



JKTIL:SECTL:SE:2023

14th August 2023

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	National Stock Exchange of India Ltd. Exchange Plaza, Block- G, C-1, Bandra -Kurla Complex, Bandra(E), Mumbai - 400 051.
Scrip Code: 530007	Scrip Code: JKTYRE

Dear Sir,

Re : **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Pending Litigations/Disputes**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023, the details of pending dispute(s)/litigation(s) along with the relevant details are attached as Annexure.

Thanking You,

Yours faithfully,
For JK Tyre & Industries Ltd.

(PK Rustagi)
Vice President (Legal) & Company Secretary

Encl: As Above



Brief details of pending litigation

S.no	Particulars
1	<p>a) <i>Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> The Commercial Tax Department, Bhilwara ("CTO Bhilwara"), State of Rajasthan, Supreme Court of India</p> <p>b) <i>Brief details of dispute/litigation:</i> The Company received notices in the year 2004, 2010 and 2013 from the Commercial Taxes Department for recovery of Rs. 9.94 Crore claimed as remission by the Company for the period between 1999 and 2008. The CTO Bhilwara passed an order against the Company. Resultantly, the Company filed a writ petition before the High Court of Rajasthan challenging the order passed by the CTO Bhilwara. The High Court passed an order in favour of the Company against which the Government of Rajasthan and CTO Bhilwara filed a special leave petition before the Supreme Court of India. The case was last heard in 2019.</p> <p>c) <i>Expected financial implications, if any, due to compensation, penalty etc.:</i> Rs. 9.94 Crore, as commercial tax plus interest and penalty, if any.</p> <p>d) <i>Quantum of claims, if any:</i> -</p>
2	<p>a) <i>Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> Investigation Department, Directorate of Revenue Intelligence (DRI), CESTAT, Mumbai.</p> <p>b) <i>Brief details of dispute/litigation:</i> The Company had received a notice in 2018 from the Investigation Department, DRI wherein it was alleged that the Company had not paid duty on import of steel spools. The Company filed an appeal with the ADG (Adjudication) challenging the notice on the grounds that: (i) the item under import is steel tyre cord and the question of separately declaring the packaging from that of the product does not arise; (ii) the steel spools cannot be classified separately from steel tyre cords; (iii) the packing material is intended for the product in question and is sold with goods; (iv) the Company already paid customs duty on the transaction value and there is no question of separating the cost of packing from the transaction value and then imposing customs tax on the same; (v) the basis for redetermining the value of the steel spools is incorrect; (vi) steel spools are not liable for confiscation; and (vii) the provisions of Section 111 of the Customs Act cannot be invoked for goods which have already been cleared. The ADG (Adjudication) upheld the notice issued by the Investigation Department, DRI. The Company filed an appeal before the CESTAT Mumbai challenging the order passed by the ADG (Adjudication). The case currently sub-judice and pending before the CESTAT Mumbai.</p> <p>c) <i>Expected financial implications, if any, due to compensation, penalty etc.:</i> Rs.18.23 Crore, as duty plus interest and penalty, if any.</p>



Brief details of pending litigation

S.no	Particulars
	<i>d) Quantum of claims, if any: -</i>
3	<p><i>a) Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> Principal Commissioner CGST & Central Excise, Bhopal.</p> <p><i>b) Brief details of dispute/litigation:</i> The Company had sold certain capital equipment. The Company received a show cause in October 2021 from the Principal Commissioner CGST & Central Excise, Bhopal, requiring the Company to pay excise duty on items sold. The Company has paid an amount of Rs.1 crore (Rupees one crore only) (under protest and contested payment of Rs. 14.40 Crore. The Company filed reply to the show cause notice on May 18, 2022. The Principal Commissioner issued another notice to the Company on August 31, 2022 wherein the Principal Commissioner initiated proceedings against the Company for payment of excise duty on items sold. The Principal Commissioner has transferred the case to the call book as the Madras High Court in the case of Commissioner of Central Excise, Madurai v. TVS Srichakra Limited is dealing with a similar issue and the Principal Commissioner of CGST and Central Excise, Bhopal cannot initiate proceedings against the Company until the Madras High Court issues its decision in the case of Commissioner of Central Excise, Madurai v. TVS Srichakra Limited (bearing reference number WA(MD) no. 2212/2021).</p> <p><i>c) Expected financial implications, if any, due to compensation, penalty etc.:</i> The Company's liability under the show cause notice is estimated at Rs.13.40 Crore (after adjustment of Rs. 1 Crore paid under protest) plus interest and penalty, if any.</p> <p><i>d) Quantum of claims, if any: -</i></p>
4	<p><i>a) Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> Kesoram Industries Limited, Arbitration proceedings.</p> <p><i>b) Brief details of dispute/litigation:</i> The Company had entered into a share purchase agreement dated October 28, 2015 with Kesoram Industries Limited ("KIL") to acquire one hundred percent (100%) shareholding in CIL ("SPA"). The SPA was premised on the sale of the business undertaking (i.e., its tyre facility at Laksar, Distt. Haridwar, Uttarakhand) from KIL to CIL. While the transfer of one hundred percent (100%) shareholding of CIL and sale of the business undertaking were consummated, the Company received a notice from the Government of Uttarakhand for payment of stamp duty amounting to approximately Rs. 43.90 Crore. KIL failed to fulfill its obligations under the SPA in respect of providing clear title for certain minor land parcels forming part of the tyre facility at Laksar, Uttarakhand and payment of stamp duty on</p>



