

**BIL: 2019-2020**

**19<sup>th</sup> June, 2019**

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

National Stock Exchange of India Ltd  
5<sup>th</sup> Floor, Exchange Plaza  
Bandra Kurla Complex  
Bandra (E), Mumbai - 400 051

Scrip Name: BALKRISI  
Scrip Code: 502355

Scrip Name/Code: BALKRISIND

Dear Sir/Madam,

Sub: Submission of 57<sup>th</sup> Annual Report for the Financial Year 2018-2019

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 57<sup>th</sup> Annual General Meeting scheduled to be held on July 13, 2019 at 10:00 a.m. at the Registered Office of the Company.

We request you to kindly take on record and oblige.

Thanking you,

Yours faithfully,  
For Balkrishna Industries Limited

  
Vipul Shah  
Director & Company Secretary  
DIN: 05199526



Enclosed : As above



# Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra

Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013

Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: [shares@bkt-tires.com](mailto:shares@bkt-tires.com) | Website: [www.bkt-tires.com](http://www.bkt-tires.com)

## NOTICE

**NOTICE** is hereby given that the 57<sup>th</sup> Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

Day : Saturday

Date : 13<sup>th</sup> July, 2019

Time : 10:00 a.m.

Place : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra).

The Agenda for the Meeting will be as under to transact the following business:

### ORDINARY BUSINESS:

- To consider and adopt:
  - the Audited Standalone Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and
  - the Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2019, together with the Report of the Auditors thereon.
- To confirm 1<sup>st</sup> Interim Dividend of ₹ 2.00 per equity share, 2<sup>nd</sup> Interim Dividend of ₹ 2.00 per equity share and 3<sup>rd</sup> Interim Dividend of ₹ 2.00 per equity share, aggregating to ₹ 6.00 per equity share, already paid for the financial year ended 31<sup>st</sup> March, 2019 and to declare a Final Dividend of ₹ 2.00 per equity share for the financial year ended 31<sup>st</sup> March, 2019.
- To appoint a Director in place of Mrs. Vijaylaxmi Poddar (DIN: 00160484), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

- Appointment of Mrs. Shruti Shah as a Director and as a Woman Independent Director.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, Mrs. Shruti Shah (DIN: 08337714), who was appointed as an Additional Director of the Company with effect from 8<sup>th</sup> February, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received the notices in writing under Section 160(1) of the Act from the members proposing Mrs. Shruti Shah's candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act, as amended from time to time, appointment of Mrs. Shruti Shah, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted the declaration to that effect, and who is eligible for an appointment as a Woman Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 8<sup>th</sup> February, 2019 to 7<sup>th</sup> February, 2024, be and is hereby approved."

- Appointment of Mr. Rajendra Hingwala as a Director and as an Independent Director.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013

('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, Mr. Rajendra Hingwala (DIN: 00160602), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> March, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received the notices in writing under Section 160(1) of the Act from the members proposing Mr. Rajendra Hingwala's candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, as amended from time to time, appointment of Mr. Rajendra Hingwala, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted the declaration to that effect, and who is eligible for an appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 28<sup>th</sup> March, 2019 to 27<sup>th</sup> March, 2024, be and is hereby approved."

- Appointment of Mr. Sandeep Junnarkar as a Director and as an Independent Director.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, Mr. Sandeep Junnarkar (DIN: 00003534), who was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> March, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received the notices in writing under Section 160(1) of the Act from the members proposing Mr. Sandeep Junnarkar's candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act, as amended from time to time, appointment of Mr. Sandeep Junnarkar, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted the declaration to that effect, and who is eligible for an appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 28<sup>th</sup> March, 2019 to 27<sup>th</sup> March, 2024, be and is hereby approved."

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy in order to be effective must be deposited at the Registered or Corporate Office of the Company, duly completed and signed not less than 48 hours before commencement of the AGM.

Pursuant to Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a member holding more than ten

- percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A proxy form is sent herewith. Proxies submitted on behalf of Companies/Limited Liability Partnerships (LLPs), must be supported by an appropriate resolution / authority, as applicable.
2. Information under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Directors seeking appointment / re-appointment at the AGM, forms integral part of the notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment and their brief profile forms part of the explanatory statement.
  3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No.23. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
  4. Corporate Members/LLPs intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorising their representative/s to attend and vote on their behalf at the Meeting.
  5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, ("Act") relating to the Special Business to be transacted at the Meeting is annexed hereto.
  6. Shareholders desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
  7. Members, Proxies and Authorised Representatives are requested to bring their copy of Annual Report, the Attendance slip duly completed and signed mentioning therein details of DP ID and Client ID/Folio No. to the meeting.
  8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered or Corporate Office of the Company during normal business hours (11.00 a.m to 5.00 p.m) on all working days up to the date of the 57<sup>th</sup> AGM of the Company.
  10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the AGM.
  11. The Company has notified closure of Register of Members and Share Transfer Books from Monday, the 8<sup>th</sup> July, 2019 to Tuesday, the 9<sup>th</sup> July, 2019 (both days inclusive) for the purpose of 57<sup>th</sup> AGM and for payment of final dividend on Equity shares of the Company for year ended 31<sup>st</sup> March, 2019, if declared at AGM. The payment of such final dividend as recommended by the Board of Directors, if approved at the AGM, will be made on or after 15<sup>th</sup> July, 2019 but within stipulated time, to the members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as at the close of business hours on Saturday, the 6<sup>th</sup> July, 2019.
  12. Members whose shareholding is in electronic mode are requested to direct notification about change of address and updates about Bank account details to their respective depository participant(s). We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
  13. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPFA Rules) as amended from time to time, the Company has transferred the unpaid or unclaimed dividends declared up to financial year 2010-2011, on due date to the Investor Education and Protection Fund ("IEPF") established by the Central Government. The Company has been sending reminders to members having unpaid/unclaimed dividend before transfer of such dividends to IEPF. Details of unpaid/unclaimed dividend amounts lying with the Company are uploaded on website of the Company viz: [www.bkt-tires.com](http://www.bkt-tires.com), and also on website of the Ministry of Corporate Affairs.
  14. Unclaimed / Unpaid Dividend for financial year 2011-2012, will fall due for transfer to IEPF on 7<sup>th</sup> October, 2019. The Company has sent out communication on 6<sup>th</sup> May, 2019 to the concerned Members whose dividend are liable to be transferred to IEPF, to take immediate action in the matter. Those members who have so far not encashed their dividend warrants from the financial year 2011-2012, are requested to contact the Company's Registrar and Share Transfer Agent – Karvy Fintech Private Ltd (Karvy), at the earliest.
  15. As per Section 124(6) of the Act read with the IEPFA Rules as amended from time to time, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly 1,31,255 Equity shares of ₹ 2/- each on which the dividend remained unclaimed or unpaid for seven consecutive years with reference to the due date of 12<sup>th</sup> September, 2018 were transferred during the year 2018-19 to the IEPF Account after following the prescribed procedure. The Shareholders will be able to claim these equity shares pursuant to IEPFA Rules by making an online application in Form IEPF-5, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in). The unclaimed or unpaid dividend and shares which have already been transferred can be claimed back by the Members from IEPF pursuant to IEPFA Rules, by following the procedure given on its website i.e. [www.iepf.gov.in](http://www.iepf.gov.in).
  16. The Securities and Exchange Board of India (SEBI) has mandated the submission of details relating to Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Karvy/Company.
  17. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1<sup>st</sup> April, 2019. In view of the above, members are advised to dematerialize shares held by them in physical form.
  18. Electronic copy of the Notice of the 57<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 57<sup>th</sup> AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.
  19. Members may note that the Notice of the 57<sup>th</sup> AGM, Attendance Slip, Proxy form, Route Map and the Annual Report for year 2018-2019 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered or Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's designated investor email id: [shares@bkt-tires.com](mailto:shares@bkt-tires.com) or to Company Registrar's email id: [einward.ris@karvy.com](mailto:einward.ris@karvy.com).
  20. Members who have not registered their e-mail address so far, are requested to register the same for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  21. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.bkt-tires.com](http://www.bkt-tires.com). Members holding shares in physical form may submit the same to Company's Registrar i.e Karvy. Members holding shares in electronic form may submit the same to their respective Depository Participant.
  22. A Route Map giving directions to reach the venue of the 57<sup>th</sup> AGM is given at the end of the Notice.
  23. Information and other instructions relating to e-voting are as under:
    - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2), the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 57<sup>th</sup> AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") provided by Karvy.
    - II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.



- III. The facility for voting through ballot paper shall also be made available at the AGM and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.
- IV. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM *but shall not be entitled to cast their votes again*.
- V. The remote e-voting period commences on Wednesday, 10<sup>th</sup> July, 2019 (9:00 a.m. IST) and ends on Friday, 12<sup>th</sup> July, 2019 (5:00 p.m. IST). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 6<sup>th</sup> July, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.
- VI. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.
- VII. A person who is not a member as on cut-off date should treat this Notice of AGM for information purpose only.
- VIII. The process and manner for remote e-voting is as under: Member whose email IDs are registered with the Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once the Members receives the email, he or she will need to go through the following steps to complete the e-voting process:
- Launch internet browser by typing the URL: <https://evoting.karvy.com>
  - Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No./DP ID – Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
  - After entering these details appropriately, click on "LOGIN".  
You will now reach password change menu wherein they are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - You need to login again with the new credentials.
  - On successful login, the system will prompt you to select the E-voting Event Number for Balkrishna Industries Limited i.e. 4569.
  - If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other Company, then your existing login id and password are to be used.
  - On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. 6<sup>th</sup> July, 2019 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
  - You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
  - Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
  - During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - Corporate/LLPs/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: [mnbhalekar@rediffmail.com](mailto:mnbhalekar@rediffmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the abovementioned documents should be in the naming format "Balkrishna Industries Limited\_EVENT NO."
- (xiv) In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered or have requested the physical copy]:
- Initial password is provided in below format at the bottom of the Attendance Slip for the AGM:
- | EVENT (E-Voting Event Number)   | USER ID | Password |
|---|---------|----------|
| Please follow all steps from Sr. No. (i) to Sr. No. (xii) above to cast vote. |         |          |
- Please follow all steps from Sr. No. (i) to Sr. No. (xii) above to cast vote.
- IX. In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Ms. Krishna Priya Maddula/Mr. Ananda Moolya of Karvy Fintech Private Limited at +91 40 6716 2222/6716 1533 or at 1800 345 4001 (Toll free) or at Fax no.: +91 40 23001153 or at email id: [evoting@karvy.com](mailto:evoting@karvy.com).
- X. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and Password for casting the vote through remote e-voting.
- XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 6<sup>th</sup> July, 2019.
- XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 6<sup>th</sup> July, 2019, may obtain the User ID and password in the manner as mentioned below:
- If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com> the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). If the member is already registered with Karvy e-voting platform then he/she can use his/her existing User ID and Password for casting the vote through remote e-voting.
  - Member may call Karvy's toll free number 1-800-3454-001 for any help.
  - If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS :  
MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to +91-9212993399  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXXX1234567890
- XIII. Mr. Murlidhar Bhalekar, Practising Company Secretary has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the e-voting process and voting at the meeting in a fair and transparent manner.
- XIV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes casted at the meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorized by him in writing within 48 (forty eight) hours from the conclusion of the AGM, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.bkt-tires.com](http://www.bkt-tires.com) and on the website of Karvy immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- XVII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 13<sup>th</sup> July, 2019.

By order of Board of Directors  
For Balkrishna Industries Limited

VIPUL SHAH

DIRECTOR & COMPANY SECRETARY  
DIN: 05199526

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement set out all material fact relating to the Special Business mentioned in the accompanying Notice:

### Item No.4, 5 and 6:

Considering the recommendation of the Nomination and Remuneration Committee, the Board of Directors had appointed Mrs. Shruti Shah as an Additional Director of the Company with effect from 8<sup>th</sup> February, 2019, Mr. Rajendra Hingwala and Mr. Sandeep Junnarkar as an Additional Directors of the Company with effect from 28<sup>th</sup> March, 2019 under Section 161(1) of the Act and Article 128 of the Company's Articles of Association. They hold office upto the date of this AGM of the Company and are eligible for appointment as the Directors of the Company.

Pursuant to Section 149 and other applicable provisions of the Act and Regulation 25 of Listing Regulations, it is proposed to appoint Mrs. Shruti Shah as a Woman Independent Director for a term of five consecutive years from 8<sup>th</sup> February, 2019 to 7<sup>th</sup> February, 2024, Mr. Rajendra Hingwala and Mr. Sandeep Junnarkar as an Independent Directors for a term of five consecutive years w.e.f. 28<sup>th</sup> March, 2019 to 27<sup>th</sup> March, 2024.

Their appointment is subject to the approval of Members. The Company has also received notices pursuant to Section 160 of the Companies Act, 2013 from the members proposing Mrs. Shruti Shah, Mr. Rajendra Hingwala and Mr. Sandeep Junnarkar as the candidates for the Office of Director of the Company.

Mrs. Shruti Shah is a Chartered Accountant by profession and has experience in the field of Income-Tax / Advisory for Corporates, Estate Planning, etc.

Mr. Rajendra Hingwala is a Chartered Accountant by profession and also a Retired Partner of PwC having 38 years of work experience at PwC.

Mr. Sandeep Junnarkar is an Advocate and Solicitor by profession and has experience of 43 years as Member of Bar Council of Maharashtra.

The above Independent Directors have given declarations to the Board that they meet the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

They further informed that they are not disqualified from being appointed as a Director in terms of Section 164 of the Act. As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI, their brief resume are furnished and forms a part of this Notice.

In the opinion of the Board, the above Independent Directors fulfill the conditions for their appointment as an Independent Directors as specified in the Act, Listing Regulations and the Rules made thereunder. They are Independent of the management.

Pursuant to the provisions of Section 149(13) of the Act, the above Independent Directors will not be liable to retire by rotation. The terms and conditions of their appointment shall be open for inspection by the members at the Registered / Corporate Office during normal business hours on any working day of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as an Independent Directors is now being placed before the members for their approval.

The Board considers that the proposed appointment of the above Directors as Independent Directors would be of immense benefit to the Company.

Accordingly, based on the recommendation of Nomination and Remuneration Committee, the Board recommends the Ordinary Resolutions as set out at Item Nos. 4,5 and 6 of the accompanying Notice of the AGM for approval by the members of the Company.

Except the above Independent Directors, none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in the said Resolutions.

By order of Board of Directors  
**For Balkrishna Industries Limited**

**VIPUL SHAH**  
**DIRECTOR & COMPANY SECRETARY**  
**DIN: 05199526**

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

## PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS

Name of the Director	Mrs. Shruti Shah	Mr. Rajendra Hingwala	Mr. Sandeep Junnarkar	Mrs. Vijaylaxmi Poddar
DIN	08337714	00160602	00003534	00160484
Qualification	Chartered Accountant	Chartered Accountant	Advocate and Solicitor	B.Com
Date of Birth (Age)	5 <sup>th</sup> June, 1980 (38 years)	26 <sup>th</sup> August, 1952 (66 years)	2 <sup>nd</sup> July, 1951 (67 years)	2 <sup>nd</sup> December, 1960 (58 years)
Date of appointment on the Board	8 <sup>th</sup> February, 2019	28 <sup>th</sup> March, 2019	28 <sup>th</sup> March, 2019	30 <sup>th</sup> May, 2012
Experience and Expertise	She has experience in the field of Income-Tax / Advisory for Corporates, Estate Planning, etc.	He is Retired Partner of PwC having 38 years of work experience at PwC.	He has experience of 43 years as Member of Bar Council of Maharashtra.	She is an industrialist having varied experience of over 28 years, in textile / tire industry.
No. of Meetings of the Board attended during the year	2 out of 2	1 out of 1	1 out of 1	5 out of 6
List of Directorship/ Membership / Chairmanship of Committees of other Board	Directorship: Health & Education Foundation – Section 8 of Companies Act, 2013.  Membership/ Chairmanship of Committees of Other Board: NIL	Directorship: Infinite India Investment Management Limited  Membership/Chairmanship of Committees of Other Board: NIL	Directorship: (i) Reliance Industrial Infrastructure Limited (ii) Reliance Commercial Dealers Limited Membership/Chairmanship of Committees of Other Board Member of Audit Committee : (i) Reliance Industrial Infrastructure Limited (ii) Reliance Commercial Dealers Limited Member of Stakeholders Relationship Committee: Reliance Industrial Infrastructure Limited	Directorship: (i) Clothing Culture Private Limited (ii) Sarvaruna Commercials Private Limited (iii) MPP Trading Private Limited (iv) Trendline Commercials Private Limited (v) Poddar Brothers and Investment Private Limited  Membership/Chairmanship of Committees of Other Board : NIL
No. of shares held in the Company	NIL	NIL	NIL	1000 shares
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	She is not related to any of the Director or Key Managerial Personnel of the Company.	He is not related to any of the Director or Key Managerial Personnel of the Company.	He is not related to any of the Director or Key Managerial Personnel of the Company.	She is wife of Mr. Arvind Poddar and Mother of Mr. Rajiv Poddar. She is not related to any other director or Key Managerial Personnel of the Company.
Terms & Conditions of appointment / re-appointment	The terms and conditions of appointment / re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time.			
Details of remuneration last drawn by such person for Financial Year 2018-19	₹ 0.75 Lakhs	₹ 0.25 Lakhs	₹ 0.25 Lakhs	₹ 1.65 Lakhs



# Balkrishna Industries Limited

## ATTENDANCE SLIP

CIN : L99999MH1961PLC012185

Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra  
Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013  
Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: [shares@bkt-tires.com](mailto:shares@bkt-tires.com)  
Website: [www.bkt-tires.com](http://www.bkt-tires.com)

Sr. No.:

Shares:

I / We hereby record my / our presence at the 57<sup>th</sup> Annual General Meeting of the Company held on Saturday, 13<sup>th</sup> July, 2019 at 10:00 a.m., at B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra.

Member's Folio/DP ID - Client ID No.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note : 1. Member/Proxy holder attending the meeting must bring the attendance slip duly completed and signed to the meeting and hand it over at entrance.

2. A Member / Proxy holder attending the meeting should bring copy of the Annual Report for reference at the meeting.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.



# Balkrishna Industries Limited

## FORM MGT-11 PROXY FORM

CIN : L99999MH1961PLC012185

Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra  
Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013  
Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: [shares@bkt-tires.com](mailto:shares@bkt-tires.com)  
Website: [www.bkt-tires.com](http://www.bkt-tires.com)

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

I/We, being the member (s), holding..... shares of the above named company, hereby appoint:

1. Name..... Address .....  
Email Id ..... Signature ..... or failing him / her;  
2. Name..... Address .....  
Email Id ..... Signature ..... or failing him / her;  
3. Name..... Address .....  
Email Id ..... Signature ..... or failing him / her;

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 57<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, the 13<sup>th</sup> July, 2019 at 10:00 a.m. at B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Option	
Ordinary Business:		For	Against
1	To consider and adopt: a. the Audited Standalone Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2019, together with the Reports of the Board of Directors and Auditors thereon; and b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2019, together with the Report of the Auditors thereon.		
2	To confirm Interim Dividends of 300% (₹ 6.00 per equity share) already paid for the financial year ended 31 <sup>st</sup> March, 2019 and to declare the Final Dividend of 100% i.e. ₹ 2.00 per equity share for the financial year ended 31 <sup>st</sup> March, 2019.		
3	Re-appointment of Mrs. Vijaylaxmi Poddar (DIN: 00160484) as a Director of the Company, liable to retire by rotation and being eligible, offers herself for re-appointment.		
Special Business:			
4	To appoint Mrs. Shruti Shah (DIN: 08337714), as a Woman Independent Director for a period of five consecutive years w.e.f. 8 <sup>th</sup> February, 2019 to 7 <sup>th</sup> February, 2024.		
5	To appoint Mr. Rajendra Hingwala (DIN: 00160602), as an Independent Director for a period of five consecutive years w.e.f. 28 <sup>th</sup> March, 2019 to 27 <sup>th</sup> March, 2024.		
6	To appoint Mr. Sandeep Junnarkar (DIN: 00003534), as an Independent Director for a period of five consecutive years w.e.f. 28 <sup>th</sup> March, 2019 to 27 <sup>th</sup> March, 2024.		

Signed this ..... day of ..... 2019

Member's Folio/DP ID - Client ID No.....

Signature of the Member ..... Signature of the Proxy.....

Notes:

- (i) This Form of Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate / Registered Office of the Company not less than 48 hours before the commencement of the aforesaid meeting. The proxy need not be member of the Company.
- (ii) It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (iii) Please complete all details including details of Member(s) in the above Box before submission.

## E-VOTING PARTICULARS

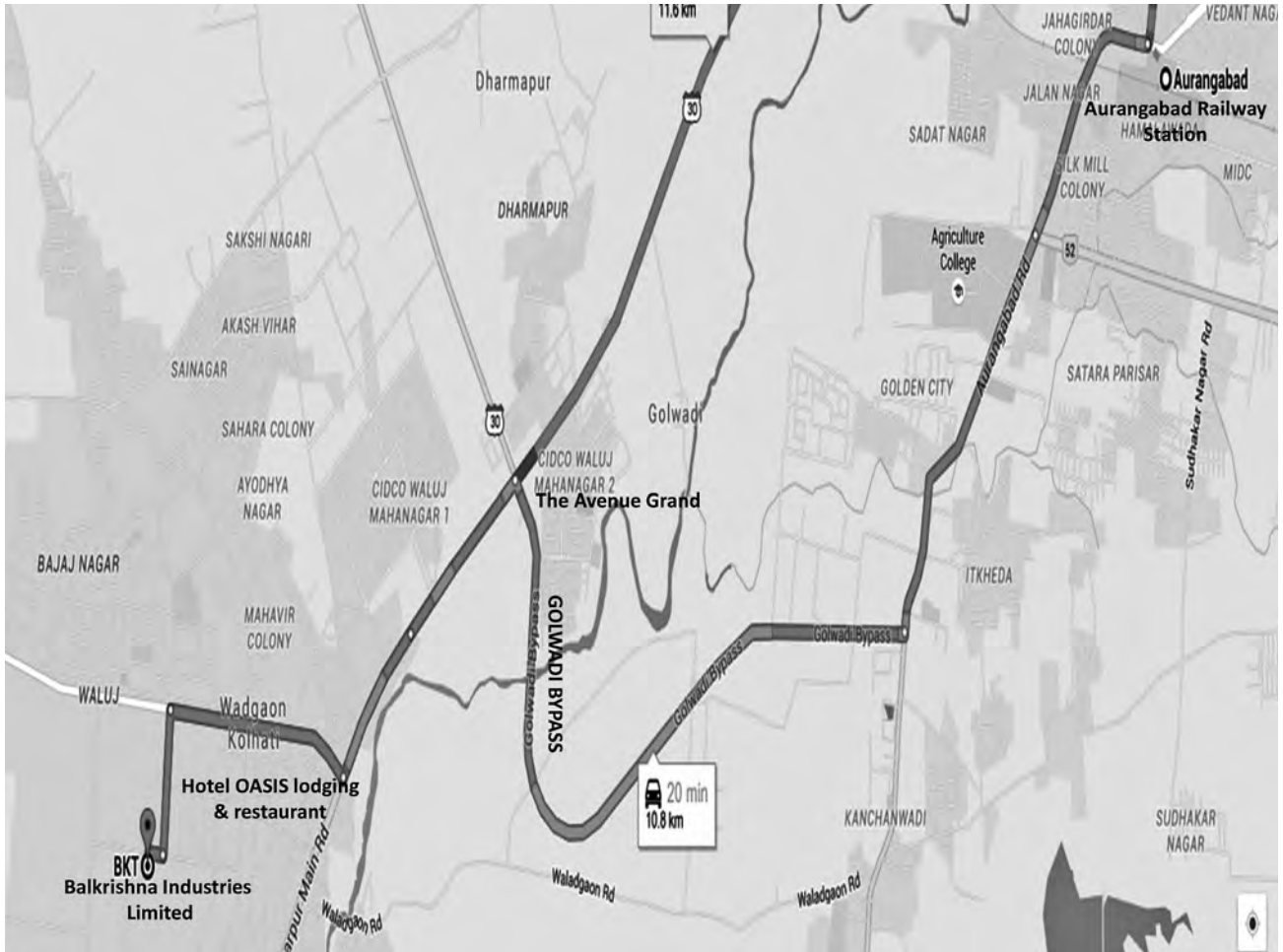
ELECTRONIC VOTING PARTICULARS		
Electronic Voting Event Number (EVEN)	User ID	Password
4569		

Notes: Please refer to the instruction no. 23 given in the Notice of the 57<sup>th</sup> Annual General Meeting for 'Voting through electronic means'. The E-voting period commences on Wednesday, the 10<sup>th</sup> July, 2019 (9:00 a.m. IST) and ends on Friday, the 12<sup>th</sup> July, 2019 (5:00 p.m. IST).

## Details of Venue of the 57<sup>th</sup> Annual General Meeting of Balkrishna Industries Limited

Address : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra  
Landmark : Near Hotel Oasis, Pratap Chowk

### ROUTE MAP





# 57<sup>th</sup> Annual Report



**Balkrishna Industries Limited**



[bkt-tires.com](http://bkt-tires.com)

**2018 - 2019**  
ANNUAL REPORT





Lord Ganesha

## Contents

• Company Information .....	01
• Financial Highlights .....	02
• Directors' Report & Management Discussion and Analysis .....	03
• Business Responsibility Report.....	24
• Corporate Governance Report.....	29
• Independent Auditor's Report on Financial Statements .....	44
• Balance Sheet.....	50
• Statement of Profit and Loss .....	51
• Statement of Changes in Equity .....	52
• Cash Flow Statement.....	53
• Notes to the Financial Statements.....	54
• Independent Auditor's Report on Consolidated Financial Statements .....	86
• Consolidated Balance Sheet .....	90
• Consolidated Statement of Profit and Loss.....	91
• Consolidated Statement of Changes in Equity.....	92
• Consolidated Cash Flow Statement .....	93
• Notes to the Consolidated Financial Statements .....	94

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

#### Executive Directors:

Arvind Poddar	- Chairman & Managing Director
Rajiv Poddar	- Joint Managing Director
Vipul Shah	- Whole Time Director & Company Secretary

#### Non-Executive Directors:

Vijaylaxmi Poddar	- Non-Independent Director
Laxmidas Merchant	- Independent Director
Sanjay Asher	- Independent Director
Ashok Saraf	- Independent Director
Pannkaj Ghadiali	- Independent Director
Shruti Shah	- Independent Director
(w.e.f 8 <sup>th</sup> February, 2019)	- Independent Director
Rajendra Hingwala	- Independent Director
(w.e.f 28 <sup>th</sup> March, 2019)	- Independent Director
Sandeep Junnarkar	- Independent Director
(w.e.f 28 <sup>th</sup> March, 2019)	- Independent Director
Khurshed Doongaji	- Independent Director
(upto 8 <sup>th</sup> February, 2019)	- Independent Director

### REGISTERED OFFICE:

B-66, Waluj MIDC, Waluj Industrial Area,  
Aurangabad 431 136 (Maharashtra)

### CORPORATE OFFICE:

BKT House, C/15, Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013  
(Maharashtra)

### AUDITORS:

#### STATUTORY:

M/s. N.G. THAKRAR & CO.  
Chartered Accountants

### INTERNAL:

M/s DILIP A. JAIN & ASSOCIATES  
Chartered Accountants  
(upto 17<sup>th</sup> May, 2019 )

M/s. R T D & ASSOCIATES  
Chartered Accountants  
(w.e.f. 17<sup>th</sup> May, 2019)

### SECRETARIAL:

G.B.B. BABUJI  
Company Secretary in Whole-time Practice

### BANKERS:

Corporation Bank  
Standard Chartered Bank  
State Bank of India  
Kotak Mahindra Bank  
Barclays Bank PLC  
Indusind Bank Limited  
Citibank N.A.  
The Hongkong and Shanghai Banking  
Corporation Limited.

### PLANTS:

#### Tire Manufacturing :

B-66, Waluj MIDC, Waluj Industrial Area,  
Aurangabad 431 136 (Maharashtra)

SP-923, RIICO Industrial Area, Phase-III,  
P.O. Bhiwadi 301 019 District - Alwar (Rajasthan)

A-300-305 & E-306-313 RIICO Industrial Area,  
Chopanki P.O. Bhiwadi 301 707, District - Alwar (Rajasthan)

Bhuj Bhachau Road, S.H.No.42, Village Padhdhar,  
Taluka Bhuj 370 105, District - Kutch (Gujarat)

#### Calendering :

SP4-886, RIICO Industrial Area, Pathredi, Bhiwadi 301 707,  
District - Alwar (Rajasthan)

#### Wind Farm :

Village Soda Mada, Tehsil: Fatehgarh,  
District - Jaisalmer (Rajasthan)

#### Mould Unit :

C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203,  
District - Thane (Maharashtra)

### REGISTRAR AND SHARE TRANSFER AGENT:

KARVY FINTECH PRIVATE LIMITED  
Karvy Selenium Tower B, Plot No. 31-32 Gachibowli,  
Financial District, Nanakramguda Hyderabad 500 032  
Tel No: +91 40 6716 2222  
Fax: +91 40 2342 0814  
Email Id: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)

Members are requested to bring their copy of the Annual report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.

