok (F1 driver), Armaan Ebrahim (F2 driver), Narain Karthikeyan are but a few who have reached heights where no Indians have gone before. Many other emerging talents are following the footsteps of their seniors. Through this programme it is possible for any youngster from any part of the country to participate in Motor sports.

Students from leading engineering colleges have been provided a platform through the JK Tyre SAE BAJA meet in association with NATRIP to develop their skills in automotive engineering. Many such students are doing well in the Automotive Industry today.

The brave soldiers of the Indian Army guard our frontiers. In a unique partnership initiative with the



Rural olympics at Kila Raipur sponsored by JK Tyre

Indian Army, JK Tyre has supported the establishment of two Karting Tracks at the Cantonments of Guwahati and Udampur(J&K). At these circuits all Officers and Jawans and their families can enjoy karting. JK Tyre also supports Rural sports like kabaddi.



JK Tyre Environment Friendly Car Rally inaugurated by Smt. Shiela Dixit, Chief Minister of Delhi

ENVIRONMENT

Sustainable development while safe guarding the environment has been a prime focus area at JK Tyre. Towards this end, extensive tree plantations have been undertaken in and around the manufacturing facilities to improve and enhance the ecological balance.

Industry benchmarked practices are followed at all our plants and conservation of natural resources accorded importance. This has been recognised by various awards from the Govt of India , such as :

- Golden Peacock Environment Award to Banmore Plant, and
- National Energy Conservation Award
- Rajasthan Energy Conservation Award
- CII Energy Management Award
- CII Water Management Award

bestowed on Kankroli Plant.

Being pioneers of radials in India, JK Tyre has significantly contributed through its world class radial products and has enabled consumers to derive higher fuel efficiencies while driving.

JK Tyre is proud to have been associated with the first ever rally of Eco Friendly Vehicles (EFVs) which was held at New Delhi on the occasion of the fourth world conference of EFVs held under the aegis of the Ministry of Heavy Industry for the first time in India.

ROAD SAFETY

With increasing vehicle population and daily pressures of life it is becoming more important to create awareness on Road Safety . JK Tyre continues to undertake various activities in association with the Delhi Traffic Police, Automobile Association of Upper India(AAUI) and Society for Automotive Fitness and Environment(SAFE) with active participation in the National Road Safety week.



JK Tyre Prodigies, Armaan Ebrahim, F 2 driver, Karun Chandhok, F1 and Aditya Patel, Sirocco-cup.

To sum up, it is the organisational philosophy to be a responsible corporate citizen and pay back to society by way of making consistent and humble endeavours to contribute to overall social well being by deploying both financial and non financial means.



A.K. Bajoria, President & Director alongwith the representatives of the workmen handing over employees contribution towards "Calamity Relief Fund" to the Chief Minister



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximising long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate

Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Eleven Directors of which five are Executive Directors, six Non-executive Directors (NED), out of which five are Independent Directors (IND). The Chairman is Non-executive. Four Board Meetings were held during the 12 months period from 1st April 2009 to 31st March 2010 i.e., on 29th April 2009, 16th July 2009, 30th October 2009 and 20th January 2010. Attendance and other details are as given below:

Name of the Director	Category	Number of Board Meetings Attended	Whether last AGM attended	No. of other Directorships and Committee Memberships/ Chairmanships		
				Directorships \$	Committee Memberships**	Committee Chairmanships**
Shri Hari Shankar Singhania, Chairman	NED	4	Yes	3	-	-
Dr. Raghupati Singhania, Vice Chairman & Managing Director	Executive	4	Yes	7	2	1
Shri Arvind Singh Mewar	IND	3	Yes	-	-	-
Shri Bakul Jain	IND	3	Yes	2	1	-
Shri G.B. Pande (LIC Representative)*	IND	4	No	1	-	-
Shri O.P. Khaitan	IND	4	Yes	8	6	2
Dr. T.K. Mukhopadhyay (IDBI Nominee) *	IND	4	Yes	-	-	-
Shri Bharat Hari Singhania, Managing Director	Executive	4	No	4	1	-
Shri Vikrampati Singhania, Dy. Managing Director	Executive	4	Yes	3	1	1
Shri S.C. Sethi, Whole- time Director	Executive	4	Yes	5	5	1
Shri Arun K. Bajoria, President & Director @	Executive	1	Yes	-	-	-
Shri N.C. Muniyappa, IAS •	IND	1	Yes	N.A.	N.A.	N.A.
Shri V. Madhu, IAS •	IND	-	N.A.	N.A.	N.A.	N.A.

* Lender/Investor.

@ Shri Arun K. Bajoria, President of the Company was appointed as Whole-time Director with the designation 'President & Director' w.e.f. 20th January 2010.

• Shri N.C. Muniyappa, IAS –Representing KSIIIDC (Investor) has ceased to be a Director of the Company w.e.f. 20th January 2010. Shri Muniyappa was earlier appointed as Additional Director w.e.f. 16th July 2009 in place of Shri V. Madhu, IAS.

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

** Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

N.A. Not Applicable.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and steps taken by the Company to rectify instances of non-compliances, if any.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors). In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company and the same is available on the website (www.jktyre.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Vice Chairman & Managing Director.

3. AUDIT COMMITTEE :

The Company has an Audit Committee of Directors since 1986. The 'Terms of Reference' of the Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The 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 year ended 31st March 2010.

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

Date of the Meeting	Number of Members attended
29 th April 2009	4
16 th July 2009	4
30 th October 2009	4
20 th January 2010	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	4
Shri A.S. Mewar	Member	3
Dr. T.K. Mukhopadhyay	Member	4
Shri S.C. Sethi	Member	4

The Chief Finance Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. All the Committee meetings were attended by the Statutory Auditor.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Company has Shareholders/ Investors Grievance 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 of the Committee is in conformity with Clause 49 of the Listing Agreement. Four meetings of the said Committee were held during the year ended 31st March 2010.

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

Date of the Meeting	Number of Members attended
29 th April 2009	4
16 th July 2009	4
30 th October 2009	4
20 th January 2010	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 G.B. Pande	Chairman	4
Shri O.P. Khaitan	Member	4
Shri Vikrampati Singhania	Member	4
Shri S.C. Sethi	Member	4



Shri P K Rustagi, Vice President (Corp. Laws) & Company Secretary is the Compliance Officer. There were three Investor Grievances during the year 2009-10. All the complaints were settled to the satisfaction of the 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 year ended 31st March 2010, 23 Meetings of this Committee were held.

5. REMUNERATION COMMITTEE (Non-Mandatory)

Remuneration Committee comprising of Shri O.P. Khaitan (Chairman of the Committee), Shri Arvind Singh Mewar and Dr. T.K. Mukhopadhyay, all being Non-executive Independent Directors was constituted on 29th April 2009, to consider and approve annual increment in the salary of Dy. Managing Director.

Again for considering, determining and recommending remuneration of the Executive Directors to the Board, a Remuneration Committee was constituted on 23rd October 2009, having a tenure of one year comprising of Shri O.P. Khaitan (Chairman of the Committee), Shri Arvind Singh Mewar and Dr. T.K. Mukhopadhyay, all being Non-executive Independent Directors.

6. REMUNERATION PAID TO DIRECTORS:

i) Executive Directors: The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the year ended 31st March 2010 to the Vice Chairman & Managing Director, Managing Director, Dy. Managing Director, Whole-time Director and President & Director is as follows; Dr. Raghupati Singhania Rs. 209.29 Lacs plus Rs. 552.63 Lacs payable as Commission, Shri Bharat Hari Singhania Rs. 15.14 Lacs plus Rs. 552.63 Lacs payable as Commission, Shri Vikrampati Singhania

Rs. 177.83 Lacs plus Rs. 552.63 Lacs payable as Commission, Shri S.C. Sethi Rs. 78.01 Lacs plus Rs. 36.00 Lacs payable as Commission and Shri Arun K. Bajoria Rs. 26.22 Lacs plus Rs. 7.16 Lacs payable as Commission. In case of Shri Arun K. Bajoria, the remuneration including commission is for the period from 20th January to 31st March, 2010 i.e., from the date of his appointment as "President & Director".

The Company does not have any Stock Option Scheme. In the case of Whole-time Director and President & Director, notice period is six months. Severance Fees for the Vice 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 Rs. 8.65 Lacs to all Non-executive Directors for attending the meetings of the Board and / or Committees thereof. In addition to sitting fees, commission payable to Shri Hari Shankar Singhania, Chairman is Rs. 150.00 Lacs and Rs. 8.00 Lacs to each of the other Non-executive Directors and Rs. 6.50 Lacs to Representatives of KSIIDC (proportionate).

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

The number of Equity Shares (Shares) held by the Non-executive Directors as on 31st March 2010 are: Shri Hari Shankar Singhania - 1,49,840 Shares, Shri Arvind Singh Mewar - Nil Shares, Shri Bakul Jain - 1,200 Shares, Shri G.B. Pande - Nil Shares, Shri O. P. Khaitan - 2,736 Shares and Dr. T.K. Mukhopadhyay - Nil Shares. The Company does not have any outstanding convertible instruments.

7. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2005-2006	Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020	28.03.2007	11.30 A.M.
2006-2007	Same as above	26.03.2008	3.00 P.M.
2007-2009	Same as above	31.08.2009	11.30 A.M.

Three Special Resolutions were passed at the last AGM (2009). One Special Resolution was passed at the AGM held in 2008 and Four Special Resolutions were passed in the AGM held in 2007.

No Special Resolutions were required to be put through postal ballot during the year.

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

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

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no cases of non-compliance of any matter related to capital markets during the last three years.

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

means of a properly defined framework.

9. MEANS OF COMMUNICATION:

Quarterly, half-yearly and annual results are published in leading English Newspapers and also in a Bengali language Newspaper (published from Kolkata). The said results are promptly furnished to the Stock Exchanges for display on their respective websites and are also displayed on the Company's website- 'www.jktyre.com'.

Management Discussion & Analysis forms part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION:

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

(ii) Annual General Meeting (AGM)

(a) Date, Time & Venue Saturday, 14th August 2010 at Shripati Singhanian Hall, Rotary Sadan, 94/2, Jawahar Lal Nehru Road (Chowringhee Road), Kolkata – 700 020 at 11.45 a.m.

(b) As required under Clause 49(IV)(G)(i), a brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

(iii) Financial Calender (tentative)

Financial Reporting for the quarter ending :

- | | |
|---|--|
| • 1 st Quarter ending June 30, 2010 | } Within 45 days of the end of the quarter |
| • 2 nd Quarter ending September 30, 2010 | |
| • 3 rd Quarter ending December 31, 2010 | |
| • 4 th Quarter ending March 31, 2011 | } Within 60 days of the end of the 4 th quarter |



- Annual General Meeting for the financial year 2010-11 Between July and September 2011

(iv) Dividend Payment Date During August–September 2010

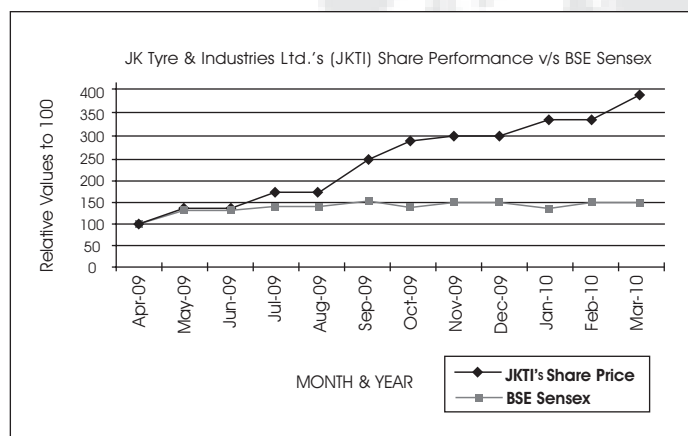
(v) Date of Book Closure 9th August to 14th August, 2010

(vi) Listing on Stock Exchanges The Equity Shares of the Company are listed on Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The annual listing fees for the financial year 2010-11 has been paid to all the aforesaid Stock Exchanges.

(vii) Security Code for Company's Equity Shares on Stock Exchanges and ISIN No. BSE – 530007, NSE – JKTYRE and Calcutta – 10020252 ISIN No.INE573A01034.

(viii) Stock Market Price Data

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April-09	54.00	35.00	59.00	34.15
May-09	75.60	52.80	76.00	52.00
June-09	77.20	64.25	77.50	63.70
July-09	93.90	67.00	94.30	67.30
August-09	95.20	86.75	95.50	85.50
September-09	141.90	88.25	141.45	88.00
October-09	166.70	124.10	166.40	123.65
November-09	171.00	144.10	168.90	142.25
December-09	164.00	147.00	164.00	142.35
January-10	180.75	154.00	180.45	151.00
February-10	187.20	167.00	187.45	162.00
March-10	235.70	171.60	211.35	168.00



(ix) Distribution of Shareholding (as on 31.3.2010):

No. of Equity Shares Held	No. of Shares		Share holders	
	Total	% of Total	Number	% of Total
1-250	1267858	3.09	21331	88.48
251-500	540776	1.32	1470	6.10
501-1000	499447	1.21	658	2.73
1001-5000	1012732	2.47	471	1.95
5001-10000	449363	1.09	61	0.25
10001 & above	37289170	90.82	117	0.49
Total	41059346	100.00	24108	100.00

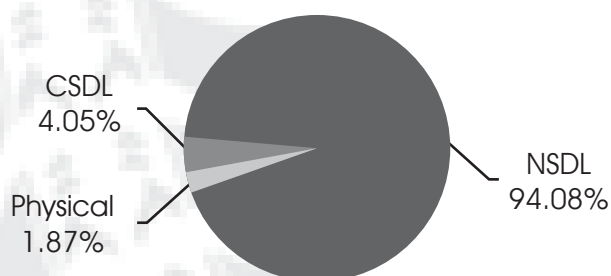
(x) Share Transfer System

The transfer/transmission of shares in physical form is normally processed and completed within a period of 15-20 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited(NSDL)/ Central Depository Services (India) Limited(CDSL) through the respective Depository Participants.

(xi) Dematerialisation of Shares and liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may dematerialise their holdings with any one of the Depositories, namely - NSDL and CDSL. The Equity Shares of the Company are actively traded on BSE and NSE. In respect of shares held in demat form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the shareholders have opened their Demat Account.

Shares held in Demat Form
with NSDL & CDSL and in Physical Form
as on 31st March 2010



As on 31st March 2010, 98.13% of the Equity Shares are held in dematerialized form.

