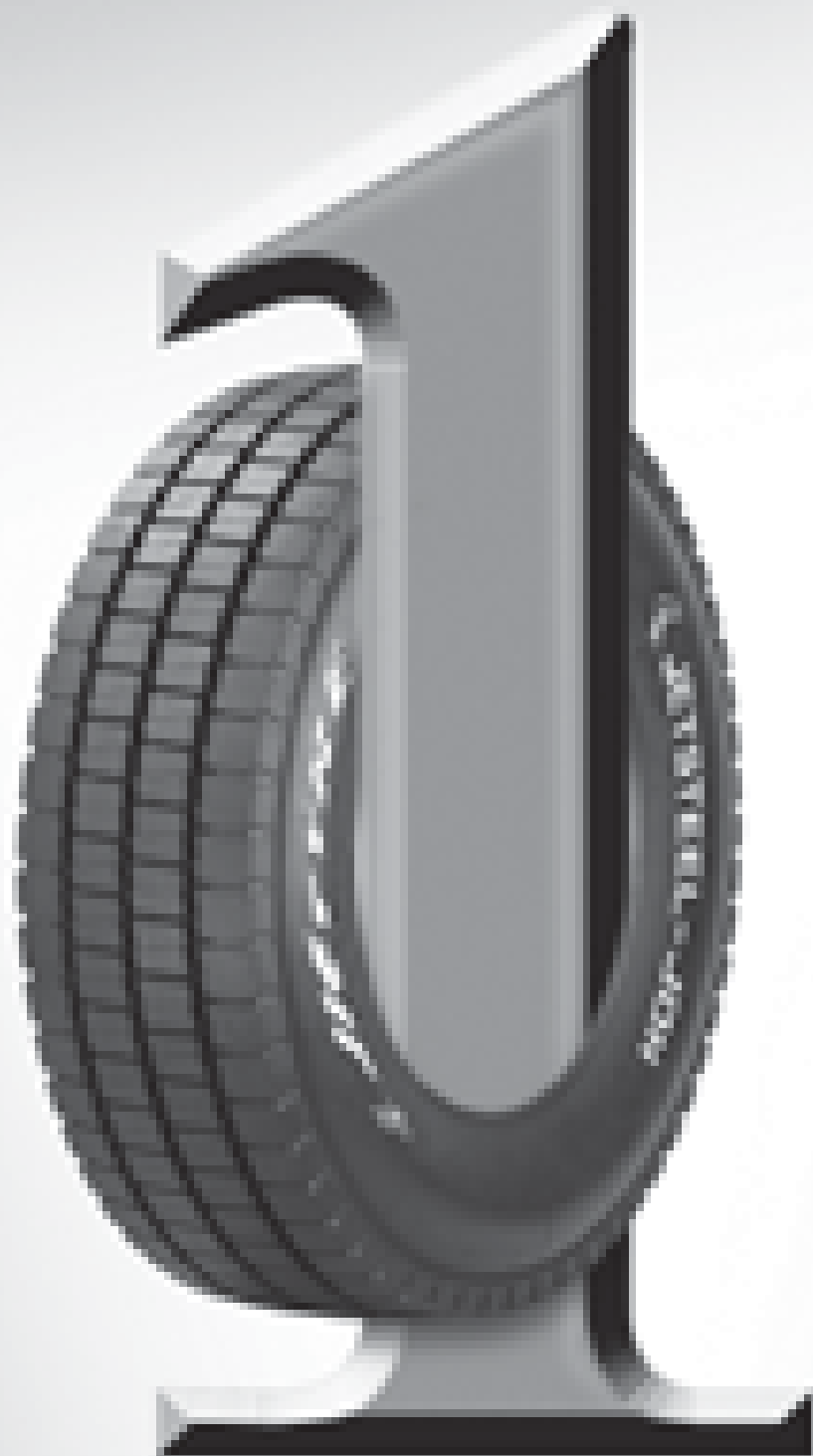


A N N U A L R E P O R T 2 0 0 9 - 2 0 1 0



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."