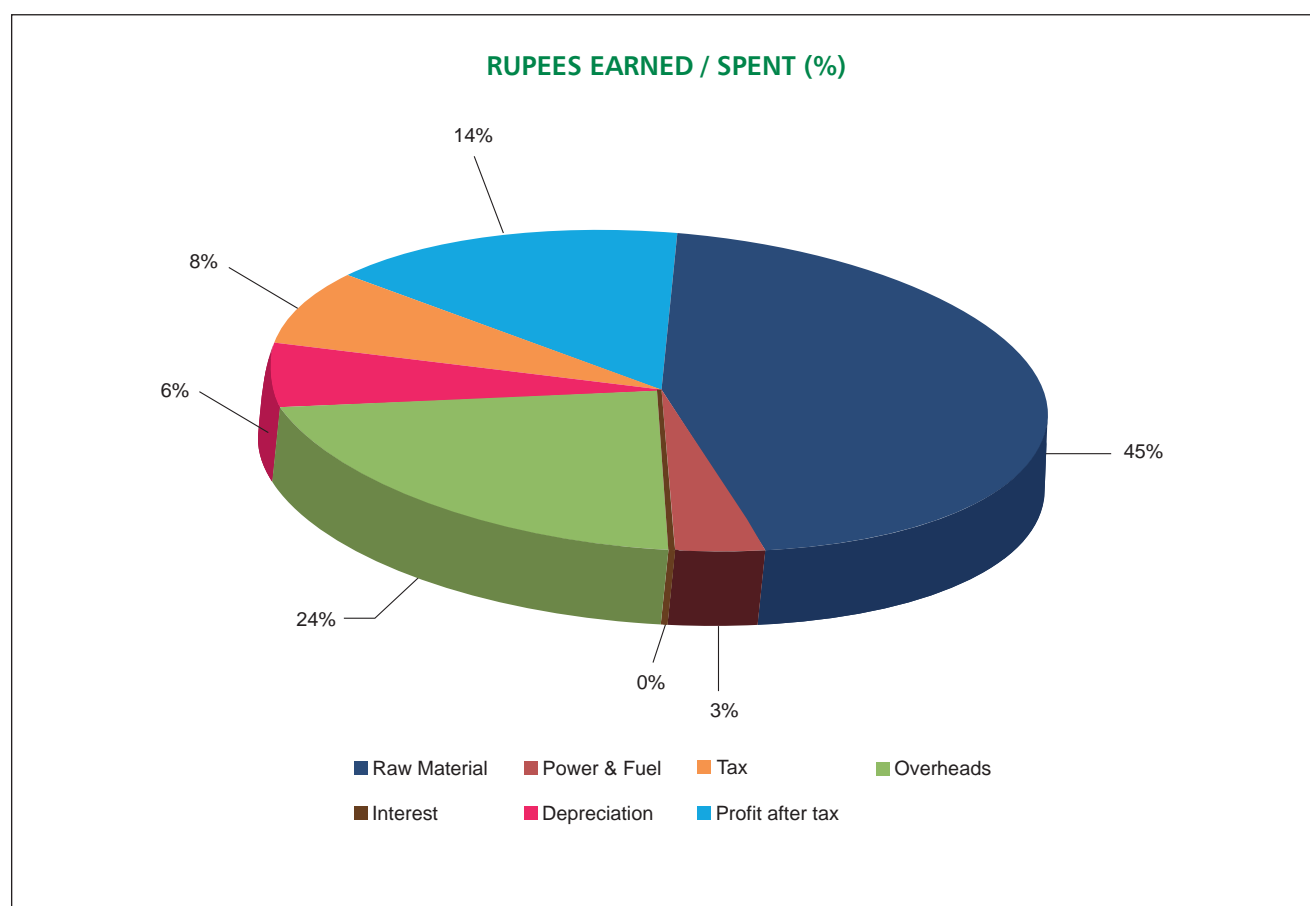
## FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ In Lakhs)

Particulars	Ind AS				I GAAP
Year ended 31 <sup>st</sup> March	2019	2018	2017	2016	2015
Revenue From Operations	5,24,450	4,46,446	3,78,466	3,27,252	3,77,991
Other Income	21,421	33,621	24,961	14,896	27,980
Total Income	5,45,871	4,80,067	4,03,427	3,42,148	4,05,971
PBIDT	1,52,535	1,44,289	1,38,154	98,710	1,01,416
PBDT	1,51,556	1,42,983	1,36,010	94,763	96,775
Depreciation	33,255	31,134	30,383	28,217	24,020
PBT	1,18,301	1,11,849	1,05,627	66,546	72,755
Taxes	40,101	37,924	34,069	22,689	23,874
PAT	78,200	73,925	71,558	43,857	48,881
Dividend	*400%	400%	400%	275%	120%
Earning per Share of ₹ 2 each	40.45	**38.24	**37.02	45.37	51.55

\*The Board has declared and paid 1<sup>st</sup> Interim Dividend of ₹ 2.00 per equity share, 2<sup>nd</sup> Interim Dividend of ₹ 2.00 per equity share and 3<sup>rd</sup> Interim Dividend of ₹ 2.00 per equity share, aggregating to ₹ 6.00 per equity share and recommended Final Dividend of ₹ 2.00 per equity share for the financial year ended 31<sup>st</sup> March, 2019.

\*\*In the Previous year (2018) the Company has allotted 9,66,58,595 Equity Shares of ₹ 2/- each as fully Paid Up Bonus shares in the ratio of 1:1 to all registered shareholders, as on record date by Capitalisation of Reserves. Consequently, in accordance with Ind AS-33 'Earning Per Share' have been adjusted for the years 2018 & 2017 to give effect to the aforesaid issue of Bonus Shares.





## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 57<sup>th</sup> Annual Report of Balkrishna Industries Limited (the "Company") along with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### HOMAGE:

Shri Dharaprasadji Poddar, erstwhile Chairman Emeritus left for heavenly abode on 20<sup>th</sup> October, 2018. Late Shri Dharaprasadji Poddar was associated with Company since 1993, as a Chairman of the Company. Under the able leadership of Late Shri Dharaprasadji Poddar, the Company has grown from strength to strength and has benefited immensely from his valuable guidance and foresightedness over the years. He was a man of vision, determination and intelligence yet believed in simplicity. He stepped down as a Chairman of the Company in 2012. The Board of Directors of the Company express their deep condolences and pay tribute to Late Shri Dharaprasadji Poddar, a great visionary leader.

### 1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year ended	Previous Year ended	Current Year ended	Previous Year ended
	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2018
Revenue from Operations	5,24,450	4,46,446	5,20,999	4,46,097
Other Income	21,421	33,621	21,817	33,975
<b>Total Income</b>	<b>5,45,871</b>	<b>4,80,067</b>	<b>5,42,816</b>	<b>4,80,072</b>
<b>Gross Profit</b>	<b>1,51,556</b>	<b>1,42,983</b>	<b>1,50,917</b>	<b>1,42,744</b>
Less: Depreciation	33,255	31,134	33,261	31,140
<b>Profit before tax</b>	<b>1,18,301</b>	<b>1,11,849</b>	<b>1,17,656</b>	<b>1,11,604</b>
Less: Provision for tax				
Current Tax	39,160	36,903	39,350	37,002
Deferred Tax	941	1,021	941	1,023
<b>Profit after Tax</b>	<b>78,200</b>	<b>73,925</b>	<b>77,365</b>	<b>73,579</b>

### 2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company is primarily engaged into Specialty "Off Highway Tire segment" which is consisting of Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and All-Terrain Vehicle Tires (ATVs) etc.

This segment is highly technical & capital intensive and known as "large varieties low volume segment" where any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers worldwide. Since these tires are highly technical in nature, the major markets for it are developed countries like Europe, USA, Australia, New Zealand and Japan etc. While the sub segment (agriculture) is largely known as non-cyclical in nature, the other sub segment (industrial, construction and mining) is generally considered as cyclical and the performance of it is largely linked to overall economic outlook of the world.

The growth rate in "Off-Highway tire segment" in a normal business environment ranges between 3-5%. The industry witnessed positive momentum for the last two and half years. For the last six months, industry is facing challenges on account of various macro factors, namely; Trade War, environment, slow-down in global economy, benign food inflation etc.

### 3. OPERATIONS AND STATE OF AFFAIRS:

**Standalone:** During the year under consideration on Standalone basis, your Company achieved a Revenue from Operations of ₹ 5,24,450 Lakhs as against ₹ 4,46,446 Lakhs during previous financial year. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,52,535 Lakhs from ₹ 1,44,289 Lakhs during previous financial year and Net profit has increased to ₹ 78,200 Lakhs from ₹ 73,925 Lakhs during previous financial year. More than 80% of our revenue is generated through exports.

**Consolidated:** During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 5,20,999 Lakhs as against ₹ 4,46,097 Lakhs during previous financial year. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,52,030 Lakhs from ₹ 1,44,131 Lakhs during previous financial year and Net profit has increased to ₹ 77,365 Lakhs from ₹ 73,579 Lakhs during previous financial year.

### 4. EXPORT HOUSE STATUS:

Your Company enjoys the status of "Four Star Export House".

### 5. PROJECT AND EXPANSION:

Your Company has undertaken various projects/expansion 2018-19 which are as under :

- A) Carbon Black: The Company had started the Carbon Project during the financial year 2017-18 with a capacity of 60,000 MTs p.a. The company revised the said capacity to 1,40,000 MTs p.a during the financial year under consideration. The total capital

outlay for full capacity of 1,40,000 MTs is estimated at ₹ 42,500 Lakhs. The first phase of project of 60,000 MTs is almost complete and company is in the process of giving a finishing touch to it and hoping to commence commercial production by end of June 2019. The second phase of 80,000 MTs capacity is likely to be completed by financial year 2020-21.

- B) Greenfield Tire Plant in US: Your Company have approved a Capex plan for setting up a Greenfield tire plant in United State of America (USA) with a capacity of 20,000 MTs p.a through its wholly owned subsidiary company in USA. The board has approved total investment upto USD 100 million. It will be funded via investments from your Company and debt. However, the Company is still trying to find out right location for the plant.
- C) Waluj Plant : The Company had set up the Waluj plant in 1987 to produce 2-3 wheeler tires and from time to time the company carried out modernization / expansion during last 30 years as per the changing requirement of the company. Since plant is very old and need complete revamping to protect its existing capacity, the Board decided to construct a green field tire project on its freehold land of 22 acres which is in the vicinity of around 5 kms from existing plant. The total capital outlay of the said project is estimated at ₹ 50,000 Lakhs which will include Co-generation plant, mixing plant and in-house warehousing facilities for raw materials and finished goods. It will bring lot of operational efficiency and will lead to saving of operational cost as well.
- D) Bhuj Plant: The company is currently producing All Steel OTR Radial Tires upto 49". In order to complete the entire range and to meet overall demand in higher dimensional tires, your company is proposing to set up additional facilities of 5,000 MTs p.a. for 51" to 57" tires with an estimated Capital out lay of ₹ 50,000 Lakhs. It also includes setting up of an additional mixing line and warehouse.

#### 6. DIVIDEND:

Your Directors are pleased to inform that your Company has a consistent track record of dividend payment. The Board of Directors are pleased to recommend a Final Dividend of ₹ 2.00 per equity share for the financial year 2018-19. The total Dividend for financial year 2018-19 aggregates to ₹ 8.00 per equity share which includes three Interim Dividend aggregate to ₹ 6.00 per equity share. The final dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on 13<sup>th</sup> July, 2019. The final dividend once approved by Shareholders will be paid on or after 15<sup>th</sup> July, 2019 but within stipulated time. The Register of Members and Share Transfer Books of the Company will remain closed from 8<sup>th</sup> July, 2019 to 9<sup>th</sup> July, 2019 (both days inclusive) for the purpose of payment of the Dividend and 57<sup>th</sup> Annual General Meeting.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Board has approved and adopted a Dividend Distribution Policy, attached as **Annexure - I**.

#### 7. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2019 was ₹ 3,866 Lakhs. As on 31<sup>st</sup> March, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

#### 8. RESERVES:

The Company proposes to transfer ₹ 30,000 Lakhs to General Reserves.

#### 9. OUTLOOK FOR THE CURRENT YEAR 2019-20:

The Company derives its revenue mainly through exports and therefore its fate largely depends on various global factors. Of late, the Company has witnessed geo-political tension, protectionism measures by some countries, benign food and commodity prices except crude oil and rising interest rate etc. All these factors have posed lot of challenges before the Company to maintain its growth journey. Unfortunately, all such factors are still persisting and Company does not see any immediate respite from it. The Company therefore sees challenges to maintain its healthy growth track record in the near term. However, the long term prospects of the Company are good and promising. Your Company continues to explore all the avenues to ensure growth of its business which includes deeper penetration into its existing market within India as well as outside India including OEMs and continuous expansion of its product range. Your Company is proud to say that it has more than 2700 SKUs.

#### 10. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, there are no material changes and commitments affecting the financial position of your Company which have occurred between the close of the financial year of the Company on 31<sup>st</sup> March, 2019 to which the financial statements relate and on the date of this report.

#### 11. OPPORTUNITY & THREATS:

##### Opportunities:

Your Company operates into a segment predominantly known as "large varieties -low volume segment", which is not only capital intensive but also labour intensive. Your Company is fully geared up to take advantage of the peculiarities of the said segment and has developed a large base of SKUs to meet the diverse needs and applications.

Moreover, this segment is neither exposed to any technological obsolescence nor wild fluctuations in demand for its products.

The Company is continuously marching ahead to explore incremental opportunity in the form of developing "Earthmovers & mining tires" markets and taking advantage of the shift from bias to radial tires, which is growing up continuously. In order to take advantage of this opportunity, the Company had set up an all-steel OTR Radial tire plant and have further added such capacities by setting up a green field tire plant at Bhuj to produce large size all steel OTR radial tires besides other categories of tires. Your Company is proud to be first Company in India to set up such plant. Your Company is continuously expanding its base into various sub-segments like agricultural, industrial, construction, mining, winter and solid tires under both technologies – bias as well as radials.

##### Threats:

Like any other Company, your Company is also exposed to various threats like competition from small players, retention of employees, labor unrest, increase in raw material prices and other input costs etc.

**12. RISKS / CONCERNS AND RISK MITIGATION:**

Risk is an integral and unavoidable component of business. In today's challenging and competitive environment, mitigating risks is imperative. Common risks include: regulations, competition, business risk, technology obsolescence, investments, and retention of talent. Business risk, inter alia, further includes financial risk, political risk and legal risk. For managing risks more efficiently, the Company has identified key risks that can have a critical impact on the Company's performance. The Company has identified inter alia following key risks:

**Operational Risk:**

Operational risks like equipment obsolescence which can impact production. To mitigate such risks, the Company continuously monitors equipment obsolescence and upgrades equipment from time to time and undertakes preventive maintenance measures. The Company has also made significant investment in equipment modernization.

**Fluctuation in Raw Material prices:**

The Company's major raw material is Natural Rubber, which is an agricultural commodity and actively traded on the commodities exchanges. The demand supply situation of Natural Rubber has been favorable to the users which has kept its prices under check. Though we see volatility in its pricing, we do not foresee any major increase in its prices in the near to medium term unless some unforeseen thing happens. The prices of other raw materials which are crude derivatives have been on upswing in the backdrop of rising crude prices. The prices of carbon black have been disproportionately high because of its shortage across the globe.

In order to minimize such risks, the Company not only enters into medium-term contracts but also adopts the policy to "Buy and Stock" large quantities during the lean period. The timely sourcing of carbon black is ensured by procuring it from different geographies.

Since most of the raw materials are imported, the Company is exposed to foreign currency risk. However, it enjoys natural hedge as most of its revenues are in foreign currency.

**Market Risk:**

More than 80% of the Company revenue is generated through exports which is made to different geographies. Almost 1/3rd of the Company's revenue is generated through a product category which is cyclical in nature and therefore your Company is exposed to market risk.

Your Company manages this risk by expanding its presence in different markets, deeper penetration into existing markets and by launching new products. Furthermore, the Company spends requisite amount on marketing and promotional activities to ensure customer retention and brand-building.

**Labour Relations:**

Since Company's manufacturing process is that of batch processing, it requires lot of skilled as well as un-skilled workers. Maintaining a huge work force is a big challenge.

In order to mitigate the said risk, the Company follows good HR practices to promote the welfare, safety of its workmen and improve the work environment. All workers are paid more than adequate remuneration for their work.

**Retention of skilled manpower:**

Like other players in the industry, the Company is also exposed to this risk, more particularly when there is shortage of skilled manpower in the industry.

The Company is able to manage the said risk by good HR practices and rewarding its employees handsomely.

**Currency Fluctuation:**

As stated earlier the Company revenues are mainly generated through exports. The Company also imports lot of its raw materials and capital equipment's. Moreover, all its borrowings are in foreign currency and it is therefore exposed to risks due to currency fluctuations. The Company follows the system of hedging its receivables (net off payables) well in advance by entering into Forward Contracts, thereby protecting itself from the fluctuations in currencies to a large extent.

**13. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AND RETURN ON NET WORTH:**

As per amendment made under Schedule V read with Regulation 34(3) to the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor are given below:

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Debtors Turnover ratio (Days) *	40.92	41.92	37.50	40.09
Inventory Turnover ratio (Days) **	15.34	15.67	18.76	17.74
Interest Coverage Ratio (ICR) # \$ 1	121.84	86.64	106.71	81.46
Current Ratio ##	1.76	1.43	1.70	1.41
Net Debt - Equity Ratio ! \$ 2	0.01	0.08	0.01	0.09
Operating Profit Margin !!	22.74	25.35	22.80	25.33
Net Profit Margin ^	15.43	16.92	14.25	15.33
Return on Net Worth ^ ^	25.49	27.63	25.52	27.67

\* Accounts receivables / Sales \* 365 days

\*\* Closing stock of finished and traded goods / sales \* 365 days

# EBIT / finance cost

## Current Assets / Current liabilities

! (Long term borrowings + short term borrowing + current maturities less current investment, cash and Cash Equivalents) / Total equity

!! EBIT / Operating Income

^ PAT / Total Income

^ ^ EBIT / Net Worth

\$ Reason for variance (> 25%)

\$ 1 The ICR increased due to lower finance cost as company paid its term loan.

\$ 2 The net debt / equity decreased due to repayment of long term loan.



#### 14. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has a well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures. Internal control systems are an integral part of your Company's Corporate Governance structure. These have been designed to provide reasonable assurance with regard to inter-alia **a.** recording and providing reliable financial and operational information; **b.** complying with the applicable statutes; **c.** safeguarding assets from unauthorized use; **d.** executing transactions with proper authorization, and ensuring compliance with corporate policies **e.** Prevention and detection of Frauds / errors; **f.** Continuous updating of IT systems. The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31<sup>st</sup> March, 2019.

Your Company has appointed M/s KPMG to assess the effectiveness of internal financial controls of the Company. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee.

The Audit Committee reviewed the reports submitted by the Management and Internal Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of 31<sup>st</sup> March, 2019, the Company's internal financial controls were adequate and operating effectively.

#### 15. HUMAN RESOURCES:

Your Company believes in a culture of inclusion, trust, empowerment and development for its employees. Your Company continues to invest significantly in building a culture of coaching and mentoring and further aims to make coaching, mentoring and conversation ability the foundation of its leadership style. Your Company considers people as its biggest asset and believing in People is at the heart of its Human resource strategy. Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company was to ensure that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company had 2,844 employees as on 31<sup>st</sup> March, 2019. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that Company's values and principles are understood by all and are the reference point in all people matters. Employee relations continue to be cordial.

#### 16. SUBSIDIARY COMPANIES:

During the year under review, Thritha Synthetics Limited, the wholly owned subsidiary of your Company, incorporated in year 2013, has voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off, which is currently under process of striking off.

At the end of the year under review, the Company had following wholly owned subsidiary companies namely BKT Tyres Limited and following Overseas Subsidiary Companies namely BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC and subsidiary of BKT EXIM US, INC - BKT TIRES INC. The Company does not have any material subsidiary as per the thresholds laid down under the Listing regulations. A policy on material subsidiaries has been formulated by the Company and posted on the website of the Company and can be accessed on the Company's website at the link: <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial position of subsidiary companies in Form AOC-1 attached as **Annexure II**.

#### 17. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statements that:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and the Statement of Profit and Loss of the Company for the financial year ended 31<sup>st</sup> March, 2019;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a "going concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are adequate and operating effectively.

#### 18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts /arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form **AOC - 2** is not applicable to your Company.

The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board and can be accessed on the Company's website at the link: <https://www.bkt-tires.com/en/investors-desk/shareholding-info>. The details of transactions / contracts / arrangements entered by the Company with Related parties during the financial year are set out in the Notes to the Financial Statement.

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

#### 19. CORPORATE SOCIAL RESPONSIBILITY:

The Company's social initiatives empower society and provide a holistic growth platform. The Company believes that Corporate Social Responsibility (CSR) projects should be sustainable and with the long term purpose of improving the quality of living for the less privileged and for increasing social assets. The funds should be carefully spent on CSR so that they result in the ultimate objectives meted out in the Company's CSR Policy. The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-III**. The Board of Directors has formed a committee on CSR in accordance with Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, composition and attendance of the Directors during the financial year ended 31<sup>st</sup> March, 2019 are given separately in the Corporate Governance Report. During the year, the Company was required to spend ₹ 1,893 lakhs. The Company has already identified various CSR projects having a total commitment of ₹ 1,894 lakhs. Out of the total commitment of ₹ 1,894 lakhs, the Company has actually spent ₹ 1,697 lakhs and balance amount of ₹ 197 lakhs was unspent. Out of balance amount of ₹ 197 lakhs, Company had already spent ₹ 70 lakhs on the identified CSR project in the month of April, 2019 and remaining amount of ₹ 127 lakhs will be spent as the CSR project progresses further, considering the fact that the CSR projects are already identified.

The CSR policy of the Company is available on the Company's website and can be accessed on the Company's website at the link: <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

#### 20. RISK MANAGEMENT:

'Risk Management' is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources. Risk management also attempts to identify and manage threats that could severely impact or bring down the organization.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. Pursuant to Regulation 21 of Listing Regulations, the Board of Directors at their meeting held on 8<sup>th</sup> February, 2019, has constituted Risk Management Committee comprising of Mr. Pankaj Ghadiali, Chairman of the Committee and Independent Director, Mr. Arvind Poddar, Mr. Rajiv Poddar, Mr. Vipul Shah, Directors of the Company and Mr. Basant Bansal, KMP are Members of the Committee. The primary objective of Committee to control risk incurred by the Company with a view to prevent unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposures incurred by Company and to keep such risk at or below pre-determined levels. The Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. The policy aims to ensure resilience for sustainable growth and sound corporate governance by having an identified process of risk identification and management in compliance with the provisions of the Companies Act, 2013. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's Activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit Committee.

There are no risks, which in the opinion of the Board threaten the existence of the Company.

#### 21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Your Directors are pleased to inform that based on the recommendations of the Nomination and Remuneration Committee as well as Board of Directors, the Shareholders by passing Ordinary resolution through Postal Ballot have re-appointed Mr. Rajiv Poddar, as Joint Managing Director of the Company for a period of further five years with effect from 22<sup>nd</sup> January, 2019. During the year, Mr. Khurshed Doongaji, one of the Independent Director of the Company, had resigned from the Directorship of the Company with effect from close of business hours of 8<sup>th</sup> February, 2019 due to his personal health conditions. Your Directors place on record his appreciation of the guidance given and services rendered by Mr. Khurshed Doongaji during his tenure as Independent Director of the Company.

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, the Board had appointed three New Additional Directors i.e Mrs. Shruti Shah (DIN:08337714) with effect from 8<sup>th</sup> February, 2019, Mr. Sandeep Junnarkar (DIN:00003534) and Mr. Rajendra Hingwala (DIN:00160602) with effect from 28<sup>th</sup> March, 2019 respectively, to hold the office upto the date of forthcoming 57<sup>th</sup> Annual General Meeting (AGM). Further, subject to approval of the Members at the ensuing AGM, the Board had appointed, Mrs. Shruti Shah as an Independent Director for a term of 5 years with effect from 8<sup>th</sup> February, 2019 till 7<sup>th</sup> February, 2024, Mr. Sandeep Junnarkar and Mr. Rajendra Hingwala as an Independent Directors for a term of 5 years with effect from 28<sup>th</sup> March, 2019 till 27<sup>th</sup> March, 2024 respectively. The above appointments form a part of the Notice of the forthcoming 57<sup>th</sup> AGM and the resolutions are recommended for your approval. It is proposed to appoint Mrs. Shruti Shah, Mr. Sandeep Junnarkar and Mr. Rajendra Hingwala as an Independent Directors, not liable to retire by rotation, for a period of five years from date of appointment.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Vijaylaxmi Poddar, Non Executive Non Independent Director of the Company, retires by rotation at the ensuing AGM and being eligible seeks re-appointment. The Board recommends her re-appointment.

Brief profile of the Directors being appointed and re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings are provided in the notice for the forthcoming AGM of the Company.

The Company has received declaration from all Independent Directors of the Company confirming that they meet with the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Listing Regulations, 2015.

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SEBI. The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, 2015 and accordingly, the Report on Corporate Governance forms a part of this Annual Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

## **22. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

The Company has devised the Nomination and Remuneration Policy for the selection, appointment and remuneration of the Directors, Key Managerial Personnel and also remuneration of other employees including Senior Management employees who have the capacity and ability to lead the Company towards achieving sustainable development. The extract of Nomination and Remuneration Policy is provided in the Corporate Governance Report and forms part of Board's Report.

The Criteria for appointment and remuneration of Directors is as under:

- (i) **Criteria for Appointment of Managing Director / Whole Time Director / Director:**  
The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience particularly in Tire Industry, leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.
- (ii) **Criteria for Appointment of Independent Director:**  
The Independent Director shall be of high integrity with relevant expertise and experience so as to have as diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

## **23. PERFORMANCE EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual Directors pursuant to applicable provisions of the Act and the corporate governance requirements as prescribed by applicable regulations of Listing Regulations 2015.

The performance of the board was evaluated by the board after seeking inputs from all the Directors present in the meeting on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The Nomination and Remuneration Committee had evaluated the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Securities and Exchange Board of India (SEBI) vide circular SEBI/HO/CFD/CMD/CIR/2017/004 dated 5<sup>th</sup> January, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders. While evaluating the performance the above guidance note was considered. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated. A meeting of the Independent Director, with Mr. Pannkaj Ghadiali as the Chairman, was held on 28<sup>th</sup> March, 2019, to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board. The same were discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the board, its committees, and individual Directors were also discussed. The Directors expressed their satisfaction with the evaluation process.

## **24. AUDITORS:**

### **Statutory Auditor:**

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company at its AGM held on 9<sup>th</sup> September, 2017 had approved the appointment of M/s. N G Thakkar & Co., Chartered Accountants (Firm Registration No. 110907W) as the Statutory Auditors in place of the retiring Statutory Auditors M/s. Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration No. 104133W) for a period of 5 years for the auditing of the accounts of the Company from the conclusion of 55<sup>th</sup> AGM till the conclusion of 60<sup>th</sup> AGM of the Company (from financial year 2018 to financial year 2022). Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every AGM has been omitted with effect from 7<sup>th</sup> May, 2018.

### **Internal Auditor:**

The Board has appointed M/s. Dilip A. Jain & Associates as an Internal Auditors for a period of 1 (One) year for Financial Year 2018-19 under Section 138 of the Companies Act, 2013 and they have completed the Internal Audit as per the scope as defined by the Audit Committee. Further, the Board has appointed M/s R T D & Associates as an Internal Auditors for the Financial year 2019-20 under Section 138 of the Companies Act, 2013 and they will be completing the Internal Audit as per the scope as defined by the Audit Committee.

### **Secretarial Auditor:**

The Company has appointed Mr. G.B.B Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2018-19 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided



all assistance and facilities to the Secretarial Auditors for conducting their audit. Further, pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019, Mr. G.B.B Babuji, has also conducted the Annual Secretarial Compliance. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed herewith marked as **Annexure – IV**.

**Cost Auditor:**

In terms of Section 148 of the Companies Act, 2013 read with Rule 5 of Companies (Cost Records and Audit) Rules, 2014, ("Cost Records Rules") as amended from time to time, the Company maintained its Cost records on regular basis in such manner which facilitated the calculation as may be prescribed by the Rules. Also, cost records maintained in such manner which enable the Company to exercise, to the extent possible, control over the various operations and costs to achieve optimum economies in utilization of resources. The Company's revenue from exports, in foreign exchange, exceeds 80% per cent of Company's total revenue. Pursuant to Rule 4 of Cost Records Rules of Companies Act, 2013 as amended from time to time, Cost Audit is not applicable to the Company for the financial year 2018-19.

**25. AUDITOR'S QUALIFICATION:**

There are no qualifications in the reports of the Statutory Auditors and Secretarial Auditor.

There was no instance of fraud during the year under review, which required to be reported by Statutory Auditors in their reports as mentioned under sub-section (12) of Section 143 of the Act.

**26. INDUSTRIAL RELATIONS:**

The industrial relations with staff and workers during the year under review continue to be cordial.

**27. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business of your Company during the year under review.

**28. DISCLOSURES:**

**i. Vigil Mechanism /Whistle Blower Policy:**

The Vigil Mechanism of the Company which also incorporate a whistle blower policy in the terms of SEBI (Listing Obligations and Disclosure Requirements), 2015 deals with instances of fraud and mismanagement, if any. Adequate safeguards have been provided against victimization of persons who use the vigil mechanism. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the [link:https://www.bkt-tires.com/en/investors-desk/shareholding-info](https://www.bkt-tires.com/en/investors-desk/shareholding-info).

**ii. Audit Committee:**

The Audit Committee comprised of Four Independent Non-Executive Directors as on 31<sup>st</sup> March, 2019 viz. Mr. Pannkaj Ghadiali (Chairman), Mr. Ashok Saraf, Mr. Laxmidas Merchant and Mrs. Shruti Shah. All the recommendations made by the Audit Committee were accepted by the Board.

**iii. Number of Board Meeting:**

The Board of Directors of the Company met six times in the year, the details of which are provided in the Corporate Governance Report.

**iv. Particulars of loans given, investment made, guarantees given and securities provided:**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Notes Nos. 14,5,10,47 & 50 to Financial statement forming a part of this Annual Report.

**v. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure - V** and forms an integral part of this report.

**vii. Extract of Annual Return:**

Extract of Annual Return of the Company is annexed herewith as **Annexure - VI** to this report.

However, for the compliance of conditions of Section 134, copy of the Annual Return for the financial year ended 31<sup>st</sup> March, 2019 shall be placed on the Company's website [www.bkt-tires.com](http://www.bkt-tires.com).

**viii. Particulars of Employees and related disclosures:**

The information required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure - VII**.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Report.

However, having regard to the provisions of the first proviso to Section 136 of the Act, the details are excluded in the report sent to members. Members who are interested in obtaining the particulars may write to the Company Secretary at registered/corporate office of the Company. The aforesaid information is available for inspection 21 days before and up to the date of the ensuing AGM during the business hours on working days.

**ix. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The Company has formulated and implemented a policy of prevention of sexual harassment at the workplace with mechanism of lodging/redressal complaints. During the year under review, there were no complaints reported to the Board.

**x. Business Responsibility Report:**

As mandated by Regulations - 34(2)(f) of Listing Regulations, 2015, Business Responsibility Report, of the Company for the year ended 31<sup>st</sup> March, 2019, describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure - VIII**.

**xi. Compliance with the Institute of Company Secretaries of India ("ICSI") Secretarial Standards:**

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meeting have been complied with by the Company.

No disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

1. Details relating to deposit and unclaimed deposits or interest thereon.
2. Issue of equity shares with differential rights as to dividend or voting.
3. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
4. None of the managerial personnel i.e. Managing Director, Joint Managing Director and Whole-time Director of the Company are in receipt of remuneration / commission from Subsidiary Companies of the Company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future.

**29. CAUTIONARY STATEMENTS:**

Certain statements in the "Director's Report & Management Discussion and Analysis" describing the Company's views about the Industry, expectations/ predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the Statement. Company's operations may inter-alia affect with the supply and demand stipulations, input prices and their availability, changes in Government regulations, taxes, exchange fluctuations and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

**30. APPRECIATION:**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the dedicated and committed services by the Company's executives, staff and workers.

Last but not least, your Directors wish to place on record their warm appreciation to you for your continuous support and encouragement.

**For and on behalf of the Board of Directors**

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

**ARVIND PODDAR**  
Chairman & Managing Director  
DIN: 00089984

## ANNEXURE – I

### DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the "Board") of Balkrishna Industries Limited (the "Company") at its meeting held on 10<sup>th</sup> September, 2016 has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The policy was amended in the meeting of the Board of the Company held on 17<sup>th</sup> May, 2019.

**OBJECTIVE**

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has had an uninterrupted dividend payout since last 30 years. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long term growth objectives from internal cash accruals.

**POLICY**
**I. DECLARATION OF DIVIDEND ONLY OUT OF PROFITS**

DIVIDEND SHALL BE DECLARED OR PAID ONLY OUT OF –

- i) Current Year's Profit;
  - a) After providing for depreciation in accordance with law;
  - b) After transferring to the reserves such amount of Profit as may be prescribed; or
- ii) The Profits for any previous financial year(s)
  - a) After providing for depreciation in accordance with law; and
  - b) Remaining undistributed; or
- iii) Out of i) & ii) both

**II. SET OF LOSSES AND DEPRECIATION OF PREVIOUS YEARS**

Before declaring any dividend, the carried over previous losses and depreciation not provided in previous year or years must be set off against the profits of the Company for the current year.