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

(xiii) Plant Locations

- (i) Jaykaygram, Rajasthan
- (ii) Banmore, Madhya Pradesh
- (iii) Mysore Plant I , Karnataka
- (iv) Mysore Plant II, Karnataka
- (v) Mysore Plant III, Karnataka

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

1. Vice President (Corp.Laws) & Secretary

JK Tyre & Industries Ltd.
Secretarial Department
Gulab Bhawan
6A, Bahadur Shah Zafar Marg,
New Delhi -110 002.
Ph. 011-30179260
Email: investorjktyre@jkmil.com

2. Registrar & Share Transfer Agent

Alankit Assignments Ltd.
Alankit House
2E/21, Jhandewalan Extension,
New Delhi-110055 (India)
Phone: 91-11-42541234, 91-11-23541234
Fax No: 91-11-42541967
Email: rta@alankit.com
Website: www.alankit.com

11. DECLARATION :

It is hereby declared that all the members of the Board and 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 2010.

Dr. Raghubati Singhania

Vice Chairman & Managing Director



12. AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE :

To

The Members of JK Tyre & Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by JK Tyre & Industries Ltd. for the financial year ended 31st March 2010, 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 Firm Registration No.: 301051E
Dated: 25th May, 2010 Membership No.85155

Disclosure of names of persons constituting group in relation to JK Tyre & Industries Ltd. pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997

JK Lakshmi Cement Ltd., JK Paper Ltd., Fenner (India) Ltd., BMF Investments Ltd., Southern Spinners and Processors Ltd., Modern Cotton Yarn Spinners Ltd., JK Agri Genetics Ltd., Florence Alumina Ltd., JK Plant Bio Sciences Research Ltd., Natext Biosciences Pvt. Ltd., JK Sugar Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal Kamlapat Udyog Ltd., Pranav Investment (M.P.) Company Ltd., Param Shubham Vanijya Ltd., J.K. Credit & Finance Ltd., Accurate Finman Services Ltd., Bhopal Udyog Ltd., Sago Trading Ltd., Rouncy Trading Pvt. Ltd., J.K. Risk Managers and Insurance Brokers Ltd., JK Enviro-Tech Ltd., Panchmahal Properties Ltd., Acron Engineering Ltd., Elate Builders Pvt. Ltd., LVP Foods Pvt. Ltd., CliniRx Research Pvt. Ltd., Saptrishi Consultancy Services Ltd., Dwarkesh Energy Ltd., Hansdeep Industries and Trading Company Ltd., Songadh Infrastructure & Housing Ltd., Jaykaypur Infrastructure & Housing Ltd., Umang Dairies Ltd., M/s Habras International, M/s Juggilal Kamlapat Lakshmipat and Directors of the promoter group and their relatives.

AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of JK Tyre & Industries Limited as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) (The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (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 enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) As per the information and explanations given to us, none of the directors of the Company is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon, 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:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and

- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & CO.
Chartered Accountants

N. K. LODHA
Partner

Firm Registration No. 301051E
Membership No. 85155

New Delhi, the 25th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (1) of our Report of even date of JK Tyre & Industries Limited for the year ended 31st March, 2010

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 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.
 - (c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
2.
 - (a) The Inventory of the Company (except stock lying with third parties and in transit, for which confirmations have been received / materials received) has been verified by the Management at reasonable intervals.
 - (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. The Company has neither granted nor taken any loan, secured or unsecured to and from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the Management, during the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations provided by the Management and based upon audit procedures performed, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section and the transactions made in pursuance of such contracts or arrangements (exceeding the value of five lacs rupees in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.



6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
 7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
 8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
 9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2010.
 - (b) According to the records and information & explanations given to us, there are no dues in respect of Wealth tax and Cess that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Income tax, Sales tax, Custom duty, Excise duty and Service tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:
- | Name of the Statute | Nature of the dues | Amount (Rs. in Lacs) | Forum where dispute is pending |
|---|--------------------|----------------------|--------------------------------|
| Income Tax Act | Income Tax | 284.99 | CIT (Appeals) |
| Sales Tax Act | Sales Tax | 1.32 | Deputy Commissioner |
| | | 51.03 | Deputy Commissioner (Appeals) |
| | | 0.04 | Joint Commissioner |
| | | 0.96 | Tribunal |
| | | 2.12 | High Court |
| Central Excise Act | Excise Duty | 53.03 | Commissioner (Appeals) |
| | | 95.51 | Additional Commissioner |
| | | 182.47 | CESTAT |
| | | 16.00 | High Court |
| | | 19.68 | Supreme Court |
| Custom Act | Custom Duty | 241.15 | Supreme Court |
| Finance Act | Service Tax | 13.58 | Commissioner (Appeals) |
| | | 83.80 | Deputy Commissioner |
| | | 61.32 | CESTAT |
| The Rajasthan Tax on Entry of Goods into Local Area Act, 1999 | Entry Tax | 83.65 | High Court |
10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
 11. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
 12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
 15. According to the information and explanations given to us, the Company has given guarantee for loan taken by a body corporate from Bank as stated in Note no. B 6 of Schedule 14. In our opinion, the terms and conditions on which the Company has given guarantee for loan taken by others from bank are not prima facie prejudicial to the interest of the Company. However, the Company has not given any guarantee for loans taken by others from Financial Institutions.
 16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
 17. On the basis of information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term investment.
 18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties or companies covered in the Register maintained under section 301 of the Companies Act, 1956.
 19. On the basis of records made available to us and according to the information and explanations given to us, the Company has created securities as stated in footnote (1) of Schedule 3 in respect of debentures outstanding during the year.
 20. We have verified the end use of money raised by the right issue as disclosed in the note no. B 1 of Schedule 14.
 21. Based on the audit procedure performed and on the basis of information and explanations provided by the Management, no fraud on or by the Company has been noticed or reported during the course of the audit.

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner
Firm Registration No. 301051E
Membership No. 85155

New Delhi, the 25th May, 2010

Read with note no. B 13 of Schedule 14.

BALANCE SHEET

AS AT 31st MARCH 2010

Rs. in Crores (10 Million)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
CAPITAL	1	41.06	41.06
RESERVES AND SURPLUS	2	652.36	534.77
		693.42	575.83
LOANS			
SECURED LOANS	3	433.33	850.31
UNSECURED LOANS		426.85	251.49
		860.18	1101.80
DEFERRED TAX		139.10	111.67
		1692.70	1789.30
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	2561.90	2270.38
LESS: DEPRECIATION		1209.13	1101.50
NET BLOCK		1352.77	1168.88
CAPITAL WORK IN PROGRESS		132.02	240.19
		1484.79	1409.07
INVESTMENTS	5	90.24	89.75
CURRENT ASSETS, LOANS AND ADVANCES	6	1212.67	1095.30
LESS: CURRENT LIABILITIES AND PROVISIONS	7	1095.00	810.03
NET CURRENT ASSETS		117.67	285.27
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		-	5.21
		1692.70	1789.30

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

14

Schedules 1 to 7 and 14 attached to the Balance Sheet are an integral part thereof.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

H.S. SINGHANIA
Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
ARVIND SINGH MEWAR
BAKUL JAIN
G.B. PANDE
OM PRAKASH KHAITAN
Dr. T.K. MUKHOPADHYAY
ARUN KUMAR BAJORIA
S.C. SETHI
VIKRAMPATI SINGHANIA

Chairman
Vice Chairman & Managing Director
Managing Director

Directors

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

Rs. in Crores (10 Million)

	Schedule	2009-2010 (12 Months)	2007-2009 (18 Months)
INCOME			
SALES		3956.29	5490.32
LESS: EXCISE DUTY		278.59	586.71
OTHER INCOME	8	14.72	19.80
INCREASE / (DECREASE) IN FINISHED GOODS	9	(72.67)	(35.92)
		<u>3619.75</u>	<u>4887.49</u>
EXPENDITURE			
MATERIALS AND MANUFACTURING	10	2554.02	3806.22
EMPLOYEES	11	253.98	294.99
FREIGHT AND TRANSPORTATION		94.64	148.90
OTHER EXPENSES	12	296.82	324.33
		<u>3199.46</u>	<u>4574.44</u>
OPERATING PROFIT (BEFORE INTEREST & DEPRECIATION)		420.29	313.05
INTEREST	13	88.66	157.79
PROFIT BEFORE DEPRECIATION		331.63	155.26
DEPRECIATION		109.42	148.49
TRANSFER FROM CAPITAL RESERVE		23.47	35.14
PROFIT BEFORE TAX		245.68	41.91
PROVISION FOR CURRENT TAX		54.78	12.42
MAT CREDIT ENTITLEMENT		-	(0.73)
DEFERRED TAX		27.43	6.35
PROVISION FOR FRINGE BENEFIT TAX		-	4.82
PROFIT AFTER TAX		163.47	19.05
TAX PROVISION FOR EARLIER YEAR		0.29	-
DEBENTURE REDEMPTION RESERVE NO LONGER REQUIRED		5.63	13.36
SURPLUS FROM PREVIOUS YEAR		27.23	25.11
		<u>196.04</u>	<u>57.52</u>
APPROPRIATIONS			
DEBENTURE REDEMPTION RESERVE		1.01	7.32
GENERAL RESERVE		100.00	10.00
PROPOSED DIVIDEND		14.37	11.09
CORPORATE DIVIDEND TAX		2.39	1.88
SURPLUS CARRIED TO BALANCE SHEET		78.27	27.23
		<u>196.04</u>	<u>57.52</u>
BASIC / DILUTED EARNINGS PER SHARE (Rs.) - CASH		67.36	40.18
- AFTER TAX		39.74	5.52

Schedules 8 to 14 attached to the Profit & Loss Account are an integral part thereof.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

H.S. SINGHANIA	<i>Chairman</i>
Dr. RAGHUPATI SINGHANIA	<i>Vice Chairman & Managing Director</i>
BHARAT HARI SINGHANIA	<i>Managing Director</i>
ARVIND SINGH MEWAR	
BAKUL JAIN	
G.B. PANDE	
OM PRAKASH KHAITAN	<i>Directors</i>
Dr. T.K. MUKHOPADHYAY	
ARUN KUMAR BAJORIA	
S.C. SETHI	
VIKRAMPATI SINGHANIA	

New Delhi, the 25th May, 2010

Schedule 1

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

SHARE CAPITAL**Authorised:**

Equity Shares -12,50,00,000 of Rs. 10 each	125.00	125.00
14% Cumulative Redeemable Preference Shares - 7,00,000 of Rs. 100 each	7.00	7.00
Preference Shares - 48,00,000 of Rs. 100 each	48.00	48.00
	<u>180.00</u>	<u>180.00</u>

Issued, Subscribed and Paid up:

Equity Shares - 4,10,59,346 of Rs. 10 each fully paid up (Previous year 4,10,59,346 equity shares of Rs. 10 each)	41.06	41.06
	<u>41.06</u>	<u>41.06</u>

Includes 33,750 Bonus shares by way of capitalisation of reserves and 86,51,639 shares issued to the shareholders of erstwhile Vikrant Tyres Ltd. pursuant to the Scheme of Arrangement and Amalgamation without payment being received in cash.

Schedule 2	31.03.2009	Additions	Transfers	Rs. in Crores (10 Million) 31.03.2010
RESERVES AND SURPLUS				
Capital Reserve	130.81	-	23.47 (a)	107.34(b)
Capital Redemption Reserve	7.00	-	-	7.00
Debenture Redemption Reserve	8.80	1.01	5.63	4.18
Securities Premium	225.59	-	5.36 (c)	220.23
General Reserve	135.34	100.00	-	235.34
Surplus in Profit and Loss Account	27.23	51.04	-	78.27
	<u>534.77</u>	<u>152.05</u>	<u>34.46</u>	<u>652.36</u>

(a) Transfer to Profit and Loss Account Rs. 23.47 crs. towards additional depreciation arising out of revaluation of Fixed Assets.

(b) Represents revaluation reserve.

(c) Provision for premium on redemption of Zero Coupon Non-Convertible Debentures.



Schedule 3

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

LOANS

SECURED LOANS

Zero Coupon Non-Convertible Debentures	14.70	35.23
Term Loans:		
Financial Institutions	4.11	16.23
Banks	267.61	304.08
Others	81.12	50.77
Other Loans from Banks	18.78	384.22
Deferred Sales Tax	47.01	59.78
	<u>433.33</u>	<u>850.31</u>

UNSECURED LOANS

Fixed Deposits	74.43	39.85
Deferred Sales Tax	83.46	60.97
Short Term Loans - Banks	268.96	150.67
	<u>426.85</u>	<u>251.49</u>

NOTES:

- 63389 Zero Coupon Non-Convertible Debentures (ZCNCDs) of Rs. 10,000 each issued to a Bank, outstanding amount Rs. 4.55 crs., are secured by first pari passu charge created on the specified property of Gujarat and movable and immovable properties of Company's Plants in Rajasthan and Madhya Pradesh, both present and future. These debentures are redeemable at premium based on a YTM of 13.5% p.a. upto 30.06.2005 and a YTM of 9% p.a. w.e.f. 01.07.2005 with quarterly rests in five instalments at the end of 3 to 7 years from the respective dates of payment of allotment money / call money.
 - 12856 Zero Coupon Non-Convertible Debentures (ZCNCDs) of Rs. 10,000 each issued to a Bank, outstanding amount Rs. 0.96 cr., are secured by first pari passu charge created on the specified property of Gujarat and movable and immovable properties of Company's Plants in Rajasthan and Madhya Pradesh, both present and future. These debentures are redeemable at premium based on a YTM of 13.5% p.a. with quarterly rests in five instalments at the end of 3 to 7 years from the respective dates of payment of allotment money / call money.
 - 27353 Zero Coupon Non-Convertible Debentures (ZCNCDs) of Rs. 10,000 each issued to a Bank, outstanding amount Rs. 6.89 crs., are secured by first pari passu charge created on the specified property of Gujarat and movable and immovable properties of Company's Plants in Karnataka, both present and future. These debentures are redeemable at premium based on a YTM of 13.75% p.a. upto 30.06.2005 and a YTM of 9% w.e.f. 01.07.2005 with quarterly rests in five instalments at the end of 3 to 7 years from the respective dates of payment of allotment money / call money.
 - 9057 Zero Coupon Non-Convertible Debentures (ZCNCDs) of Rs. 10,000 each issued to Financial Institutions, outstanding amount Rs. 2.30 crs., are secured by first pari passu charge created on the specified property of Gujarat and movable and immovable properties of Company's Plants in Karnataka, both present and future. 2656 ZCNCDs are redeemable at premium based on a YTM of 13.75% p.a. and 6401 ZCNCDs are redeemable at premium based on a YTM of 13.75% p.a. reduced to a YTM of 9% p.a. during January, 2006 to March, 2006 with quarterly rests in five instalments at the end of 3 to 7 years from the respective dates of payment of allotment money / call money.
- Term Loan of Rs. 20 crs. from a Bank is secured by a first pari passu charge created / to be created on movable and immovable properties of Company's Plant in Madhya Pradesh, both present and future.
- Term Loans aggregating Rs. 2.62 crs. from Financial Institutions and Rs. 6.46 crs. from Banks are secured by a first pari passu charge created on movable and immovable properties of the Company's Plants in Rajasthan and Madhya Pradesh, both present and future. Loan of Rs. 4.50 crs. (comprised in Rs. 6.46 crs. above) from a Bank is also secured by exclusive hypothecation of specified Book Debt.