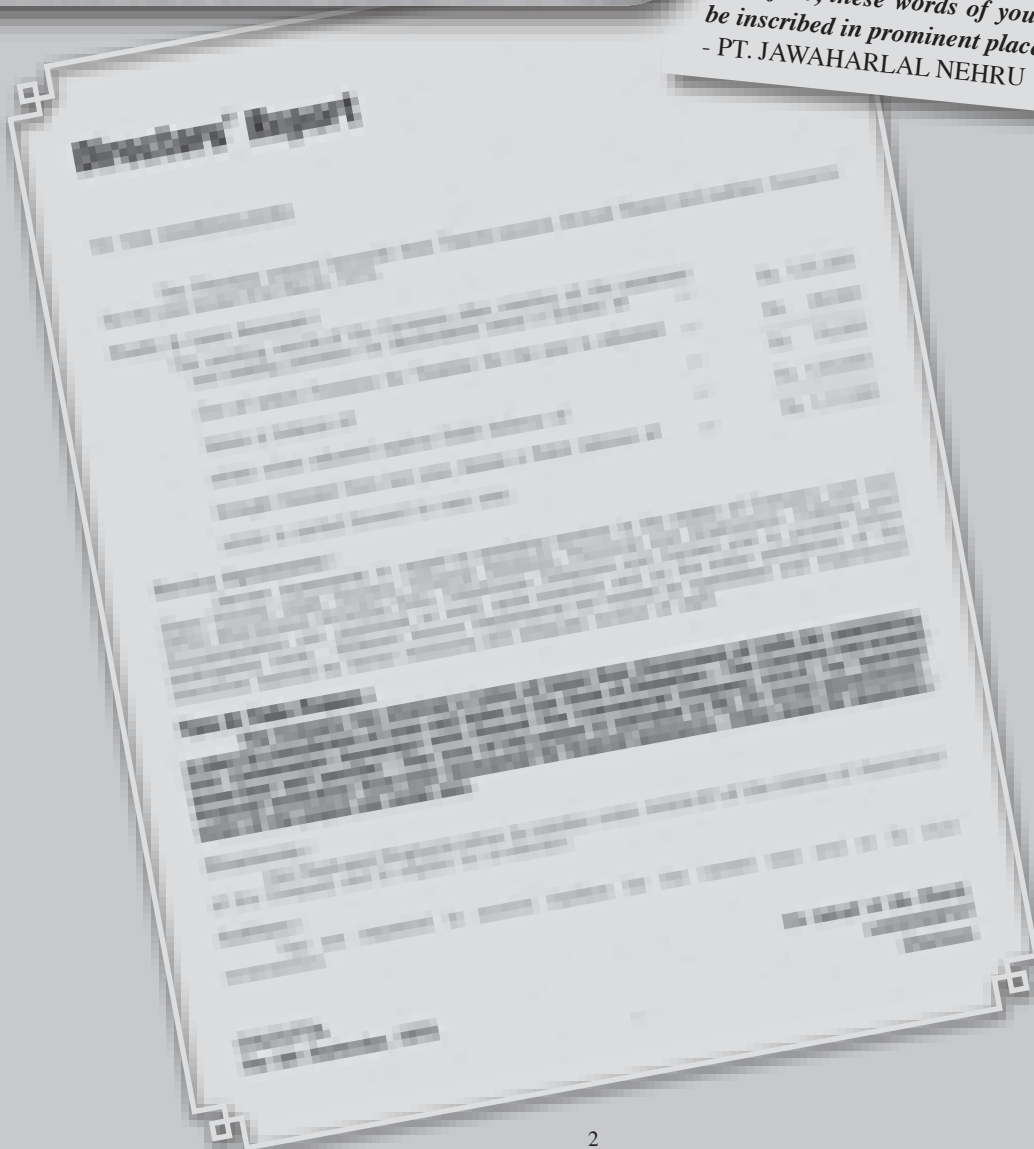
LALA LAKSHMIPAT SINGHANIA CENTENARY YEAR, 1910-1976

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

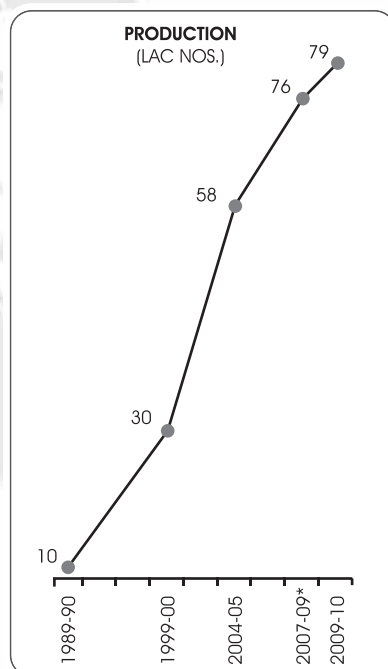
JK Tyre India's first and largest manufacturer of Truck/Bus Radial

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