**III. DECLARATION OF DIVIDEND**
**OUT OF RESERVES**

Board should avoid the practice of Declaration of Dividend out of Reserves.

**IV. AMOUNT OF DIVIDEND**

The Board shall endeavor to maintain the Dividend Payout Ratio.\*

- i. (Dividend/ Net Profit for the year) as near as possible to 10% to 30% subject to Company's need for Capital for its growth plan.
- ii. Positive Cash Flow.

\* To be reviewed every 2 to 3 years.

**V. TIMING**

- i) **Interim Dividend**
  - a) Board to declare;
  - b) Based on review of profits earned during the current year - to date;
  - c) One to three times a year.
- ii) **Final Dividend**
  - a) Board to recommend to members for their approval;
  - b) Based on review of profits arrived at as per audited financial statements, for the year;
  - c) Maximum once in a year.

**VI. PARAMETERS TO BE CONSIDERED BEFORE DECLARING DIVIDEND**

The Board shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders:

- i. Plough back of profits i.e. future capital expenditure programme including
  - a) New project;
  - b) Expansion of capacities of existing units;
  - c) Renovation/ Modernization;
  - d) Major Repairs & Maintenance.
- ii. Likelihood of crystallization of contingent liabilities, if any.
- iii. Contingency Fund.
- iv. Acquisition of brands/ businesses.
- v. Sale of brands/ businesses.
- vi. Retained Earnings.

The Board shall consider the following external parameters while declaring or recommending dividend to shareholders:

Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.

Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.

Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

#### VII. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Board, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations.

The Board, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for ongoing or planned business expansion or other factors which may be considered by the Board.

#### VIII. UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board.

#### IX. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

#### X. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Listing Regulations shall prevail.

#### XI. AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

## ANNEXURE - II

### Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture.

#### Part "A": Subsidiaries

Sr. No.	Particulars	1	2	3	4	5
		₹ In Lakhs				
1	Name of the Subsidiary	BKT TYRES LIMITED	BKT EXIM US, INC *	BKT EUROPE S.R.L.	BKT USA INC	BKT TIRES (CANADA) INC
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of the above subsidiaries is the same as that of the Company i.e. 01 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019.				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. #	INR	USD	EURO	USD	CAD
4	Share Capital	5.00	36.59	5.50	0.70	2.68
5	Reserves & Surplus	0.75	233.15	286.26	607.24	93.65
6	Total Assets	5.85	7529.73	8484.38	724.30	173.98
7	Total Liabilities	0.10	7259.99	8192.62	116.36	77.65
8	Investment	NIL	NIL	NIL	NIL	NIL
9	Turnover (include other income)	NIL	8801.44	18403.13	3448.54	815.85
10	Profit Before Taxation	(0.47)	367.72	437.38	256.90	63.95
11	Provision for Taxation	NIL	64.44	81.97	31.06	12.27
12	Profit/(Loss) After Taxation	(0.47)	303.28	355.41	225.84	51.68
13	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
14	% of Shareholding	100%	100%	100%	100%	100%

Notes:

\*Including figures of BKT TIRES INC.

#Exchange Rate

1 EURO = ₹ 77.7024; 1 US \$ = ₹ 69.1713; 1 CAD = ₹ 51.9118

1. Part B of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31<sup>st</sup> March, 2019.
2. During the year under review, Thrishtha Synthetics Limited, the wholly owned subsidiary of your Company, incorporated in year 2013, has voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off, which is currently under process of striking off.

For and on behalf of the Board of Directors

**BASANT BANSAL**  
Director (Finance)

**ARVIND PODDAR** Chairman & Managing Director  
**RAJIV PODDAR** Joint Managing Director  
**VIPUL SHAH** Director & Company Secretary

Place : Mumbai,  
Dated : 17<sup>th</sup> May 2019

## ANNEXURE – III

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

Corporate Social Responsibility (CSR) forms an important part of the Company's overall philosophy of giving back to the Society. The CSR vision of the Company is "Promotion of Education, Health, Rural Development and help society in difficult times like natural calamities".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. The Company either by itself or through vibrant and innovative partnerships with the Government, NGO's and Other Organizations, will promote education and healthcare for all vulnerable sections of society and will undertake rural development initiatives as well as initiative to help nation to face aftermath of natural calamities.

The Company further commits itself to support the Country in the areas of Food relief (eradicating hunger), Health Services and Environmental Sustainability Programme in case of any natural disaster or calamity (viz. floods, earthquake etc.). Company either by itself or through partnerships with the Government, NGO's and other organizations, will extend its support in the measures for rescue, relief and rehabilitation.

The CSR Policy of the Company is available at weblink: <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

2. The Composition of Corporate Social Responsibility Committee:

Name of the Director	Category of Director	Designation
Mrs. Vijaylaxmi Poddar	Non- Executive Non-Independent Director	Chairperson
Mr. Rajiv Poddar	Executive Non –Independent Director	Member
Mr. Vipul Shah	Executive Non –Independent Director	Member
Mr. Sanjay Asher	Non - Executive Independent Director	Member

3. Average net profit of the Company for last three financial years: ₹ 94,657 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 1,893 Lakhs
5. Details of CSR spent during the financial year: ₹ 1,697 Lakhs

- (a) Total amount to be spent for the financial year; ₹ 1,893 Lakhs, however committed amount ₹ 1,894 Lakhs.
- (b) Amount unspent: ₹ 197 Lakhs out of which ₹ 70 Lakhs spent in the month of April, 2019.
- (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects / Activities Identified	Sector Covered	District and State where Project/ Program was undertaken	Amount Outlay (Budget) Project of Programs wise	Amount Spent on the project or program	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				₹ In Lakhs			
1	Provision of Mid-Day meals for 1,00,000 school children	Healthcare / Education	Vrindavan (U.P), Ahmedabad, Surat, Vadodara (Gujarat), Jaipur (Rajasthan)	950	950	950	950
2	Construction of hostel for 60 children included staff accommodation at Lyzon Friendship School	Education	Khomunnom Village, Singnat sub division Churachandpur District, Manipur-795139	35	35	35	35
3	Setting up Dialysis center for providing free dialysis facilities to needy and poor people	Healthcare	Mumbai (Maharashtra)	100	100	100	100
4	Support to Indian Cancer Society (ICCF)	Healthcare	Mumbai (Maharashtra)	53	53	53	53
5	Vocational Training to Person with Disability	Education	Matunga, Mumbai (Maharashtra)	7	7	7	7
6	Free Meals to Cancer Patients	Healthcare	Vashi, Navi Mumbai (Maharashtra)	5	5	5	5
7	Medical and Hospital treatment support to needy and underprivileged patients	Healthcare	Gujarat Cancer Research Institute, Ahmedabad (Gujarat)	10	10	10	10
8	Acquisition of equipments for treatment of Head, Neck and Thoracic cancer patients	Healthcare	Tata Memorial Hospital, Mumbai (Maharashtra)	95	95	95	95
9	Building of a Multiactivity, Assembly and Dining hall for girls, orphans, abandoned children being vulnerable to exploitation, victimization and trafficking at Parivaar Girls Residential Campus	Education	Village- Barkalikapur, Dist. 24 arganas (South), West Bengal	33	33	33	33



Sr. No.	CSR Projects / Activities Identified	Sector Covered	District and State where Project/ Program was undertaken	Amount Outlay (Budget) Project of Programs wise	Amount Spent on the project or program	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				₹ In Lakhs			
10	Support Rotary's disease prevention and treatment initiatives program	Healthcare	Rotary Foundation (India), New Delhi -110037	180	180	180	180
11	Installation of Elevator at the Guwahati center, to support low cost cancer treatment to patients coming from distant towns and villages.	Healthcare/ Education	St. Jude India Child Care Centres, Guwahati, Assam	18	18	18	18
12	Provided essential items to the villagers in the area of education and infrastructure under Sujlam Suflam Jal Abhiyan and other projects, also Built 4 Ponds under CM Jalsawamlamban Abhiyan	Rural Development	Nadapa, Kanderai, Atalnagar, Ajrakhpur, Paddhar, Kukma, Vadvara, Ratnal, Dhaneti, Reladi, Mamura village of Bhuj (Gujarat) Tijara- Shadipur, District - Alwar Rajasthan	126	121	121	121
13	Work for cause and care of the disadvantaged aged persons and improve their quality of life	Healthcare	Mumbai (Maharashtra)	7	7	7	7
14	Sponsor the diagnosis and treatment of various heart ailments of the at the tieup hospitals	Healthcare	Bangalore, Chennai, Kolkata , Jaipur, Secundarabad, Mumbai, Gurgaon , Faridabad, Jaipur and Mohali	110	#40	#40	#40
15	Supporting the construction of a Leprosy Medical cum Training and Research Centre	Healthcare	Panvel (Maharashtra)	5	5	5	5
16	Acquisition of equipments like Plastic Drill System, Colibrill Accessories , C-PAP system with humidifier etc required to upgrade the Operation Theatre and NICU	Healthcare	Mumbai (Maharashtra)	36	36	36	36
17	Support in school fees of 55 Students	Education	Gopal's Garden High School, Borivali (Maharashtra)	2	2	2	2
18	Providing Medical Equipments to ENT, Ophthalmology, Orthopedics and General Medicine departments at R N Cooper Hospital	Healthcare	Mumbai (Maharashtra)	122	NIL	NIL	NIL
<b>Total</b>				<b>1,894</b>	<b>1,697</b>	<b>1,697</b>	<b>1,697</b>

#Spent ₹ 70 lakhs on the identified CSR project in the month of April, 2019.

\*Details of the Implementing agencies are 1. The Akshay Patra Foundation, Bangalore; 2. Sunbird Trust, Bangalore; 3. Haryana Foundation, Mumbai; 4. Indian Cancer Society, Mumbai; 5. Shree Shankara Hindu Mission, Mumbai; 6. Deepshikha, Navi Mumbai; 7. Cankids Kidscan, Mumbai; 8. Tata Memorial Centre, Mumbai; 9. Parivaar Education Society, Kolkata; 10. Rotary Foundation (India), New Delhi; 11. St Jude India Childcare Centres, Mumbai; 12. 100% Contribution by Industrial Unit (Direct); 13. Helpage India, Mumbai; 14. Have A Heart Foundation, Mumbai and Bangalore; 15. Kushtarog Nivaran Samiti, Panvel; 16. B J Wadia Hospital, Mumbai; 17. Sri Chaitanya Education Trust, Mumbai; 18. Dr. R N Cooper Hospital, Mumbai;

6. During the year, the Company was required to spend ₹ 1,893 lakhs. The Company has already identified various CSR projects having a total commitment of ₹ 1,894 lakhs. Out of the total commitment of ₹ 1,894 lakhs, the Company has actually spent ₹ 1,697 lakhs and balance amount of ₹ 197 lakhs were unspent and out of balance amount of ₹ 197 lakhs, Company had already spent ₹ 70 lakhs on the identified CSR project in the month of April 2019 and remaining amount of ₹ 127 lakhs will be spent as the CSR project progresses further, considering the fact that the CSR projects are already identified.

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

**VIJAYLAXMI PODDAR**  
Chairperson of CSR Committee  
DIN: 00160484

Place: Mumbai,  
Dated: 17<sup>th</sup> May, 2019

**RAJIV PODDAR**  
Joint Managing Director  
DIN: 00160758

## ANNEXURE – IV

### SECRETARIAL AUDIT REPORT

for the financial year ended 31<sup>st</sup> March, 2019

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

To,  
The Members  
Balkrishna Industries Limited  
B-66, Waluj Industrial Area  
Waluj, Aurangabad 431136, Maharashtra

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Balkrishna Industries Limited (hereinafter called "the Company") – CIN L99999MH1961PLC012185. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31<sup>st</sup> March, 2019 (hereinafter referred to as "audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; the applicable provisions of the Companies Act, 1956 and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; -- **Not applicable to the Company since it has no Employee Stock Option Scheme / Employee Stock Purchase Scheme;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- **Not applicable to the Company since it has not issued any debt securities during the year under review;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -- **Not applicable to the Company**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- **Not applicable to the Company during the year under review;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- **Not applicable to the Company since it has not bought back any securities during the year under review;**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

**I further report that**, on an examination, on a test check basis, the relevant records and documents, and having regard to the compliance management system prevailing in the Company, the Company has complied with the following laws applicable specifically to the Company:

- The Rubber Act, 1947 and the Rules made thereunder
- The Petroleum Act, 1934 and the Rules made thereunder
- The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

**I further report that**

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : Mumbai,  
Dated: 17<sup>th</sup> May, 2019.

G.B.B. Babuji  
Company Secretary in Whole-time Practice  
Membership No. FCS-1182  
C P No. 8131

**'Annexure A'**

To,  
The Members,  
Balkrishna Industries Limited  
B-66, Waluj Industrial Area  
Waluj, Aurangabad 431136, Maharashtra

My Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

G.B.B. Babuji

Company Secretary in Whole-time Practice

Membership No. FCS-1182

C P No. 8131

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019.

**ANNEXURE – V**

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014:

**A. CONSERVATION OF ENERGY:**

- (i) the steps taken or impact on conservation of energy:

As a responsible organization, your Company has been constantly taking measures for the conservation and optimal utilization of energy in all the areas of operations. Your Company has been taking continuous efforts towards improving operational efficiencies which in turn has reduced our Carbon and Sulphur emissions as compared to the previous year.

Projects undertaken are: Installation of De-aerator system for flash steam recovery; DG Sets preheating of oil through heat pump instead of electrical heating; Use of Vacuum pumps dewatering system to reduce power consumption;

Your Company has also taken initiatives to conserve water by installing Ultrafiltration backwash water recycle system to save water; Maintained Rain water harvesting system in the Plant to improve underground water level; Condensate recovery system to reduce steam and water consumption and installing RO water polishing system to recycle rejected RO water;

During the year, the Chopanki Plant of the Company has received following awards for energy conservation:

- Rajasthan Energy Conservation Award-RECA-2018 as First Prize - Government of Rajasthan, Department of Energy.
- National Energy Conservation Award-NECA-2018 as Second Prize - From Government of India, Department of Energy

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

The Company has used Steam Coal in place of Pet Coke for better environment and further moving towards for Green Fuel CNG at Bhiwadi Plant.

- (iii) the capital investment on energy conservation equipment's:

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipment's by modern and energy efficient equipment's.

**B. TECHNOLOGY ABSORPTION:**

- (i) the efforts made towards technology absorption:

The Company has been developing in-house modification/improvements in Process Technology in its various manufacturing sections-which, when found suitable, are integrated into the regular manufacturing operation.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

- (a) Quality improvement.
- (b) New product development: Includes ATV Radial, Fork lift Radial, VF implement etc.
- (c) Cost Reduction

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :

- (a) the details of technology imported; Various Modern & automated machines in Mould manufacturing & Tire manufacturing procured & put into operation.
- (b) the year of import; 2018-19
- (c) whether the technology been fully absorbed; Yes
- (d) if not fully absorbed areas where absorption has not taken place, and the reasons thereof; NA

- (iv) the expenditure incurred on Research and Development (₹ in Lakhs) :

- (a) Capital : 421
- (b) Revenue : 2,261

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO : (₹ in Lakhs)**

- (a) Foreign Exchange Outgo : 2,81,468
- (b) Foreign Exchange earned : 4,15,246

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

ARVIND PODDAR  
Chairman & Managing Director

## ANNEXURE - VI

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2019

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

### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L99999MH1961PLC012185
ii) Registration Date	20 <sup>th</sup> November, 1961
iii) Name of the Company	Balkrishna Industries Ltd
iv) Category / Sub-Category of the Company	Public Company / Limited by shares
v) Address of the Registered office and contact details	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136 (Maharashtra), Tel No. (0240) - 6646950 / 999, Email : <a href="mailto:shares@bkt-tires.com">shares@bkt-tires.com</a>
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	<p><u>Hyderabad Office</u> : M/s Karvy Fintech Private Limited            Unit : Balkrishna Industries Limited            Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032,            Phone: +91 40 6716 2222; Fax No: +91 40 2342 0814            Email Id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>            Website: <a href="http://www.karvyfintech.com">www.karvyfintech.com</a></p> <p><u>Mumbai address</u> (for shareholder services) :            B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai - 400 023            Phone : +91 022 66235454</p>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Pneumatic Tyres	22119	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of The Company	Address	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	BKT TYRES LTD.	BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013	U35990MH2007PLC171411	Subsidiary Company	100%	Section 2(87)
2	BKT EUROPE S.R.L.	Viale Della Repubblica, 133 20831 Seregno (MB) Italy	NA	Subsidiary Company	100%	Section 2(87)
3	BKT USA INC.	2660 West Market St. Suite 100, Fairlawn (Akron) OH 44333, USA	NA	Subsidiary Company	100%	Section 2(87)
4	BKT TIRES (CANADA) INC.	55 York Street, Suite 401, Toronto, Ontario M5J 1R7, Canada	NA	Subsidiary Company	100%	Section 2(87)
5	BKT EXIM US, INC.	960 Holmdel Road, Suite 2-02, Holmdel, NJ 07733	NA	Subsidiary Company	100%	Section 2(87)
6	BKT TIRES, INC.	960 Holmdel Road, Suite 2-02, Holmdel, NJ 07733	NA	Subsidiary Company	100%	Section 2(87)

Note: During the year under review, Thritha Synthetics Limited, the wholly owned subsidiary of your Company, incorporated in year 2013, has voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off, which is currently under process of striking off.

Associates Companies						
Sr. No.	Name of The Company	Address	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
NIL						



## IV. SHARE HOLDING PATTERN (Equity Shares Capital Breakup as percentage of Total Equity):

## (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a. Individuals/ HUF	112695480	-	112695480	58.30	112695480	-	112695480	58.30	0.00
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	540	-	540	0.00	540	-	540	0.00	0.00
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>112696020</b>	<b>-</b>	<b>112696020</b>	<b>58.30</b>	<b>112696020</b>	<b>-</b>	<b>112696020</b>	<b>58.30</b>	<b>0.00</b>
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total holding of Promoter(A)=(A)(1)+(A)(2)</b>	<b>112696020</b>	<b>-</b>	<b>112696020</b>	<b>58.30</b>	<b>112696020</b>	<b>-</b>	<b>112696020</b>	<b>58.30</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a. Mutual Funds/ UTI	21756397	-	21756397	11.25	31240757	-	31240757	16.16	4.91
b. Banks/ FI	115491	-	115491	0.06	240993	-	240993	0.12	0.06
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FII	34112816	-	34112816	17.65	22144768	-	22144768	11.46	(6.19)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>55984704</b>	<b>-</b>	<b>55984704</b>	<b>28.96</b>	<b>53626518</b>	<b>-</b>	<b>53626518</b>	<b>27.74</b>	<b>(1.22)</b>
<b>2) Non-Institutions</b>									
a. Bodies Corporates									
i. Indian	5659669	3000	5662669	2.93	7516304	3000	7519304	3.89	0.96
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	10307147	943180	11250327	5.82	11896082	848398	12744480	6.59	0.77
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4730553	1089000	5819553	3.01	4250728	192000	4442728	2.30	(0.71)
c. Others (specify)									
i. Non-Resident Indian	524295	-	524295	0.27	618107	-	618107	0.32	0.05
ii. NRI Non-Repatriation	221977	-	221977	0.11	441340	-	441340	0.23	0.12
iii. IEPF	588110	-	588110	0.30	718615	-	718615	0.37	0.07
iv. Clearing Members	211647	-	211647	0.11	296829	-	296829	0.15	0.04
v. Trust	357888	-	357888	0.19	213249	-	213249	0.11	(0.08)
<b>Sub-Total (B) (2)</b>	<b>22601286</b>	<b>2035180</b>	<b>24636466</b>	<b>12.74</b>	<b>25951254</b>	<b>1043398</b>	<b>26994652</b>	<b>13.96</b>	<b>1.22</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>78585990</b>	<b>2035180</b>	<b>80621170</b>	<b>41.70</b>	<b>79577772</b>	<b>1043398</b>	<b>80621170</b>	<b>41.70</b>	<b>0.00</b>
<b>Total (A+B)</b>	<b>191282010</b>	<b>2035180</b>	<b>193317190</b>	<b>100.00</b>	<b>192273792</b>	<b>1043398</b>	<b>193317190</b>	<b>100.00</b>	<b>0.00</b>
<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>191282010</b>	<b>2035180</b>	<b>193317190</b>	<b>100.00</b>	<b>192273792</b>	<b>1043398</b>	<b>193317190</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Rajiv A Poddar	53577010	27.72	-	53577010	27.72	-	0.00
2	Vijaylaxmi A Poddar	1000	0.00	-	1000	0.00	-	0.00
3	Rameshkumar Dharaprasad Poddar	600	0.00	-	600	0.00	-	0.00
4	Arvindkumar M Poddar	1000	0.00	-	1000	0.00	-	0.00
5	AKP Enterprises LLP	250	0.00	-	250	0.00	-	0.00
6	RAP Enterprises LLP	250	0.00	-	250	0.00	-	0.00
7	Khushboo Rajiv Poddar	7593000	3.93	-	7593000	3.93	-	0.00
8	GPP Enterprises LLP	200	0.00	-	200	0.00	-	0.00
9	Rishabh Sureshkumar Poddar	2790180	1.44	-	2790180	1.44	-	0.00
10	Shyamlat Sureshkumar Poddar	1000	0.00	-	1000	0.00	-	0.00
11	VKP Enterprises LLP	48232880	24.95	-	48232880	24.95	-	0.00
12	TMP Enterprises LLP	493360	0.26	-	493360	0.26	-	0.00
13	PKP Enterprises LLP	250	0.00	-	250	0.00	-	0.00
14	HSP Enterprises LLP	250	0.00	-	250	0.00	-	0.00
15	DPP Enterprises LLP	250	0.00	-	250	0.00	-	0.00
16	Pawankumar Dharaprasad Poddar	600	0.00	-	600	0.00	-	0.00
17	Ashadevi Rameshkumar Poddar	200	0.00	-	200	0.00	-	0.00
18	Avnish Pawankumar Poddar	200	0.00	-	200	0.00	-	0.00
19	Dharaprasad Ramrikhdas Poddar	400	0.00	-	-	-	-	0.00
20	Madhudevi Pawankumar Poddar	200	0.00	-	200	0.00	-	0.00
21	Vibhadevi Shrikishan Poddar	200	0.00	-	200	0.00	-	0.00
22	Shrikishan Dharaprasad Poddar	600	0.00	-	600	0.00	-	0.00
23	Sangeeta Pramodkumar Poddar	400	0.00	-	400	0.00	-	0.00
24	Harshit Shrikishan Poddar	200	0.00	-	200	0.00	-	0.00
25	Ankit Pramodkumar Poddar	200	0.00	-	200	0.00	-	0.00
26	Anurag Pramodkumar Poddar	200	0.00	-	200	0.00	-	0.00
27	Geetadevi Dharaprasad Poddar	200	0.00	-	600	0.00	-	0.00
28	Gaurav Pramod Poddar	200	0.00	-	200	0.00	-	0.00
29	Abhishek S Poddar	200	0.00	-	200	0.00	-	0.00
30	Balgopal Holdings & Traders Limited	100	0.00	-	100	0.00	-	0.00
31	Poddar Brothers Investments Pvt.Limited	100	0.00	-	100	0.00	-	0.00
32	S P Finance and Trading Limited	100	0.00	-	100	0.00	-	0.00
33	Vishal Furnishings Limited	100	0.00	-	100	0.00	-	0.00
34	Sanchna Trading & Finance Limited	70	0.00	-	70	0.00	-	0.00
35	S P Investrade (India) Limited	70	0.00	-	70	0.00	-	0.00
<b>Total</b>		<b>112696020</b>	<b>58.30</b>	<b>-</b>	<b>112696020</b>	<b>58.30</b>	<b>-</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding (Please specify)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-Apr-18) /end of year (31-Mar-19)	% of total shares of the Company				No. of shares	% of total shares of the Company

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-Apr-18) / end of year (31-Mar-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Dharaprasad Ramrikhdas Poddar	400	0.00	1-Apr-18	-	-	-	-
		-	-	9-Jan-19	(400)	Transmission of shares	-	-
		-	-	31-Mar-19	-	-	-	-
2.	Geetadevi Dharaprasad Poddar	200	0.00	1-Apr-18	-	-	-	-
		-	-	9-Jan-19	400	Transmission of shares	600	0.00
	At the end of the year	600	0.00	31-Mar-19	-	-	-	-

## (iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holder of GDRs and ADRs):

Sr. No.	Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning 01-Apr-18/end of year (31-Mar-19)	% of total shares of the Company				No. of Shares	% of total shares of the company
1	HDFC TRUSTEE COMPANY LTD A/C - HDFC CHILDREN'S GIF	13409712	6.94	1-Apr-18				
				13-Apr-18	(100000)	Transfer	13309712	6.88
				20-Apr-18	(171000)	Transfer	13138712	6.80
				4-May-18	(195000)	Transfer	12943712	6.70
				11-May-18	(37640)	Transfer	12906072	6.68
				18-May-18	(52100)	Transfer	12853972	6.65
				25-May-18	87000	Transfer	12940972	6.69
				1-Jun-18	135000	Transfer	13075972	6.76
				8-Jun-18	2185500	Transfer	15261472	7.89
				8-Jun-18	(2512500)	Transfer	12748972	6.59
				15-Jun-18	(100000)	Transfer	12648972	6.54
				22-Jun-18	(40000)	Transfer	12608972	6.52
				29-Jun-18	(61200)	Transfer	12547772	6.49
				6-Jul-18	(20800)	Transfer	12526972	6.48
				13-Jul-18	(2400)	Transfer	12524572	6.48
				3-Aug-18	(49699)	Transfer	12474873	6.45
				24-Aug-18	(295000)	Transfer	12179873	6.30
				31-Aug-18	(46000)	Transfer	12133873	6.28
				7-Sep-18	408800	Transfer	12542673	6.49
				7-Sep-18	(200000)	Transfer	12342673	6.38
				14-Sep-18	34400	Transfer	12377073	6.40
				21-Sep-18	(156500)	Transfer	12220573	6.32
				28-Sep-18	540000	Transfer	12760573	6.60
				28-Sep-18	(354400)	Transfer	12406173	6.42
				5-Oct-18	185000	Transfer	12591173	6.51
				12-Oct-18	200000	Transfer	12791173	6.62
				9-Nov-18	500000	Transfer	13291173	6.88
				9-Nov-18	(702400)	Transfer	12588773	6.51
				16-Nov-18	443800	Transfer	13032573	6.74
				23-Nov-18	164000	Transfer	13196573	6.83
				30-Nov-18	100000	Transfer	13296573	6.88
				7-Dec-18	200000	Transfer	13496573	6.98
				7-Dec-18	(200000)	Transfer	13296573	6.88
				14-Dec-18	500000	Transfer	13796573	7.14
				14-Dec-18	(500000)	Transfer	13296573	6.88
				21-Dec-18	122331	Transfer	13418904	6.94
				21-Dec-18	(122331)	Transfer	13296573	6.88
				28-Dec-18	500000	Transfer	13796573	7.14
				28-Dec-18	(500000)	Transfer	13296573	6.88
				4-Jan-19	400000	Transfer	13696573	7.09
				4-Jan-19	(400000)	Transfer	13296573	6.88
				11-Jan-19	43500	Transfer	13340073	6.90
				18-Jan-19	206000	Transfer	13546073	7.01
				25-Jan-19	274000	Transfer	13820073	7.15
				1-Feb-19	200000	Transfer	14020073	7.25
				15-Feb-19	(228800)	Transfer	13791273	7.13
				22-Feb-19	10000	Transfer	13801273	7.14
				22-Feb-19	(6500)	Transfer	13794773	7.14
				1-Mar-19	10000	Transfer	13804773	7.14
				1-Mar-19	(101272)	Transfer	13703501	7.09
				8-Mar-19	16000	Transfer	13719501	7.10
				15-Mar-19	96000	Transfer	13815501	7.15
				22-Mar-19	100000	Transfer	13915501	7.20
				29-Mar-19	233000	Transfer	14148501	7.32
		14148501	7.32	31-Mar-19				
2	AMANSA HOLDINGS PRIVATE LIMITED	2831796	1.46	1-Apr-18				
				22-Jun-18	(23750)	Transfer	2808046	1.45
				28-Sep-18	3575	Transfer	2811621	1.45
				5-Oct-18	47730	Transfer	2859351	1.48
				14-Dec-18	190000	Transfer	3049351	1.58
				11-Jan-19	140484	Transfer	3189835	1.65
				1-Feb-19	142755	Transfer	3332590	1.72
				8-Feb-19	25142	Transfer	3357732	1.74
		3357732	1.74	31-Mar-19				
		3477440	1.80	1-Apr-18				
3	GOVERNMENT PENSION FUND GLOBAL			22-Jun-18	(44302)	Transfer	3433138	1.78
				29-Jun-18	(128394)	Transfer	3304744	1.71
				6-Jul-18	(73640)	Transfer	3231104	1.67
				24-Aug-18	(139861)	Transfer	3091243	1.60
				31-Aug-18	(112440)	Transfer	2978803	1.54
		2978803	1.54	31-Mar-19				
		1297383	0.67	1-Apr-18				
4	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED			6-Apr-18	223700	Transfer	1521083	0.79
				4-May-18	1018	Transfer	1522101	0.79
				11-May-18	13201	Transfer	1535302	0.79
				18-May-18	10781	Transfer	1546083	0.80
				25-May-18	73424	Transfer	1619507	0.84