4. Term Loans aggregating Rs. 33.25 crs. from Banks are secured by a first pari passu charge created on movable and immovable properties of the Company's Plants in Rajasthan, Madhya Pradesh and Karnataka, both present and future.
5. Term Loans aggregating Rs. 1.49 crs. from Financial Institutions and Rs. 1.99 crs. from Banks are secured by a first pari passu charge created on movable and immovable properties of Company's Plants in Karnataka, both present and future.
6. Term Loans aggregating Rs. 186.49 crs. from Banks are secured by a first pari passu charge created on movable and immovable properties of Company's Truck Radial 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.
7. Term Loan of Rs. 19.25 crs. from a Bank is secured by an exclusive charge by way of hypothecation of specified assets at Company's Plants in Rajasthan, Madhya Pradesh and Karnataka.
8. Term Loan of Rs. 0.17 cr. from a Bank and Rs. 0.23 cr. from a body corporate are secured by hypothecation of specified vehicles.
9. Term Loan of Rs. 80.89 crs. from a body corporate will be secured by way of hypothecation on the specified assets at Company's new plant being set up in Karnataka.
10. Other Loans from banks represent Working Capital borrowings aggregating Rs. 18.78 crs. secured by hypothecation of stocks and book debts etc., both present and future of the Company (except specified book debt exclusively hypothecated to a bank against Term Loan as referred to in note no. 3) and second charge created / to be created on movable and immovable properties of the Company's Plants in Rajasthan, Madhya Pradesh and Karnataka.
11. Term Loans carrying first pari passu charge on the movable and immovable properties, are subject to prior charge of banks on stocks and book debts for working capital borrowings.
12. (a) Deferred Sales Tax Loan aggregating Rs. 42.78 crs. from Madhya Pradesh State Industrial Development Corporation Limited is secured by first available charge on movable and immovable properties created subject to charges referred to in note 1(a & b), 2, 3, 4, 6 & 7 on movable and immovable properties of Company's Plant in Madhya Pradesh.
(b) Deferred Sales Tax Loan aggregating Rs. 4.23 crs. from Government of Karnataka subordinated to loans from Financial Institutions, is secured by a second charge on immovable properties of the Company's Plant in Karnataka.

Schedule 4

FIXED ASSETS

Rs. in Crores (10 Million)

Assets	Gross Value				Depreciation				Net Value	
	As at 31.03.2009	Additions	Sales/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the year	Sales/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land - Freehold	12.60	-	-	12.60	-	-	-	-	12.60	12.60
- Leasehold	10.70	-	0.02	10.68	0.77	0.11	-	0.88	9.80	9.93
Buildings*	229.38	30.60	-	259.98	52.70	6.06	-	58.76	201.22	176.68
Plant & Machinery	1971.39	252.44	0.77	2223.06	1030.18	98.60	0.50	1128.28	1094.78	941.21
Office Equipments, Furniture & Fixtures	24.48	2.27	0.28	26.47	11.48	1.14	0.08	12.54	13.93	13.00
Vehicles	14.50	5.58	2.75	17.33	4.53	1.38	1.21	4.70	12.63	9.97
Intangible Assets - Software#	7.33	4.45	-	11.78	1.84	2.13	-	3.97	7.81	5.49
	2270.38	295.34	3.82	2561.90	1101.50	109.42	1.79	1209.13	1352.77	1168.88
Previous year 2007-09	2156.07	124.54	10.23	2270.38	957.27	148.49	4.26	1101.50	1168.88	-

* Buildings include Rs. 2.05 crs. constructed on lease land, 274 shares held in co-operative housing societies and property worth Rs. 0.46 cr. yet to be registered in company's name.
Being amortised over a period of 5 years.



Schedule 5

INVESTMENTS

INVESTMENTS		31.03.2010		31.03.2009	
	Class of Shares/ Debentures	Numbers	Rs.in Crores (10 Million)	Numbers	Rs.in Crores (10 Million)
LONG TERM INVESTMENTS (Other than trade)					
Names of the Bodies Corporate					
Hari Shankar Singhania Elastomer & Tyre Research Institute (Rs. 2400; As at 31.03.2009: Rs. 2400)	Equity	24		24	
HDFC Bank Ltd. (Rs. 10000; As at 31.03.2009: Rs. 10000)	Equity	1,000		1,000	
JK Agri Genetics Ltd. (Zero coupon secured non-convertible bonds)	Bonds	1,00,000	42.50	1,00,000	42.50
JK Sugar Ltd. (Zero coupon preference shares)	Preference	15,00,000	13.50	15,00,000	13.50
Bengal & Assam Company Ltd.	Equity	11,641	0.05	11,641	0.05
Larsen & Toubro Ltd.	Equity	2,800	0.45	2,800	0.19
Reliance Industries Ltd. \$	Equity	4,360	0.47	2,180	0.33
V.S. Lignite Power Pvt. Ltd. #	Equity	5,77,778	0.58	5,77,778	0.58
V.S. Lignite Power Pvt. Ltd. #	Preference	11,14,222	1.11	11,14,222	1.11
Subsidiary Companies					
Lankros Holdings Limited (Euro 1 Each)*	Equity	40,02,000	26.31	40,02,000	26.31
Sunrise Hold Co. Mexico, S.A. De C.V. (Mexican Pesos 1000 each)*	Equity	25	0.01	25	0.01
Sarvi Holdings Switzerland AG. (CHF 1000 each)*	Equity	100	0.40	100	0.40
J. K. International Ltd. (£ 1 each)	Equity	1,35,000	0.61	1,35,000	0.61
J. K. Asia Pacific Ltd. (HK\$ 1 each)	Equity	19,99,999	0.71	19,99,999	0.71
Others					
LIC Mutual Fund Growth Fund	Units	2,50,000	0.25	2,50,000	0.16
7.65% HDFC Bonds	Bonds	14	1.35	14	1.35
8.00% Himachal Pradesh Infrastructure Development Board	Bonds	10	1.00	10	1.00
10.35% HDFC Bonds	Bonds	9	0.94	9	0.94
J.K.I. Employees Co-operative Credit Society Ltd. (Rs. 5000; As at 31.03.2009: Rs. 5000)	Equity	5		5	
Government Securities (Deposited with Government Department)					
National Savings Certificates (Rs. 10000; As at 31.03.2009: Rs. 10000)					
			90.24		89.75
Aggregate book value of unquoted Investments			89.27		89.23
Aggregate book value of quoted Investments			0.97		0.52
Market Value of quoted Investments			1.33		0.62

\$ During the year, bonus shares were issued in the ratio of 1:1.

Under lien with Issuer.

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

Schedule 6

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

CURRENT ASSETS, LOANS AND ADVANCES**A. CURRENT ASSETS**

Raw Materials	245.80	128.54
Stores and Spares	25.26	23.10
Finished Goods	165.08	237.18
Stock-in-Process	23.56	25.63
Debtors (unsecured, considered good):		
Debts over six months	13.94	17.96
Other Debts	473.66	424.51
Interest Accrued on Investments	0.15	0.14
Cash and Bank Balances:		
Cash on hand	0.11	0.06
Remittances in transit and Cheques on hand	51.04	32.95
Balances with Scheduled Banks:		
On Current Accounts	9.30	6.26
On Deposit Accounts	2.82	2.72
(pledged with bank Rs. 2.70 crs.; As at 31.03.2009: Rs. 2.59 crs.)		
On Savings Bank Account (For Employees Security Deposit)		
(Rs. 5078; As at 31.03.2009: Rs. 4905)		
	1010.72	899.05

B. LOANS AND ADVANCES (Considered Good)

Secured Loan	0.62	1.12
Unsecured:		
Loans	6.30	6.60
Subsidiary Companies	13.39	10.34
Advances recoverable in cash or in kind or for value to be received	84.65	119.37
Deposit with Government Authorities and Others	11.82	13.27
Fringe Benefit Tax Advance Payments	7.03	9.70
MAT Credit Entitlement	8.74	8.74
Income Tax Advance Payments	69.40	27.11
	201.95	196.25
	1212.67	1095.30

Schedule 7**CURRENT LIABILITIES AND PROVISIONS****A. CURRENT LIABILITIES**

Acceptances	14.76	13.56
Sundry Creditors	648.37	468.80
Investor Education and Protection Fund (Refer note B 20 of Schedule 14)	2.04	1.89
Other Liabilities	317.73	262.36
Interest accrued but not due on loans	5.04	3.65
	987.94	750.26

B. PROVISIONS

Provision for Retirement Benefits	12.89	16.52
Provision for Taxation	70.83	21.26
Provision for Fringe Benefit Tax	6.58	9.02
Proposed Dividend	14.37	11.09
Provision for Corporate Dividend Tax	2.39	1.88
	107.06	59.77
	1095.00	810.03



Rs. in Crores (10 Million)
2009-2010 2007-2009
(12 Months) (18 Months)

Schedule 8

OTHER INCOME

Income from Long Term Investments (other than trade):		
Dividends	0.01	0.01
Interest (Tax at source Rs. 0.01 cr. 2007-09: Rs. 0.16 cr.)	0.28	0.40
Reversal of provision for Diminution in value of Long Term Investments	0.49	-
Profit / (Loss) on sale of Assets (Net)	-	0.88
Miscellaneous Income	13.94	18.51
	14.72	19.80

Schedule 9

INCREASE / (DECREASE) IN FINISHED GOODS

Opening Stock	237.18	303.60
Closing Stock	165.08	237.18
	(72.10)	(66.42)
Differential Excise Duty on Increase / Decrease of Finished Goods	(0.57)	30.50
	(72.67)	(35.92)

Schedule 10

MATERIALS AND MANUFACTURING

Raw Materials Consumed	2258.19	3352.56
(Increase) / Decrease in Stock-in-Process	2.07	6.81
Conversion Charges	42.28	58.84
Purchase of Finished Goods	36.78	71.88
Consumption of Stores and spares	35.62	51.78
Power and Fuel	165.36	246.53
Repairs to Buildings	4.82	4.91
Repairs to Machinery	8.90	12.91
	2554.02	3806.22

Schedule 11

EMPLOYEES

Salaries, Wages, Bonus and Gratuity	189.96	203.37
Contribution to Provident and other Funds	17.34	23.11
Employees' Welfare and other Benefits	46.68	68.51
	253.98	294.99

Schedule 12**OTHER EXPENSES**

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
Rent	6.32	8.96
Other Taxes	7.55	9.00
Insurance	2.36	5.21
Discount	140.10	117.16
Royalty	9.17	12.95
Advertisement	29.94	36.68
Directors' Fee	0.09	0.12
Commission	16.66	23.19
Sales Promotion Expenses	6.51	22.42
Loss / (Profit) on sale of Assets (Net) (Rs. 43888)		-
Loss on sale of Investment	-	0.06
Deferred Revenue Expenditure Written off	5.21	4.86
Provision for Diminution in value of Long term Investments	-	0.58
Bad Debts Written off	0.75	-
Provision for Doubtful Debts / Advances	0.50	0.50
Bank charges, Printing & Stationery, Postage, Telephone, Travelling and other Miscellaneous Expenses	71.66	82.64
	<u>296.82</u>	<u>324.33</u>

Schedule 13**INTEREST**

Interest on:		
Debentures, Term Loans and Fixed Deposits	34.98	43.23
Others	57.58	118.19
	92.56	161.42
Less: Received on Short Term Loans and Others (Tax at source Rs. 0.17 cr.; 2007-09: Rs. 0.42 cr.)	3.90	3.63
	<u>88.66</u>	<u>157.79</u>



Schedule 14

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements have been prepared under historical cost convention (except for certain fixed assets which were revalued) on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
2. Fixed assets are stated at cost adjusted by revaluation of certain assets.
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.
4.
 - a) Depreciation on fixed assets is calculated on straight line method. Depreciation on the assets purchased prior to 2nd April, 1987 is provided at the rates in force at the time of respective additions to the assets, and on the assets purchased on or after 2nd April, 1987 on the basis of Schedule XIV of the Companies Act, 1956. Continuous process plants as defined in Schedule XIV have been considered on technical evaluation.
 - b) Leasehold Land is being amortised over the lease period.
 - c) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method.
5. 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 / realizations and year end translations including on forward contracts are dealt with in Profit and Loss Account. Non Monetary Foreign Currency items are stated at cost.
6. 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.
7. 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.
8. Revenue Expenditure on Research and Development is charged to Profit & Loss Account and Capital Expenditure is added to Fixed Assets.
9. Borrowing Cost is charged to Profit & Loss Account except cost of borrowings for acquisition of qualifying assets which is capitalised till the date of commercial use of the asset.
10. 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 Account 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.
11. Employee Benefits:
 - (a) Defined-contribution plans:
Contributions to the Employees' provident fund, Superannuation fund, Employees' pension scheme and Employees' state insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.
 - (b) Defined-benefit plans:
Retirement benefit in form of gratuity and leave encashment are considered as defined benefit plans 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 Account.
The provident fund contribution 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.
12. Voluntary Retirement Scheme (VRS) compensation incurred after 31.03.2009 is charged to Profit & Loss Account in the same year.
13. Export incentives and other benefits are recognised in the Profit & Loss Account. Project subsidy is credited to Capital Reserve.
14. 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.
15. 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.