Brief details of pending litigation

S.no	Particulars
	<p>the transfer business undertaking (i.e., its tyre facility at Laksar, Distt. Haridwar, Uttarakhand). Resultantly, the Company issued a notice in February 2020 to KIL for invocation of arbitration. As part of the arbitration proceedings, KIL has also filed counter claims against the Company relating to payment of variation in working capital estimated at approximately Rs. 10.63 Crore and income tax refund of Rs. 6.46 Crore pertaining to the assessment year 2016-17. The matter is before the arbitral tribunal and hearings are taking place.</p> <p><i>c) Expected financial implications, if any, due to compensation, penalty etc.:</i> Rs. 17.09 Crore plus any interest that may be levied.</p> <p><i>d) Quantum of claims, if any:</i> Rs. 43.90 Crore plus interest, if any.</p>
5	<p><i>a) Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> GP Catarinense Comércio, Importação e Exportação Ltda, J.S. Comércio de Pneus Ltda., Brumel Distribuidora de Pneus Ltda. Pampa Norte Comércio de Autopeças Ltda ("GPP Companies") and Eliseo Jorge Spohr, Chief Promoter of GPP Companies.</p> <p><i>b) Brief details of dispute/litigation:</i> The Company has instituted recovery proceedings against GP Catarinense Comércio, Importação e Exportação Ltda, J.S. Comércio de Pneus Ltda., Brumel Distribuidora de Pneus Ltda. Pampa Norte Comércio de Autopeças Ltda ("GPP Companies") for recovery of approximately R\$ 29,073,472 (Brazilian Real Twenty-Nine Million Seventy-Three Thousand Four Hundred Seventy-Two) in relation to non-payment of dues by GPP Companies for tyres exported to them by the Company. The case is currently pending before the 3rd Court of the City of Sao Jose dos Pinhais and the case has not yet been listed for hearing by the 3rd Court of the City of Sao Jose dos Pinhais.</p> <p><i>c) Expected financial implications, if any, due to compensation, penalty etc.:</i> -</p> <p><i>d) Quantum of claims, if any:</i> \$ 29,073,472 (Brazilian Real), which is equivalent to Rs. 56.48 Crore.</p>
6	<p><i>a) Name(s) of the opposing party, court/tribunal/agency where litigation is filed:</i> Compañía Hulera Tornel, S.A. de C.V ("CHT") (a Subsidiary of the Company) is party to tax proceedings pending before 4th Federal Circuit Court, Tribunal Federal de Justicia Administrativa against the Servicio de Administración Tributaria ("SAT"), assigned to the Specialized Chamber for the Trial of Exclusive Merit Resolution, Metropolitan Auxiliary and First Auxiliary Chamber of the ("Federal Tax Court")</p>



Brief details of pending litigation

S.no	Particulars
	<p><i>b) Brief details of dispute/litigation:</i> CHT had sustained a tax loss and was therefore not required to give a share of the profits (since there were none) to its union workers, which is a requirement under Mexican law for companies making profits during a fiscal year. On account of non-payment of profit-sharing, the union workers filed a complaint with the SAT, asking it to review the annual tax declaration filed by CHT for the fiscal year 2011. The SAT commenced a fiscal audit of CHT in December 2014. The SAT completed its examination in December 2015 and issued an observation letter to CHT in December 2015, wherein it disallowed expenditure deductions claimed by CHT amounting to approximately Mexican Pesos 263,819,735. CHT responded to SAT's observation letter and provided the SAT with additional information (including documentary evidence and expert opinion) in order to demonstrate that CHT was entitled to claim deductions. In December 2017, the SAT passed an order against CHT and issued a tax demand notice to CHT and directed CHT to pay an amount of approximately Mexican Pesos 259,861,937 as tax and Mexican Pesos 9,983,819 as additional distribution of profits for the fiscal year 2011. In February 2018, CHT filed an appeal before the Federal Tax Court to set aside: (i) the order passed by SAT; and (ii) the tax demand notice issued by the SAT. In September 2019, the Federal Tax Court admitted the appeal by CHT. In July 2021, the Federal Tax Court passed an order in the appeal filed by CHT and held that CHT was entitled to claim deductions for expenses incurred. However, per this order, CHT was not entitled to certain claims ("July 2021 Order"). CHT filed an appeal before Fourteenth Collegiate Court on Administrative Matters of the First Circuit challenging the July 2021 Order on the Grounds of Appeal. Simultaneously, the SAT also filed an appeal for review before Fourteenth Collegiate Court in Administrative Matters of the First Circuit on the grounds that CHT was not entitled to claim certain deductions. The case was remanded back to the Federal Tax Court to revisit the evidence and determine the validity of the claim filed by CHT. The Federal Tax Court passed an order in July 2022 ("July 2022 Order") wherein the Federal Tax Court held that CHT was not entitled to claim certain deductions, resulting in a tax liability of approximately Mexican Pesos 384,151,618. CHT has filed an appeal to the Federal Circuit Court which has been admitted by the 14th Federal Circuit Court challenging the July 2022 Order on the Grounds of Appeal. CHT's liability under this case is estimated at approximately Mexican Pesos 384,151,618 plus any interest and penalty that may be levied. The case is currently pending before 14th Federal Circuit Court.</p>
	<p><i>c) Expected financial implications, if any, due to compensation, penalty etc.:</i> Mexican Pesos 384,151,618 (Mexican Pesos Three Hundred Eighty-</p>



JK Tyre & Industries Ltd.

Brief details of pending litigation

S.no	Particulars
	<p>Four Million One Hundred Fifty-One Thousand Six Hundred Eighteen) plus any interest and penalty that may be levied equivalent to approx. Rs. 185 Crore.</p> <p>d) <i>Quantum of claims, if any:</i> Nil</p>