Sr. No.	Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning 01-Apr-18/end of year (31-Mar-19)	% of total shares of the Company				No. of Shares	% of total shares of the company
				1-Jun-18	26576	Transfer	1646083	0.85
				8-Jun-18	25000	Transfer	1671083	0.86
				22-Jun-18	26614	Transfer	1697697	0.88
				29-Jun-18	81134	Transfer	1778831	0.92
				6-Jul-18	23468	Transfer	1802299	0.93
				20-Jul-18	43784	Transfer	1846083	0.95
				3-Aug-18	25000	Transfer	1871083	0.97
				7-Sep-18	100000	Transfer	1971083	1.02
				28-Sep-18	75188	Transfer	2046271	1.06
				5-Oct-18	156590	Transfer	2202861	1.14
				12-Oct-18	126331	Transfer	2329192	1.20
				19-Oct-18	32	Transfer	2329224	1.20
				26-Oct-18	161	Transfer	2329385	1.20
				2-Nov-18	166	Transfer	2329551	1.21
				9-Nov-18	82	Transfer	2329633	1.21
				16-Nov-18	39107	Transfer	2368740	1.23
				23-Nov-18	36	Transfer	2368776	1.23
				30-Nov-18	129	Transfer	2368905	1.23
				7-Dec-18	(1282)	Transfer	2367623	1.22
				14-Dec-18	75185	Transfer	2442808	1.26
				21-Dec-18	50	Transfer	2442858	1.26
				28-Dec-18	12	Transfer	2442870	1.26
				31-Dec-18	5626	Transfer	2448496	1.27
				4-Jan-19	85923	Transfer	2534419	1.31
				11-Jan-19	58647	Transfer	2593066	1.34
				18-Jan-19	25029	Transfer	2618095	1.35
				25-Jan-19	45	Transfer	2618140	1.35
				1-Feb-19	77362	Transfer	2695502	1.39
				8-Feb-19	38054	Transfer	2733556	1.41
				15-Feb-19	59768	Transfer	2793324	1.44
				1-Mar-19	40	Transfer	2793364	1.44
				15-Mar-19	(10764)	Transfer	2782600	1.44
				29-Mar-19	13700	Transfer	2796300	1.45
		2796300	1.45	31-Mar-19				
		0	0.00	1-Apr-18				
5	MIRAE ASSET INDIA EQUITY FUND			30-Nov-18	571944	Transfer	571944	0.30
				7-Dec-18	79641	Transfer	651585	0.34
				14-Dec-18	276799	Transfer	928384	0.48
				21-Dec-18	140000	Transfer	1068384	0.55
				28-Dec-18	22521	Transfer	1090905	0.56
				11-Jan-19	55000	Transfer	1145905	0.59
				15-Feb-19	518344	Transfer	1664249	0.86
				22-Feb-19	477381	Transfer	2141630	1.11
				1-Mar-19	137679	Transfer	2279309	1.18
		2279309	1.18	31-Mar-19				
		2010742	1.04	1-Apr-18				
6	TEMPLETON INDIA EQUITY INCOME FUND			8-Jun-18	57653	Transfer	2068395	1.07
				27-Jul-18	(56000)	Transfer	2012395	1.04
				7-Sep-18	(80000)	Transfer	1932395	1.00
				22-Feb-19	125000	Transfer	2057395	1.06
				22-Mar-19	(49800)	Transfer	2007595	1.04
		2007595	1.04	31-Mar-19				
		741289	0.38	1-Apr-18				
7	DSP MIDCAP FUND			6-Apr-18	200840	Transfer	942129	0.49
				13-Apr-18	13967	Transfer	956096	0.49
				27-Apr-18	36000	Transfer	992096	0.51
				27-Apr-18	(312)	Transfer	991784	0.51
				4-May-18	271972	Transfer	1263756	0.65
				11-May-18	157611	Transfer	1421367	0.74
				11-May-18	(393)	Transfer	1420974	0.74
				18-May-18	10841	Transfer	1431815	0.74
				25-May-18	77316	Transfer	1509131	0.78
				25-May-18	(399)	Transfer	1508732	0.78
				8-Jun-18	97800	Transfer	1606532	0.83
				22-Jun-18	(567)	Transfer	1605965	0.83
				6-Jul-18	104337	Transfer	1710302	0.88
				13-Jul-18	(9958)	Transfer	1700344	0.88
				20-Jul-18	(465)	Transfer	1699879	0.88
				27-Jul-18	(705)	Transfer	1699174	0.88
				10-Aug-18	21839	Transfer	1721013	0.89
				10-Aug-18	(2652)	Transfer	1718361	0.89
				24-Aug-18	(30847)	Transfer	1687514	0.87
				31-Aug-18	(159778)	Transfer	1527736	0.79
				28-Sep-18	32605	Transfer	1560341	0.81
				28-Sep-18	(755)	Transfer	1559586	0.81
				12-Oct-18	20796	Transfer	1580382	0.82
				19-Oct-18	101966	Transfer	1682348	0.87
				26-Oct-18	190634	Transfer	1872982	0.97
				2-Nov-18	25068	Transfer	1898050	0.98
				9-Nov-18	(11)	Transfer	1898039	0.98



Sr. No.	Name	Shareholding		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning 01-Apr-18/end of year (31-Mar-19)	% of total shares of the Company				No. of Shares	% of total shares of the company
				23-Nov-18	(440342)	Transfer	1457697	0.75
				30-Nov-18	(58191)	Transfer	1399506	0.72
				7-Dec-18	4000	Transfer	1403506	0.73
				14-Dec-18	(18887)	Transfer	1384619	0.72
				21-Dec-18	(575143)	Transfer	809476	0.42
				22-Feb-19	27112	Transfer	836588	0.43
				1-Mar-19	472347	Transfer	1308935	0.68
				1-Mar-19	(4000)	Transfer	1304935	0.68
				8-Mar-19	161750	Transfer	1466685	0.76
				15-Mar-19	(6000)	Transfer	1460685	0.76
		1460685	0.76	31-Mar-19				
		0	0.00	1-Apr-18				
				1-Jun-18	460000	Transfer	460000	0.24
				8-Jun-18	4200	Transfer	464200	0.24
8	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGI			6-Jul-18	35000	Transfer	499200	0.26
				13-Jul-18	303000	Transfer	802200	0.41
				20-Jul-18	35000	Transfer	837200	0.43
				7-Sep-18	178000	Transfer	1015200	0.53
				14-Sep-18	26000	Transfer	1041200	0.54
				12-Oct-18	29000	Transfer	1070200	0.55
				30-Nov-18	11072	Transfer	1081272	0.56
				7-Dec-18	104000	Transfer	1185272	0.61
				22-Feb-19	4200	Transfer	1189472	0.62
				1-Mar-19	140000	Transfer	1329472	0.69
		1329472	0.69	31-Mar-19				
		1586800	0.82	1-Apr-18				
				7-Sep-18	(2500)	Transfer	1584300	0.82
				26-Oct-18	(25000)	Transfer	1559300	0.81
9	SBI MAGNUM GLOBAL FUND			9-Nov-18	(148435)	Transfer	1410865	0.73
				16-Nov-18	(344065)	Transfer	1066800	0.55
				7-Dec-18	(335509)	Transfer	731291	0.38
				14-Dec-18	(351291)	Transfer	380000	0.20
				21-Dec-18	47000	Transfer	427000	0.22
				1-Feb-19	544684	Transfer	971684	0.50
				8-Feb-19	289996	Transfer	1261680	0.65
				22-Mar-19	(21500)	Transfer	1240180	0.64
		1240180	0.64	31-Mar-19				
		0	0.00	1-Apr-18				
				6-Apr-18	125000	Transfer	125000	0.06
				13-Apr-18	167300	Transfer	292300	0.15
				25-May-18	397000	Transfer	689300	0.36
				1-Jun-18	70000	Transfer	759300	0.39
10	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C			29-Jun-18	110000	Transfer	869300	0.45
				13-Jul-18	122700	Transfer	992000	0.51
				27-Jul-18	55100	Transfer	1047100	0.54
				5-Oct-18	45000	Transfer	1092100	0.56
				19-Oct-18	96000	Transfer	1188100	0.61
				26-Oct-18	124000	Transfer	1312100	0.68
				15-Feb-19	(100000)	Transfer	1212100	0.63
		1212100	0.63	31-Mar-19				

## (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning 01-Apr-18/end of year (31-Mar-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>							
1	Arvind Poddar Chairman & Managing Director	1000	-	1-Apr-18	-	-	-	-
				31-Mar-19			1000	-
2	Rajiv Poddar Joint Managing Director	53577010	27.71	1-Apr-18	-	-	-	-
				31-Mar-19			53577010	27.71
3	Vijaylaxmi Poddar Non-Executive Non-Independent Director	1000	-	1-Apr-18	-	-	-	-
				31-Mar-19			1000	-
4	Vipul Shah Whole Time Director (Director & Company Secretary)	-	-	1-Apr-18	-	-	-	-
		-	-	31-Mar-19	-	-	-	-
5	Pannkaj Ghadiali Non-Executive Independent Director	-	-	1-Apr-18	-	-	-	-
		-	-	31-Mar-19	-	-	-	-
6	Laxmidas Merchant Non-Executive Independent Director	-	-	1-Apr-18	-	-	-	-
		-	-	31-Mar-19	-	-	-	-

Sr. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning 01-Apr-18/end of year (31-Mar-19)	% of total shares of the Company				No. of shares	% of total shares of the Company
7	Sanjay Asher Non-Executive Independent Director	-	-	1-Apr-18	-	-	-	-
8	Ashok Saraf Non-Executive Independent Director	-	-	1-Apr-18	-	-	-	-
9	Khurshed Doongaji* Non-Executive Independent Director	-	-	1-Apr-18	-	-	-	-
10	Shruti Shah** Non-Executive Independent Director	-	-	8-Feb-19	-	-	-	-
11	Sandeep Junnarkar*** Non-Executive Independent Director	-	-	31-Mar-19	-	-	-	-
12	Rajendra Hingwala*** Non-Executive Independent Director	-	-	28-Mar-19	-	-	-	-
B	<b>KEY MANAGERIAL PERSONNEL(KMPs)</b>							
1	Basant Bansal Director (Finance)	-	-	1-Apr-18	-	-	-	-
		-	-	31-Mar-19	-	-	-	-

\*Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) of the Company with effect from closing business hours of 8<sup>th</sup> February, 2019 due to personal health.

\*\*Mrs. Shruti Shah was appointed as an Additional Director (in the capacity of Independent Director) w.e.f 8<sup>th</sup> February, 2019, subject to approval of the members in the ensuing Annual General Meeting.

\*\*\*Mr. Rajendra Hingwala and Mr. Sandeep Junnarkar were appointed as an Additional Director (in the capacity of Independent Director) w.e.f 28<sup>th</sup> March, 2019, subject to approval of the members in the ensuing Annual General Meeting.

#### V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment for financial year 2018-19:

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
(₹ In Lakhs)				
i) Principal Amount	46,756	36,789	-	83,545
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32	-	-	32
<b>Total (i+ii+iii)</b>	<b>46,788</b>	<b>36,789</b>	<b>-</b>	<b>83,577</b>
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Addition	1,00,345	1,71,933	-	2,72,278
Reduction	1,28,833	1,44,062	-	2,72,895
<b>Net Change</b>	<b>(28,488)</b>	<b>27,871</b>	<b>-</b>	<b>(617)</b>
Indebtedness at the end the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	18,300	64,660	-	82,960
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>18,300</b>	<b>64,660</b>	<b>-</b>	<b>82,960</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### A. Remuneration to Managing Director, Whole Time Director and / or Manager:

Sr. No.	Particulars of Remuneration	Name of Directors			
		Mr. Arvind Poddar	Mr. Rajiv Poddar	Mr. Vipul Shah	Total
		(₹ in Lakhs)			
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	525	420	61	1,006
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2	1	NIL	3
	(c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	2,419	2,521	NIL	4,940
	as % of profit	2.499%	2.496%	-	-
	Others Specify	-	-	-	-
	Total (A)	2,946	2,942	61	5,949
	Ceiling as per the Act	₹ 11,784 Lakhs (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013).			

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration of Independent Directors	Name of Directors								
		Mr. Ashok Saraf	Mr. Sanjay Asher	Mr. Khurshed Doongaji	Mr. Laxmidas Merchant	Mr. Pannkaj Ghadiali	Mr. Sandeep Junnarkar	Mr. Rajendra Hingwala	Mrs. Shruti Shah	Total
		(₹ In Lakhs)								
	Fee for attending board / committee meetings	3	1	3	2	3	*0	*0	1	13
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	3	1	3	2	3	*0	*0	1	13
	Other Non-Executive Directors	Mrs. Vijaylaxmi Poddar								
	Fee for attending board / committee meetings	2	-	-	-	-	-	-	-	2
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	2	-	-	-	-	-	-	-	2
	Total (B)= 1+2	5	1	3	2	3	*0	*0	1	15
	Total Managerial Remuneration (A+B)									5,964
	Overall Ceiling as per the Act	₹ 12,963 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013).								

\* Amount of Meeting fees paid is ₹ 25,000/- each.

**C. Remuneration to Key Managerial Personnel Other than Managing Director / Manager / Wholetime Director :**

Sr. No.	Particulars of Remuneration	Mr. Basant Bansal
		(₹ In Lakhs)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	154
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	others, specify	-
5	Others, please specify	-
	<b>Total</b>	<b>154</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There is no Penalties, Punishment or Compounding or offences during the year ended 31<sup>st</sup> March, 2019.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

**ARVIND PODDAR**  
Chairman & Managing Director

**ANNEXURE - VII**

Statement of Disclosure in Directors' Report Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- Ratio of the remuneration of each Whole Time Directors to the median remuneration of the employees of the Company for the financial year 2018-19, the percentage increase in remuneration of each Key Managerial Personnel (KMP) against the performance of the Company as under :

Sr. No.	Name of Director/KMP	Designation	Ratio of the remuneration of each Whole Time Director to the median remuneration of the employees of the Company	Percentage increase in remuneration
1	Arvind Poddar	Chairman & Managing Director	599	(17%)
2	Rajiv Poddar	Joint Managing Director	598	4%
3	Vipul Shah	Director & Company Secretary	12	13%

Note: The percentage increase in remuneration of Mr. Basant Bansal - Director (Finance) (KMP) is 13%.

- The percentage increase in median remuneration of employees in the financial year is 16%.
- There were 2,844 employees as on 31<sup>st</sup> March, 2019.
- Average percentage increase already made in the salaries of employees was 12% other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration is (7%).
- It is hereby affirmed that remuneration paid is per the remuneration policy of the Company.
- The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration (Sitting Fees) of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated: 17<sup>th</sup> May, 2019

**ARVIND PODDAR**  
Chairman & Managing Director

## Annexure - VIII

### BUSINESS RESPONSIBILITY REPORT

#### INTRODUCTION

The Business Responsibility Report of the Company follows the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' as notified by Ministry of Corporate Affairs (MCA), Government of India. This Report is in line with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015 (SEBI LODR) covering topics across environment, governance and stakeholders Relationships.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1.	Corporate Identity Number (CIN) of the Company	L99999MH1961PLC012185
2.	Name of the Company	Balkrishna Industries Limited
3.	Registered address	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431136, Maharashtra.
4.	Website	www.bkt-tires.com
5.	E-mail id	shares@bkt-tires.com
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code – 22119 – Manufacture of rubber tyres and tubes.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company manufactures rubber tire and tubes.
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Company's International Locations are at USA, Canada & Italy Corporate office at Mumbai
	ii. Number of National Locations	Four Tire manufacturing locations (Two in Rajasthan, One in Gujarat & One in Maharashtra). In addition to this One Mould unit in Maharashtra and One Wind Power unit in Rajasthan for Captive use.
10.	Markets served by the Company – Local/State/National, International	The Company sells its products in India as well as 140 countries worldwide through its distributors.

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 3,866 Lakhs
2.	Total Turnover (INR)	₹ 5,24,450 Lakhs
3.	Total profit after taxes (INR)	₹ 78,200 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 1,697 Lakhs was spent during the financial year 2018-19, out of total commitment of ₹ 1,894 Lakhs, ₹ 1,893 Lakhs constitute 2% of the average net profits of the last three financial years. The balance amount of ₹ 197 lakhs was unspent during the financial year 2018-19.  Out of balance amount of ₹ 197 lakhs, Company had already spent ₹ 70 lakhs on the identified CSR project in the month of April, 2019 and remaining amount of ₹ 127 lakhs will be spent as the CSR project progresses further, considering the fact that the CSR projects are already identified.
5.	List of activities in which expenditure in 4 above has been incurred:-	On Healthcare, Education and Rural Development.

#### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?  
Yes, the information of list of subsidiaries is given in Annexure – II to the Director's Report.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
No. The subsidiary companies do not participate in the BR activities of the parent company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
No, Other entities do not participate in the BR initiatives of the Company.

#### SECTION D: BR INFORMATION

##### 1. Details of Director/Directors responsible for BR

- Details of the Director/Directors responsible for implementation of the BR policy/policies:

The Committee was reconstituted on 8<sup>th</sup> February, 2019 as below :

Name	DIN Number	Designation
Mr. Pannkaj Ghadiali*	00003462	Chairman of BR Committee, Independent Director
Mr. Arvind Poddar	00089984	Member
Mr. Laxmidas Merchant	00007722	Member
Mr. Sanjay Asher	00008221	Member
Mr. Rajiv Poddar	00160758	Member

\*Mr. Pannkaj Ghadiali was appointed as Chairman of the Committee w.e.f. 8<sup>th</sup> February, 2019 and Mr. Khurshed Doongaji ceased to be the Chairman of the Committee by virtue of his resignation from the Directorship of the Company with effect from close of business hours of 8<sup>th</sup> February, 2019.



## b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00003462
2.	Name	Mr. Pannkaj Ghadiali
3.	Designation	Independent Director
4.	Telephone number	022-66663800
5.	Email id	shares@bkt-tires.com

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

## a) Details of compliance :

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(\*) The policies have been developed on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.

(+) The policies are available for viewing on: <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

## b) If answer to Sr.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

## 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Business Responsibility Committee and the Board of Directors meet annually to discuss the performance related to BR initiatives.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Company publishes its BR Report annually, The hyperlink is <http://www.bkt-tires.com/en/about-us/investors-desk/annual-reports>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- 1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No, the Company policy relating to ethics, bribery and corruption covers all its employees and business associates. The codes provide guidance to pursue highest standards of ethical conduct and foster a culture of honesty and accountability and further avoiding conflicts of interest and advancing and protecting the company's interest independent of outside influences. Our Code of Business Ethics and Supplier Code of Conduct lays the expectation of the organisation from the ethical values.

- 2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, the Company has not received any complaints related to unethical practices across all its operations. We have laid down a structured process for reporting on any complaints related to violation of Code of the Company.

### Principle 2: Sustainable products and services

- 1 List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

We strive to minimize our environmental and social footprint during product design. We have obtained REACH SVHC (Substance of very high concern) compliance certificate for all the products manufactured.

- 2 For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

We introspect our process on an ongoing basis to improve our process for optimizing the resource consumption, we focused on reducing the power, water, coal and naphtha consumption in our process.

- To reduce the noise level acoustic panels are used in generator rooms;
- Installation of VFD drivers on equipment, energy efficient pumps on cooling towers and installation of LED on ongoing basis reduced the power requirement;
- To eliminate paper consumption, chartless recorders are used in Tire Curing Presses and paperless PMS system for employee evaluation;
- To optimize the process we also use the Condensate Recovery system to recycle energy in the process.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable. As our products are used as tires in off-highway vehicles.

- 3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes, the Company follows a very structured framework for procurement of the products, which is followed as per ISO 14001 before collaborating with any local supplier or vendor. As the business exports majority of the product, it is important to meet the international requirements for raw material sourcing.

Our majority of the raw material is imported to ensure the product quality and for local procurement we conduct regular audits at supplier's facilities to ensure the compliance of facility as per ISO 9001/14001 certification. In the case of any deviation, we suggest suppliers to follow companies guidelines for sustainable practices. We strive to maintain the quality of raw material as per internationally accepted standards as majority of our product is exported.

- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, the Company is determined to develop the capacity of local and small producers. Our business requires more than 75% of the raw material import to meet the business requirement; however we have on board local supplier and vendors as per the requirement. All consumables & few essential spares are procured locally by respective plants. They maintain minimum-maximum inventory to control the FIFO & inventory.

- 5 Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Yes, we have procedures to recycle the product and waste. We reuse the reclaimed rubber by further processing as per the technical specifications requirement. The reject product and spent oil is scraped to an authorized vendor. We also have on-line recycling to minimize the process waste like work-away at extruders, 3-roll calendar, mixing. Our plants also have Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP) installed to recycle effluent from the manufacturing facilities which decrease the dependency on the raw water or ground water and aids company on cost saving.

### Principle 3: Businesses should promote the wellbeing of all employees

- 1 Please indicate the Total number of employees - 2,844

- 2 Please indicate the Total number of employees hired on temporary/contractual/casual basis - 5,443

- 3 Please indicate the Number of permanent women employees - 26

- 4 Please indicate the Number of permanent employees with disabilities - NIL

- 5 Do you have an employee association that is recognized by management?

Yes. There is an employee association at our Aurangabad Plant, Maharashtra.

- 6 What percentage of your permanent employees is members of this recognized employee association?

57% of the employees at our Aurangabad Plant are member of such employee association.

- 7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of this financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- 8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	Percentage who have received training
Management Employees (including women)	100%
Non-management employees	100%
Casual/Temporary/Contractual Employees	100%

**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.**

- 1 Has the company mapped its internal and external stakeholders?  
Yes, Company has identified and mapped all its key internal and external stakeholders such as Employees, Distributors, Suppliers, Vendors, Customers, Communities, Investors and Government Regulators.
- 2 Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?  
Yes, Company in collaboration with external agency undertakes various initiatives for the disadvantaged, vulnerable and marginalized stakeholders. We also support various programs for children and other communities in regards to educational and healthcare requirements.
- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.  
Yes, the Company engages with the disadvantaged, vulnerable and marginalized stakeholders on a regular basis. We try to focus on fulfilling the basic needs of the beneficiary and some of our project are Mid-day meal, providing the stationary to the underprivileged students, vocational trainings for the differently abled people and etc. sponsoring heart surgeries, vocational training, creating infrastructure for educational institutes.  
Our endeavor towards Healthcare has supported many underprivileged people with medical assistance. On a regular basis, we engage with our stakeholders to undergo need assessment and seek improvement areas to develop the way forward.

**Principle 5: Businesses should respect and promote human rights**

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
Yes, we ensure human right practices are ensured at all levels while doing the business. The Company's supplier code of conduct lays standards and guidelines for suppliers, vendors and other business associates to ensure protection of human right while they do business.
- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
We have not received any complaints in the past financial year.  
We have stringent mechanisms to monitor human right violations, company's policy like Whistle-Blower and Prevention of Sexual Harassment provides a channel to stakeholders to communicate any human right violation. We strives to provide a safe and worry-free environment to all employees and business associates.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

- 1 Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
Yes, the Company has a structured Environment policy which is applicable to its employees, suppliers, business associates and other relevant stakeholders, we encourage our value chain partners to adopt our Environment Management Systems.
- 2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?  
Yes, the Company is dedicated to environmental protection and recognizes its role and responsibility in mitigating the effects of climate change. We have undertaken initiatives which also addresses the global issues such as climate change. Our initiatives focuses towards mitigating the environmental impacts due to its business operation. We use Low sulphur alternate fuel for steam generate and Condensate Recovery system in Boiler for energy generation are few examples which helps us to reduce our environmental footprint.
- 3 Does the company identify and assess potential environmental risks?  
Yes, Environmental changes can drive the course of our business and in the purview of mitigating the risk, we have ISO 14001 certifications facilities which helps company in identifying environmental risks and develop strategies in the view of mitigating the risk.
- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof.  
Yes, the Company has installed 1MW solar power plant at Bhuj & 1MW solar power plant at Chopanki for generating clean energy. The Company had installed Wind farm which is connected to State Electricity Grid in West of Jaisalmer Town, of Rajasthan. This wind farm has 4 wind turbine generators with a capacity of 1.25 MW each for a total capacity of 5 MW as per the 20 year Wheeling and Banking agreement with Vidut Vitaran Nigam Limied (JVNL).
- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.  
Yes, the Company strives to enhance the efficiency of our processes by enhancing assets efficiency and increasing the clean technology portfolio. In the reporting year we have undertaken various initiatives to reduce our environmental footprint such as,
- Installation of 1 MW of solar power plant at bhuj and 1 MW at Chopanki plant.
  - All plants are heading towards ZLD. We are also using 2<sup>nd</sup> RO reject for horticulture.
  - 27% of the land in Bhuj plant is converted to green belt and our target is 33% by 2019.
  - Rain water harvesters are installed in all the plants to reduce the water consumption.

- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
 Yes. All the emissions generated as a result of our business activities are within the limits prescribed by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).
- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
 We do not have any pending show cause notices from CPCB or SPCB as on 31<sup>st</sup> March, 2019.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with  
 The Company is member of the following organizations:
- Federation of Indian Export Organizations (FIEO)
  - Chemical and Allied Export Promotion Council of India (CAPEXIL)
  - Bombay Chamber of Commerce (BCC)
  - All India Rubber Industries Association (AIRIA)
- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
 We foresee the above association as a medium for betterment, improvement and advancement of the sectors for protection of industry area of interest with a long term sustainability goal. We have lobbied for Levy of Custom Duty on Returnable Packing material for imported raw material used in the manufacture of Export Goods, Representation with Ministry for Non-Withdrawal of Direct Port Delivery (DPD) facility, Issuance of balance Duty Credit Scrips on Actual IEIS Exim policy and representation with Ministry of Commerce & Industry, Government of India for not withdrawing the Direct Port Delivery (DPD) facility.

**Principle 8: Businesses should support inclusive growth and equitable development.**

- 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
 Yes, our focus has always been towards inclusive growth and we are committed towards our responsibilities. We have undertaken several initiatives as a responsible corporate and we treat CSR beyond compliance. The details on various initiatives undertaken in the reporting year are included in the Director's Report.
- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?  
 The Company undertake projects in-house as well as in collaboration with NGO's, foundations, educational institutes, hospitals and various other external agencies like Akshay Patra Foundation, Sunbird Trust, Haryana Foundation, Indian Cancer Society, Cankids Kidscan, Tata Memorial Centre, Have A Heart Foundation etc. By collaborating with these agencies we are also able to track the progress of the activities and gauge the impact.
- 3 Have you done any impact assessment of your initiative?  
 The Company strives to undertake the successful implementation and adoption of the project to create a profound impact through the various initiatives. Our regular engagements with beneficiaries assists us to assess the impact of the activity and serves as a way forward for our future programmes.
- 4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Enlist the initiatives undertaken by the Company for supporting inclusive development	Amount contributed directly in the initiative by the Company (₹ in Lakhs)
Healthcare	1,499
Education	77
Rural Development	121
<b>Grand Total</b>	<b>1,697</b>

Note: Refer Point No. 4 of Section B of this Report.

- 5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
 We have partnered with various external agencies for ensuring the success implementation and adoption of the project. In-house team verifies the feedback report ensuring the successful adoption of the initiatives. The progress report shared by the partnering agency also helps us to track the project and take corrective action for the continuous feedback received from the stakeholders.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

- 1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?  
 Five consumer cases are pending as on 31<sup>st</sup> March 2019.
- 2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)  
 Yes, Company engraves all the relevant information on the product, in the view of customer awareness and safety for the effective use by the customer. We also produce barcode for each product to avoid counterfeiting of product which can be traced back for authenticity of the product.
- 3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
 No, there are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior. The Company strives to comply with relevant laws of all markets where it is operating.
- 4 Did your company carry out any consumer survey/ consumer satisfaction trends?  
 Yes, we conduct customer satisfaction survey to understand the feedback for our product quality, delivery and after sales services to improve upon the process and get first hand feedback from the customer requirements.

## CORPORATE GOVERNANCE REPORT

Corporate Governance is the system of principles, policies, procedures, and clearly defined responsibilities and accountabilities used to overcome the conflicts of interest inherent in the corporate. Corporate Governance affects the operational risk and hence, sustainability of a corporation. It influences how the objectives of the Company are set and achieved, how risk is monitored & assessed and how performance is optimized. Corporate Governance essentially involves balancing the interests of a Company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, community, etc. Core fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. Corporate Governance extends beyond corporate law. Its fundamental objective is not mere fulfillment of the requirements of the law but in ensuring commitment of the Board in managing the Company in transparent manner by involving ethics for maximizing long-term shareholder value. It is a structure and the associations which governs corporate direction and performance. The board of directors have dominant role in Corporate Governance.

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Balkrishna Industries Limited has over the years followed best practices of Corporate Governance by adhering to practices of trusteeship, transparency and accountability. The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a Global leader while upholding the core values of Quality, Trust, Leadership and Excellence. The Company believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. In addition to compliance with regulatory requirements, Balkrishna Industries Limited endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company's governance framework is based on the following principles:

- Optimum composition, combination and structure of Board with each member bringing in expertise in their respective domains;
- Practice of fairly and timely disclosure of material operational and financial information to the stakeholders;
- Promote ethical and responsible decision-making;
- Proper system in place to identify, mitigate, avoid and manage risk ;
- Systems and processes in place for internal control; and
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and Companies Act, 2013 ("the Act") as applicable, with regard to Corporate Governance.

### GOVERNANCE STRUCTURE

The Corporate Governance structure at Balkrishna Industries Limited is as follows:

- a. Board of Directors: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- b. Committees of the Board: The Board of Directors has constituted various Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for noting.

### 2. COMPOSITION OF THE BOARD OF DIRECTORS:

- i. As on 31<sup>st</sup> March, 2019, the Company has Eleven Directors. Out of the Eleven Directors, eight (more than 72%) are Non-Executive Directors and seven (more than 63%) are Independent Directors including one woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board hold directorships in more than ten Public Companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the Public Companies in which they are Director.
- iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of the Independent Directors is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.
- iv. During the financial year 2018-19 the Board of Directors met six times i.e. 17<sup>th</sup> May, 2018; 11<sup>th</sup> August, 2018; 1<sup>st</sup> September, 2018; 5<sup>th</sup> November, 2018; 8<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India.

The necessary quorum was present for all the meetings.

- v. In case of business exigencies, the Board's approval is taken through circular resolution/s. The circular resolution/s are noted at the subsequent Board Meeting.
- vi. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2018-19 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31<sup>st</sup> March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and



Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Category of Director	Meetings Attended	Whether attended last Annual General Meeting	No. of Directorships held in other public companies as on 31 <sup>st</sup> March, 2019	No. of Committee positions held in other public companies as on 31 <sup>st</sup> March, 2019	
					Chairman	Member
Mr. Arvind Poddar DIN: 00089984	Chairman & Managing Director	6/6	Present	-	-	-
Mr. Rajiv Poddar DIN: 00160758	Joint Managing Director	6/6	Present	-	-	-
Mrs. Vijaylaxmi Poddar DIN: 00160484	Non-Executive Non- Independent Director	5/6	Leave Sought	-	-	-
Mr. Vipul Shah DIN: 05199526	Director & Company Secretary	6/6	Present	-	-	-
Mr. Sanjay Asher DIN: 00008221	Non-Executive Independent Director	3/6	Leave Sought	#4	3	2
Mr. Ashok Saraf DIN: 01627873	Non-Executive Independent Director	5/6	Present	-	-	-
Mr. Laxmidas Merchant DIN: 00007722	Non-Executive Independent Director	5/6	Leave Sought	-	-	-
Mr. Pannkaj Ghadiali DIN: 00003462	Non-Executive Independent Director	6/6	Present	#1	-	1
Mr. Khurshed Doongaji* DIN: 00090939	Non-Executive Independent Director	5/5	Leave Sought	NA	NA	NA
Mrs. Shruti Shah DIN: 08337714**	Non-Executive Independent Director	2/2	NA	-	-	-
Mr. Rajendra Hingwala*** DIN: 00160602	Non-Executive Independent Director	1/1	NA	-	-	-
Mr. Sandeep Junnarkar*** DIN: 00003534	Non-Executive Independent Director	1/1	NA	#2	-	3

\*Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) of the Company with effect from closing business hours of 8<sup>th</sup> February, 2019 due to personal health.

\*\*Mrs. Shruti Shah was appointed as an Additional Director (in the capacity of Independent Director) w.e.f 8<sup>th</sup> February, 2019, subject to approval of the members in the ensuing Annual General Meeting.

\*\*\*Mr. Rajendra Hingwala and Mr. Sandeep Junnarkar were appointed as an Additional Directors (in the capacity of Independent Directors) w.e.f 28<sup>th</sup> March, 2019, subject to approval of the members in the ensuing Annual General Meeting.

# Names of the listed entities and the category of directorship where the person is a director in other Listed Companies.