B. NOTES ON ACCOUNTS

1. The proceeds of the Rights Issue have been fully utilised for the objects stated in the Letter of Offer dated July 18, 2008.
2. Estimated amount of contracts remaining to be executed on capital account Rs.164.49 crs. (Previous year: Rs. 51.65 crs.).
3. Contingent liabilities in respect of claims not accepted and not provided for Rs. 35.64 crs. (Previous year: Rs. 34.86 crs.) pertaining to Excise duty matters in appeal Rs. 4.39 crs., Service tax matters Rs. 1.30 crs., Sales tax matters in appeal Rs. 2.36 crs., Income tax matters in appeal Rs. 6.76 crs. & other matters Rs. 20.83 crs. (Previous year: Rs. 2.63 crs., Rs. 2.01 crs., Rs. 1.76 crs., Rs. 6.99 crs. & Rs. 21.47 crs. respectively).
4. Bills discounted with Banks outstanding Rs. 15.40 crs. (Previous year: Rs. 30.90 crs.).
5. 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 Rs. 5.45 crs. was paid under protest in earlier years and debited to 'Advances Recoverable' and an equivalent amount was provided in Profit and Loss Account. 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.
6. The Company has given guarantee to a bank in respect of loan outstanding as at 31.03.2010 of Rs. 0.45 cr. (Previous year: Rs. 2.29 crs.) in respect of a body corporate against counter indemnity.
7. Miscellaneous expenditure to the extent not written off represents Compensation paid under VRS Rs. Nil. (Previous year: Rs. 5.21 crs.)

VRS expenses to the extent not written off upto 31.03.2009 and also for the current year have been charged to Profit & Loss Account during the year. This has resulted in an additional charge of Rs. 4.50 crs. to the Profit & Loss Account.

8. Factory & Service buildings and Plant and Machinery 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 Block as at 31.03.2010 as well as Previous year include cumulative surplus of Rs. 667.78 crs. arising on revaluation.
9. Capital work in progress includes machinery in stock / transit, construction / erection materials, advances for construction and machinery, expenditure on ERP implementation and also includes the following pre-operative expenses pending allocation:

	Rs. in Crores (10 Million)	
	31.03.2010	31.03.2009
Raw Material Consumption	0.40	-
Stores Consumption	0.10	-
Salaries and Wages	3.94	6.54
Rates and Taxes (including excise)	0.04	0.01
Travelling Expenses	1.49	2.14
Power and Fuel Consumed	0.70	0.47
Project Processing Fees and Others	-	1.15
Interest on Term Loans & Other Loans	8.10	4.62
Miscellaneous Expenditure	1.30	0.70
	16.07	15.63
Less: Sales	0.39	-
	15.68	15.63
Add: Expenditure upto previous year	12.19	3.40
	27.87	19.03
Less: Transferred to Fixed Assets	18.63	6.84
	9.24	12.19

10. a) Debts over six months and Advances are net of Provisions made for Doubtful Debts Rs. 3.03 crs. and Advances Rs. 0.32 cr. (Previous year: Rs. 3.13 crs. and Rs. 0.32 cr. respectively).
- b) Debts over six months / Advances include Rs. 3.66 crs. (Previous year: Rs. 4.22 crs.) for which legal and other necessary action has been taken. In the opinion of the Management, these debts are recoverable and the same have been classified as good.
11. 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.
12. Raw materials consumed has been determined after adjusting Rs. 26.83 crs. (Previous year: Rs. 40.81 crs.) accounted for on accrual basis in respect of import entitlements against exports made under Duty Exemption Scheme.
13. 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.



14. a) Exchange difference (net) amounting Rs. 5.83 crs. (Previous year: Rs. 31.32 crs. – debited) has been credited in respective heads of account in Profit and Loss account.
- b) Forward Contracts for hedging Payables - Rs. 76.29 crs. - US \$ 16.40 Million, Rs. 0.90 cr. - Yen 17.16 Million, Rs. 74.19 crs. - Euro 11.03 Million and Rs. 9.87 crs. - GBP 1.29 Million (Previous year: Rs. 8.54 crs. - US \$ 1.75 Million and Rs. 15.39 crs. - Yen 292.46 Million) are outstanding as at 31.03.2010.
- c) Foreign currency exposure unhedged net payable is Rs. 104.65 crs. – US \$ 23.18 Million (Previous year: Rs. 51.13 crs. - US \$ 10.04 Million) as at 31.03.2010.
15. The details of amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) to the extent information available with the Company are as under: (i) Principal & Interest amount due and remaining unpaid as at 31.03.2010: Nil (Previous year: Nil), (ii) Payment made beyond the appointed day during the year: Nil (Previous year: Nil) and (iii) Interest accrued and unpaid as at 31.03.2010: Nil (Previous year: Nil).
16. The Company has not provided diminution in the value of certain unquoted 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.
17. Research and Development expenses amounting to Rs. 16.39 crs. (Previous year: Rs. 18.21 crs.) have been included in respective revenue accounts.
18. Amount paid to Auditors:

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
i) Statutory Auditors		
a) Audit Fee	0.12	0.18
b) Taxation	0.01	0.02
c) Certificates / other services	0.02	0.14
d) Reimbursement of expenses	0.01	0.04
ii) Cost Auditors		
a) Audit Fee	0.01	0.01
b) Reimbursement of expenses Rs. 9155 (Previous year: Nil)		

19. Computation of Net Profit for the purpose of calculating Managerial Remuneration:

Profit as per Profit and Loss Account	245.68
Add: Directors' Fee	0.09
Commission to Non-Executive Directors	1.97
Remuneration to Managing Directors / Whole Time Directors	22.07
VRS Expenses	7.00
Provision for doubtful debts / advances	0.50
Loss on sale of assets (Rs. 43888)	
Wealth Tax	0.09
	<u>277.40</u>
Less: Bad Debts written off out of provision for doubtful debts / advances	0.60
Provision for diminution in value of investment written back	0.49
Net Profit for the purpose of Managerial Remuneration under Section 349	<u>276.31</u>

Commission payable to Non-Executive Directors as per approval of the Board of Directors is Rs. 1.97 crs.

Remuneration to Vice Chairman & Managing Director, Managing Director, Dy. Managing Director, Whole time Director and w.e.f. 20th January, 2010 to President & Director:

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
– Salaries	3.39	3.96
– Commission	17.01	-
– Contribution to Provident and other Funds *	0.91	1.07
– Value of Perquisites (as per Income Tax Rules)	0.76	0.64
	<u>22.07</u>	<u>5.67</u> #

* Excluding provision for gratuity & leave encashment, where the actuarial valuation is done on overall company basis.

Central Government approval - since obtained.

20. Investor Education and Protection Fund includes Rs. 0.40 cr. for unclaimed dividend (Previous year: Rs. 0.43 cr.), Rs. 1.63 crs. for unclaimed fixed deposits (Previous year: Rs. 1.38 crs.), and Rs. 0.01 cr. for unclaimed amount on debentures (Previous year: Rs. 0.08 cr.), which shall be deposited on respective due dates.

21. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), deferred tax liability / (asset) are as under:

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
1. Deferred Tax Liability		
i) Related to Fixed Assets	149.57	132.31
ii) Others	-	0.51
2. Deferred Tax Asset		
i) Disallowance under Income Tax Act, 1961	9.46	7.70
ii) Provision for doubtful debts	1.01	1.06
iii) Unabsorbed Depreciation	-	12.39
3. Deferred Tax Liability / (Asset) - Net	139.10	111.67

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

(a) Defined Benefit Plans: **Rs. in Crores (10 Million)**

(i) Particulars	Leave Encashment (Non Funded)		Gratuity (Funded)	
	2009-10 (12 Months)	2007-09 (18 Months)	2009-10 (12 Months)	2007-09 (18 Months)
I Expenses recognised in the Statement of Profit & Loss Account *				
1 Current Service Cost	2.49	2.67	4.70	7.65
2 Past Service Cost	-	-	1.95	-
3 Interest Cost	0.60	0.78	3.37	2.70
4 Expected return on plan assets	-	-	(3.65)	(2.50)
5 Actuarial (Gains) / Losses	0.46	(0.01)	4.44	2.53
6 Total expense	3.55	3.44	10.81	10.38
II Net Asset / (Liability) recognised in the Balance Sheet as at year end				
1 Present Value of Defined Benefit Obligation	8.36	7.94	55.21	42.70
2 Fair value of plan assets	-	-	51.15	34.48
3 Funded status [Surplus / (Deficit)]	(8.36)	(7.94)	(4.06)	(8.22)
4 Net asset / (liability)	(8.36)	(7.94)	(4.06)	(8.22)
III Change in obligation during the year				
1 Present Value of Defined Benefit Obligation at the beginning of the year	7.94	7.35	42.70	33.22
2 Current Service Cost	2.49	2.67	4.70	7.65
3 Past Service Cost	-	-	1.95	-
4 Interest Cost	0.60	0.78	3.37	2.70
5 Actuarial (Gains) / Losses	0.46	(0.01)	5.75	2.86
6 Benefit Payments	(3.13)	(2.85)	(3.26)	(3.73)
7 Present Value of Defined Benefit Obligation as at year end	8.36	7.94	55.21	42.70
IV Change in Assets during the year				
1 Fair value of plan assets at the beginning of the year	-	-	34.48	26.75
2 Expected return on plan assets	-	-	3.65	2.50
3 Contributions by employer	3.13	2.85	14.97	8.62
4 Actual benefits paid	(3.13)	(2.85)	(3.26)	(3.73)
5 Actuarial gains / (losses)	-	-	1.31	0.34
6 Fair value of plan assets as at year end	-	-	51.15	34.48
7 Total actual return on Plan Assets	-	-	4.96	2.84
V The major categories of plan assets as % of total plan Insurer Managed Funds	-	-	100%	100%
VI Actuarial Assumptions				
1 Discount Rate	8.25%	8.00%	8.25%	8.00%
2 Expected rate of return on plan assets	-	-	8.00%	8.00%
3 Mortality	LIC (1994-96) Ultimate			
4 Salary Escalation	5%			

* Included Under the head Staff Cost - Refer Schedule -11



- (ii) 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.
 - (iii) 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.
 - (iv) Contributions to PF (trust) during the 12 months ended 31st March, 2010 of Rs. 0.88 cr. (Previous year: Rs. 3.45 crs.) has been included under the head Staff Cost. (Refer Schedule 11)
- Pending the issuance of the Guidance Note from the Institute of Actuaries of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability.

(b) Defined Contribution Plans:

Employer's Contributions to Provident and other Funds charged off during the 12 months ended 31st March, 2010 of Rs. 16.46 crs. (Previous year: Rs. 19.66 crs.) has been included under the head Staff Cost. (Refer Schedule 11)

23. Earnings Per Share:

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
a) Profit after tax	163.47	19.05
Less: Tax Provision for earlier Years	0.29	-
Net Profit	163.18	19.05
b) Weighted average number of equity shares	41059346	34536304
c) Basic and Diluted Earnings per equity share (Rs.) (Face Value Rs.10 each)		
– Cash	67.36	40.18
– After Tax	39.74	5.52

24. 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.)
Sunrise Hold Co. S.A. De C.V. (Subs. of Sarvi Holdings Switzerland AG.)
Empresas Tornel, S.A. De C.V. (ETSA - Subs. of Sunrise Hold Co. S.A. De C.V.)
Comercializadora América Universal, S.A. De C.V. (Subs. of ETSA)
Compañía Hulera Tacuba, S.A. De C.V. (Subs. of ETSA)
Compañía Hulera Tornel, S.A. De C.V. (CHT - Subs. of ETSA)
Compañía Inmobiliaria Norida, S.A. De C.V. (Subs. of ETSA)
General de Inmuebles Industriales, S.A. De C.V. (Subs. of ETSA)
Gintor Administración, S.A. De C.V. (Subs. of ETSA)
Hules y Procesos Tornel, S.A. De C.V. (Subs. of ETSA)

b) Associates:

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

c) Key Management Personnel (KMP):

Dr. Raghupati Singhania	Vice 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 (w.e.f. 20th January, 2010)

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

JK Lakshmi Cement Ltd. (JKLC)

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

Rs. in Crores (10 Million)				
Nature of Transactions	Subsidiaries	Associates	Enterprise over which KMP is able to exercise Significant Influence	TOTAL
Sale of Tyres to VPL & JKLC		224.44	0.64	225.08
Sale of Tyres to VPL		(442.24)		(442.24)
Stores issued to HASETRI		0.04		0.04
Stores issued to HASETRI		(0.14)		(0.14)
Purchase of Tyres from CHT	0.53			0.53
Purchase of Tyres from VPL		(2.44)		(2.44)
Purchase of cement from JKLC			0.12	0.12
Purchase of cement from JKLC			(0.20)	(0.20)
Sale of Capital Items to CHT & HASETRI	0.44	0.09		0.53
Sale of Capital Items to CHT & JKLC	(0.64)		(0.03)	(0.67)
Sharing of Expenses received - CHT, HASETRI & JKLC	0.57	1.03	0.37	1.97
Sharing of Expenses received - CHT, Sunrise, HASETRI & JKLC	(1.06)	(2.03)	(0.54)	(3.63)
Sharing of Expenses paid - HASETRI, VPL & JKLC		4.48	0.20	4.68
Sharing of Expenses paid - HASETRI & JKLC		(4.87)	(0.29)	(5.16)
Loans / Advances given to HASETRI & JKLC		6.73	0.08	6.81
Loans / Advances given to HASETRI, VPL & JKLC		(6.69)	(0.78)	(7.47)
Loans / Advances given to CHT	0.31			0.31
Loans / Advances given (Rs. crs.) CHT - 0.75, ETSA - 1.69, Sunrise - 6.16 & Sarvi - 0.04	(8.64)			(8.64)
Loans / Advances recovered - CHT, SARVI & HASETRI	0.56	3.99		4.55
Loans / Advances recovered - HASETRI, VPL & JKLC		(3.87)	(0.47)	(4.34)
Loans / Advances received - HASETRI, VPL & JKLC		0.11	15.30	15.41
Loans / Advances received - HASETRI & JKLC		(1.38)	(0.84)	(2.22)
Loans / Advances repaid - VPL & JKLC		0.03	15.00	15.03
Loans / Advances repaid - HASETRI		(1.62)		(1.62)
Interest Income (Rs. crs.) CHT - 0.55, ETSA - 0.32, Sunrise - 1.41 & Sarvi - 0.01	2.29			2.29
Interest Expense - JKLC			0.06	0.06
Royalty income from VPL		4.20		4.20
Royalty income from VPL		(4.22)		(4.22)
Contribution to HASETRI		4.25		4.25
Contribution to HASETRI		(4.05)		(4.05)
Outstanding as at year end:				
Receivable (Rs. crs.)				
CHT - 3.80, ETSA - 2.01 & Sunrise - 7.58	13.39			13.39
CHT - 2.45, ETSA - 1.69, Sunrise - 6.16 & Sarvi - 0.04	(10.34)			(10.34)
VPL - 42.61 & HASETRI - 0.07		42.68		42.68
VPL - 77.19 & HASETRI - 0.64		(77.83)		(77.83)
JKLC			0.17	0.17

Details of remuneration paid to Key Management Personnel (KMP) is given in note no. 19.

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

25. Loans and Advances pursuant to Clause 32 of the Listing Agreement:

Rs. in Crores (10 Million)				
	Outstanding as at 31st March, 2010	Maximum Amount Outstanding during 2009-2010 (12 months)	Outstanding as at 31st March, 2009	Maximum Amount Outstanding during 2007-2009 (18 Months)
Loans and Advances (in the nature of Loans):				
(Repayable on demand)				
<u>Subsidiaries:</u>				
Sunrise Hold Co. S.A. De C.V.	7.58	7.58	6.16	6.16
Empresas Tornel, S.A. De C.V.	2.01	2.01	1.69	1.69
Compañía Hulera Tornel, S.A. De C.V.	3.80	3.80	2.45	2.45
Sarvi Holdings Switzerland AG.	-	-	0.04	0.04

Note - Loans / Advances to employees as per Company's policy are not considered.



26. Particulars of Capacity (Per Annum), Production, Purchases, Sales and Stocks:

	UNITS	INSTALLED CAPACITY PER ANNUM	OPENING STOCK 01.04.2009		PRODUC- TION	PURCHASES		SALES		CLOSING STOCK 31.03.2010	
		QTY.	QTY.	Rs. in Crores (10 Million)	QTY.	QTY.	Rs. in Crores (10 Million)	QTY.	Rs. in Crores (10 Million)	QTY.	Rs. in Crores (10 Million)
AUTOMOBILE TYRES	Lac Nos.	91.47 (87.93)	7.05 (8.03)	205.55 (272.71)	79.31 (113.54)	0.05 (0.02)	0.86 (1.51)	82.73 (114.54)	3589.39 (4989.42)	3.68 (7.05)	136.47 (205.55)
AUTOMOBILE TUBES	Lac Nos.	13.82 (13.82)	5.77 (6.83)	27.00 (24.60)	54.40 (83.91)	2.60 (4.80)	18.42 (42.01)	57.17 (89.77)	297.70 (413.98)	5.60 (5.77)	20.89 (27.00)
AUTOMOBILE FLAPS	Lac Nos.	-	2.50 (3.33)	4.63 (6.29)	22.56 (31.68)	8.93 (15.12)	17.50 (28.36)	31.44 (47.63)	64.32 (86.92)	2.55 (2.50)	5.36 (4.63)
OTHERS @			-	-					4.88		2.36

- Installed Capacity - Certified by the Management.
- Production includes conversion of Finished Goods by outside parties.
- Figures in brackets represent previous year.
- @ Added during the year.

27. Particulars of Raw Materials and Stores and Spares Consumed:

		2009-2010 (12 Months)		2007-2009 (18 Months)	
		Quantity (MT)	Amount	Quantity (MT)	Amount
i)	Raw Materials				
	Rubber	114632	1259.99	166871	1946.03
	Fabric	24196	385.92	33238	536.85
	Chemicals	35882	262.87	45842	366.34
	Carbon Black	54757	255.98	81373	379.62
	Others		93.43		123.72
			2258.19 #		3352.56 #
	% of Total	34.22	772.74	% of Total	1125.24
	Imported	65.78	1485.45	66.44	2227.32
ii)	Stores and Spares				
	Imported	5.22	1.86	4.48	2.32
	Indigenous	94.78	33.76 #	95.52	49.46 #

Excludes Raw Material Rs. 0.40 cr. and Stores Rs. 0.10 cr. (Previous year: Raw Material Rs. Nil and Stores Rs. Nil) consumed during pre-operative period.

		2009-10 (12 Months)	2007-09 (18 Months)
28. a)	Expenditure in Foreign Currency (as remitted):		
	Royalty	7.65	10.83
	Professional charges	1.12	2.67
	Others	3.17	5.97
b)	Remittances in foreign Currency on account of:		
	Dividend for the year 2007-2009 (Previous year 2006-07)		
	(i) Number of Non-resident shareholders	1	1
	(ii) Number of Equity shares held by them	3487500	2615625
	(iii) Amount of dividend remitted	0.94	0.71
c)	Earnings in Foreign Currency on account of:		
	F.O.B. value of exports	357.23	748.14
	Royalty	4.20	4.22
d)	C.I.F. Value of Imports:		
	Raw Materials	752.51	970.43
	Capital Goods	51.28	168.06
	Spares	3.91	7.38

29. The figures for the current year April, 2009 - March, 2010 (12 months) are not comparable with the figures for the previous period October, 2007 - March, 2009 (18 months).

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

31. Figures for the previous year have been regrouped / rearranged / recast, wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

H.S. SINGHANIA
Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
ARVIND SINGH MEWAR
BAKUL JAIN
G.B. PANDE
OM PRAKASH KHAITAN
Dr. T.K. MUKHOPADHYAY
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S.C. SETHI
VIKRAMPATI SINGHANIA

Chairman
Vice Chairman & Managing Director
Managing Director

Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. REGISTRATION DETAILS**

Registration no.	19430
State Code	21
Balance Sheet Date	31.03.2010

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil
Bonus Issue	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	27877019
Total Assets	27877019
SOURCES OF FUNDS	
Paid-up Capital	410593
Reserves & Surplus	6523698
Secured Loans	4333334
Unsecured Loans	4268477
Deferred Tax Liability	1390961
APPLICATION OF FUNDS	
Net Fixed Assets	14847885
Investments	902407
Net Current Assets	1176771
Misc. Expenditure	Nil
Accumulated Losses	Nil

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover including Other Incomes	39710070
Total Expenditure	37253312
Profit Before Tax	2456758
Profit after Tax	1634700
Basic / Diluted Earnings per Share (Rs.)	
- Cash	67.36
- After Tax	39.74
Dividend Rate (%)	35

V. GENERIC NAME OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per Monetary terms)	4011,13 &12
Item Code No.	Tyres, Tubes & Flaps

P.K. RUSTAGI
Secretary

H.S. SINGHANIA
Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
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Chairman
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New Delhi, the 25th May, 2010



CASH FLOW STATEMENT

For the year ended 31st March, 2010

Rs. in Crores (10 Million)
2009-2010
(12 Months) 2007-2009
(18 Months)

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net profit before tax and extraordinary items	245.68	41.91
Adjustment for:		
Depreciation	109.42	148.49
Transfer from capital reserve	(23.47)	(35.14)
Interest Expenses	92.56	161.41
(Profit) / Loss on sale of assets (Rs. 43888)		(0.88)
Deferred revenue expenditure written off	5.21	4.86
(Profit) / Loss on sale of Investment	-	0.06
Foreign Exchange Fluctuation	3.18	1.37
Reversal of provision for diminution of Investments	(0.49)	0.58
Interest / Dividend Received	(4.19)	(4.05)
Provision for Doubtful Debts / Advances and Balances written off	1.25	0.50
Operating Profit before working capital changes	429.15	319.11
(Increase) / Decrease in Trade and Other Receivables	(15.09)	(29.55)
(Increase) / Decrease in Inventories	(45.25)	88.41
Increase / (Decrease) in Trade Payables	222.97	(88.73)
Cash generated from Operations	591.78	289.24
Deferred revenue expenditure	-	(3.84)
Direct taxes (Net)	(47.56)	(19.05)
Net Cash from Operating activities	544.22	266.35

B. CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(173.26)	(323.01)
Sale of Fixed Assets	2.03	6.85
Movement in Loan	(2.25)	(9.94)
Purchase of Investments	-	(28.67)
Sale of Investments	-	0.88
Interest Received	4.17	4.15
Dividend Received	0.01	0.01
Net Cash used in Investing activities	(169.30)	(349.73)

C. CASH FLOW FROM FINANCING ACTIVITIES:

Equity Share Capital	-	87.26
Proceeds from borrowings	306.00	437.38
Repayment of borrowings	(552.49)	(251.40)
Interest Paid	(94.15)	(167.42)
Dividend paid (including dividend tax)	(13.00)	(9.67)
Net cash from / (used in) Financing activities	(353.64)	96.15
Net increase in cash and cash equivalents	21.28	12.77
Cash and Cash equivalents as at the beginning of the year	41.99	29.22
Cash and Cash equivalents as at the end of the year	63.27	41.99

Notes:

Cash and Cash Equivalents Include:		
- Cash, Cheques on hand and Remittances in transit	51.15	33.01
- Balances with Scheduled Banks	12.12	8.98
- Unrealised Translation gain on Foreign Currency balances	-	-
Total	63.27	41.99

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

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Directors

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Rs. in Crores (10 Million)

Sl. No.	Name of the Subsidiary Company	Financial Year of the Subsidiary ended on	Holding Company's Interest in Equity Capital	Net aggregate of Profit less Losses of the Subsidiary Companies as far as it concerns the members of the Holding Company: @	
				Not Dealt with in the Holding Company's Account:	
				a) For the Financial Year / Period of the Subsidiary	b) For the Previous Financial Year / Period since it became the Subsidiary
1.	J.K. International Ltd.	31.03.2010	100%	-	(1.44)
2.	J.K. Asia Pacific Ltd.	31.03.2010	100%	(0.02)	0.22
3.	J.K. Asia Pacific (S) Pte. Ltd. (Subs. of J.K. Asia Pacific Ltd.)	31.03.2010	100%	(0.09)	0.55
4.	Lankros Holdings Ltd.*	31.12.2009	100%	(0.02)	(0.21)
5.	Sarvi Holdings Switzerland AG.* (Subs. of Lankros Holdings Ltd.)	31.12.2009	100%	(0.07)	(0.25)
6.	Sunrise Hold Co. S.A. De C.V. * (Subs. of Sarvi Holdings Switzerland AG.)	31.12.2009	99.96%	(4.55)	(35.02)
7.	Empresas Tornel, S.A. De C.V. (ETSA)* (Subs. of Sunrise Hold Co. S.A. De C.V.)	31.12.2009	99.96%	24.38	(21.62)
8.	Comercializadora América Universal, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	0.15	0.07
9.	Compañía Hulera Tacuba, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	2.23	(3.09)
10.	Compañía Hulera Tornel, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	29.29	(67.21)
11.	Compañía Inmobiliaria Norida, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	3.22	(0.41)
12.	General de Inmuebles Industriales, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	1.57	(0.28)
13.	Gintor Administración, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	(0.93)	(1.37)
14.	Hules y Procesos Tornel, S.A. De C.V.* (Subs. of ETSA)	31.12.2009	99.96%	0.85	(0.11)

* There is no change in the interest of the holding Company between the end of the financial year of the subsidiary and the end of the holding Company's financial year.

@ Profit & Loss of none of the subsidiary companies has been dealt with in the holding company's accounts both in current year as well as previous financial years since they became subsidiaries.

Note:

The Ministry of Corporate Affairs, Government of India, New Delhi vide its letter No.47/190/2010 - CL-III dated 21.04.2010 issued under Section 212 (8) of the Companies Act, 1956 has exempted the Company from attaching the accounts of subsidiaries of the Company. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the company and the subsidiaries of the Company seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Head Office of the Company and of the concerned subsidiary of the Company.

P.K. RUSTAGI
Secretary

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Chairman
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Directors

New Delhi, the 25th May, 2010



AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

We have examined the attached Consolidated Balance Sheet of JK Tyre & Industries Limited, its subsidiaries and its interests in associates as at 31st March, 2010 and the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of JK Tyre & Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of all the subsidiaries. The financial statements of three subsidiaries reflect total assets of Rs. 2.39 crs. (including Rs. 0.01 cr. for J. K. International Limited) as at 31st March, 2010 and those of all other subsidiaries reflect total assets of Rs. 1373.62 crs. as at 31st December, 2009 and total revenues of Rs. 1418.97 crs. for the year ended on 31st December, 2009. The financial statements of subsidiary, namely, J. K. International Limited, which was furnished to us by the management, was unaudited. Further the financial statements of all other subsidiaries have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said subsidiaries, is based solely on the reports of the other auditors.

The financial statements of associate, namely, Hari Shankar Singhania Elastomer & Tyre Research Institute have been audited by us, whose financial statements reflect total assets of Rs. 18.51 crs. as at 31st March, 2010 and total revenue of Rs. 5.25 crs. for the year then ended.

We did not audit the financial statements of associate, namely, Valiant Pacific LLC., whose audited financial statements reflect total assets of Rs. 96.86 crs. as at 31st December, 2009 and total revenue of Rs. 459.46 crs. for the year then ended. The said financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the interest in said associate, is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" and (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of JK Tyre & Industries Limited, its subsidiaries and its interests in associates included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its Subsidiaries and its interests in Associates included in the Consolidated Financial Statements, we are of the opinion that the said consolidated financial statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Company, its Subsidiaries and its interests in Associates as at 31st March, 2010;
- b) In the case of the Consolidated Profit & Loss Account, of the consolidated results of operations of the Company, its Subsidiaries and its interests in Associates for the year then ended; and
- c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Company, its Subsidiaries and its interests in Associates for the year then ended.