Name of the Director	Directorship in Other Listed Entity and Category of Directorship
Mr. Sanjay Asher	<ul style="list-style-type: none"> <li>◀ Sudarshan Chemical Industries Limited - Non-Executive Independent Director</li> <li>◀ Tribhovandas Bhimji Zaveri Limited- Non-Executive Independent Director</li> <li>◀ Ashok Leyland Limited- Non-Executive Independent Director</li> <li>◀ Finolex Industries Limited- Non-Executive Independent Director</li> </ul>
Mr. Pannkaj Ghadiali	<ul style="list-style-type: none"> <li>◀ Goldiam International Limited - Non-Executive Independent Director</li> </ul>
Mr. Sandeep Junnarkar	<ul style="list-style-type: none"> <li>◀ Indian Petrochemicals Corporation Limited - Non-Executive Independent Director</li> <li>◀ Reliance Industrial Infrastructure Limited - Non-Executive Independent Director</li> </ul>

- vii. The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees.

The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess:

<b>Global Business</b>	Experience in driving business success / dynamics in markets around the world and understanding across various geographical markets, industry verticals and regulatory jurisdictions.
<b>Leadership</b>	Leadership experience resulting in understanding of organizations, processes, strategic planning, strategic choices and experience in guiding and leading management teams to make decisions and risk management.
<b>Sales and Marketing</b>	Developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
<b>Financial</b>	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a financial officer, controller, auditor or person performing similar functions.
<b>Technology</b>	A significant background in technology, resulting in knowledge to create new business models.
<b>Governance</b>	Developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

- viii. During the year, Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) of the Company with effect from closing business hours of 8<sup>th</sup> February, 2019 (before expiry of his term). Mr. Khurshed Doongaji in his resignation letter, mentioned that his resignation was due to his personal health and no other material reasons.

#### Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

#### Post Meeting Mechanism

The important decisions taken at the Board/Committee Meetings are communicated to the concerned department/division.

#### Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

#### Compliance with the Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel. The said Code has been communicated to the Directors and the Senior Management Personnel. The Code has also been posted on the Company's website <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

The Chairman & Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2018-19.

#### Prohibition of Insider Trading

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from 15<sup>th</sup> May, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of Insider Trading in the securities of a Listed Company.

SEBI further, to put in place a framework for prohibition of Insider Trading and to strengthen the legal framework, notified the "SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The said New Regulations, 2018 are applicable w.e.f 1<sup>st</sup> April, 2019.

Pursuant to amendment, the Company has adopted the Revised 'Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons ("the Code") effective from 1<sup>st</sup> April, 2019, in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, Key Managerial Personnel, all Directors and such Designated Persons including Connected Persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Vipul Shah is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also adopted revised 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, w.e.f 1<sup>st</sup> April, 2019. This Code is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

- ix. Number of shares and convertible instruments held by Non-Executive Directors:

Shares held by Non – Executive Director as on 31<sup>st</sup> March, 2019:

Name of Non-Executive Director	No. of Shares held of ₹ 2 Each
Mrs. Vijaylaxmi Poddar	1,000

The Company has not issued any convertible instruments.

- x. Disclosure of relationship between Directors inter-se:

Mr. Arvind Poddar, Mrs. Vijaylaxmi Poddar and Mr. Rajiv Poddar are relatives of each other.

None of the other Directors are related to any other Director on the Board.

- xi. Familiarisation programme for Independent Directors:

The Company has a familiarisation programme for its Independent Directors. At the time of appointing New Non- Executive Director, a formal letter of appointment is given to them, which inter alia explains their role, function, duties and responsibilities in the Company. Executive Directors provide an overview of Company's business operations to New Non-Executive Directors. The Director is also explained in detail the compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Further on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries business and operations, industry, strategy, finance and other relevant matters. The details of the familiarisation programme for Directors is available on the Company's website, viz. <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

### 3. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV to the Act, the Company's Independent Directors met annually during the financial year 2018-19 on 28<sup>th</sup> March, 2019 without the attendance of Non-Independent Directors and members of the management inter alia to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Pannkaj Ghadiali was unanimously elected as the Chairman of the said meeting of Independent Directors, Mr. Ashok Saraf and Mr. Sanjay Asher has sought leave of absence.

#### 4. COMMITTEES OF THE BOARD :

The Board has constituted the following Committees viz, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Business Responsibility Committee, Finance Committee and Risk Management Committee. Each of the said Committees has been mandated to operate within a given framework.

##### I. AUDIT COMMITTEE:

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Act, as applicable, besides other terms as referred by the Board of Directors.

The terms of reference of Audit Committee, inter alia consists:

- 1) To review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
- 2) To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- 3) To Evaluate internal financial controls and risk management systems.

The scope of activities of the Audit Committee is prescribed in Part C of Schedule II of Listing Regulation and section 177 of the Act read with rules made thereof.

In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Committee met four times during the financial year 2018-19. The meetings were held on 17<sup>th</sup> May, 2018; 11<sup>th</sup> August, 2018; 5<sup>th</sup> November, 2018 and 8<sup>th</sup> February, 2019. The maximum gap between two meetings was less than one hundred and twenty days.

##### COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE:

The Committee was reconstituted on 8<sup>th</sup> February, 2019 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	4/4
Mr. Laxmidas Merchant	Non - Executive Independent Director	Member	3/4
Mr. Ashok Saraf	Non - Executive Independent Director	Member	4/4
Mrs. Shruti Shah*	Non - Executive Independent Director	Member	NA
Mr. Khurshed Doongaji**	Non - Executive Independent Director	Member	4/4

\* Mrs. Shruti Shah was appointed as member of the Committee w.e.f. 8<sup>th</sup> February, 2019.

\*\* Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) with effect from close of business hours of 8<sup>th</sup> February, 2019 due to his personal health conditions, hence ceased to be member of this committee.

All the members are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Pannkaj Ghadiali (Chairman), Mr. Laxmidas Merchant (Member) and Mrs. Shruti Shah (Member) are Chartered Accountants. The Director & Company Secretary, Mr. Vipul Shah, acts as the Secretary of the Committee. The Director (Finance), President (Commercial), Deputy General Manager (Accounts), Statutory Auditors and the Internal Auditors of the Company are permanent invitees to the Audit Committee Meetings.

Mr. Pannkaj Ghadiali, Chairman of the Audit committee, attended the Annual General Meeting of the Company held on 14<sup>th</sup> July, 2018.

##### II. NOMINATION AND REMUNERATION COMMITTEE:

The Constitution, powers, role and terms of reference of the Nomination and Remuneration Committee are in compliance with Regulation 19 of the Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board of Directors.

The terms of reference of the Nomination and Remuneration Committee, inter alia consists;

1. Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and senior management personnel;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

The committee met five times during the financial year 2018-19. The meetings were held on 17<sup>th</sup> May, 2018; 11<sup>th</sup> August, 2018; 5<sup>th</sup> November, 2018; 8<sup>th</sup> February, 2019 and 28<sup>th</sup> March, 2019.

##### COMPOSITION AND MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

The Committee was reconstituted on 8<sup>th</sup> February, 2019 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Ashok Saraf	Non - Executive Independent Director	Chairman	4/5
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Member	5/5
Mr. Sanjay Asher	Non - Executive Independent Director	Member	2/5
Mrs. Shruti Shah*	Non - Executive Independent Director	Member	1/1
Mr. Khurshed Doongaji**	Non - Executive Independent Director	Member	4/4

\* Mrs. Shruti Shah was appointed as member of the Committee w.e.f. 8<sup>th</sup> February, 2019.

\*\* Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) with effect from close of business hours of 8<sup>th</sup> February, 2019 due to his personal health conditions, hence ceased to be member of this committee.

Mr. Ashok Saraf, Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on 14<sup>th</sup> July, 2018.

#### PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Each Independent Director's performance was evaluated as required by Schedule IV of the Act read with Regulation 17(10) of the Listing Regulations, having regard to the criteria of evaluation.

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board read with relevant provisions of Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of Independent Directors and the Board as a whole.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated in their meeting held on 28<sup>th</sup> March, 2019. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A structured questionnaire (as per SEBI Guidance Note) was circulated to the members of the Board covering various aspects of the Board's functioning, Board's culture, execution and performance of duties, professional obligations, and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions, their participation in formulation of business plans, their constructive engagement etc. In addition to the above, the Chairman of the Board/committee was evaluated on the basis of their leadership, coordination and steering skills.

#### REMUNERATION OF DIRECTORS;

##### a) Remuneration Policy:

The Remuneration Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company. The remuneration policy is in consonance with the existing industry practice. The Nomination and Remuneration Policy is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

##### b) Remuneration to Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board/ Committee Meetings as permissible under Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

Name of the Director	Sitting Fees (₹ In Lakhs)	Terms of Appointment
Mrs. Vijaylaxmi Poddar	1.65	Retires by rotation and seeking re-appointment in the 57 <sup>th</sup> Annual General Meeting of the Company.
Mr. Sanjay Asher	1.05	The term of appointment is for five consecutive years from 2 <sup>nd</sup> August, 2014 to 1 <sup>st</sup> August, 2019, as approved by the members in the 52 <sup>nd</sup> Annual General Meeting held on 13 <sup>th</sup> September, 2014.
Mr. Ashok Saraf	2.85	The term of appointment is for five consecutive years from 2 <sup>nd</sup> August, 2014 to 1 <sup>st</sup> August, 2019, as approved by the members in the 52 <sup>nd</sup> Annual General Meeting held on 13 <sup>th</sup> September, 2014.
Mr. Laxmidas Merchant	2.30	The term of appointment is for five consecutive years from 2 <sup>nd</sup> August, 2014 to 1 <sup>st</sup> August, 2019, as approved by the members in the 52 <sup>nd</sup> Annual General Meeting held on 13 <sup>th</sup> September, 2014.
Mr. Pannkaj Ghadiali	3.35	The term of appointment is for five consecutive years from 8 <sup>th</sup> November, 2017 to 7 <sup>th</sup> November, 2022 as approved by the members in the 56 <sup>th</sup> Annual General Meeting held on 14 <sup>th</sup> July, 2019.
Mr. Khurshed Doongaji	2.95	The term of appointment is for five consecutive years from 2 <sup>nd</sup> August, 2014 to 1 <sup>st</sup> August, 2019, as approved by the members in the 52 <sup>nd</sup> Annual General Meeting held on 13 <sup>th</sup> September, 2014. However, Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) of the Company with effect from closing business hours of 8 <sup>th</sup> February, 2019 due to personal health.
Mrs. Shruti Shah	0.75	The term of appointment is for five consecutive years from 08 <sup>th</sup> February, 2019 to 07 <sup>th</sup> February, 2024 subject to the approval of the members in 57 <sup>th</sup> Annual General Meeting.
Mr. Rajendra Hingwala	0.25	The term of appointment is for five consecutive years from 28 <sup>th</sup> March, 2019 to 27 <sup>th</sup> March, 2024 subject to the approval of the members in 57 <sup>th</sup> Annual General Meeting.
Mr. Sandeep Junnarkar	0.25	The term of appointment is for five consecutive years from 28 <sup>th</sup> March, 2019 to 27 <sup>th</sup> March, 2024 subject to the approval of the members in 57 <sup>th</sup> Annual General Meeting.
<b>TOTAL</b>	<b>15.40</b>	

##### c) Remuneration to Managing/Joint Managing / Executive/Whole-Time Director:

The remuneration of Directors (Executive and Non-Executive)/ Key Managerial Personnel/ Senior Management Personnel was governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board

of Directors and Shareholders (Directors - Executive and Non-Executive) of the Company. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

The Board of Directors takes all decisions regarding the remuneration of Non-executive Directors on recommendations made by Nomination & Remuneration Committee.

The details of the remuneration of Directors for the year ended 31<sup>st</sup> March, 2019 are given below:

(₹ In Lakhs)

Name of the Director	Salary	Perquisites & allowances #	Commission	Total	Service Contract
Mr. Arvind Poddar	300	227	2419	2946	1 <sup>st</sup> August, 2016 to 31 <sup>st</sup> July, 2021
Mr. Rajiv Poddar*	240	181	2521	2942	22 <sup>nd</sup> January, 2019 to 21 <sup>st</sup> January, 2024
Mr. Vipul Shah	26	35	-	61	11 <sup>th</sup> February, 2017 to 10 <sup>th</sup> February, 2022
<b>TOTAL</b>	<b>566</b>	<b>443</b>	<b>4940</b>	<b>5949</b>	

#Perquisites and Allowances does not include Contribution to Provident Fund, other Funds and Retirement Benefits to the extent not taxable under Income Tax law.

\*Mr. Rajiv Poddar was re-appointed as Joint Managing Director of the Company for a period of five years with effect from 22<sup>nd</sup> January, 2019 to 21<sup>st</sup> January, 2024 by passing ordinary resolution via postal ballot on 19<sup>th</sup> December, 2018.

- Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Whole-time Directors.
- Apart from payment of sitting fees, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the year.
- The Notice Period for the Managing /Joint Managing/Whole-Time Director is one month from either side for resigning/terminating from the services of the Company.
- No Severance Fees has been paid or payable by the Company.
- Company does not have Stock Option Scheme and Pension Scheme.

### III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted in compliance with Section 178(5) of the Act and Regulation 20 of Listing Regulations. The said committee deals with all matters related to addressing and resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, and reviewing various services rendered by the Registrar & Share Transfer Agent.

The Committee met four times during the financial year 2018-19. The meetings were held on 17<sup>th</sup> May, 2018; 11<sup>th</sup> August, 2018; 5<sup>th</sup> November, 2018; and 8<sup>th</sup> February, 2019.

#### COMPOSITION AND MEETINGS OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Committee was reconstituted on 8<sup>th</sup> February, 2019 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Ashok Saraf	Non - Executive Independent Director	Chairman	4/4
Mr. Vipul Shah	Executive Non - Independent Director	Member	4/4
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Member	4/4
Mrs. Shruti Shah*	Non - Executive Independent Director	Member	NA
Mr. Khurshed Doongaji**	Non - Executive Independent Director	Member	4/4

\* Mrs. Shruti Shah was appointed as member of the Committee w.e.f. 8<sup>th</sup> February, 2019.

\*\* Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) with effect from close of business hours of 8<sup>th</sup> February, 2019 due to his personal health conditions, hence ceased to be member of this committee.

During the year, one complaint was received which was resolved within stipulated time. There were no complaints pending as on 31<sup>st</sup> March, 2019.

As at 31<sup>st</sup> March 2019, there was no Share Transfer pending for Registration for more than 15 days.

#### COMPLIANCE OFFICER:

Mr. Vipul Shah, Director and Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation with requirements of Securities Laws.



**IV. OTHER COMMITTEES OF THE BOARD:****a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

The Corporate Social Responsibility Committee promotes a culture that emphasizes and sets high standards for corporate social responsibility and reviews the implementation plan. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. And any such other responsibilities as given under Section 135 of the Act, read with Schedule VII of the Act.

The terms of reference of the Corporate Social Responsibility Committee, inter alia consists:

1. To frame the CSR policy and its review from time to time;
2. To ensure effective implementation and monitoring of CSR activities as per the approved policy, plans and budget;
3. To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met four times during the financial year 2018-19. The meetings were held on 17<sup>th</sup> May, 2018; 11<sup>th</sup> August, 2018; 5<sup>th</sup> November, 2018 and 8<sup>th</sup> February, 2019.

**COMPOSITION AND MEETINGS OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Name of the Director	Category of Director	Designation	Meetings Attended
Mrs. Vijaylaxmi Poddar	Non - Executive Non - Independent Director	Chairperson	4/4
Mr. Rajiv Poddar	Executive Non - Independent Director	Member	4/4
Mr. Vipul Shah	Executive Non - Independent Director	Member	4/4
Mr. Sanjay Asher	Non - Executive Independent Director	Member	2/4

**b. BUSINESS RESPONSIBILITY COMMITTEE**

This Committee observes practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The terms of reference of the Business Responsibility Committee, inter alia consists;

1. To frame Business Responsibility Reporting policy and its review from time to time;
2. To ensure Business Responsibility Reporting is prepared as required by Regulation 34(2)(f) of the Listing Regulations;
3. To ensure effective implementation and monitoring of Business Responsibility Reporting activities.

The above committee met annually during the financial year 2018-19 on 17<sup>th</sup> May, 2018.

**COMPOSITION AND MEETING OF THE BUSINESS RESPONSIBILITY COMMITTEE:**

The Committee was reconstituted on 8<sup>th</sup> February, 2019 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali*	Non - Executive Independent Director	Chairman	NA
Mr. Arvind Poddar	Executive Non - Independent Director	Member	1/1
Mr. Laxmidas Merchant	Non - Executive Independent Director	Member	1/1
Mr. Sanjay Asher	Non - Executive Independent Director	Member	0/1
Mr. Rajiv Poddar	Executive Non - Independent Director	Member	1/1
Mr. Khurshed Doongaji**	Non - Executive Independent Director	Chairman	1/1

\*Mr. Pannkaj Ghadiali was appointed as Chairman of the Committee w.e.f. from 8<sup>th</sup> February, 2019.

\*\*Mr. Khurshed Doongaji resigned from the Directorship (in the capacity of Independent Director) with effect from close of business hours of 8<sup>th</sup> February, 2019 due to his personal health conditions, hence ceased to be Chairman of this committee.

**c. FINANCE COMMITTEE**

The terms of reference of Finance Committee, inter alia consists;

1. To approve the borrowings of monies upto limit of ₹ 5,00,000 Lakhs in excess of the aggregate of the paid up share capital and free reserves of the Company, apart from temporary loans obtained from companies bankers in ordinary course of business, as approved by the members of the Company in their Annual General Meeting held on 13<sup>th</sup> September, 2014;
2. To invest the surplus funds of the company as and when available not exceeding 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more;
3. To grant loans or give guarantee or provide security in respect of loans subject to the ceiling mentioned in Section 186 of the Act, i.e. not exceeding 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more;
4. To renew the existing credit facilities granted by the bankers to the Company.

The committee met six times during the financial year 2018-19. The meetings were held on 10<sup>th</sup> April, 2018; 25<sup>th</sup> May, 2018; 15<sup>th</sup> June, 2018; 15<sup>th</sup> October, 2018; 19<sup>th</sup> December, 2018 and 13<sup>th</sup> February, 2019.

**COMPOSITION AND MEETINGS OF THE COMMITTEE:**

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Arvind Poddar	Executive Non - Independent Director	Chairman	6/6
Mr. Rajiv Poddar	Executive Non - Independent Director	Member	5/6
Mr. Vipul Shah	Executive Non - Independent Director	Member	6/6

Mr. Basant Kumar Bansal - Director (Finance) is a permanent invitee to the Finance Committee Meetings.

**d. RISK MANAGEMENT COMMITTEE**

'Risk Management' is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of uncertain events or to maximize the realization of opportunities. Risk management also provides a system for setting of priorities when there are competing demands on limited resources. Risk management also attempts to identify and manage threats that could severely impact or bring down the organization.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. Pursuant to Regulation 21 of Listing Regulations, the Board of Directors at their meeting held on 8<sup>th</sup> February, 2019 has constituted Risk Management Committee. The Board has also framed Risk Management Policy which is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

The primary objective of Committee is to identify, mitigate, control risk incurred by the Company with a view to prevent unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposures incurred by Company and to keep such risk at or below pre-determined levels. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

**COMPOSITION OF THE COMMITTEE:**

Name of the Director	Category of Director	Designation
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman
Mr. Arvind Poddar	Executive Non - Independent Director	Member
Mr. Rajiv Poddar	Executive Non - Independent Director	Member
Mr. Vipul Shah	Executive Non - Independent Director and Company secretary	Member
Mr. Basant Bansal	Director (Finance) - KMP	Member

**5. GENERAL BODY MEETING:**
**a. Details of the last three Annual General Meetings:**

The last three Annual General Meetings (AGM) of the Company were held within the statutory time period and the details of the same are reproduced herein below:

Year	Location	Date	Time	Special Resolution Passed
2015-16 54 <sup>th</sup> AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	06 <sup>th</sup> August, 2016	12:00 noon	No Special Resolutions were passed.
2016-17 55 <sup>th</sup> AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	09 <sup>th</sup> September, 2017	12:00 noon	Service of documents to members of the company pursuant to Section 20 of the Companies Act, 2013.
2017-18 56 <sup>th</sup> AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	14 <sup>th</sup> July, 2018	11.30 a.m.	No Special Resolutions were passed.

**b. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:**

During the year under review, no special resolution was passed through postal ballot by the Company.

**c. Details of special resolution proposed to be conducted through postal ballot:**

During the year under review, no special resolution is proposed to be conducted through postal ballot.

**6. MEANS OF COMMUNICATION:**

The quarterly, half-yearly and annual results of the Company are published in Business Standard and Sakal. The results are also displayed on the Company's website [www.bkt-tires.com](http://www.bkt-tires.com). Detailed Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website and are sent to the Stock Exchanges for dissemination. A Directors' Report & Management Discussion and Analysis Report is a part of the Company's Annual Report.

**7. GENERAL SHAREHOLDER INFORMATION:**
**a. ANNUAL GENERAL MEETING :**

Date	13 <sup>th</sup> July, 2019
Time	10.00 a.m.
Venue	Registered Office of the Company at B-66, Waluj MIDC , Waluj Industrial Area, Aurangabad – 431 136

**b. FINANCIAL YEAR: commencing from 1<sup>st</sup> April and ending on 31<sup>st</sup> March.**

Financial Calendar:

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	On or before 14 <sup>th</sup> August, 2019
2.	Second Quarter & Half Yearly Results	On or before 14 <sup>th</sup> November, 2019
3.	Third Quarter & Nine-months Results	On or before 14 <sup>th</sup> February, 2019
4.	Fourth Quarter & Annual Results	On or before 30 <sup>th</sup> May, 2020.

**c. BOOK CLOSURE DATE:** From Monday, the 8<sup>th</sup> July, 2019 to Tuesday, the 9<sup>th</sup> July, 2019 (both days inclusive).**d. DIVIDEND PAYMENT DATE:**

During the year under review the company has paid following Interim dividends

Interim Dividend	Dividend Payment date	At the rate
1 <sup>st</sup> Interim Dividend	24 <sup>th</sup> August, 2018	₹ 2.00 per equity share
2 <sup>nd</sup> Interim Dividend	17 <sup>th</sup> November, 2018	₹ 2.00 per equity share
3 <sup>rd</sup> Interim Dividend	21 <sup>st</sup> February, 2019	₹ 2.00 per equity share

The Board of Directors at their Meeting held on 17<sup>th</sup> May, 2019 has recommended final dividend of ₹ 2.00 equity share for financial year 2018-19, subject to the approval from shareholders. The dividend if declared at the Annual General Meeting shall be paid on or after 15<sup>th</sup> July, 2019 but within the statutory time limit.

**Unclaimed Dividend/ Shares**

Pursuant to the provisions of Section 124(5) of the Act, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act. The details of unclaimed/ unpaid dividend are available on the website of the Company viz <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

Details of unclaimed dividend as on 31<sup>st</sup> March, 2019 and due date of transfer is as follows:

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
Final Dividend	2011-12	1 <sup>st</sup> September, 2012	07 <sup>th</sup> October, 2019
Final Dividend	2012-13	21 <sup>st</sup> September, 2013	29 <sup>th</sup> October, 2020
Final Dividend	2013-14	13 <sup>th</sup> September, 2014	20 <sup>th</sup> October, 2021
Final Dividend	2014-15	11 <sup>th</sup> July, 2015	17 <sup>th</sup> August, 2022
Interim Dividend	2015-16	9 <sup>th</sup> March, 2016	15 <sup>th</sup> April, 2023
1 <sup>st</sup> Interim Dividend	2016-17	10 <sup>th</sup> September, 2016	17 <sup>th</sup> October, 2023
2 <sup>nd</sup> Interim Dividend	2016-17	30 <sup>th</sup> November, 2016	06 <sup>th</sup> January, 2024
3 <sup>rd</sup> Interim Dividend	2016-17	10 <sup>th</sup> February, 2017	19 <sup>th</sup> March, 2024
Final Dividend	2016-17	09 <sup>th</sup> September, 2017	14 <sup>th</sup> October, 2024
1 <sup>st</sup> Interim Dividend	2017-18	29 <sup>th</sup> July, 2017	02 <sup>nd</sup> September, 2024
2 <sup>nd</sup> Interim Dividend	2017-18	08 <sup>th</sup> November, 2017	13 <sup>th</sup> December, 2024
3 <sup>rd</sup> Interim Dividend	2017-18	14 <sup>th</sup> February, 2018	21 <sup>st</sup> March, 2025
Final Dividend	2017-18	14 <sup>th</sup> July, 2018	21 <sup>st</sup> August, 2025
1 <sup>st</sup> Interim Dividend	2018-19	11 <sup>th</sup> August, 2018	18 <sup>th</sup> September, 2025
2 <sup>nd</sup> Interim Dividend	2018-19	5 <sup>th</sup> November, 2018	9 <sup>th</sup> December, 2025
3 <sup>rd</sup> Interim Dividend	2018-19	8 <sup>th</sup> February, 2019	15 <sup>th</sup> March, 2026

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years.

In terms of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPFA Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like Dividend, bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

The members who have a claim on Unclaimed Dividend / Shares may claim the same from IEPFA by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in Form No. IEPF-5. No claims shall lie against the Company in respect of the Unclaimed Dividend / Shares so transferred.

The Company sends periodical communication to the concerned Shareholders to claim their Dividends in order to avoid transfer of Dividends / Shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends by Shareholders are uploaded on the website of the Company at <https://www.bkt-tires.com/en/investors-desk/shareholding-info>.

During the year under review, the Company has transferred Unclaimed Dividend and Shares to 'Investor Education and Protection Fund' on 12<sup>th</sup> September, 2018 and 10<sup>th</sup> October, 2018 respectively.

#### Nodal Officer

Mr. Vipul Shah, Director and Company Secretary of the Company was appointed as the Nodal Officer for the purpose of co-ordination with the IEPF Authority as to ensure processing and verification of claims by the shareholders in time bound manner.

#### e. COMPANY'S SHARES ARE LISTED ON:

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	National Stock Exchange of India Limited 5 <sup>th</sup> Floor, Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051
--	---

Annual listing fee as applicable for the year 2018-19 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

#### f. STOCK CODES/SYMBOL:

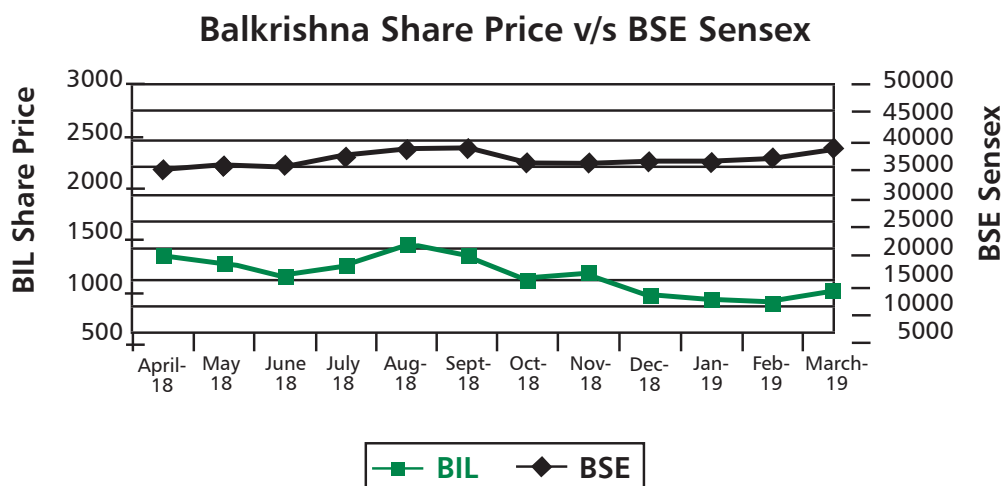
BSE: 502355 NSE : BALKRISIND ISIN No.: INE787D01026

#### g. MARKET PRICE DATA (In ₹):

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April-2018	1351.20	1057.50	1352.20	1057.20
May-2018	1290.00	1044.00	1286.75	1040.00
June-2018	1151.95	1014.70	1152.80	1011.15
July-2018	1271.35	1050.05	1272.20	1047.20
August-2018	1467.40	1176.00	1453.55	1184.15
September-2018	1363.50	975.00	1355.00	1000.00
October-2018	1114.05	945.05	1114.90	946.35
November-2018	1189.25	918.10	1189.65	922.70
December-2018	984.60	853.45	1010.95	854.00
January-2019	934.95	800.00	935.00	798.05
February-2019	905.25	741.10	905.00	744.00
March-2019	1023.00	885.15	1024.00	886.20

{Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)}

#### h. Performance of the share price of the Company in comparison to the BSE SENSEX:



{Source: [www.bseindia.com](http://www.bseindia.com)}

- i. **IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF:**

Not Applicable

- j. **REGISTRAR AND SHARE TRANSFER AGENT:**

Name and Address : Karvy Fintech Private Limited  
(Unit: Balkrishna Industries Limited)  
Karvy Selenium Tower B, Plot No. 31-32  
Gachibowli, Financial District, Nanakramguda  
Hyderabad – 500 032  
Telephone: +91 40 6716 2222  
Fax: +91 40 2342 0814  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)

**Mumbai address (for shareholder services):**

B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg,  
Behind BSE Ltd, Fort, Mumbai - 400 023  
Phone: +91 022 66235454

**Contact Person**

Mr. Ananda Moolya,  
Deputy General Manager  
Email: [ananda.moolya@karvy.com](mailto:ananda.moolya@karvy.com)

- k. **SHARE TRANSFER SYSTEM:**

Share transfer are processed and share certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. The company has delegated the authority to Share Transfer Agent. All documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrars directly. A summary of transfer/transmission of securities of the Company so approved by the Company Secretary is placed at Quarterly Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges under Regulation 40(10).

- l. **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2019:**

Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
1 - 1000	53301	95.22	4301063	2.22
1001 - 2000	1045	1.87	1547706	0.80
2001 - 3000	436	0.78	1146607	0.59
3001 - 4000	209	0.37	750565	0.39
4001 - 5000	121	0.22	554321	0.29
5001 - 10000	337	0.60	2359572	1.22
10001 - 999999999	524	0.94	182657356	94.49
<b>TOTAL</b>	<b>55973</b>	<b>100.00</b>	<b>193317190</b>	<b>100.00</b>

Categories of Shareholding as on 31<sup>st</sup> March, 2019:

Categories of Shareholders	No. of Shares	% of Total Shares
<b>Promoter and Promoter Group (A)</b>	<b>112696020</b>	<b>58.30</b>
<b>Public Shareholding Group (B)</b>		
Mutual Funds/UTI	28827903	14.91
Financial Institutions/Banks	314500	0.16
Bodies Corporate	7445797	3.85
Individuals	17187208	8.89
Any Other		
NRI's	1059447	0.55
Trust	213249	0.11
Foreign Portfolio Investor	22144768	11.46
Clearing Members	296829	0.15
Alternative Investment Fund	2412854	1.25
IEPF	718615	0.37
<b>Total Public Shareholding Group (B)</b>	<b>80621170</b>	<b>41.70</b>
<b>Total Shareholding (A+B)</b>	<b>193317190</b>	<b>100.00</b>



**m. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories. As on 31<sup>st</sup> March, 2019, 99.46% of Company's shares were dematerialized.

**n. OUTSTANDING ADR'S / GDR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

Not Applicable.

**o. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

Please refer to Directors' Report & Management Discussion and Analysis Report for the same.