For LODHA & CO.
Chartered Accountants

(N. K. LODHA)
Partner

Firm Registration No. - 301051E
Membership No.: 85155

New Delhi, the 25th May, 2010

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH 2010

Rs. in Crores (10 Million)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
CAPITAL	1	41.06	41.06
RESERVES AND SURPLUS	2	808.90	650.58
		849.96	691.64
LOANS			
SECURED LOANS	3	713.45	1107.14
UNSECURED LOANS		445.45	275.28
		1158.90	1382.42
DEFERRED TAX		139.10	112.00
		2147.96	2186.06
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	3132.50	2840.45
LESS: DEPRECIATION		1368.55	1228.44
NET BLOCK		1763.95	1612.01
CAPITAL WORK IN PROGRESS		188.19	290.54
		1952.14	1902.55
INVESTMENTS	5	80.45	75.89
CURRENT ASSETS, LOANS AND ADVANCES	6	1520.38	1333.57
LESS: CURRENT LIABILITIES AND PROVISIONS	7	1405.01	1131.16
NET CURRENT ASSETS		115.37	202.41
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		-	5.21
		2147.96	2186.06

NOTES ON ACCOUNTS

14

Schedules 1 to 7 and 14 attached to the Balance Sheet are an integral part thereof.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

H.S. SINGHANIA
Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
ARVIND SINGH MEWAR
BAKUL JAIN
G.B. PANDE
OIM PRAKASH KHAITAN
Dr. T.K. MUKHOPADHYAY
ARUN KUMAR BAJORIA
S.C. SETHI
VIKRAMPATI SINGHANIA

Chairman
Vice Chairman & Managing Director
Managing Director

Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

Rs. in Crores (10 Million)

	Schedule	2009-2010 (12 Months)	2007-2009 (18 Months)
INCOME			
SALES		4849.17	6109.41
LESS: EXCISE DUTY		278.59	586.71
OTHER INCOME	8	14.89	20.33
INCREASE / (DECREASE) IN FINISHED GOODS	9	(60.69)	(19.12)
		4524.78	5523.91
EXPENDITURE			
MATERIALS AND MANUFACTURING	10	3131.91	4356.34
EMPLOYEES	11	432.05	382.00
FREIGHT AND TRANSPORTATION		119.38	161.16
OTHER EXPENSES	12	324.59	351.55
		4007.93	5251.05
OPERATING PROFIT (BEFORE INTEREST & DEPRECIATION)		516.85	272.86
INTEREST	13	115.73	137.74
UNREALISED EXCHANGE FLUCTUATION ON FOREIGN CURRENCY BORROWINGS OF SUBSIDIARIES		(11.52)	87.67
PROFIT BEFORE DEPRECIATION		412.64	47.45
DEPRECIATION		142.30	168.27
TRANSFER FROM CAPITAL RESERVE		42.70	45.78
PROFIT / (LOSS) BEFORE TAX		313.04	(75.04)
PROVISION FOR CURRENT TAX		66.20	22.11
MAT CREDIT		-	(0.73)
DEFERRED TAX		27.10	6.74
PROVISION FOR FRINGE BENEFIT TAX		-	4.82
PROFIT / (LOSS) AFTER TAX		219.74	(107.98)
TAX PROVISION FOR EARLIER YEARS		0.29	-
SHARE IN PROFITS OF ASSOCIATES		4.07	4.06
DEBENTURE REDEMPTION RESERVE NO LONGER REQUIRED		5.63	13.36
SURPLUS / (DEFICIT) FROM PREVIOUS YEAR		(85.51)	35.34
		143.64	(55.22)
APPROPRIATIONS			
DEBENTURE REDEMPTION RESERVE		1.01	7.32
GENERAL RESERVE		100.00	10.00
PROPOSED DIVIDEND		14.37	11.09
CORPORATE DIVIDEND TAX		2.39	1.88
SURPLUS / (DEFICIT) CARRIED TO BALANCE SHEET		25.87	(85.51)
		143.64	(55.22)
BASIC / DILUTED EARNINGS PER SHARE (Rs.) - CASH		85.30	7.33
- AFTER TAX		54.44	(30.09)

NOTES ON ACCOUNTS

14

Schedules 8 to 14 attached to the Profit & Loss Account are an integral part thereof.

As per our report of even date

For LODHA & CO.

Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

H.S. SINGHANIA

Chairman

Dr. RAGHUPATI SINGHANIA

Vice Chairman & Managing Director

BHARAT HARI SINGHANIA

Managing Director

ARVIND SINGH MEWAR

BAKUL JAIN

G.B. PANDE

OM PRAKASH KHAITAN

Directors

Dr. T.K. MUKHOPADHYA

ARUN KUMAR BAJORIA

S.C. SETHI

VIKRAMPATI SINGHANIA

New Delhi, the 25th May, 2010

Schedule 1

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

SHARE CAPITAL**Authorised:**

Equity Shares -12,50,00,000 of Rs. 10 each	125.00	125.00
14% Cumulative Redeemable Preference Shares - 7,00,000 of Rs. 100 each	7.00	7.00
Preference Shares - 48,00,000 of Rs. 100 each	48.00	48.00
	<u>180.00</u>	<u>180.00</u>

Issued, Subscribed and Paid up:

Equity Shares - 4,10,59,346 of Rs. 10 each fully paid up (Previous year: 4,10,59,346 equity shares of Rs. 10 each)	41.06	41.06
	<u>41.06</u>	<u>41.06</u>

Includes 33,750 Bonus shares by way of capitalisation of reserves and 86,51,639 shares issued to the shareholders of erstwhile Vikrant Tyres Ltd. pursuant to the Scheme of Arrangement and Amalgamation without payment being received in cash.

Schedule 2	31.03.2009	Additions	Transfers	Rs. in Crores (10 Million) 31.03.2010
RESERVES AND SURPLUS				
Capital Reserve	352.31	-	43.44 (a)	308.87(b)
Capital Redemption Reserve	7.00	-	-	7.00
Debenture Redemption Reserve	8.80	1.01	5.63	4.18
Securities Premium	225.59	-	5.36 (c)	220.23
General Reserve	135.34	100.00	-	235.34
Surplus / (Deficit) in Profit and Loss Account	(85.51)	111.38	-	25.87
Foreign Currency Translation Reserve	7.05	0.36	-	7.41
	<u>650.58</u>	<u>212.75</u>	<u>54.43</u>	<u>808.90</u>

(a) Includes Rs. 42.70 crs. additional depreciation on account of revaluation of Fixed Assets and Rs. 0.74 cr. loss on reinstatement of net Capital Reserve on consolidation as at Balance Sheet date.

(b) Includes Rs. 201.53 crs. on consolidation.

(c) Provision for premium on redemption of Zero Coupon Non-Convertible Debentures.



Schedule 3

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

LOANS

SECURED LOANS

Zero Coupon Non-Convertible Debentures	14.70	35.23
Term Loans:		
Financial Institutions	4.11	16.23
Banks	477.36	494.57
Others	81.12	50.77
Other Loans from Banks	89.15	450.56
Deferred Sales Tax	47.01	59.78
	713.45	1107.14

UNSECURED LOANS

Fixed Deposits	74.43	39.85
Deferred Sales Tax	83.46	60.97
Short Term Loans - Banks	268.96	150.67
- Others	18.60	23.79
	445.45	275.28

Schedule 4

FIXED ASSETS

Rs. in Crores (10 Million)

Assets	Gross Value				As at 31.03.2010	Depreciation				Upto 31.03.2010	Net Value	
	As at 31.03.2009	Additions	Sales/ Adjustments	Translation Adjustment@		Upto 31.03.2009	for the Year	Sales/ Adjustments	Translation Adjustment@		As at 31.03.2010	As at 31.03.2009
Land - Freehold	145.32	-	-	0.42	144.90	-	-	-	-	-	144.90	145.32
- Leasehold	10.70	-	0.02	-	10.68	0.77	0.11	-	-	0.88	9.80	9.93
Buildings*	369.60	30.74	-	0.44	399.90	66.85	13.57	-	0.08	80.34	319.56	302.75
Plant & Machinery	2255.75	253.80	0.34	0.91	2508.30	1133.83	123.20	0.26	0.44	1256.33	1251.97	1121.92
Office Equipments, Furniture & Fixtures	35.18	2.68	0.28	0.03	37.55	18.70	1.81	0.08	0.03	20.40	17.15	16.48
Vehicles	16.57	5.67	2.84	0.01	19.39	6.45	1.48	1.29	0.01	6.63	12.76	10.12
Intangible Assets#	7.33	4.45	-	-	11.78	1.84	2.13	-	-	3.97	7.81	5.49
	2840.45	297.34	3.48	1.81	3132.50	1228.44	142.30	1.63	0.56	1368.55	1763.95	1612.01
Previous year 2007-09	2156.07	773.38	9.36	79.64	2840.45	957.27	291.90	3.54	17.19	1228.44	1612.01	-

* Buildings include Rs. 2.05 crs. constructed on Lease Land, 274 shares held in co-operative housing societies and property worth Rs. 0.46 cr. yet to be registered in Company's name.

Being amortised over a period of 5 years.

@ Represents translation adjustments arising on consolidation of foreign subsidiaries.

Schedule 5

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

INVESTMENTS

LONG TERM INVESTMENTS

(Other than trade)

Investment in Shares:

Equity	1.55	1.15
Preference	14.61	14.61
Investment in associates*	18.25	14.18
Bonds	45.79	45.79
Mutual Funds	0.25	0.16
Government Securities (Rs. 10000; As at 31.03.2009: Rs. 10000)	80.45	75.89

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

Schedule 6

Rs. in Crores (10 Million)
31.03.2010 31.03.2009

CURRENT ASSETS, LOANS AND ADVANCES**A. CURRENT ASSETS**

Raw Materials	268.71	147.09
Stores and Spares	28.67	26.71
Finished Goods	216.91	277.03
Stock-in-Process	41.45	32.92
Debtors (unsecured, considered good):		
Debts over six months	54.49	37.78
Other Debts	573.25	511.07
Interest Accrued on Investments	0.15	0.14
Cash and Bank Balances:		
Cash on hand	0.24	0.17
Remittances in transit and Cheques on hand	51.04	32.95
Balances with Banks:		
On Current Accounts	26.60	14.28
On Deposit Accounts	13.11	3.94
(Pledged with Bank - Rs. 2.70 crs.; As at 31.03.2009: Rs. 2.59 crs.)		
On Savings Bank Account (for Employees Security Deposit)		
(Rs. 5078; As at 31.03.2009: Rs. 4905)		
	1274.62	1084.08

B. LOANS AND ADVANCES (considered good)

Secured Loan	0.62	1.12
Unsecured:		
Loans	6.30	6.60
Subsidiary Companies	0.54	-
Advances recoverable in cash or in kind or for value to be received	134.35	182.51
Deposit with Government Authorities and Others	11.82	13.27
Fringe Benefit Advance Tax Payments	7.03	9.70
MAT Credit Entitlement	8.74	8.74
Income Tax Advance Payments	76.36	27.55
	245.76	249.49
	1520.38	1333.57

Schedule 7**CURRENT LIABILITIES AND PROVISIONS****A. CURRENT LIABILITIES**

Acceptances	14.76	13.56
Sundry Creditors	862.62	733.56
Investor Education and Protection Fund	2.04	1.89
Other Liabilities	353.67	273.76
Interest accrued but not due on loans	5.36	4.04
	1238.45	1026.81

B. PROVISIONS

Provision for Retirement Benefits	60.79	52.13
Provision for Taxation	82.43	30.23
Provision for Fringe Benefit Tax	6.58	9.02
Proposed Dividend	14.37	11.09
Provision for Corporate Dividend Tax	2.39	1.88
	166.56	104.35
	1405.01	1131.16



Schedule 8

Rs. in Crores (10 Million)
2009-2010 2007-2009
(12 Months) (18 Months)

OTHER INCOME

Income from Long Term Investments (other than trade):		
Dividends	0.01	0.01
Interest	0.29	0.40
Reversal of provision for Diminution in value of Long Term Investments	0.49	-
Profit / (Loss) on sale of Assets (Net)	-	0.38
Miscellaneous Income	14.10	19.54
	14.89	20.33

Schedule 9

INCREASE / (DECREASE) IN FINISHED GOODS

Opening Stock	277.03	326.65
Closing Stock	216.91	277.03
	(60.12)	(49.62)
Differential Excise Duty on Increase / Decrease of Finished Goods	(0.57)	30.50
	(60.69)	(19.12)

Schedule 10

MATERIALS AND MANUFACTURING

Raw Materials Consumed	2722.99	3811.07
(Increase) / Decrease in Stock-in-Process	(8.60)	15.05
Conversion Charges	82.72	94.55
Purchase of Finished Goods	65.85	80.35
Consumption of Stores and Spares	36.42	52.52
Power and Fuel	206.13	277.68
Repairs to Buildings	7.36	6.14
Repairs to Machinery	19.04	18.98
	3131.91	4356.34

Schedule 11

EMPLOYEES

Salaries, Wages, Bonus and Gratuity	308.85	271.18
Contribution to Provident and other Funds	45.55	38.73
Employees' Welfare and other Benefits	77.65	72.09
	432.05	382.00

Schedule 12

Rs. in Crores (10 Million)
2009-2010 **2007-2009**
(12 Months) **(18 Months)**

OTHER EXPENSES

Rent	7.32	9.13
Other Taxes	9.18	11.34
Insurance	3.66	7.14
Discount	140.10	117.16
Royalty	9.17	12.95
Advertisement	32.61	38.31
Directors' Fee	0.09	0.12
Commission	17.63	26.37
Sales Promotion Expenses	6.51	23.35
Loss / (Profit) on Sale of Assets (Net)	0.10	-
Loss on Sale of Investments	-	0.06
Deferred Revenue Expenditure Written off	5.21	4.86
Provision for Diminution in value of Long Term Investments	-	0.58
Bad Debts Written off	0.75	-
Provision for Doubtful Debts / Advances	0.50	0.50
Bank charges, Printing & Stationery, Postage, Telephone, Travelling and other Miscellaneous Expenses	91.76	99.68
	324.59	351.55

Schedule 13**INTEREST**

Interest on:

Debentures, Term Loans and Fixed Deposits	61.23	52.98
Others	58.15	118.19
	119.38	171.17
Less: Received on Short Term Loans and Others	3.65	33.43
	115.73	137.74



Schedule 14

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

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 31.03.2010:

i) Subsidiaries:

Name	Proportion of ownership interest	Financial Statements as on
J. K. International Ltd., U.K.	100%	31.03.2010
J. K. Asia Pacific Ltd., Hong Kong	100%	31.03.2010
J. K. Asia Pacific (S) Pte Ltd., Singapore	100%	31.03.2010
Lankros Holdings Ltd., Cyprus	100%	31.12.2009
Sarvi Holdings Switzerland AG., Switzerland	100%	31.12.2009
Sunrise Hold Co. S.A. De C.V., Mexico	99.96%	31.12.2009
Empresas Tornel, S.A. De C.V., Mexico	99.96%	31.12.2009
Comercializadora América Universal, S.A. De C.V., Mexico	99.96%	31.12.2009
Compañía Hulera Tacuba, S.A. De C.V., Mexico	99.96%	31.12.2009
Compañía Hulera Tornel, S.A. De C.V., Mexico	99.96%	31.12.2009
Compañía Inmobiliaria Norida, S.A. De C.V., Mexico	99.96%	31.12.2009
General de Inmuebles Industriales, S.A. De C.V., Mexico	99.96%	31.12.2009
Gintor Administración, S.A. De C.V., Mexico	99.96%	31.12.2009
Hules y Procesos Tornel, S.A. De C.V., Mexico	99.96%	31.12.2009

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

ii) Associates:

Name	Status	Ownership Interest	Financial Statements as on
Hari Shankar Singhania Elastomer and Tyre Research Institute, India	Audited	24%	31.03.2010
Valiant Pacific LLC., UAE	Audited	49%	31.12.2009

There are no significant transactions or other material events that have occurred between the balance sheet date of above companies and the parent company.

- b) 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.
- c) 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".

- d) 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 account in respect of the change attributable to the associates' profit and loss account and through its reserves for the balance.
 - e) 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.
 - f) 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.
 - g) Foreign Subsidiaries - Revenue items have been consolidated at the average rate of foreign exchange prevailing during the year. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at closing rate. Exchange differences arising on monetary and non-monetary items that in substance forms part of the Company's net investment in non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve.
 - h) Significant Accounting Policies and Notes on Accounts of the financial statements of the company and its subsidiaries are set out in their respective Financial Statements.
 - i) The accounts of J. K. International Ltd. are exempt from Audit.
2. Estimated amount of contracts remaining to be executed on capital account Rs. 165.13 crs. (Previous year: Rs. 51.65 crs.).
 3. Contingent liabilities in respect of claims not accepted and not provided for Rs. 38.52 crs. (Previous year: Rs. 36.63 crs.), pertaining to Excise duty matters in appeal Rs. 4.39 crs., Service Tax matters Rs. 1.30 crs., Sales Tax matters in appeal Rs. 2.36 crs., Income Tax matters in appeal Rs. 6.76 crs. & Other matters Rs. 23.71 crs. (Previous year: Rs. 2.63 crs., Rs. 2.01 crs., Rs. 1.76 crs., Rs. 6.99 crs. & Rs. 23.24 crs. respectively).
 4. Bills discounted with Banks outstanding Rs.15.40 crs. (Previous year: Rs. 30.90 crs.).
 5. 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 Rs. 5.45 crs. was paid under protest in earlier years and debited to 'Advances Recoverable' and an equivalent amount was provided in Profit and Loss Account. 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.
 6. The Company has given guarantee to a bank in respect of loan outstanding as at 31.03.2010 of Rs. 0.45 cr. (Previous year: Rs. 2.29 crs.) in respect of a body corporate against counter indemnity.
 7.
 - a) Factory & Service buildings and Plant and Machinery of Parent Company's Plant at Jaykaygram, were revalued as at 1st January, 1985 & 1st April, 1991. On 1st April, 1997 the revaluation of such assets was updated alongwith similar assets of Banmore plant. The revaluation of said assets of Jaykaygram and Banmore was further updated alongwith Factory Land and Township building as at 1st April, 2002 based on replacement cost by a Valuer. Further, fixed assets of certain foreign subsidiaries at Mexico were revalued as at 12th June, 2008 on the basis of report of a certified Valuer. The Gross Block as at 31.03.2010 includes cumulative surplus of Rs. 1031.83 crs. (Previous year: Rs. 1032.98 crs.) arising on revaluation.
 - b) Out of Capital Reserve arising on consolidation of foreign subsidiaries, a sum of Rs. 19.23 crs. (Previous year: Rs. 10.64 crs.) (included in note (a) of Schedule 2 - Reserves & Surplus) has been set off towards additional depreciation on revaluation of fixed assets of certain foreign subsidiaries at Mexico.
 8.
 - a) Debts over six months and Advances are net of Provisions made for Doubtful Debts Rs. 11.43 crs. and Advances Rs. 0.32 cr. (Previous year: Rs. 11.56 crs. and Rs. 0.32 cr. respectively).



- b) Debts over six months / Advances include Rs. 3.66 crs. (Previous year: Rs. 4.22 crs.), for which legal and other necessary action has been taken. In the opinion of the Management, these debts are recoverable and the same have been classified as good.
9. In respect of certain disallowances and additions made by Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.
10. 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 the 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.
11. Auditors of a subsidiary company J. K. Asia Pacific Limited have invited attention towards recoverability in respect of amount due Rs. 0.65 cr. equivalent HK\$ 1124838 (Previous year: Rs. 0.76 cr. equivalent HK\$ 1124838) from an associate company.
12. Pursuant to the Accounting Standard on 'Accounting for Taxes on Income' (AS-22), deferred tax liability / (asset) are as under:

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
1. Deferred Tax Liability		
i) Related to Fixed Assets	149.57	132.31
ii) Related to reinvestment of profits	-	0.33
iii) Others	-	0.51
	149.57	133.15
2. Deferred Tax Asset		
i) Disallowance under Income Tax Act, 1961	9.46	7.70
ii) Provision for doubtful debts	1.01	1.06
iii) Unabsorbed Depreciation	-	12.39
	10.47	21.15
3. Deferred Tax Liability / (Asset) - Net	139.10	112.00

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

	Rs. in Crores (10 Million)	
	2009-2010 (12 Months)	2007-2009 (18 Months)
13. Earnings Per Share:		
a) Profit / (Loss) after Tax	219.74	(107.98)
Less: Tax Provision for earlier years	0.29	-
Add: Share in Profits of Associates	4.07	4.06
Net Profit / (Loss)	223.52	(103.92)
b) Weighted average no. of Ordinary Share (Nos.)	41059346	34536304
c) Basic and Diluted Earnings per Ordinary Share (Rs.)		
- Cash	85.30	7.33
- After Tax	54.44	(30.09)

14. Related Parties:

a) Associates:

Hari Shankar Singhania Elastomer and Tyre Research Institute (HASETRI)

Valiant Pacific LLC. (VPL)

b) Key Management Personnel (KMP):

Dr. Raghupati Singhania

Vice 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 (w.e.f. 20th January, 2010)

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

JK Lakshmi Cement Ltd. (JKLC)

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

Rs. in Crores (10 Million)

Nature of Transactions	Associates	Enterprise over which KMP is able to exercise Significant Influence	TOTAL
Sale of Tyres to VPL & JKLC	227.58	0.64	228.22
Sale of Tyres to VPL	(442.24)		(442.24)
Stores issued to HASETRI	0.04		0.04
Stores issued to HASETRI	(0.14)		(0.14)
Purchase of Raw Materials from VPL	36.67		36.67
Purchase of Tyres from VPL	(2.44)		(2.44)
Purchase of cement from JKLC		0.12	0.12
Purchase of cement from JKLC		(0.20)	(0.20)
Sale of Capital Items to HASETRI	0.09		0.09
Sale of Capital Items to JKLC		(0.03)	(0.03)
Sharing of Expenses received - HASETRI & JKLC	1.03	0.37	1.40
Sharing of Expenses received - HASETRI & JKLC	(2.03)	(0.54)	(2.57)
Sharing of Expenses paid - HASETRI, VPL & JKLC	4.48	0.20	4.68
Sharing of Expenses paid - HASETRI & JKLC	(4.87)	(0.29)	(5.16)
Loans / Advances given to HASETRI & JKLC	6.73	0.08	6.81
Loans / Advances given to HASETRI, VPL & JKLC	(6.69)	(0.78)	(7.47)
Loans / Advances recovered - HASETRI	3.99		3.99
Loans / Advances recovered - HASETRI, VPL & JKLC	(3.87)	(0.47)	(4.34)
Loans / Advances received - HASETRI, VPL & JKLC	0.11	15.30	15.41
Loans / Advances received - HASETRI & JKLC	(1.38)	(0.84)	(2.22)
Loans / Advances repaid - VPL & JKLC	0.03	15.00	15.03
Loans / Advances repaid - HASETRI	(1.62)		(1.62)
Interest Expense - JKLC		0.06	0.06
Royalty income from VPL	4.20		4.20
Royalty income from VPL	(4.22)		(4.22)
Contribution to HASETRI	4.25		4.25
Contribution to HASETRI	(4.05)		(4.05)
Outstanding as at year end:			
Receivable (Rs. Crs.)			
VPL - 28.37 & HASETRI - 0.07	28.44		28.44
VPL - 77.19 & HASETRI - 0.64	(77.83)		(77.83)
JKLC		0.17	0.17

Details of remuneration paid to Key Management Personnel (KMP) for the year Rs. 22.07 crs. (Previous year: Rs. 5.67 crs.).

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



15. Segment Information for the year ended 31st March, 2010

Information about Primary Geographical Segments:

Rs. in Crores (10 Million)

Particulars		India		Mexico		Others		Total	
		2009-10	2007-09	2009-10	2007-09	2009-10	2007-09	2009-10	2007-09
1. REVENUE									
External Sales		3677.70	4903.61	893.41	619.09	-	-	4571.11	5522.70
Inter segment Sales		-	-	(0.53)	-	-	-	(0.53)	-
Total Sales		3677.70	4903.61	892.88	619.09	-	-	4570.58	5522.70
Other Income		14.72	19.30	0.16	0.84	0.01	0.19	14.89	20.33
Total Revenue		3692.42	4922.91	893.04	619.93	0.01	0.19	4585.47	5543.03
2. RESULTS									
Segment result (PBIT)		334.34	199.20	83.10	(48.29)	(0.19)	(0.54)	417.25	150.37
Interest Expenses		88.66	157.79	27.06	(19.98)	0.01	(0.07)	115.73	137.74
Unrealised Exchange Fluctuation on Foreign Currency Borrowings of Subsidiaries		-	-	(11.52)	87.67	-	-	(11.52)	87.67
Profit / (Loss) before Tax		245.68	41.41	67.56	(115.98)	(0.20)	(0.47)	313.04	(75.04)
Income Taxes		82.21	22.86	11.09	10.08	-	-	93.30	32.94
Profit / (Loss) after Tax		163.47	18.55	56.47	(126.06)	(0.20)	(0.47)	219.74	(107.98)
Share of Profit in Associates		-	-	-	-	4.07	4.06	4.07	4.06
Net Profit / (Loss)		163.47	18.55	56.47	(126.06)	3.87	3.59	223.81	(103.92)
3. OTHER INFORMATION									
Segment assets		2746.81	2555.84	786.03	739.69	20.13	16.48	3552.97	3312.01
Segment liabilities		2094.28	2023.50	608.64	601.97	0.09	0.10	2703.01	2625.57
Capital Expenditure		187.17	344.39	7.82	22.60	-	-	194.99	366.99
Depreciation		85.95	113.35	13.65	9.14	-	-	99.60	122.49
Non Cash Expenses other than Depreciation		5.21	4.86	-	-	-	-	5.21	4.86

Notes:

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

16. The figures for the current year April, 2009 - March, 2010 (12 months) are not comparable with the figures for the previous period October, 2007- March, 2009 (18 months).

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

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

19. Figures for the previous year have been regrouped / rearranged / recast, wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

H.S. SINGHANIA
Dr. RAGHUPATI SINGHANIA
BHARAT HARI SINGHANIA
ARVIND SINGH MEWAR
BAKUL JAIN
G.B. PANDE
OM PRAKASH KHAITAN
Dr. T.K. MUKHOPADHYAY
ARUN KUMAR BAJORIA
S.C. SETHI
VIKRAMPATI SINGHANIA

Chairman
Vice Chairman & Managing Director
Managing Director

Directors

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2010

Rs. in Crores (10 Million)
2009-2010 2007-2009
(12 Months) (18 Months)

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net profit / (loss) before tax and extraordinary items	313.04	(75.04)
Adjustment for:		
Depreciation	142.30	168.27
Transferred from capital reserve	(42.70)	(45.78)
Interest Expenses	119.38	171.17
(Profit) / Loss on sale of assets	0.10	(0.38)
Deferred revenue expenditure written off	5.21	4.86
(Profit) / Loss on sale of Investment	-	0.06
Foreign Exchange Fluctuation	(8.34)	89.02
Foreign Currency Translation gain / (loss) on Consolidation	0.30	23.37
Reversal of provision for diminution of Investments	(0.49)	0.58
Interest / Dividend Received	(3.95)	(33.84)
Provision for Doubtful Debts / Advances & Balances Written off	1.25	0.50
Operating Profit before working capital changes	<u>526.10</u>	<u>302.79</u>
(Increase) / Decrease in Trade and Other Receivables	(36.15)	(75.31)
(Increase) / Decrease in Inventories	(72.34)	91.08
Increase / (Decrease) in Trade Payables	<u>210.20</u>	<u>2.74</u>
Cash generated from Operations	627.81	321.30
Deferred revenue expenditure	-	(3.84)
Direct taxes (Net)	(62.85)	(20.62)
Net Cash from Operating activities	<u>564.96</u>	<u>296.84</u>

B. CASH FLOW FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	(181.27)	(352.07)
Sale of Fixed Assets	1.75	6.20
Movement in Loan	0.26	0.40
Purchase of Investments	-	(135.75)
Sale of Investments	-	0.88
Interest Received	3.93	33.94
Dividend Received	0.01	0.01
Net Cash used in Investing activities	<u>(175.32)</u>	<u>(446.39)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES:

Equity Share Capital	-	87.26
Proceeds from borrowings	341.77	606.59
Repayment of borrowings	(557.63)	(337.92)
Interest Paid	(121.04)	(176.78)
Dividend paid (including dividend tax)	(13.00)	(9.67)
Net cash from / (used in) Financing activities	<u>(349.90)</u>	<u>169.48</u>
Net increase in cash and cash equivalents	39.74	19.93
Cash and Cash equivalents as at the beginning of the year	51.34	30.03
Cash and Cash equivalents taken over on acquisition of new subsidiaries	-	1.33
Foreign Currency Translation gain / (loss) on Cash and Cash equivalents	(0.09)	0.05
Cash and Cash equivalents as at the end of the year	<u>90.99</u>	<u>51.34</u>

Notes:

Cash and Cash Equivalents Include:

- Cash, Cheques on hand and Remittances in transit
- Balances with Banks
- Unrealised Translation gain / (loss) on Foreign Currency balances

Total

51.28	33.12
39.80	18.17
(0.09)	0.05
<u>90.99</u>	<u>51.34</u>

As per our report of even date

For LODHA & CO.