**p. PLANT LOCATIONS:**

<b>Tire Manufacturing:</b>	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra) SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019 Dist: Alwar (Rajasthan) A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, Dist: Alwar (Rajasthan) Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
<b>Calendering :</b>	SP4-886, RIICO Industrial Area, Pathredi, Bhiwadi - 301 707, Dist: Alwar (Rajasthan)
<b>Wind farm :</b>	Village Soda Mada, Tehsil: Fatehgarh, Dist: Jaisalmer (Rajasthan)
<b>Mould Unit :</b>	C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203, Dist: Thane (Maharashtra)

**q. ADDRESS FOR CORRESPONDENCE:**

**BALKRISHNA INDUSTRIES LIMITED.**

<b>Registered Office:</b>	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad : 431 136, Maharashtra. Tel: (0240) – 6646950 / 999, Fax: (0240) – 2554143
<b>Corporate Office:</b>	BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013, Tel: 022 66663800 Fax: 66663899, E-mail: shares@bkt-tires.com

**r. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD.**

Not Applicable

**8. OTHER DISCLOSURES:**

**a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2018-19 were on arm's length basis. During the year, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the Policy on materiality of related party transactions and dealing with related party transactions. The policy on materiality of related party transactions has been displayed on the Company's website <https://www.bkt-tires.com/en/investors-desk/shareholding-info>

Details of Transactions with related parties have also been disclosed in Note no. 43 of Standalone Financial Statements.

A summary statement of all related parties transactions are placed periodically before the Audit Committee of the Company for its review and approval.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

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

The Company has complied with all requirements specified under Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**c. Vigil Mechanism/ Whistle Blower Policy:**

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Vigil Mechanism/ Whistle Blower Policy is displayed on the Company's website viz. <https://www.bkt-tires.com/en/investors-desk/shareholding-info>

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all mandatory requirements of Listing Regulations, in respect of Corporate Governance. The following non-mandatory requirements have been adopted by the company:

- I. Auditor's Report does not contain any qualifications.
- II. The Company is in the regime of financial statements with unmodified audit opinion.

e. Subsidiary Companies:

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company <https://www.bkt-tires.com/en/investors-desk/shareholding-info>

The Audit Committee periodically reviews the financial statements and investments made by the unlisted Subsidiary Companies. Also all the minutes of the Board Meetings along with the statements of transactions and arrangements entered into with the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

During the year under review, Thristha Synthetics Limited, the wholly owned subsidiary of the Company, incorporated in year 2013, has voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off, which is currently 'under process of striking off'.

f. Disclosure of commodity price risks and commodity hedging activities :

Please refer to Management Discussion and Analysis Report for the same.

g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) :

Not Applicable

h. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority :

The Company has obtained a certificate from G.B.B Babuji, Practicing Company Secretary of the Company, confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part :

Particulars	(₹ in Lakhs)
Fees for audit and related services paid to M/s. N.G. Thakrar & Co. and to its entities of the network of which the auditor is a part	34
Other fees paid to M/s. N.G. Thakrar & Co. and to its entities of the network of which the auditor is a part	10
Total	44

k. Disclosures in relation to the Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013:

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

l. Annual Secretarial Compliance report :

Pursuant to SEBI circular no. CIR/CFD/CMD1/27/2019 dated 08<sup>th</sup> February, 2019, the Company has obtained Annual Secretarial Compliance report from G.B.B Babuji, Practicing Company Secretary of the Company and the same was filed with the Stock Exchanges.

## 9. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## 10. ACCOUNTING TREATMENT:

Disclosure of accounting treatment different from accounting standards: None

## 11. DISCRETIONARY REQUIREMENTS:

The Company has adopted discretionary requirements as specified in Part E of Schedule II to the extent of the auditors' report on statutory financial statements of the Company are unqualified.

## 12. COMPLIANCE WITH GOVERNANCE FRAMEWORK:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

This Corporate Governance Report of the Company for the year 2018-19 is in compliance with the requirements of Corporate Governance under Regulation 27(2) of Listing Regulation.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

**ARVIND PODDAR**  
Chairman & Managing Director

### COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS

To,  
The Members of  
Balkrishna Industries Limited

I, Arvind Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare as required under Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with Balkrishna Industries Limited Code of Conduct for the year ended 31st March, 2019.

For and on behalf of the Board of Directors

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

**ARVIND PODDAR**  
Chairman & Managing Director

### CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of Balkrishna Industries Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief, we state that:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - I. significant changes, if any, in internal control over financial reporting during the year;
  - II. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For BALKRISHNA INDUSTRIES LIMITED

For BALKRISHNA INDUSTRIES LIMITED

**ARVIND PODDAR**  
Chairman & Managing Director

**BASANT BANSAL**  
Director (Finance)

Place : Mumbai,  
Dated : 17<sup>th</sup> May, 2019

## INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
BALKRISHNA INDUSTRIES LIMITED

1. We, N.G.Thakrar & Co., Chartered Accountants, the Statutory Auditors of Balkrishna Industries Limited ('the Company') have examined the details of compliance of conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2019, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of SEBI Listing Regulations**

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31<sup>st</sup> March, 2019.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For N.G.THAKRAR & CO.  
CHARTERED ACCOUNTANTS  
(FIRM REG. NO. 110907W)

NATWAR THAKRAR  
PARTNER  
MEMBERSHIP NO. 036213

PLACE : Mumbai,  
DATE : 17<sup>th</sup> May, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**BALKRISHNA INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Balkrishna Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter:

#### Revenue recognition(refer Note No.1(B)(c))

The Company's profit is dependent on proper accounting of Revenue and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

#### Auditor's response

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, dispatches/ deliveries, inventory reconciliations and assessing the recoverability of trade receivable balances, substantive testing for cut-offs and analytical review procedures.

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the matter to be included in the Auditor's Report under section 97(16) of the Act, as amended :

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2019 on its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **N.G.THAKRAR & CO.**  
**CHARTERED ACCOUNTANTS**  
 (FIRM REG. NO. 110907W)

**NATWAR THAKRAR**  
 PARTNER  
 MEMBERSHIP NO. 036213

PLACE: Mumbai  
 DATE: 17<sup>th</sup> May, 2019

## Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of these fixed assets is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31<sup>st</sup> March, 2019 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Duty of Customs, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Forum where dispute is pending
		(₹ in Lakhs)		
Income Tax Act	Income Tax	207	2004-05	Supreme Court
Sales Tax Act	Sales Tax (Including Interest and Penalty)	3	2004-05	High Court
		61	2011-12	Tribunal
		291	1996-97 & 2012-2015	Commissioner (Appeals)
		89	2013-17	Assessing Authority
Customs Act	Custom Duty (Including Interest and Penalty)	5,154	2012-2014	Supreme Court
		2,616	2012-2016	CESTAT
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	73	2002-2005	Supreme Court
		3,269	2007-2013	High Court
		262	2006-2009 & 2011-2017	Tribunal
		116	2012-2017	Commissioner (Appeals)
		238	2003-2008 & 2014-2019	Assessing Authority

- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank. Further as per the records of the Company, during the year there were no loans or borrowings from any financial institution, government or debenture holders.
- (ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **N.G.THAKRAR & CO.**  
CHARTERED ACCOUNTANTS  
(FIRM REG. NO. 110907W)

**NATWAR THAKRAR**  
PARTNER  
MEMBERSHIP NO. 036213

PLACE: Mumbai  
DATE: 17<sup>th</sup> May, 2019

## Annexure - B to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.G.THAKRAR & CO.**  
CHARTERED ACCOUNTANTS  
(FIRM REG. NO. 110907W)

**NATWAR THAKRAR**  
PARTNER  
MEMBERSHIP NO. 036213

PLACE: Mumbai  
DATE: 17<sup>th</sup> May, 2019



**BALANCE SHEET**

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2019		As at 31st March 2018
<b>I ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	2	2,70,665		2,76,740
(b) Capital Work-in-Progress	2	58,542		11,828
(c) Investment Property	3	7,715		7,820
(d) Intangible Assets	4	229		344
(e) Financial Assets				
i) Investments	5	31,960		62,005
ii) Other Financial Assets	6	1,028		802
(f) Income tax Assets (Net)	7	9,637		8,117
(g) Other Non-Current Assets	8	19,669		18,465
<b>TOTAL NON CURRENT ASSETS</b>			3,99,445	3,86,121
<b>2 CURRENT ASSETS</b>				
(a) Inventories	9	71,300		59,419
(b) Financial Assets				
i) Investments	10	76,346		48,318
ii) Trade Receivables	11	56,812		50,193
iii) Cash and Cash Equivalents	12	3,615		1,761
iv) Other Bank Balances	13	1,946		697
v) Loans	14	463		1,408
vi) Other Financial Assets	15	5,723		8,834
(c) Other Current Assets	16	27,327		27,718
<b>TOTAL CURRENT ASSETS</b>			2,43,532	1,98,348
<b>TOTAL ASSETS</b>			<b>6,42,977</b>	<b>5,84,469</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Share Capital	17	3,866		3,866
(b) Other Equity	18	4,64,005		4,05,657
<b>TOTAL EQUITY</b>			4,67,871	4,09,523
<b>LIABILITIES</b>				
<b>1 NON- CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
i) Borrowings	19	223		250
ii) Other Financial Liabilities	20	737		732
(b) Provisions	21	1,734		1,297
(c) Deferred Tax Liabilities (Net)	22	32,554		32,888
(d) Other Non-Current Liabilities	23	1,633		935
<b>TOTAL NON CURRENT LIABILITIES</b>			36,881	36,102
<b>2 CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
i) Borrowings	24	82,710		61,607
ii) Trade Payable				
Total outstanding dues of Micro and Small Enterprise	25	627		-
Total outstanding dues of creditors other than Micro and Small Enterprise	25	35,027		39,739
iii) Other Financial Liabilities	26	5,607		26,769
(b) Other Current Liabilities	27	13,481		9,987
(c) Provisions	28	773		742
<b>TOTAL CURRENT LIABILITIES</b>			1,38,225	1,38,844
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>6,42,977</b>	<b>5,84,469</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**1 TO 54**

As per our report of even date attached

**For N.G. THAKRAR & CO.**
**Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman &amp; Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director &amp; Company Secretary

Mumbai,

Dated: 17th May, 2019

## STATEMENT OF PROFIT AND LOSS

(₹ In Lakhs)

Particulars		Note No.	Year Ended 31st March 2019	Year Ended 31st March 2018
I	Revenue From Operations	29	5,24,450	4,46,446
II	Other Income	30	21,421	33,621
III	Total Income (I+II)		5,45,871	4,80,067
IV	Expenses :			
	Cost of Materials Consumed	31	2,44,097	2,16,521
	Purchases of Stock-in-Trade	32	6,037	2,762
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(3,852)	(4,298)
	Employee Benefits Expense	34	26,363	24,878
	Finance Cost	35	979	1,306
	Depreciation and Amortisation Expense	36	33,255	31,134
	Other Expenses	37	1,20,691	95,915
	Total Expenses		4,27,570	3,68,218
V	Profit Before Tax (III-IV)		1,18,301	1,11,849
VI	Tax Expenses			
	Current tax		39,160	36,903
	Deferred tax		941	1,021
	Total Tax Expenses		40,101	37,924
VII	Profit After Tax (V-VI)		78,200	73,925
VIII	Other Comprehensive Income			
1	i) Items that will not be reclassified to profit or loss :			
	Remeasurements of Defined Benefit Plans		(589)	49
	ii) Income Tax		206	(14)
2	i) Items that will be reclassified to profit or loss :			
	The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		(3,059)	(10,005)
	ii) Income Tax		1,069	3,435
	Total Other Comprehensive Income (1+2)		(2,373)	(6,535)
IX	Total Comprehensive Income (VII+VIII)		75,827	67,390
X	Earnings per equity share:			
	Basic and Diluted	42	40.45	38.24

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 TO 54

As per our report of even date attached  
**For N.G. THAKRAR & CO.**  
**Chartered Accountants**  
 (Firm Reg. no.110907W)

**NATWAR THAKRAR**  
 Partner  
 Membership No.036213  
 Mumbai,  
 Dated: 17th May, 2019

**BASANT BANSAL**  
 Director (Finance)

For and on behalf of the Board of Directors  
**ARVIND PODDAR** Chairman & Managing Director

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,  
 Dated: 17th May, 2019

## STATEMENT OF CHANGES IN EQUITY

### (a) Equity share capital

(₹ In Lakhs)

Particulars	No. of Shares	Amount
Balance at the 1st April 2017	9,66,58,595	1,933
Changes in equity share capital	9,66,58,595	1,933
Balance as at 31st March 2018	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March 2019	19,33,17,190	3,866

### (b) Other Equity

(₹ In Lakhs)

Particulars	Reserves and Surplus			Statement of other comprehensive Income		Total other equity
	Securities Premium Reserve	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	
Balance at the 1st April 2017	1,253	2,70,000	70,581	(653)	12,009	3,53,190
<b>Total Comprehensive</b>						
Profit for the year	-	-	73,925	-	-	73,925
Other comprehensive income for the year	-	-	-	35	(6,570)	(6,535)
Income Tax of Earlier Years	-	-	(775)	-	-	(775)
<b>Transactions with owners of the company</b>						
Interim Dividend on Equity Shares	-	-	(7,733)	-	-	(7,733)
Interim Dividend Distribution Tax	-	-	(1,574)	-	-	(1,574)
Dividend on Equity Shares	-	-	(2,416)	-	-	(2,416)
Dividend Distribution Tax	-	-	(492)	-	-	(492)
On account of Bonus Shares	(1,253)	(680)	-	-	-	(1,933)
Transferred to General Reserve	-	-	(30,680)	-	-	(30,680)
Transferred from Retained Earnings	-	30,680	-	-	-	30,680
<b>Balance as at 31st March 2018</b>	-	3,00,000	1,00,836	(618)	5,439	4,05,657
<b>Total Comprehensive</b>						
Profit for the year	-	-	78,200	-	-	78,200
Other comprehensive income for the year	-	-	-	(383)	(1,990)	(2,373)
<b>Transactions with owners of the company</b>						
Interim Dividend on Equity Shares	-	-	(11,599)	-	-	(11,599)
Interim Dividend Distribution Tax	-	-	(2,384)	-	-	(2,384)
Dividend on Equity Shares	-	-	(2,900)	-	-	(2,900)
Dividend Distribution Tax on Equity Shares	-	-	(596)	-	-	(596)
Transferred to General Reserve	-	-	(30,000)	-	-	(30,000)
Transferred from Retained Earnings	-	30,000	-	-	-	30,000
<b>Balance as at 31st March 2019</b>	-	3,30,000	1,31,557	(1,001)	3,449	4,64,005

As per our report of even date attached  
**For N.G. THAKRAR & CO.**  
**Chartered Accountants**  
(Firm Reg. no.110907W)

**NATWAR THAKRAR**  
Partner  
Membership No.036213  
Mumbai,  
Dated: 17th May, 2019

**BASANT BANSAL**  
Director (Finance)

For and on behalf of the Board of Directors  
**ARVIND PODDAR**  
Chairman & Managing Director

**RAJIV PODDAR**  
Joint Managing Director

**VIPUL SHAH**  
Director & Company Secretary

Mumbai,  
Dated: 17th May, 2019

## CASH FLOW STATEMENT

(₹ In Lakhs)

Particulars	Year Ended 31st March 2019		Year Ended 31st March 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before Tax		1,18,301		1,11,849
Adjustment for :				
Depreciation and Amortisation	33,255		31,134	
Provision for Doubtful advances	990		660	
Net mark to market gain on investments	(3,238)		(2,437)	
Income from Investments	(3,924)		(3,644)	
Finance Cost	979		1,306	
Interest Income including on investments	(619)		(710)	
Loss/(Profit) on Sale of Property, Plant and equipment	274		(10)	
Property, Plant and equipment Discarded	5		4	
Unrealised Foreign Exchange differences (Gain)/Loss	(966)		(1,811)	
Actuarial gain/(loss) reclassified to OCI	(589)		49	
Export Incentive on account of EPCG	(1,804)		(1,186)	
Retiring Gratuity	972		422	
Leave Encashment	204		301	
		25,539		24,078
Operating profit before working capital changes		1,43,840		1,35,927
Adjustment for:				
Trade and other receivables	(7,356)		(17,072)	
Other Financial Assets	(1,249)		(476)	
Inventories	(11,881)		(13,450)	
Trade payables	(697)		9,484	
		(21,183)		(21,514)
Cash generated from operations		1,22,657		1,14,413
Direct taxes paid		(40,680)		(38,576)
Gratuity paid		(600)		(389)
Leave Encashment paid		(108)		(117)
Net cash from Operating Activities		81,269		75,331
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Property, Plant and equipment	(72,502)		(41,988)	
Sale of Property, Plant and equipment	529		894	
Purchase of Investments	(1,15,704)		(1,18,241)	
Sale of Investments	1,24,472		1,48,732	
Inter Corporate Loan Refund Received	-		450	
Interest received	664		720	
Dividend Received on Investments	412		242	
Net cash used in Investing Activities		(62,130)		(9,191)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds/(Repayment) of Short Term Borrowings (Net)	12,794		(3,377)	
Proceeds from Long Term Borrowings	64,281		18,334	
Repayment of Long Term Borrowings	(75,901)		(67,041)	
Dividend paid (including tax thereon)	(17,449)		(12,124)	
Finance Cost paid	(1,011)		(1,321)	
Net Cash from Financing Activities		(17,286)		(65,529)
Net Increase in cash and cash equivalent		1,853		611
Exchange difference on cash and cash equivalent		1		1
Cash and cash equivalent as at the beginning of the year		1,761		1,149
Cash and cash equivalent as at the end of the year		3,615		1,761

Note : Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.

As per our report of even date attached

**For N.G. THAKRAR & CO.**

**Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman & Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director & Company Secretary

Mumbai,

Dated: 17th May, 2019

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 (A) General information

Balkrishna Industries Limited ('the Company') is engaged in the business of manufacturing and selling of "Off-Highway Tyres" (OHT) in the specialist segments such as Agricultural, Industrial & Construction, Earthmovers & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV).

The company is a public limited company incorporated and domiciled in India and has its registered office at Waluj MIDC, Aurangabad, Maharashtra, India.

### 1 (B) Significant Accounting policies

#### (a) Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Financial instruments measured at fair value through profit and loss
  2. Financial instruments measured at fair value through other comprehensive income
  3. Defined benefit plans – plan assets measured at fair value

#### (b) Foreign currency translation

- (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (₹), which is the company's functional and presentation currency.

- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

#### (c) Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised; when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of variable consideration on account of various Discounts, Rebates, incentives offered by the Company as a part of the contract.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

#### Sale of goods

Revenue from sale of products is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company as well as the controls on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

#### Export Benefits

Export Incentives under prevalent schemes under EXIM policy/ Foreign Trade Policy are accounted once received by Company from the Government. Consumption of Raw Materials is arrived at after adjusting the difference between the cost of indigenous/duty paid imported raw materials and international cost of raw materials entitled to be imported/imported under Duty Exemption Scheme of the Government of India against direct/indirect exports made/to be made by the Company during the year.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a systematic basis as and when export obligation are fulfilled.

#### Dividend income

Dividend is recognised as revenue when the right to receive payment has been established.



**Interest income**

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

**(d) Property, Plant and Equipment (PPE)****i. Recognition and measurement**

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of PPE is recognised in profit and loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**ii. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

Leasehold land are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Profit and loss on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

**(e) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 30 years for factory building and 60 years for residential and office premises.

**(f) Intangible assets**

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are amortised on a straight line basis over a period of 6 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific to which it relates.

The Company has elected to continue with the carrying value of all its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

**(g) Impairment of non-financial assets**

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

**(h) Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**(i) Operating lease**

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

**(j) Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset only if:

- a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if they relate to income taxes levied by the same taxation authority on the same taxable entity.

**(k) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(l) Inventories**

Raw materials, packing materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, cost is calculated on moving weighted average basis.

In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable excise duty. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(m) Research and development**

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE.

**(n) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

**i. Financial assets****Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Debt instruments**

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

**Equity instruments**

- The Company subsequently measures all equity investments in companies other than equity investments in subsidiaries, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

**De-recognition**

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
  - The rights to receive cash flows from the asset have expired, or
  - The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**ii. Financial liabilities****Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

### Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### iii. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is

transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

**(o) Employee benefits**

**i. Short term employee benefits**

Short term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave, are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

**ii. Defined contribution plans**

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

The Company's contribution towards provident fund, superannuation fund and employee state insurance scheme for certain eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

**iii. Defined benefit plans**

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

**(p) Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

**(q) Earnings per share (EPS)**

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

**(r) Current vs non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



**(s) Key estimates and assumptions**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalised.

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**(t) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

**(u) Standards issued or modified but not yet effective up to the date of issuance of the company's financial statements:**

Ind AS 116, Leases :

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

## NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2019

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)			(Net Block)	
	Balance As at 1st April 2018	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2019	Balance 1st April 2018	*For the Year	Deductions During the year	Balance 31st March 2019	As At 31st March 2018
<b>Property, Plant and Equipment</b>									
<b>Tangible assets</b>									
(a) Land									
Freehold	3,804	-	-	3,804	-	-	-	3,804	3,804
Leasehold	2,115	-	371	1,744	67	29	7	1,655	2,048
(b) Buildings	94,932	1,298	-	96,230	9,921	3,925	-	82,384	85,011
(c) Plant and Equipment	2,42,395	25,742	463	2,67,674	72,009	26,577	194	1,69,282	1,70,386
(d) Furniture and Fixtures	6,711	97	-	6,808	1,611	717	-	4,480	5,100
(e) Vehicles	2,010	437	285	2,162	700	285	130	1,307	1,310
(f) Office Equipment	801	159	# 0	960	349	141	# # 0	490	452
(g) Others:									
Electric Installations	11,629	158	34	11,753	3,813	1,284	15	5,082	7,816
Air Conditioners	960	26	2	984	393	177	2	568	567
Computer	674	90	\$ 0	764	428	140	\$ \$ 0	568	246
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,66,031</b>	<b>28,007</b>	<b>1,155</b>	<b>3,92,883</b>	<b>89,291</b>	<b>33,275</b>	<b>348</b>	<b>1,22,218</b>	<b>2,70,665</b>
<b>CAPITAL WORK IN PROGRESS</b>								<b>58,542</b>	<b>11,828</b>

\* Including Depreciation capitalised ₹ 240 Lakhs  
# ₹ 16,750, # ₹ 16,750, \$ Rs,35,096, \$ \$ ₹ 35,091

## PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2018

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)			(Net Block)	
	Balance As at 1st April 2017	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2018	Balance 1st April 2017	*For the Year	Deductions During the year	Balance 31st March 2018	As At 31st March 2017
<b>Property, Plant and Equipment</b>									
<b>Tangible Assets:</b>									
(a) Land									
Freehold	3,702	102	-	3,804	-	-	-	3,804	3,702
Leasehold	1,903	371	159	2,115	48	23	4	2,048	1,855
(b) Buildings	89,137	5,795	-	94,932	6,086	3,835	-	85,011	83,051
(c) Plant and Equipment	2,23,444	19,941	990	2,42,395	47,717	24,662	370	1,70,386	1,75,727
(d) Furniture and Fixtures	5,590	1,121	-	6,711	953	658	-	5,100	4,637
(e) Vehicles	1,798	390	178	2,010	494	271	65	1,310	1,304
(f) Office Equipment	593	208	# 0	801	222	127	# # 0	452	371
(g) Others:									
Electric Installations	10,505	1,127	3	11,629	2,569	1,246	2	7,816	7,936
Air Conditioners	684	276	\$ 0	960	238	155	\$ \$ 0	567	446
Computer	544	131	1	674	291	138	1	246	253
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,37,900</b>	<b>29,462</b>	<b>1,331</b>	<b>3,66,031</b>	<b>58,618</b>	<b>31,115</b>	<b>442</b>	<b>89,291</b>	<b>2,76,740</b>
<b>CAPITAL WORK IN PROGRESS</b>								<b>11,828</b>	<b>10,967</b>

\* Including Depreciation capitalised ₹ 230 Lakhs.  
# ₹ 23,897, # ₹ 19,412, \$ ₹ 29,202 & \$ ₹ 29,137  
During the Financial year 2017-18 under Freehold land an amount of ₹ 371 Lakhs has been re-grouped to Leasehold land.

**NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2019**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(₹ in Lakhs)	
	Balance As at 1st April 2018	Additions/Adjustment During the year	Deductions During the year	Balance 1st April 2018	*For the Year	As At 31st March 2019	As At 31st March 2018
Buildings	8,127	-	-	307	105	412	7,820
<b>TOTAL INVESTMENT PROPERTY</b>	<b>8,127</b>	<b>-</b>	<b>-</b>	<b>307</b>	<b>105</b>	<b>412</b>	<b>7,820</b>
<b>INVESTMENT PROPERTY AS AT 31ST MARCH 2018</b>							
Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2017	Additions/Adjustment During the year	Deductions During the year	Balance 1st April 2017	*For the Year	As At 31st March 2018	As At 31st March 2017
Buildings	5,348	2,779	-	169	138	307	5,179
<b>TOTAL INVESTMENT PROPERTY</b>	<b>5,348</b>	<b>2,779</b>	<b>-</b>	<b>169</b>	<b>138</b>	<b>307</b>	<b>5,179</b>

During the Financial year 2017-18 under Property Plant and Equipment- building an amount of ₹ 2,779 Lakhs and also the accumulated depreciation of building of ₹ 66 Lakhs has been re-grouped to investment property.

**i) Amounts recognised in profit or loss for investment properties**

Particulars	(₹ In Lakhs)	
Rental income derived from investment properties	Year ended 31st March, 2019	Year ended 31st March, 2018
Direct operating expenses (including repair and maintenance) generating rental income	674 (149)	404 (33)
Profit from investment properties before depreciation	525	371
Depreciation	105	138
Profit from investment properties	420	233
<b>ii) Fair value</b>		
Particulars	(₹ In Lakhs)	
Investment properties	Year ended 31st March, 2019	Year ended 31st March, 2018
	20,663	20,663

**Estimation of fair value**

The company obtains independent valuations for its investment properties from an independent valuer. The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

**NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2019**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2018	Additions/Adjustment During the year	Deductions During the year	Balance 1st April 2018	*For the Year	As At 31st March 2019	As At 31st March 2018
Computer software	602	-	-	267	114	381	335
Trademark	10	-	-	1	1	2	8
<b>TOTAL INTANGIBLE ASSETS</b>	<b>612</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>115</b>	<b>383</b>	<b>343</b>

**INTANGIBLE ASSETS AS AT 31ST MARCH 2018**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2017	Additions/Adjustment During the year	Deductions During the year	Balance 1st April 2017	*For the Year	As At 31st March 2018	As At 31st March 2017
Computer software	556	46	-	157	110	267	399
Trademark	-	10	-	-	1	1	9
<b>TOTAL INTANGIBLE ASSETS</b>	<b>556</b>	<b>56</b>	<b>-</b>	<b>157</b>	<b>111</b>	<b>268</b>	<b>399</b>

NOTE NO.5		Units	As at 31st March 2019	(₹ in Lakhs) As at 31st March 2018
INVESTMENTS ( NON CURRENT)				
<b>A Investments in Equity Instruments at Cost</b> ( Fully paid up Shares)				
<b>Unquoted</b> (In 100 % Subsidiaries Companies)				
50,000 Shares of BKT Tyres Ltd. (of ₹ 10 each)		5		5
50,000 Shares of Thritha Synthetics Ltd. (of ₹ 10 each) (Refer Note no. 51)		-		5
BKT EUROPE S.R.L.		5		5
1,000 Shares of BKT USA INC		1		1
5,000 Shares of BKT Tires (Canada) Inc		3		3
6,000 Shares of BKT Exim US Inc.		37		37
			51	56
<b>B Investment carried at amortised cost</b>				
(a) Investment in Preference Shares (Fully paid up Shares)				
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,80,000	2,829		2,837
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000		2,000
11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of ₹ 10 each		56		51
			4,885	4,888
(b) Investments in Government Securities In 6 Year National Saving Certificates ( 31st March 2018 ₹ 20,000)				
			-	0
<b>Quoted</b>				
(c) Investment in Tax Free Bonds ( at amortised cost)				
7.35 % NABARD Tax Free Bonds SR-IIA	50,099	501		501
7.35 % IRFC Tax Free Bonds SR-108	58,783	588		588
7.39% HUDCO Tax Free Bond	2,50,000	2,589		2,597
7.14 % NHAI Tax Free Bond	2,85,698	2,924		2,934
			6,602	6,620
<b>C Investment carried at fair value through Profit and Loss</b>				
(a) Investment in Non Convertible Debenture				
Ecap Equities Ltd.	2,500	2,922		2,674
Samasta Microfinance Ltd.	1,500	1,616		-
Edelweiss Assets Reconstruction co. Ltd	1,486	1,700		1,559
			6,238	4,233
<b>Unquoted:</b>				
(b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 ( As at 31st March 2018 -69,87,283 Units)	1,49,39,939	1,526		702
Aventus Absolute Return Fund Class A6 (value based product)	-	1,056		-
Edelweiss Alpha fund Scheme 1	1,00,038	1,043		-
Xponentia Opportunities Fund	200	198		-
			3,823	702
<b>Quoted:</b>				
(c) Investment in Mutual fund				
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	50,00,000	501		501
HDFC Charity Fund for Cancer Cure - Arbitrage Plan Direct Option -100% Dividend Donation	50,00,000	501		501
HDFC Housing Opportunity	1,00,00,000	977		964
HDFC Fixed Maturity Plan Series 35/36/37/39/44 Direct Growth (As at 31st March,2018 units 37,30,00,000)	8,00,00,000	8,382		43,540
			10,361	45,506
			31,960	62,005
Aggregate amount of quoted investments and market value thereof			23,201	56,359
Aggregate amount of unquoted investments.			8,759	5,646

		(₹ in Lakhs)	
NOTE NO. 6		As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL ASSETS (NON CURRENT)</b>			
Security Deposits			
		1,028	802
		1,028	802

(₹ in Lakhs)

NOTE NO.7	As at 31st March 2019	As at 31st March 2018
<b>INCOME TAX ASSETS(NET)</b>		
Advance Payments of Taxes and Tax deducted at source(Net of Provisions)	9,637	8,117
	<u>9,637</u>	<u>8,117</u>

(₹ in Lakhs)

NOTE NO.8	As at 31st March 2019	As at 31st March 2018
<b>OTHER NON CURRENT ASSETS</b>		
(a) Capital Advances	19,428	18,365
(b) Others loans and advances		
VAT Receivable	136	-
Prepaid expense	105	100
	<u>19,669</u>	<u>18,465</u>

(₹ in Lakhs)

NOTE NO.9	As at 31st March 2019	As at 31st March 2018
<b>INVENTORIES :</b>		
(At lower of Cost and Net Realisable Value)		
(a) Raw Materials	35,755	29,688
(b) Work-in-Progress	6,967	5,661
(c) Finished Goods	20,397	18,148
(d) Stock-in-Trade	907	610
(e) Stores and Spares	6,545	4,567
(f) Others - Packing Materials and Fuel	729	745
	<u>71,300</u>	<u>59,419</u>

(₹ in Lakhs)