Chartered Accountants

N.K. LODHA
Partner

P.K. RUSTAGI
Secretary

New Delhi, the 25th May, 2010

H.S. SINGHANIA

Dr. RAGHUPATI SINGHANIA

BHARAT HARI SINGHANIA

ARVIND SINGH MEWAR

BAKUL JAIN

G.B. PANDE

OM PRAKASH KHAITAN

Dr. T.K. MUKHOPADHYAY

ARUN KUMAR BAJORIA

S.C. SETHI

VIKRAMPATI SINGHANIA

Chairman

Vice Chairman & Managing Director

Managing Director

Directors



INFORMATION PERTAINING TO SUBSIDIARY COMPANIES U/S 212 (8) OF THE COMPANIES ACT, 1956

Rs. in Crores (10 Million)

Sl. No.	Name of the Subsidiary Company	Share Capital	Reserves & Surplus/ (Accumulated Losses)	Total Assets	Total Liabilities	Details of Investments (other than investment in Subsidiary Companies)	Turnover including other income	Profit / (Loss) before taxation	Income Tax expense	Profit / (Loss) after taxation	Proposed Dividend
1.	J. K. International Ltd	0.95	(0.94)	0.01	0.01	-	-	-	-	-	-
2.	J. K. Asia Pacific Ltd.	0.71	0.64	1.37	1.37	-	-	(0.02)	-	(0.02)	-
3.	J. K. Asia Pacific (S) Pte. Ltd. (Subs. of J. K. Asia Pacific Ltd.)	0.34	0.63	1.01	1.01	0.21	-	(0.09)	-	(0.09)	-
4.	Lankros Holdings Ltd.	26.31	0.51	26.85	26.85	-	-	(0.02)	-	(0.02)	-
5.	Sarvi Holdings Switzerland AG. (Subs. of Lankros Holdings Ltd.)	27.24	(1.13)	26.14	26.14	-	0.01	(0.07)	-	(0.07)	-
6.	Sunrise Hold Co. S.A. De C.V. (Subs. of Sarvi Holdings Switzerland AG.)	25.75	(24.87)	135.61	135.61	-	-	(4.55)	-	(4.55)	-
7.	Empresas Tornel, S.A. De C.V. (ETSA) (Subs. of Sunrise Hold Co. S.A. De C.V.)	6.54	12.90	315.99	315.99	-	537.23	26.49	2.11	24.38	-
8.	Comercializadora América Universal, S.A. De C.V. (Subs. of ETSA)	0.02	2.95	3.07	3.07	-	-	0.07	(0.08)	0.15	-
9.	Compañía Hulera Tacuba, S.A. De C.V. (Subs. of ETSA)	0.41	65.85	118.57	118.57	-	5.85	2.12	(0.11)	2.23	-
10.	Compañía Hulera Tornel, S.A. De C.V. (Subs. of ETSA)	6.17	41.00	523.44	523.44	-	846.32	38.49	9.20	29.29	-
11.	Compañía Inmobiliaria Norida, S.A. De C.V. (Subs. of ETSA)	1.48	136.66	144.89	144.89	-	6.65	3.22	-	3.22	-
12.	General de Inmuebles Industriales, S.A. De C.V. (Subs. of ETSA)	0.05	27.52	29.59	29.59	-	3.47	1.57	-	1.57	-
13.	Gintor Administración, S.A. De C.V. (Subs. of ETSA)	0.01	1.53	40.53	40.53	-	17.70	(0.95)	(0.02)	(0.93)	-
14.	Hules y Procesos Tornel, S.A. De C.V. (Subs. of ETSA) (*Rs. 2056)	*	7.56	8.94	8.94	-	1.74	0.84	(0.01)	0.85	-

Converted at exchange rates as applicable.

BRAND COMMUNICATION





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

NOTICE

NOTICE is hereby given that the Fifty-seventh Annual General Meeting of the Members of **JK Tyre & Industries Limited** will be held at **Shripati Singhania Hall, Rotary Sadan, 94/2, Jawaharlal Nehru Road (Chowringhee Road) Kolkata -700 020** on Saturday, 14th August 2010 at 11.45 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2010 and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Hari Shankar Singhania who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Arvind Singh Mewar who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution:

"RESOLVED that M/s Lodha & Co., Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the 57th Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 16 Lac (Rs. Sixteen Lac only) in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

6. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution:

"RESOLVED that Shri Arun Kumar Bajoria whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modifications, the following as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 269, 309, 198, Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof, the appointment of Shri Arun Kumar Bajoria as Whole-time Director with the designation "President & Director" of the Company for a period of 3 years with effect from 20th January 2010 be and is hereby approved on the terms of remuneration as set out in the explanatory statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits in any financial year the remuneration comprising salary, perquisites and benefits approved herein be paid as minimum remuneration to the said

Whole-time Director subject to the approvals, if any, as may be required for a period or periods not exceeding three years.

RESOLVED FURTHER that the Chairman/Vice Chairman & 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.”

By Order of the Board

Regd. Office :
7, Council House Street
Kolkata 700 001
Date: 25th May 2010

PK Rustagi
Vice President (Corp. Laws)
& 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.
2. The Register of Members of the Company will remain closed from 9th August to 14th August, 2010 (both days inclusive).
3. The Dividend of Rs.3.50 per Equity Share of Rs.10/- each as recommended by the Directors, if declared at the Annual General Meeting, will be paid to the Members whose names are borne on the Company's Register of Members on 14th August 2010 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.
4. APPOINTMENT OF DIRECTORS:

Brief resumes of the Directors proposed to be reappointed/appointed (item Nos.3, 4 and 6 of the Notice) are given hereunder:-

- Shri Hari Shankar Singhanian, aged 77 years, holds Bachelor's Degree in Science. He joined the Board of Directors of the Company on 25th March, 1974 and has been the Chairman of the Board since 27th April, 1974. He is an industrialist of international repute. He has served as President of the International Chamber of Commerce and also of FICCI. He was conferred "Padam Bhushan" by the Government of India in the year 2003. He is Chairman of JK Lakshmi Cement Ltd., JK Paper Ltd. and Bengal & Assam Company Ltd. (Directorships held in other companies are as per Sections 275 and 278 of the Companies Act, 1956). In terms of Clause 49 of the Listing Agreement, Chairmanship/Membership of Shri Singhanian in Committees of Directors in other Companies is - Nil. His Director Identification No. is 00051324.
- Shri Arvind Singh Mewar, aged 65 years, holds a Bachelor's Degree in English Literature, Economics and Political Science. He has also done Hotel Management in UK. He joined

the Board of Directors of the Company on 7th April 1975. He is a well known Hotelier and is Chairman and Director of HRH Group of Hotels, Udaipur. He is former Maharana of Udaipur. His Directorships as per Sections 275 and 278 of the Companies Act, 1956 are – Nil. His Director Identification No. is 00008244.

- Shri Arun K. Bajoria, aged 65 years, holds Bachelor's Degree in Engineering (Mechanical) from BITS Pilani and also holds Post Graduate Diploma in Advance Management from London Business School. He joined the Board of Directors of the Company on 20th January 2010 and was appointed as Whole-time Director with the designation "President & Director". Before that Shri Bajoria was President of the Company. He has been associated with the Company since 1997 when erstwhile Vikrant Tyres Ltd. became a subsidiary. His Directorships as per Sections 275 and 278 of the Companies Act, 1956 are – Nil. His Director Identification No. is 00026540.
5. Relationships between directors inter-se: Shri Hari Shankar Singhania, Dr. Raghupati Singhania and Shri Bharat Hari Singhania are brothers and Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

Shri Arun Kumar Bajoria, the then President of the Company was appointed by the Board of Directors as an Additional Director w.e.f 20th January 2010. Pursuant to Section 260 of the Companies Act, 1956, Shri Arun Kumar Bajoria holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 together with requisite deposit from a member of the Company proposing the name of Shri Arun Kumar Bajoria for appointment as a Director of the Company. Your Directors recommend this resolution for your approval. Brief resume of Shri Arun Kumar Bajoria is given in the notes appended to the Notice of this meeting.

None of the Directors, except Shri Arun Kumar Bajoria may be deemed to be concerned or interested in the proposed resolution.

Item No. 7

The Board of Directors has appointed Shri Arun Kumar Bajoria, President of the Company, as Whole-time Director with the designation "President & Director" for a period of three years commencing 20th January 2010.

As required under para (C) of Section II of Part II of Schedule XIII to the Companies Act, 1956, the relevant details to be sent along with the notice calling the general meeting 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 2010	Rs. In Crores
- Sales and Other Income	3971.01
- Operating Profit (before Interest, Depreciation and Tax)	420.29
- Profit Before Tax	245.68

5. Export performance and net foreign exchange earnings : The earning in foreign exchange by Exports for the year ended 31st March 2010 was Rs. 357.23 Crores. Extensive market network spread over 80 countries across 6 continents is the strength behind the excellent growth of global business.
6. Foreign investments of collaborators, if any : Not Applicable

II. Information about the appointee

- (1) Background, Recognition or awards details : Shri Arun Kumar Bajoria, aged 65 years, holds a Bachelor's Degree in engineering from BITS, Pilani and also holds a Post Graduate Diploma in Advance Management from London Business School. Shri Bajoria has been President of the Company since June 2003 and 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 43 years.

Shri Arun Kumar Bajoria is a member of the Managing Committee of Technological Institute of Textiles at Bhiwani (Haryana) and is 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.

Shri Arun Kumar Bajoria is also a Director of Sunrise Hold Co Mexico, SA de CV, Empresas Tornel, SA de CV, Hules Y Procesos Tornel, SA. de CV, Compania Inmobiliaria Norida, SA de CV, Compania Hulera Tacuba, SA de CV, General De Inmuebles Industriales, SA de CV, all of which are Mexico based wholly-owned subsidiaries of JK Tyre & Industries Ltd. and are part of leading tyre manufacturing company of Mexico. Shri Bajoria is also a member of Managing Committee of Hari Shankar Singhania Elastomer & Tyre Research Institute.

- (2) Past Remuneration: As President of the Company, Shri Arun Kumar Bajoria was drawing the following remuneration:- Salary : Rs.3 Lacs per month and Perquisites valuing Rs.7.18 Lacs per month (Perquisites valued as per actual cost or Income-tax Rules, as applicable). In addition, Shri Bajoria was also entitled to the retirement benefits such as contribution to Provident Fund, Superannuation Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961 and Gratuity, aggregating to Rs. 0.95 Lacs per month.
- (3) Job Profile and his suitability : Shri Arun Kumar Bajoria, Whole-time Director with the designation "President & Director" 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 a big way besides expansion/debottlenecking at multi locational plants. The Company is also expanding capacities at its existing plants and is also setting up a new greenfield project for manufacturing automotive tyres at an aggregate cost of Rs.930 Crores. Consequently, the responsibilities of the managerial personnel have increased substantially.

- (4) Remuneration proposed: The Board of Directors of the Company at its meeting held on 20th January 2010 approved the terms of remuneration for the three years tenure of Shri Arun Kumar Bajoria commencing 20th January 2010 as under :-
- (A) Salary: Rs. 3 Lacs per month with suitable increases as determined by the Chairman/Vice Chairman & Managing Director in the range of Rs. 3 Lacs to Rs.6 Lacs per month.
 - (B) Perquisites and other benefits: Perquisites comprising provision of residential accommodation or house rent allowance together with furnishings, gas, electricity and water, reimbursement of medical expenses incurred and Leave travel assistance for self and family, club fees, premium on personal accident insurance, car with driver, telephone at residence etc., and such other perquisites, benefits and allowances as may be approved by the Chairman/Vice Chairman & Managing Director. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.
 - (C) Commission: 1% of the net profits computed under Sections 349 and 350 of the Companies Act 1956, subject to a ceiling of one hundred percent of annual salary.
 - (D) In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act 1956, in any financial year or years, the said Whole-time Director with the designation "President & Director" shall be entitled to minimum remuneration comprising salary, perquisites and benefits as detailed above for a period not exceeding three years in the aggregate subject to requisite approvals as may be required.
 - (E) The Whole-time Director with the designation "President & Director" shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling mentioned in para (D) above in terms of the provisions of Schedule XIII of the said Act:
 - (i) Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
 - (ii) Gratuity at the rate of 15 days salary for each completed year of service.
 - (iii) Encashment of unavailed leave at the end of the tenure.
- (5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The Board of Directors of the Company at its meeting held on 20th January 2010 has appointed Shri Arun Kumar Bajoria as Whole-time Director with the designation "President & Director" on the existing remuneration as he was drawing as President of the Company, plus enabling provision for payment of Commission. The said remuneration of Shri Bajoria is commensurate with the trend in the Industry, size of the Company and his profile/ position.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the proposed remuneration, Shri Arun Kumar Bajoria does not have any pecuniary relationship with the Company or with the managerial personnel.

III. Other Information:

- (a) At present the Company is having adequate profits and the future trend in profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
- (b) With a view to improve overall profitability, the Company has taken several steps, which have enabled the Company to achieve highest ever sales of Rs. 3971 Crores and net profits of Rs. 163 Crores for the financial year ended 31st March 2010. Further, the Company has recently acquired tyre manufacturing facilities in Mexico with the annual capacity of 66 Lac tyres per annum. The expansion of OTR Tyres undertaken at the cost of Rs.120 Crores is nearing completion. The Company has also undertaken further expansion of tyre manufacturing capacity in the segment of both Passenger Radial Tyres and Truck/Bus Radial Tyres by way of a combination of expansion at the existing Plant and also at a new greenfield site aggregating to Rs.930 Crores.

All these steps will contribute considerably to the growth of the Company and will help in meeting the growing demand of tyres. The Company has not made any default in payment of any of its debts.

The Resolution is recommended to the shareholders for passing as a Special Resolution.

None of the Directors of the Company other than Shri Arun Kumar Bajoria is in any way concerned or interested in the aforesaid Resolution.

By Order of the Board

Regd. Office :
7, Council House Street
Kolkata 700 001
Date: 25th May 2010

PK Rustagi
Vice President (Corp. Laws)
& 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. 3.

3 Dividend Warrants, Share transfer etc. :

- (i) Members who have not so far forwarded the details of Bank Account No. etc are requested to advise the same quoting their Folio No.(s), name and address of the Bank, Account No. and name of Account holder(s) for printing on the Dividend Warrants, as deemed appropriate, to avoid fraudulent encashment of Dividend Warrants.

Members holding shares in dematerialised form should approach the Depository Participant with whom they are maintaining Account for change in address, bank mandate, nomination etc.

- (ii) As in the previous years, the Company will be paying Dividend to the shareholders through Electronic Clearing Service(ECS). The Members are requested to furnish their Bank particulars in the prescribed form to enable the Company to directly credit the dividend amount in their Bank Account. The Members may write to Secretarial Department or e-mail at – 'pkrustagi@jkm.com' or at 'investorjkm@jkm.com'.
4. In terms of approval granted by the Central Government under Section 212(8) of the Companies Act 1956, copies of the Balance Sheets, Profit & Loss Accounts, Reports of the Board of Directors and the Auditors, etc. of the subsidiary companies have not been attached to the Balance Sheet of the Company. These documents/details will be made available upon request by members and kept open for inspection on all working days between 11.00 A.M. to 1.00 P.M. at the Head Office of the Company.

5. Unclaimed Dividends - Transfer to Investor Education and Protection Fund :

Pursuant to Section 205A read with Section 205C of the Companies Act 1956, the unclaimed dividend will be transferred to the *Investor Education and Protection Fund* on expiry of 7 years from the date the dividend became due for payment as under : -

Dividend	Due date for transfer to the said Fund
➤ Financial Year ended 30.09.2003	
• 20% Dividend	9th March 2011
➤ Financial Year ended 30.09.2004	
• 20% Dividend	9th March 2012
➤ Financial Year ended 30.09.2005	
• 20% Dividend	26th March 2013

It may be noted that after the expiry of the said due date(s) for transfer of unclaimed dividend to the said Fund, no claim shall lie in respect of unclaimed 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 Companies Act, 1956 read with the relevant Rules framed thereunder.

6. **NOMINATION:** Pursuant to Section 109A of the Companies Act, 1956 individual 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.