NOTE NO.10	Units	As at 31st March 2019	As at 31st March 2018
<b>INVESTMENTS (CURRENT)</b>			
(a) Investments in Government Securities			
In 6 Year National Saving Certificates		0	-
(As at 31st March 2019 ₹20,000)			
<b>Investment carried at fair value through Profit and Loss</b>			
(b) In Mutual Fund			
<b>Quoted</b>			
HDFC Fixed Maturity Plan Series 35/36 Growth	34,30,00,000	43,368	-
<b>Unquoted</b>			
IDFC Ultra Short Term Fund Growth	28,61,012	-	709
ICICI Prudential Ultra Short Term - Direct Plan - Growth	16,40,815	-	300
HDFC Gilt Fund - Long Term Plan	5,16,24,449	19,682	18,466
HDFC Cash management Fund - Treasury Advantage Plant -Direct Plan-Retail	34,36,581	-	1,305
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Growth	5,05,694	-	154
HDFC Liquid Fund ( As at 31st March. 2018 4,032 Units)	5,443	200	138
Aditya Birla Sun Life Cash Manager -Direct-Growth	5,55,70,757	-	2,223
SBI Magnum Gilt Fund Long Term Plan	3,13,23,614	13,096	25,023
(As at 31st March 2018 6,42,38,971 Units)			
		<u>76,346</u>	<u>48,318</u>
		<u>76,346</u>	<u>48,318</u>
Aggregate amount of quoted investments and Market value thereof		43,368	-
Aggregate amount of Unquoted investments		32,978	48,318

(₹ in Lakhs)

NOTE NO.11	As at 31st March 2019	As at 31st March 2018
<b>TRADE RECEIVABLES</b>		
Trade receivables Considered good - Secured	14,972	14,463
Trade receivables Considered good - Unsecured #	41,840	35,730
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<u>56,812</u>	<u>50,193</u>
# Includes Receivable from Related parties (Refer Note no.43)	7,648	4,588



(₹ in Lakhs)

NOTE NO.12	As at 31st March 2019	As at 31st March 2018
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with banks	3,592	1,733
Cash on hand	23	28
	<u>3,615</u>	<u>1,761</u>

(₹ in Lakhs)

NOTE NO.13	As at 31st March 2019	As at 31st March 2018
<b>OTHER BANK BALANCES</b>		
Unpaid Dividend	208	178
Margin Money ( Including Fixed Deposit) #	1,738	519
	<u>1,946</u>	<u>697</u>

#(Held against guarantee and other commitments)

(₹ in Lakhs)

NOTE NO.14	As at 31st March 2019	As at 31st March 2018
<b>LOANS</b>		
<b>Unsecured</b>		
<b>Loans and advances to other than related parties</b>		
Loans receivables - Considered good	-	990
Loans receivables which have significant increase in credit risk	1,650	660
Loans receivables - Credit impaired	-	-
	<u>1,650</u>	<u>1,650</u>
Less: Provision for loans which have significant increase in credit risk	1,650	660
	-	990
Loans and advances to employees (considered good)	463	418
	<u>463</u>	<u>1,408</u>

(₹ in Lakhs)

NOTE NO.15	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL ASSETS (CURRENT)</b>		
Derivative Assets	5,382	8,448
Interest accrued on Investments	277	277
Interest accrued on Deposits and Loans	59	108
Income accrued on Investments	5	1
	<u>5,723</u>	<u>8,834</u>

(₹ in Lakhs)

NOTE NO.16	As at 31st March 2019	As at 31st March 2018
<b>OTHER CURRENT ASSETS</b>		
Advance Payment to Suppliers	8,727	13,639
GST/Excise/Sales Tax/Custom Duty etc. Receivables	18,563	13,505
Prepaid Expenses	37	574
	<u>27,327</u>	<u>27,718</u>

(₹ in Lakhs)

NOTE NO.17	As at 31st March 2019	As at 31st March 2018
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	<u>9,100</u>	<u>9,100</u>
<b>Issued Subscribed and fully paid up:</b>		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	<u>3,866</u>	<u>3,866</u>

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

**Reconciliation of number of Equity shares :**

Equity Share	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Amount (₹ In Lakhs)	Number of Shares	Amount (₹ In Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	9,66,58,595	1,933
Issue and allotment of Bonus equity shares on 27th December, 2017 in the ratio of 1:1	-	-	9,66,58,595	1,933
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

**Shareholder's holding more than 5 % Shares in the Company**

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	Holding (%)	No. of Shares held	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.72	5,35,77,010	27.72

(₹ in Lakhs)

**NOTE NO.18**
**OTHER EQUITY**

	As at 31st March 2019		As at 31st March 2018
<b>a. Securities Premium Account</b>			
Opening Balance	-		1,253
Less: Movement during the year on account of Issue of Bonus shares	-		1,253
Closing Balance	-	-	-
<b>b. Other Reserve (General Reserve)</b>			
Opening Balance	3,00,000		2,70,000
Add: Transferred from Profit and Loss account	30,000		30,680
Less: On account of Issue of Bonus Shares	-		680
Closing Balance		3,30,000	3,00,000
<b>c. Retained Earnings</b>			
Opening Balance	1,00,836		70,581
Add: Net Profit for the current year	78,200		73,925
Less: Interim Dividend	11,599		7,733
Less: Tax on Interim Dividend	2,384		1,574
Less: Dividend on equity shares	2,900		2,416
Less: Tax on equity dividend	596		492
Less: Transfer to General Reserve	30,000		30,680
Add/(Less): Income Tax of Earlier Years	-		(775)
Closing Balance		1,31,557	1,00,836
<b>d. Remeasurements of the net defined benefit plans</b>			
Opening Balance	(618)		(653)
Movement during the year	(383)		35
Closing Balance		(1,001)	(618)
<b>e. Effective portion of cash flow hedges</b>			
Opening Balance	5,439		12,009
Movement during the year	(1,990)		(6,570)
Closing Balance		3,449	5,439
		<b>4,64,005</b>	<b>4,05,657</b>

**Securities Premium Reserve**

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**General reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**Retained earnings**

Retained earnings includes the Company's cumulative earnings and losses respectively

**Remeasurements of the net defined benefit Plans**

Remeasurements of defined benefit liability comprises actuarial gains and losses and return on plan assets (excluding interest income)

**Cash flow hedging reserve**

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedge item affects profit/(loss) i.e., when the designated sale occurs.

	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.19</b>		
<b>BORROWINGS (NON CURRENT)</b>		
<b>Unsecured</b>		
Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	223	250
	<u>223</u>	<u>250</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.20</b>		
<b>OTHER FINANCIAL LIABILITIES (NON CURRENT)</b>		
Distributors/Dealers Deposit	737	732
	<u>737</u>	<u>732</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.21</b>		
<b>PROVISIONS (NON CURRENT)</b>		
<b>Provision for employee benefits</b>		
Gratuity	1,409	1,037
Leave Encashment	325	260
	<u>1,734</u>	<u>1,297</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.22</b>		
<b>DEFERRED TAX LIABILITIES (NET)</b>		
The balance comprises temporary difference attributable to :		
Deferred tax liabilities	34,187	34,012
Deferred tax assets	1,633	1,124
Net Deferred tax liabilities	<u>32,554</u>	<u>32,888</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.23</b>		
<b>OTHER NON CURRENT LIABILITIES</b>		
Deferred Income (Export Incentive)	1,608	877
Income received in advance	25	58
	<u>1,633</u>	<u>935</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.24</b>		
<b>BORROWINGS (CURRENT)</b>		
<b>Secured</b>		
From Banks#	18,300	25,091
<b>Unsecured</b>		
From Banks	64,410	36,516
\$(Refer Note No. 50 for details of securities provided and repayment terms of above loans)	<u>82,710</u>	<u>61,607</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.25</b>		
<b>TRADE PAYABLES</b>		
Trade Payables (including Acceptances) due to:		
Total outstanding dues of Micro and Small Enterprise \$	627	-
Total outstanding dues of creditors other than Micro and Small Enterprise	35,027	39,739
\$(Refer Note No. 45 for Micro and Small Enterprise)	<u>35,654</u>	<u>39,739</u>
	(₹ in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>NOTE NO.26</b>		
<b>OTHER FINANCIAL LIABILITIES (CURRENT)</b>		
Interest accrued but not due	-	32
Current maturity of Long Term debt	27	21,688
Unpaid Dividend	208	178
Other Payable (capital creditors)	5,290	4,782
Derivative liabilities	82	89
	<u>5,607</u>	<u>26,769</u>

(₹ in Lakhs)

<b>NOTE NO.27</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>OTHER CURRENT LIABILITIES</b>		
Income received in advance	2,503	2,172
Security Deposit	1,621	1,513
Statutory dues towards GST/TDS etc.	9,357	6,302
	<u>13,481</u>	<u>9,987</u>

(₹ in Lakhs)

<b>NOTE NO.28</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>PROVISIONS (CURRENT)</b>		
<b>Provision for employee benefits</b>		
Leave encashment	773	742
	<u>773</u>	<u>742</u>

(₹ in Lakhs)

<b>NOTE NO.29</b>	<b>Year Ended 31st March 2019</b>		<b>Year Ended 31st March 2018</b>
<b>REVENUE FROM OPERATIONS</b>			
Sale of Products		5,06,801	4,36,988
Other Operating Revenue:			
Export Incentives	16,027		7,824
Scrap Sales	1,360		1,400
Others	262		234
		<u>17,649</u>	<u>9,458</u>
Total Revenue from Operations		<u>5,24,450</u>	<u>4,46,446</u>
<b>DISAGGREGATION OF REVENUE</b>			
<b>Revenue based on Geography</b>			
Export		4,31,012	3,74,542
Domestic #		93,438	71,904
Total Revenue from operations		<u>5,24,450</u>	<u>4,46,446</u>
# ( Including export incentive on account of MEIS license)			
<b>Reconciliation of Revenue from operations with contract price</b>			
Contract Price		5,33,998	4,58,473
Less:			
Sales returns	55		178
Sales Incentives and Bonus	8,359		10,697
Others (Discounts etc.)	1,134		1,152
		<u>9,548</u>	<u>12,027</u>
Total Revenue from operations		<u>5,24,450</u>	<u>4,46,446</u>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Company provides performance warranty for its products. The amount of liability towards such warranty is not material.

(₹ in Lakhs)

<b>NOTE NO.30</b>	<b>Year Ended 31st March 2019</b>		<b>Year Ended 31st March 2018</b>
<b>OTHER INCOME</b>			
Interest Income on:			
Non Current Investments	443		449
Current Investments	27		-
Deposits/Loans and Advances	149		261
		<u>619</u>	<u>710</u>
Net gain on foreign currency transaction and translation		12,803	26,338
Income from Non current Investment		104	-
Dividend Income on investments in mutual fund		406	242
Net gain on sale of Non Current Investments		2,952	2,094
Net gain on sale of Current Investments		462	1,308
Net mark to market gain on Investments		3,238	2,437
Profit on sale of Property Plant and Equipment		-	10
Other non-operating Income		837	482
		<u>21,421</u>	<u>33,621</u>

(₹ in Lakhs)

<b>NOTE NO.31</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed	2,44,097	2,16,521
	<u>2,44,097</u>	<u>2,16,521</u>

(₹ in Lakhs)

<b>NOTE NO.32</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>PURCHASE OF STOCK IN TRADE</b>		
Purchase of Traded Goods	6,037	2,762
	<u>6,037</u>	<u>2,762</u>

(₹ in Lakhs)

<b>NOTE NO.33</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Opening Stock :</b>		
Work-in-Progress	5,661	4,748
Stock in Trade	610	132
Finished Goods	18,148	15,241
	<u>24,419</u>	<u>20,121</u>
<b>Less :</b>		
<b>Closing Stock :</b>		
Work-in-Progress	6,967	5,661
Stock in Trade	907	610
Finished Goods	20,397	18,148
	<u>28,271</u>	<u>24,419</u>
Net (Increase)/Decrease in Inventories	<u>(3,852)</u>	<u>(4,298)</u>

(₹ in Lakhs)

<b>NOTE NO.34</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	24,364	22,877
Contribution to provident and other funds	1,491	1,521
Staff Welfare Expenses	508	480
	<u>26,363</u>	<u>24,878</u>

(₹ in Lakhs)

<b>NOTE NO.35</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>FINANCE COST</b>		
Interest expenses	866	1,131
Other borrowing cost	113	175
	<u>979</u>	<u>1,306</u>

(₹ in Lakhs)

<b>NOTE NO.36</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation	33,255	31,134
	<u>33,255</u>	<u>31,134</u>



(₹ in Lakhs)

<b>NOTE NO.37</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>OTHER EXPENSES:</b>		
Consumption of stores and spare parts	17,642	11,316
Packing material consumed	140	127
Power and fuel(Net)	18,116	17,229
Freight and forwarding	22,020	20,931
Excise Duty	-	1,718
Labour/Job Charges	11,495	10,484
Water charges	571	397
Repairs and Maintenance to Plant & Machinery	3,134	3,496
Repairs and Maintenance to Building	2,433	4,630
Repairs and Maintenance to Others	1,398	736
Insurance Charges	1,071	1,032
Rates and Taxes excluding taxes on income	3,672	3,145
Rent	214	232
Legal and Professional Charges	2,649	2,390
Advertisement, Publicity, Sales Promotion and Marketing Service Expenses	28,827	11,703
Commission	17	100
Travelling Expenses	1,958	1,535
Directors Meeting Fees	15	12
Loss on sale of Property, Plant and Equipment	274	-
Property, Plant and Equipment Discarded	5	4
Interest to Others	131	96
Contribution towards CSR Expenses	1,697	1,655
Provision for doubtful advances	990	660
Miscellaneous Expenses	2,222	2,287
	<b>1,20,691</b>	<b>95,915</b>

**NOTE NO.38**

 i) **Tax Reconciliation**

(₹ in Lakhs)

 (a) **The Income tax expense consists of the followings:**

<b>Particulars</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
Current income tax	39,160	36,903
Deferred tax expense	941	1,021
<b>Tax expense for the year</b>	<b>40,101</b>	<b>37,924</b>

 (b) **Amounts recognised in other comprehensive income**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31st March 2019</b>			<b>Year ended 31st March 2018</b>		
	<b>Before tax</b>	<b>Tax (expense) / benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense) / benefit</b>	<b>Net of tax</b>
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	(589)	206	(383)	49	(14)	35
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	(3,059)	1,069	(1,990)	(10,005)	3,435	(6,570)
	<b>(3,649)</b>	<b>1,275</b>	<b>(2,373)</b>	<b>(9,956)</b>	<b>3,421</b>	<b>(6,535)</b>

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit before tax	1,18,301	1,11,849
Indian statutory income tax rate (%)	34.944%	34.608%
Expected income tax expenses	41,339	38,709
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income taxes	(340)	(338)
Additional allowances/deduction	(85)	(41)
Impact of differential tax rate	(1,317)	(1,131)
Permanent differences	472	339
Others (Net)	32	386
<b>Total Income Tax expenses</b>	<b>40,101</b>	<b>37,924</b>
<b>Effective Tax Rate</b>	<b>33.897%</b>	<b>33.906%</b>

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars				As at 31st March 2019
	Net balance 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets/ (liabilities)
<b>Deferred tax assets/(liabilities) :</b>				
Property, Plant and Equipment	(25,602)	(217)	-	(25,819)
Investments in mutual fund	(3,781)	(403)	-	(4,184)
Derivatives	(730)	-	-	(730)
Employee benefits	893	(43)	206	1,056
Cash Flow Hedge	(2,921)	-	1,069	(1,852)
Provision for Doubtful Advances	231	346	-	577
Others (Net)	(978)	(624)	-	(1,602)
<b>Deferred tax assets/(liabilities)</b>	<b>(32,888)</b>	<b>(941)</b>	<b>1,275</b>	<b>(32,554)</b>

(₹ in Lakhs)

Particulars				As at 31st March 2018
	Net balance 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets/ (liabilities)
<b>Deferred tax assets/(liabilities) :</b>				
Property, Plant and Equipment	(24,977)	(625)	-	(25,602)
Investments	(3,460)	(321)	-	(3,781)
Derivatives	(723)	(7)	-	(730)
Employee benefits	808	99	(14)	893
Cash Flow Hedge	(6,356)	-	3,435	(2,921)
Provision for Doubtful Advances	-	231	-	231
Others (Net)	(579)	(399)	-	(978)
<b>Deferred tax assets/(liabilities)</b>	<b>(35,287)</b>	<b>(1,022)</b>	<b>3,421</b>	<b>(32,888)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**NOTE NO.39**
**Financial instruments – Fair values and risk management**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at 31st March 2019						
	Carrying amount		Fair value				Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets:</b>							
Cash and cash equivalents	-	-	5,561	5,561	-	-	-
Mutual Fund	86,707	-	-	86,707	53,729	32,978	-
Debentures	6,238	-	-	6,238	6,238	-	-
Loans	-	-	463	463	-	-	-
Trade receivables	-	-	56,812	56,812	-	-	-
Other financial assets	-	-	341	341	-	-	-
Foreign exchange forward contracts	-	5,382	-	5,382	-	5,382	-
Preference shares and bonds	-	-	11,487	11,487	-	-	-
Alternate Investment Fund	3,823	-	-	3,823	-	3,823	-
Security deposit	-	-	1,028	1,028	-	-	-
<b>TOTAL</b>	<b>96,768</b>	<b>5,382</b>	<b>75,692</b>	<b>1,77,842</b>	<b>59,967</b>	<b>42,183</b>	<b>1,02,150</b>
<b>Financial Liabilities:</b>							
Long term borrowings (Including current maturity of Long term borrowings)	-	-	250	250	-	-	-
Other financial liabilities	-	-	6,235	6,235	-	-	-
Short term borrowings	-	-	82,710	82,710	-	-	-
Trade payables	-	-	35,654	35,654	-	-	-
Foreign exchange forward contracts	-	82	-	82	-	82	-
<b>TOTAL</b>	<b>-</b>	<b>82</b>	<b>1,24,849</b>	<b>1,24,931</b>	<b>-</b>	<b>82</b>	<b>82</b>
Particulars	As at 31st March 2018						
	Carrying amount		Fair value				Total
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>Financial Assets:</b>							
Cash and cash equivalents	-	-	2,458	2,458	-	-	-
Mutual Fund	93,824	-	-	93,824	45,506	48,318	-
Debentures	4,233	-	-	4,233	4,233	-	-
Loans	-	-	1,408	1,408	-	-	-
Trade receivables	-	-	50,193	50,193	-	-	-
Other financial assets	-	-	386	386	-	-	-
Foreign exchange forward contracts	-	8,448	-	8,448	-	8,448	-
Preference shares and bonds	-	-	11,508	11,508	-	-	-
Alternate Investment Fund	702	-	-	702	-	702	-
Security deposit	-	-	802	802	-	-	-
<b>TOTAL</b>	<b>98,759</b>	<b>8,448</b>	<b>66,755</b>	<b>1,73,962</b>	<b>49,739</b>	<b>57,468</b>	<b>1,07,207</b>
<b>Financial Liabilities:</b>							
Long term borrowings (Including current maturity of Long term borrowings)	-	-	21,938	21,938	-	-	-
Other financial liabilities	-	-	5,724	5,724	-	-	-
Short term borrowings	-	-	61,607	61,607	-	-	-
Trade payables	-	-	39,739	39,739	-	-	-
Foreign exchange forward contracts	-	89	-	89	-	89	-
<b>TOTAL</b>	<b>-</b>	<b>89</b>	<b>1,29,008</b>	<b>1,29,097</b>	<b>-</b>	<b>89</b>	<b>89</b>

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

## B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level: 2 Forward contracts	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level: 1 and Level: 2 Mutual Fund	Net Asset value	Not applicable	Not applicable

## C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

### Trade receivables

Around 85% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

### Impairment

Provision for doubtful debts movement	(₹ in Lakhs)
Balance as at 1st April 2017	-
Impairment loss recognised	23
Amounts written off	23
Balance as at 31st March 2018	-
Impairment loss recognised	14
Amounts written off	14
Balance as at 31st March 2019	-

### Concentration of credit risk

At 31st March 2019, the carrying amount of the Company's most significant customer is ₹ 21,376 Lakhs (previous Year ₹ 14,264 Lakhs)

### Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The company has made provisions of ₹ 990 Lakhs as at 31st March 2019 (31 March 2018 : ₹ 660 Lakhs) in respect of such doubtful loan of ₹ 1,650 Lakhs. The Company has no collateral securities in respect of said loans.

### Investment in debentures

The Company does not perceive any risk as these are issued by reputed financial institution.

### Investment in mutual funds and bonds

The investment in mutual funds and Government bonds are entered into with credit worthy fund houses, Government of India and financial institution. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The Company does not expect any losses from non-performance by these counter-parties.

### Derivatives

The derivatives are entered into with the banks, with good credit ratings.

### Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the company's policy. Investment in surplus funds are made mainly in mutual funds with good returns and within approved credit ratings.

### iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2019, the Company had working capital of ₹ 1,05,307 Lakhs, including cash and cash equivalents of ₹ 3,615 Lakhs, and highly marketable current investments of ₹ 76,346 Lakhs.

As at 31st March 2018, the Company had working capital of ₹ 59,504 Lakhs, including cash and cash equivalents of ₹ 1,761 Lakhs, and highly marketable current investments of ₹ 48,318 Lakhs.

### Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- \* all non derivative financial liabilities
- \* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.



(₹ In Lakhs)

As at 31st March 2019		Contractual cash flows				
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non Current</b>						
Unsecured Long term loans and borrowings	250	250	27	44	134	45
Other financial liabilities	737	823	-	823	-	-
<b>Current</b>						
Secured Short term loans and borrowings	18,300	18,300	18,300	-	-	-
Unsecured Short term loans and borrowings	64,410	64,410	64,410	-	-	-
Trade Payables	35,654	35,654	35,654	-	-	-
Other Payable (Capital creditors)	5,290	5,290	5,290	-	-	-
Unpaid Dividend	208	208	208	-	-	-
Interest accrued but not due	-	-	-	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	5,063	5,063	-	-	-
<b>Derivative financial liabilities</b>						
<b>Current</b>						
Foreign exchange forward contract	82	82	82	-	-	-

As at 31st March 2018		Contractual cash flows				
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current</b>						
Secured Long term loans and borrowings	21,665	21,890	21,890	-	-	-
Unsecured Long term loans and borrowings	273	273	23	27	143	80
Other financial liabilities	732	818	-	-	818	-
<b>Current</b>						
Secured Short term loans and borrowings	25,091	25,091	25,091	-	-	-
Unsecured Short term loans and borrowings	36,516	36,516	36,516	-	-	-
Trade Payables	39,739	39,739	39,739	-	-	-
Unpaid Dividend	178	178	178	-	-	-
Other Payable (Capital creditors)	4,782	4,782	4,782	-	-	-
Interest accrued but not due	32	32	32	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	3,299	3,299	-	-	-
<b>Derivative financial liabilities</b>						
<b>Current</b>						
Foreign exchange forward contract	89	89	89	-	-	-

\*Guarantees issued by the company on behalf of subsidiaries are with respect to borrowings raised by the respective entities. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiaries have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees.

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

#### iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates ) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

##### a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (₹). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of forecast sales over the following 10 to 12 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March 2019:

Category	Instrument	Currency	Cross Currency	Amounts (million)	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 186.05	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 12.41	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk at of 31st March 2018:

Category	Instrument	Currency	Cross Currency	Amounts (million)	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 221.16	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 1	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 11.08	Sell

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31st March 2019			As at 31st March 2018		
	EUR	USD	Others	EUR	USD	Others
<b>Financial assets (A)</b>						
Trade receivables	27,901	12,317	-	26,887	11,959	-
Cash and Cash Equivalents	2,393	78	-	457	523	-
	<b>30,294</b>	<b>12,395</b>	<b>-</b>	<b>27,344</b>	<b>12,482</b>	<b>-</b>
<b>Financial liabilities (B)</b>						
Secured Loans	17,516	495	-	17,704	28,966	-
Unsecured Loans	63,821	-	-	31,973	1,481	-
Interest on loans	-	-	-	-	32	-
Trade payables	1,822	2,218	107	857	2,319	405
	<b>83,159</b>	<b>2,713</b>	<b>107</b>	<b>50,534</b>	<b>32,798</b>	<b>405</b>
<b>Net statement of financial position exposure (A-B)</b>	<b>(52,865)</b>	<b>9,682</b>	<b>(107)</b>	<b>(23,190)</b>	<b>(20,316)</b>	<b>(405)</b>

#### Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the Balance Sheet date.

Effect in ₹ Lakhs 31st March 2019	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(1,057)	1,057
USD	3%	290	(290)
Others	10%	(11)	11

Effect in ₹ Lakhs 31st March 2018	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(464)	464
USD	3%	(609)	609
Others	10%	(41)	41

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 50 of these financial statements.

(₹ In Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Fixed-rate instruments</b>		
Financial assets	13,225	13,017
Financial liabilities	(81,832)	(58,443)
	(68,607)	(45,426)
<b>Variable-rate instruments</b>		
Financial liabilities	(878)	(24,828)
	(878)	(24,828)

**Interest rate sensitivity - fixed rate instruments**

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

**Interest rate sensitivity - variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ In Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
<b>As at 31st March 2019</b>		
Variable-rate instruments	(9)	9
Sensitivity (net)	(9)	9
<b>As at 31st March 2018</b>		
Variable-rate instruments	(248)	248
Sensitivity (net)	(248)	248

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

**Offsetting financial assets and financial liabilities**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March 2019 and 31st March 2018. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>As at 31st March 2019</b>						
<b>Financial assets</b>						
Derivative financial instruments	5,382	-	5,382	5,382	-	5,382
<b>Total</b>	5,382	-	5,382	5,382	-	5,382
<b>Financial liabilities</b>						
Derivative financial instruments	82	-	82	82	-	82
<b>Total</b>	82	-	82	82	-	82
<b>As at 31st March 2018</b>						
<b>Financial assets</b>						
Derivative financial instruments	8,448	-	8,448	8,448	-	8,448
<b>Total</b>	8,448	-	8,448	8,448	-	8,448
<b>Financial liabilities</b>						
Derivative financial instruments	89	-	89	89	-	89
<b>Total</b>	89	-	89	89	-	89

**NOTE NO.40**
**Hedge accounting**

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the next 10 to 12 months in advance. The company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The Company applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The company has formally designated and documented hedge relationship from 1st April 2016.

**a) Disclosure of effects of hedge accounting on financial position**
**As at 31st March 2019**

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customised contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

**As at 31st March 2019**

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in Balance Sheet position where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	12.41 Million EURO 186.05 Million USD	5,382	82	-	FY 2019-20	1 USD = ₹ 72.8795 1 EURO = ₹ 79.0434
Particulars	Change in fair value for the year	Change in fair value for the year recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2018-19	(3,059)	-	Not applicable	-	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

	(₹ In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
<b>Movement in Cash flow hedge reserve</b>		
Opening balance	5,439	12,009
Effective portion of changes in fair value:		
Foreign currency risk	(3,059)	(10,005)
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	1,069	3,435
Closing balance	3,449	5,439

**NOTE NO.41****Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising interest-bearing loans and borrowings less cash and cash equivalents and current investments.

The Company's net debt to equity ratio is as follows.

	(₹ In Lakhs)	
Particulars	As at 31st March 2019	As at 31st March 2018
Current Borrowings	82,710	61,607
Current maturity of long term debt	-	21,665
<b>Gross Debt</b>	<b>82,710</b>	<b>83,272</b>
Less - Cash and Cash Equivalents	3,615	1,761
Less - Current Investments	76,346	48,318
<b>Net debt</b>	<b>2,749</b>	<b>33,193</b>
Total equity	4,67,871	4,09,523
Less : Hedging reserve	3,449	5,439
<b>Equity</b>	<b>4,64,422</b>	<b>4,04,084</b>
Net debt to Equity ratio	0.01	0.08

**NOTE NO.42****Earning Per Share (EPS)**

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit attributable to equity holders (₹ in Lakhs)	78,200	73,925
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	40.45	38.24

**NOTE NO.43****I) Related Party Disclosures \***

(Where transactions have taken place)

**a) Key Management Personnel (KMP)**

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance.

**b) Relatives of Key Management Personnel :**

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal

**c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Ltd,**



d) The company has following subsidiary companies:

Name of Subsidiary Companies	% of Holding
Thristha Synthetics Limited	100% holding of Balkrishna Industries Limited (up to 16th August,2018)
BKT Tyres Limited	100% holding of Balkrishna Industries Limited
BKT EUROPE S.R.L.	100% holding of Balkrishna Industries Limited
BKT USA INC.	100% holding of Balkrishna Industries Limited
BKT EXIM US, INC.	100% holding of Balkrishna Industries Limited
BKT TIRES (CANADA) INC.	100% holding of Balkrishna Industries Limited
<b>Step down Subsidiary</b>	
BKT TIRES, INC.	100% holding of BKT EXIM US, INC.

**II Related Party Transactions \$** (₹ in Lakhs)

Transactions	Year ended 31st March 2019			Year ended 31st March 2018		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials	-	23	6	-	40	-
Rent received	-	46	-	-	47	-
Recovery of Expenses	-	3	-	-	30	-
Rent/Lease Rent Paid	102	-	-	102	-	-
Vehicle Hiring Charges	8	-	-	8	-	-
Remuneration	28	-	-	28	-	-
Meeting Fees	2	-	-	1	-	-
Marketing Service Expenses	-	-	19,862	-	-	7,778
Guarantee Commission Received	-	-	36	-	-	31
Sale of goods/Materials	-	-	14,618	-	-	8,563
Guarantee given to Bank on behalf of subsidiary	-	-	5,063	-	-	3,299
Reimbursement of expenses	-	-	-	-	-	10

Particulars	Key Management Personnel		Relatives of (KMP)		Subsidiaries	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<b>Outstanding Balances</b>						
Remuneration payable - outstanding for Relative of KMP is ₹ 16,800 (Previous Year ₹ 16,800)	4,942	5,401	0	0	-	-
Trade Receivables	-	-	-	-	7,648	4,588
Trade Payables	-	-	-	-	446	274

**III Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Remuneration	6,102	6,659
<b>Total</b>	<b>6,102</b>	<b>6,659</b>

**Disclosure in Respect of Related Party Transaction during the year :**

Transactions	Year ended 31st March 2019			Year ended 31st March 2018		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
<b>Purchase of Goods/ Materials</b>						
Clothing Culture Ltd	-	23	-	-	40	-
<b>Rent received</b>						
Clothing Culture Ltd	-	46	-	-	47	-
<b>Recovery of Expenses</b>						
Clothing Culture Ltd	-	3	-	-	30	-
<b>Rent/Lease Rent Paid</b>						
Mrs. Pooja Dhoot	102	-	-	102	-	-
<b>Vehicle Hiring Charges</b>						
Mr. Gunal Basat Bansal	8	-	-	8	-	-

(₹ in Lakhs)

Transactions	Year ended 31st March 2019			Year ended 31st March 2018		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
<b>Meeting Fees</b>						
Mrs. Vijaylaxmi Poddar	2	-	-	1	-	-
<b>Remuneration</b>						
Mrs. Khushboo Poddar	28	-	-	28	-	-
<b>Marketing Service Expenses</b>						
BKT EUROPE S.R.L.	-	-	14,048	-	-	4,052
BKT(USA)INC	-	-	3,443	-	-	2,313
BKT TIRES (CANADA) INC.	-	-	816	-	-	649
BKT TIRES INC.	-	-	1,555	-	-	764
<b>Sales of Goods/ Materials</b>						
BKT EUROPE S.R.L.	-	-	4,115	-	-	4,169
BKT(USA)INC	-	-	1	-	-	4
BKT TIRES INC.	-	-	10,502	-	-	4,390
<b>Purchase of Goods/ Materials</b>						
BKT(USA)INC	-	-	6	-	-	-
<b>Guarantee Comission Received</b>						
BKT EUROPE S.R.L.	-	-	23	-	-	17
BKT EXIM US, INC	-	-	13	-	-	14
<b>Guarnatee given to Bank on behalf of subsidiaries</b>						
BKT EUROPE S.R.L.	-	-	3,326	-	-	1,669
BKT EXIM US, INC	-	-	1,737	-	-	1,630
<b>Reimbursement of Expenses</b>						
BKT(USA)INC	-	-	-	-	-	10

Particulars	KMP		Relatives of (KMP)		Subsidiaries	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<b>Outstanding Balances</b>						
<b>Remuneration payable</b>						
Mr. Arvind M Poddar	2,419	3,000	-	-	-	-
Mr. Rajiv A Poddar	2,521	2,400	-	-	-	-
Mr. Vipul Shah	1	1	-	-	-	-
Mr. Basant Kumar Bansal- Outstanding for KMP in Previous Year ₹ 34,800	1	0	-	-	-	-
Mrs. Khushboo Poddar- Outstanding for Relative of KMP is ₹ 16,800 (Previous Year ₹ 16,800)	-	-	0	0	-	-
<b>Trade Receivables</b>						
BKT EUROPE S.R.L.	-	-	-	-	2,314	2,940
BKT TIRES INC.	-	-	-	-	5,320	1,634
BKT EXIM US, INC	-	-	-	-	14	14
<b>Trade Payables</b>						
BKT(USA)INC	-	-	-	-	350	200
BKT TIRES (CANADA) INC.	-	-	-	-	96	74

**Key management personnel compensation\*\***

Key management personnel compensation comprised the following :

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Remuneration</b>		
Mr. Arvind M Poddar	2,946	3,590
Mr. Rajiv A Poddar	2,942	2,860
Mr. Vipul Shah	61	65
Mr. Basant Kumar Bansal	153	144
<b>Total</b>	<b>6,102</b>	<b>6,659</b>

\*\* Excluding Provision for gratuity and leave encashment

**Terms and conditions of transactions with related parties**

\* Parties identified by the Management and relied upon by the auditors.

\$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

No amount in respect of related parties have been written off/back or are provided for.

(₹ In Lakhs)

<b>NOTE NO.44</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
<b>Leases - Operating leases as lessee :</b>		
The company has taken commercial premises under cancellable operating leases: Further the company has also taken motor cars under cancellable operating lease: The rental expenses recognised in the statement of Profit and Loss for operating leases:		
(a) Minimum Rent	210	232
(b) Contingent Rent	-	-
<b>Leases - Finance leases as lessee:</b>		
The company has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.		

**NOTE NO.45**

As at 31st March, 2019, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ In Lakhs)

<b>Particulars</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
a) The principal amount remaining unpaid to any supplier at the end of the year	627	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

**NOTE NO.46**
**Employee Benefit obligations**
**(A) Defined Contribution Plan**

The Company has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered by appropriate authorities. The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The liability of the Company on the exempt Provident Fund is restricted to the interest shortfall if any.

(₹ In Lakhs)

<b>Particulars</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
<b>Charge to the Statement of Profit and Loss based on contributions:</b>		
Superannuation	81	81
Employees' Provident fund	966	902

**(B) Defined Benefit Plan**

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Particulars	(₹ In Lakhs)	
	As at 31st March 2019	As at 31st March 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
<b>(i) Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	3,464	3,001
Amount recognised in profit and loss		
Current service cost	309	303
Past service cost	-	101
Interest cost	269	219
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	400	(170)
Experience adjustment	194	124
Other :		
Benefits paid	(87)	(114)
Closing defined benefit obligation	4,549	3,464
<b>(ii) Change in Fair Value of Assets</b>		
Opening fair value of plan assets	2,427	1,998
Amount recognised in profit and loss		
Interest income	189	146
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	4	3
Other		
Contributions by employer	607	394
Benefits paid	(87)	(114)
Closing fair value of plan assets	3,140	2,427
Actual return on Plan Assets	193	149
<b>(iii) Plan assets comprise the following</b>		
	Unquoted	Unquoted
Insurance fund (100%)	3,140	2,427
<b>(iv) Principal actuarial assumptions used</b>	%	%
Discount rate	7.79	7.78
Rate of employee turnover	For Service 4 years and below 10 % p.a. & thereafter 2%p.a	For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate	8.50	7.50
<b>(v) Amount recognised in the Balance Sheet</b>		
Present value of obligations as at year end	4,549	3,464
Fair value of plan assets as at year end	3,140	2,427
Net (asset) / liability recognised as at year end	1,409	1,037
Recognised under :		
Long term provisions	1,409	1,037
	1,409	1,037

**(vi) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ In Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	(422)	504	(159)	173
Employee turnover (0.5% movement) - Gratuity	(23)	27	6	(6)
Future salary growth (0.5% movement) - Gratuity	460	(404)	166	(154)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

**(vii) Expected future cash flows**

(₹ In Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at 31st March 2019</b>					
Defined benefit obligations (Gratuity)	261	221	1,114	2,081	3,676
Total	261	221	1,114	2,081	3,676
<b>As at 31st March 2018</b>					
Defined benefit obligations (Gratuity)	456	132	676	1,315	2,579
Total	456	132	676	1,315	2,579

**Other long-term employee benefits:**

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 204 Lakhs (31st March 2018 : ₹ 301 Lakhs).

(₹ In Lakhs)

NOTE NO.47	As at 31st March 2019	As at 31st March 2018
<b>Contingent Liabilities and Commitments</b>		
<b>(i) Contingent Liabilities</b>		
a) Claims against the Company not acknowledge as debts		
- Disputed claims for excise, sales tax, customs and service tax	12,172	6,555
- Disputed income tax demands	1,099	207
- Others (Municipal tax, consumer protection etc.)	1,040	2
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	2,877	1,745
c) Corporate Guarantee given by the Company:		
- To the President of India through commissioner of Custom	81,088	53,210
- To Bank against loan taken by subsidiary	1,737	1,630
d) Standby Letter of Credit issued by Company's banker for loan taken by subsidiary	3,326	1,669
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	37,871	49,771

(₹ In Lakhs)

NOTE NO.48	Year ended 31st March 2019	Year ended 31st March 2018
<b>Payment to Auditors</b>		
Statutory Auditors :		
Audit Fees	34	32
For Taxation Matters	-	5
For Company Law matters	-	2
For Other services - Certification, etc.	10	12
<b>Total</b>	<b>44</b>	<b>51</b>



(₹ In Lakhs)

NOTE NO.49	Year ended 31st March 2019	Year ended 31st March 2018
<b>Research and Development Cost/Expenditure</b>		
Revenue	2,261	1,633
Capital	421	1,600
Total of Research and Development Cost/Expenditure	2,682	3,233

(₹ In Lakhs)

NOTE NO.50	As at 31st March 2019	As at 31st March 2018
<b>Nature of Security in respect of secured Loan (Long Term/Short Term):</b>		
<b>I Working Capital Loans from Banks Repayable on Demand:</b>		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPEs of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	18,300	25,091
<b>II Term Loan from Banks:</b>		
<b>ECB Loan USD 100 million</b>		
Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPEs of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis. (Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps)	-	21,665

**NOTE NO.51**

During the year under review, Thritha Synthetics Limited, the wholly owned subsidiary of your Company, incorporated in year 2013, has voluntarily make an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off their name from the records of ROC after meeting / discharging all the necessary requirements for striking off, which is currently under process.

**NOTE NO.52****CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:**

(₹ In Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Total Expenditure towards CSR activity	1,697	1,655
Amount required to be spent u/s 135 of Companies Act 2013	1,894	1,654
Excess/(Short)	(197)	1

**NOTE NO.53****EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended a final dividend of ₹ 2 (100 %) per equity share of ₹ 2/-each. The cash outgo on account of final dividend and dividend tax will be ₹ 4661 Lakhs.

**NOTE NO.54**

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****1 TO 54**

As per our report of even date attached

**For N.G. THAKRAR & CO.****Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman &amp; Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director &amp; Company Secretary

Mumbai,

Dated: 17th May, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**BALKRISHNA INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of Balkrishna Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2019, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter:

#### Revenue recognition (refer Note No.1(B)(d))

The Group's profit is dependent on proper accounting of Revenue and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.

#### Auditor's response

Our audit procedures with regard to revenue recognition included testing controls, automated and manual, dispatches/deliveries, inventory reconciliations and assessing the recoverability of trade receivable balances, substantive testing for cut-offs and analytical review procedures.

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing

and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement
- resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements of the 5 foreign subsidiaries, whose financial statements reflect total assets of ₹ 12,687 lakhs as at 31st March, 2019, total revenues of ₹ 11,601 lakhs and net cash inflows amounting to ₹ 120 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections

(3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

(A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary which is incorporated in India, as on 31st March, 2019 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(B) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended :

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further the only Indian Subsidiary has not paid any remuneration to its directors during the current year.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2019 on the consolidated financial position of the Group.
- ii. the Company and its subsidiary company incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2019.

For **N.G.THAKRAR & CO.**  
 CHARTERED ACCOUNTANTS  
 (FIRM REG. NO. 110907W)

**NATWAR THAKRAR**  
 PARTNER  
 MEMBERSHIP NO. 036213

PLACE: Mumbai  
 DATE: 17<sup>th</sup> May, 2019

## Annexure - A to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.G.THAKRAR & CO.**  
CHARTERED ACCOUNTANTS  
(FIRM REG. NO. 110907W)

**NATWAR THAKRAR**  
PARTNER  
MEMBERSHIP NO. 036213

PLACE: Mumbai  
DATE: 17<sup>th</sup> May, 2019

**CONSOLIDATED BALANCE SHEET**

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2019		As at 31st March 2018
<b>I ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment	2	2,70,676		2,76,750
(b) Capital Work-in-Progress	2	60,041		11,866
(c) Investment Property	3	7,715		7,820
(d) Intangible Assets	4	229		344
(e) Financial Assets				
i) Investments	5	31,909		61,949
ii) Other Financial Assets	6	1,037		812
(f) Income tax Assets (Net)	7	9,567		8,154
(g) Other Non-Current Assets	8	19,669		18,465
<b>TOTAL NON-CURRENT ASSETS</b>			<b>4,00,843</b>	<b>3,86,160</b>
<b>2 CURRENT ASSETS</b>				
(a) Inventories	9	75,871		61,887
(b) Financial Assets				
i) Investments	10	76,346		48,318
ii) Trade Receivables	11	51,710		47,963
iii) Cash and Cash Equivalents	12	4,617		2,646
iv) Other Bank Balances	13	1,946		697
v) Loans	14	478		1,412
vi) Other Financial Assets	15	5,723		8,834
(c) Other Current Assets	16	30,367		29,904
<b>TOTAL CURRENT ASSETS</b>			<b>2,47,058</b>	<b>2,01,661</b>
<b>TOTAL ASSETS</b>			<b>6,47,901</b>	<b>5,87,821</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Share Capital	17	3,866		3,866
(b) Other Equity	18	4,61,500		4,04,473
<b>TOTAL EQUITY</b>			<b>4,65,366</b>	<b>4,08,339</b>
<b>LIABILITIES</b>				
<b>1 NON-CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
i) Borrowings	19	223		250
ii) Other Financial Liabilities	20	737		733
(b) Provisions	21	1,901		1,297
(c) Deferred Tax Liabilities (Net)	22	32,554		32,887
(d) Other Non-Current Liabilities	23	1,633		935
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>37,048</b>	<b>36,102</b>
<b>2 CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
i) Borrowings	24	86,864		64,809
ii) Trade Payables				
Total outstanding dues of Micro and Small Enterprise	25	627		-
Total outstanding dues of creditors other than Micro and Small Enterprise	25	37,987		40,925
iii) Other Financial Liabilities	26	5,607		26,769
(b) Other Current Liabilities	27	13,630		10,135
(c) Provisions	28	772		742
<b>TOTAL CURRENT LIABILITIES</b>			<b>1,45,487</b>	<b>1,43,380</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>6,47,901</b>	<b>5,87,821</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**1 TO 55**

As per our report of even date attached

**For N.G. THAKRAR & CO.**
**Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman &amp; Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director &amp; Company Secretary

Mumbai,

Dated: 17th May, 2019



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>I Revenue From Operations</b>	<b>29</b>	<b>5,20,999</b>	<b>4,46,097</b>
<b>II Other Income</b>	<b>30</b>	<b>21,817</b>	<b>33,975</b>
<b>III Total Income (I+II)</b>		<b>5,42,816</b>	<b>4,80,072</b>
<b>IV Expenses :</b>			
Cost of Materials Consumed	31	2,44,097	2,16,521
Purchases of Stock-in-Trade	32	6,270	2,923
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(5,955)	(5,122)
Employee Benefits Expense	34	29,915	27,992
Finance Cost	35	1,113	1,387
Depreciation and Amortisation Expense	36	33,261	31,140
Other Expenses	37	1,16,459	93,627
<b>Total Expenses</b>		<b>4,25,160</b>	<b>3,68,468</b>
<b>V Profit Before Tax (III-IV)</b>		<b>1,17,656</b>	<b>1,11,604</b>
<b>VI Tax Expense:</b>			
Current tax		39,350	37,002
Deferred tax		941	1,023
<b>Total Tax Expenses</b>		<b>40,291</b>	<b>38,025</b>
<b>VII Profit After Tax (V-VI)</b>		<b>77,365</b>	<b>73,579</b>
<b>VIII Other Comprehensive Income</b>			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		(589)	49
ii) Income Tax		206	(14)
2 i) Items that will be reclassified to profit or loss :			
The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		(3,059)	(10,005)
ii) Income Tax		1,069	3,435
iii) Exchange differences on translation of financial statements of foreign operation		(486)	-
Total Other Comprehensive Income (1+2)		(2,859)	(6,535)
<b>XIII Total Comprehensive Income (VII + VIII)</b>		<b>74,506</b>	<b>67,044</b>
<b>XII Earnings per equity share:</b>			
Basic and Diluted	42	40.02	38.06

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 TO 55

As per our report of even date attached  
**For N.G. THAKRAR & CO.**  
**Chartered Accountants**  
(Firm Reg. no.110907W)

**NATWAR THAKRAR**  
Partner  
Membership No.036213  
Mumbai,  
Dated: 17th May, 2019

**BASANT BANSAL**  
Director (Finance)

For and on behalf of the Board of Directors  
**ARVIND PODDAR** Chairman & Managing Director

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,  
Dated: 17th May, 2019

## STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital			(₹ in Lakhs)
Particulars	No. of Shares	Amount	
Balance as at 1st April 2017	9,66,58,595	1,933	
Changes in equity share capital	9,66,58,595	1,933	
Balance as at 31st March 2018	19,33,17,190	3,866	
Changes in equity share capital	-	-	
Balance as at 31ST March 2019	19,33,17,190	3,866	

(b) Other Equity									(₹ in Lakhs)
Particulars	Reserves and Surplus				Statement of other comprehensive Income			Total other equity	
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	Foreing Currency translation reserve		
Balance as at 1st April 2017	1,253	4	2,70,000	69,740	(653)	12,009	-	3,52,353	
<b>Total Comprehensive</b>									
Profit for the year	-	-	-	73,579	-	-	-	73,579	
Other comprehensive income for the year	-	-	-	-	35	(6,570)	-	(6,535)	
Income tax of Earlier Years	-	-	-	(776)	-	-	-	(776)	
<b>Transactions with owners of the company</b>									
Interim Dividend on Equity Shares	-	-	-	(7,733)	-	-	-	(7,733)	
Interim Dividend Distribution Tax	-	-	-	(1,574)	-	-	-	(1,574)	
Dividend on Equity Shares	-	-	-	(2,416)	-	-	-	(2,416)	
Dividend Distribution Tax	-	-	-	(492)	-	-	-	(492)	
On account of Bonus Shares	(1,253)	-	(680)	-	-	-	-	(1,933)	
Transferred from Retained Earnings	-	-	30,680	-	-	-	-	30,680	
Transferred to General Reserve	-	-	-	(30,680)	-	-	-	(30,680)	
Balance as at 31st March 2018	-	4	3,00,000	99,648	(618)	5,439	-	4,04,473	
<b>Total Comprehensive</b>									
Profit for the year	-	-	-	77,365	-	-	-	77,365	
Other comprehensive income for the year	-	-	-	-	(383)	(1,990)	-	(2,373)	
<b>Transactions with owners of the company</b>									
Interim Dividend on Equity Shares	-	-	-	(11,599)	-	-	-	(11,599)	
Interim Dividend Distribution Tax	-	-	-	(2,384)	-	-	-	(2,384)	
Dividend on Equity Shares	-	-	-	(2,900)	-	-	-	(2,900)	
Dividend Distribution Tax	-	-	-	(596)	-	-	-	(596)	
Transferred to General Reserve	-	-	-	(30,000)	-	-	-	(30,000)	
Transferred from Retained Earnings	-	-	30,000	-	-	-	-	30,000	
Foreign currency translation reserve	-	-	-	-	-	-	(486)	(486)	
Balance as at 31st March 2019	-	4	3,30,000	1,29,534	(1,001)	3,449	(486)	4,61,500	

As per our report of even date attached  
**For N.G. THAKRAR & CO.**  
**Chartered Accountants**  
 (Firm Reg. no.110907W)

**NATWAR THAKRAR**  
 Partner  
 Membership No.036213  
 Mumbai,  
 Dated: 17th May, 2019

**BASANT BANSAL**  
 Director (Finance)

For and on behalf of the Board of Directors  
**ARVIND PODDAR**  
 Chairman & Managing Director

**RAJIV PODDAR**  
 Joint Managing Director

**VIPUL SHAH**  
 Director & Company Secretary

Mumbai,  
 Dated: 17th May, 2019

## CONSOLIDATED CASH FLOW STATEMENT

(₹ In Lakhs)

Particulars	Year Ended 31st March 2019		Year Ended 31st March 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before Tax		1,17,656		1,11,604
Adjustment for :				
Depreciation and Amortisation	33,261		31,140	
Provision for Doubtful advances	990		660	
Fair valuation of Investments in mutual fund	(3,238)		(2,437)	
Income from Investments	(3,924)		(3,644)	
Finance Cost	1,113		1,387	
Interest Income	(619)		(711)	
Loss/(Profit) on Sale of Property, Plant and equipment	274		(10)	
Property, Plant and equipment Discarded	5		4	
Unrealised Foreign Exchange differences (Gain)/Loss	(1,452)		(1,811)	
Actuarial gain/(loss) reclassified to OCI	(589)		49	
Deferred Income ( EPCG)	(1,804)		(1,186)	
Retiring Gratuities	972		422	
Leave Encashment	204		301	
		25,192		24,164
Operating profit before working capital changes		1,42,848		1,35,768
Adjustment for:				
Trade and other receivables	(497)		(14,186)	
Other Financial Assets	(1,249)		(476)	
Inventories	(13,984)		(14,275)	
Trade payables	(3,606)		7,396	
		(19,336)		(21,541)
Cash generated from operations		1,23,512		1,14,227
Direct taxes paid		(40,763)		(38,727)
Gratuity paid		(600)		(389)
Leave Encashment paid		(108)		(117)
Net cash from Operating Activities		82,041		74,994
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Property, Plant and equipment	(73,972)		(42,028)	
Sale of Property, Plant and equipment	529		895	
Purchase of Investments	(1,15,704)		(1,18,241)	
Sale of Investments	1,24,472		1,48,733	
Inter Corporate Loan Refund Received	-		450	
Interest received	664		720	
Income Received on Investments	412		242	
Net cash used in Investing Activities		(63,599)		(9,229)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds from Short Term Borrowings (Net)	13,746		(3,147)	
Proceeds from Long Term Borrowings	64,281		18,334	
Repayment of Long Term Borrowings	(75,901)		(67,041)	
Dividend paid (including tax thereon)	(17,449)		(12,124)	
Finance cost paid	(1,145)		(1,402)	
Net Cash from Financing Activities		(16,468)		(65,380)
Net increase in cash and cash equivalent		1,974		385
Exchange difference on cash and cash equivalent		1		1
Cash and cash equivalent as at the beginning of the year		2,646		2,260
Less: On account of closure of subsidiary		(4)		-
Cash and cash equivalent as at the end of the year		4,617		2,646

Note : Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.

As per our report of even date attached

**For N.G. THAKRAR & CO.**

**Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman & Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director & Company Secretary

Mumbai,

Dated: 17th May, 2019

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 (A) General information

Balkrishna Industries Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at Waluj MIDC, Aurangabad, Maharashtra, India.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is primarily engaged in the business of manufacturing and selling of "Off-Highway Tyres" (OHT) in the specialist segments such as Agricultural, Industrial & Construction, Earthmovers & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV).

### 1 (B) Significant Accounting policies

#### (a) Basis of preparation

- (i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- (ii) The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Financial instruments measured at fair value through profit and loss
  2. Financial instruments measured at fair value through other comprehensive income
  3. Defined benefit plans – plan assets measured at fair value

#### (b) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Name of the Subsidiary Company	Country of Incorporation
<b>Direct Subsidiaries</b>	
BKT Tyres Limited	India
Thristha Synthetics Limited (up to 16 <sup>th</sup> August, 2018)	India
BKT EUROPE S.R.L.	Italy
BKT TIRES (CANADA) INC.	Canada
BKT USA INC.	USA
BKT EXIM US, INC.	USA
<b>Step down Subsidiaries</b>	
BKT TIRES INC.	USA

#### (c) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is the Group's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value

is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

#### (d) Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of variable consideration on account of various Discounts, Rebates, incentives offered by the Company as a part of the contract.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

##### Sale of goods

Revenue from sale of products is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group as well as the controls on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

##### Export Benefits

Export Incentives under prevalent Schemes under EXIM policy/ Foreign Trade Policy are accounted once received by Company from the Government. Consumption of Raw Materials is arrived at after adjusting the difference between the cost of indigenous/duty paid imported raw materials and international cost of raw materials entitled to be imported/imported under Duty Exemption Scheme of the Government of India against direct/indirect exports made/to be made by the Group during the year.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a systematic basis as and when export obligation are fulfilled.

##### Dividend income

Dividend is recognised as revenue when the right to receive payment has been established.

##### Interest income

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

#### (e) Property, Plant and Equipment (PPE)

##### i. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The Group has elected to continue with the carrying value of all its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of PPE is recognised in profit and loss.

##### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

##### iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

Leasehold land are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Profit and loss on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

**(f) Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 30 years for factory building and 60 years for residential and office premises.

**(g) Intangible assets**

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are amortised on a straight line basis over a period of 6 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific to which it relates.

The Group has elected to continue with the carrying value of all its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

**(h) Impairment of non-financial assets**

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

**(i) Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**(j) Operating lease**

Assets taken/given on lease under which substantially all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/receipts under operating leases are recognised as expenses/income on straight line basis over the primary period of lease only if lease rentals are not linked to inflation in accordance with the respective lease agreements.

**(k) Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to items recognised directly in equity or in OCI.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



Current tax assets and liabilities are offset only if:

- a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only if they relate to income taxes levied by the same taxation authority on the same taxable entity.

## (l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## (m) Inventories

Raw materials, packing materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value, cost is calculated on moving weighted average basis.

In respect of finished goods, cost includes materials, appropriate share of utilities, other overheads and applicable excise duty. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## (n) Research and development

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to PPE.

## (o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

### i. Financial assets

#### Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

#### Equity instruments

- The Group subsequently measures all equity investments in companies other than equity investments in subsidiaries, at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit and loss as other income when the Group's right to receive payments is established.

#### De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### ii. Financial liabilities

##### Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

### Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### iii. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

### (p) Employee benefits

#### i. Short term employee benefits

Short term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave, are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee.

#### ii. Defined contribution plans

Company's contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss.

The Group's contribution towards provident fund, superannuation fund and employee state insurance scheme for certain eligible employees are considered to be defined contribution plan for which the Group made contribution on monthly basis.

### iii. Defined benefit plans

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of other comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

### (q) Provisions , Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### (r) Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

### (s) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### (t) Key estimates and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalised.

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**(u) Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

**(v) Standards issued or modified but not yet effective up to the date of issuance of the Group's consolidated financial statements:**

**Ind AS 116, Leases :**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS AS AT 31ST MARCH 2019**

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)			(Net Block)	
	Balance As at 1st April 2018	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2019	Balance 1st April 2018	*For the Year	Deductions During the year	As At 31st March 2019	As At 31st March 2018
<b>Property, Plant and Equipment</b>									
<b>Tangible assets</b>									
(a) Land									
Freehold	3,804	-	-	3,804	-	-	-	3,804	3,804
Leasehold	2,115	-	371	1,744	67	29	7	1,655	2,048
(b) Buildings	94,935	1,298	-	96,233	9,921	3,925	-	82,387	85,014
(c) Plant and Equipment	2,42,395	25,742	463	2,67,674	72,009	26,577	194	1,69,392	1,70,386
(d) Furniture and Fixtures	6,725	97	-	6,822	1,623	719	-	2,342	5,102
(e) Vehicles	2,009	437	285	2,161	700	284	130	1,307	1,309
(f) Office Equipment	812	159	#0	971	357	143	#0	471	455
(g) Others:									
Electric Installations	11,629	158	34	11,753	3,814	1,284	15	6,670	7,815
Air Conditioners	959	26	2	983	393	177	2	415	566
Computer	688	97	\$0	785	437	143	\$0	205	251
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,66,071</b>	<b>28,014</b>	<b>1,155</b>	<b>3,92,930</b>	<b>89,321</b>	<b>33,281</b>	<b>348</b>	<b>2,70,676</b>	<b>2,76,750</b>
<b>CAPITAL WORK IN PROGRESS</b>								<b>60,041</b>	<b>11,866</b>

\* Including Depreciation capitalised ₹ 240 Lakhs

# ₹ 16,750, ## ₹ 16,750, \$ ₹ 35,096, \$\$ ₹ 35,091

**PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS AS AT 31ST MARCH 2018**

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)			(Net Block)	
	Balance As at 1st April 2017	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2018	Balance 1st April 2017	*For the Year	Deductions During the year	As At 31st March 2018	As At 31st March 2017
<b>Property, Plant and Equipment</b>									
<b>Tangible assets</b>									
(a) Land									
Freehold	3,702	102	-	3,804	-	-	-	3,804	3,702
Leasehold	1,903	371	159	2,115	48	23	4	2,048	1,855
(b) Buildings	89,138	5,797	-	94,935	6,086	3,835	-	85,014	83,052
(c) Plant and Equipment	2,23,445	19,941	991	2,42,395	47,717	24,662	370	1,70,386	1,75,728
(d) Furniture and Fixtures	5,604	1,121	-	6,725	962	661	-	5,102	4,642
(e) Vehicles	1,797	390	178	2,009	495	270	65	1,309	1,302
(f) Office Equipment	604	208	#0	812	228	129	#0	455	376
(g) Others:									
Electric Installations	10,505	1,127	3	11,629	2,570	1,246	2	7,815	7,935
Air Conditioners	683	276	\$0	959	238	155	\$0	566	445
Computer	556	133	1	688	298	140	1	251	258
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>3,37,937</b>	<b>29,466</b>	<b>1,332</b>	<b>3,66,071</b>	<b>58,642</b>	<b>31,121</b>	<b>442</b>	<b>2,76,750</b>	<b>2,79,295</b>
<b>CAPITAL WORK IN PROGRESS</b>								<b>11,866</b>	<b>10,967</b>

\* Including Depreciation capitalised ₹ 230 Lakhs

# ₹ 23,897, ## ₹ 19,412, \$ ₹ 29,202 & \$\$ ₹ 29,137

During the Financial year 2017-18 under Freehold land an amount of ₹ 371 Lakhs has been re-grouped to Leasehold land.



**NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2019**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2018	Additions/ Adjustment During the year	Deductions During the year	Balance 1st April 2018	*For the Year	As At 31st March 2019	As At 31st March 2018
Buildings	8,127	-	-	307	105	412	7,820
<b>TOTAL INVESTMENT PROPERTY</b>	<b>8,127</b>	<b>-</b>	<b>-</b>	<b>307</b>	<b>105</b>	<b>412</b>	<b>7,820</b>

**INVESTMENT PROPERTY AS AT 31ST MARCH 2018**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2017	Additions/ Adjustment During the year	Deductions During the year	Balance 1st April 2017	*For the Year	As At 31st March 2018	As At 31st March 2017
Buildings	5,348	2,779	-	169	138	307	5,179
<b>TOTAL INVESTMENT PROPERTY</b>	<b>5,348</b>	<b>2,779</b>	<b>-</b>	<b>169</b>	<b>138</b>	<b>307</b>	<b>5,179</b>

During the Financial year 2017-18 under Property Plant and Equipment- building an amount of ₹ 2,779 Lakhs and also the accumulated depreciation of ₹ 66 Lakhs has been re-grouped to investment property.

**i) Amounts recognised in profit or loss for investment properties**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental income derived from investment properties	674	404
Direct operating expenses (including repair and maintenance ) generating rental income	(149)	(33)
Profit from investment properties before depreciation	525	371
Depreciation	105	138
Profit from investment properties	420	233
<b>Fair Value</b>		

**ii) Fair Value**

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Investment properties	20,663	20,663

**Estimation of fair value**

The Group obtains independent valuations for its investment properties from an independent valuer.

The main inputs used for determining fair values of investment properties are the rental growth rates, terminal yields and discount rates based on comparable transactions and industry data.

**NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2019**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2018	Additions During the year	Deductions During the year	Balance 1st April 2018	*For the Year	As At 31st March 2019	As At 31st March 2018
Computer software	602	-	-	267	114	381	335
Trademark	10	-	-	1	1	2	9
<b>TOTAL INTANGIBLE</b>	<b>612</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>115</b>	<b>383</b>	<b>344</b>

**INTANGIBLE ASSETS AS AT 31ST MARCH 2018**

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance 1st April 2017	*For the Year	As At 31st March 2018	As At 31st March 2017
Computer software	556	46	-	157	110	267	399
Trademark	-	10	-	-	1	1	-
<b>TOTAL INTANGIBLE</b>	<b>556</b>	<b>56</b>	<b>-</b>	<b>157</b>	<b>111</b>	<b>268</b>	<b>399</b>

(₹ in Lakhs)

NOTE NO.5	Units	As at 31st March 2019		As at 31st March 2018
<b>INVESTMENTS ( NON CURRENT)</b>				
<b>A Investment carried at amortised cost</b>				
(a ) Investment in Preference Shares (Fully paid up Shares)				
<b>Unquoted</b>				
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,80,000	2,829		2,837
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000		2,000
11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of ₹10 each		56		51
			4,885	4,888
(b) Investments in Government Securities In 6 Year National Saving Certificates (31st March 2018 ₹ 20,000)				
			-	0
<b>Quoted</b>				
(c) Investment in Tax Free Bonds ( at amortised cost)				
7.35 % NABARD Tax Free Bonds SR-IIA	50,099	501		501
7.35 % IRFC Tax Free Bonds SR-108	58,783	588		588
7.39% HUDCO Tax Free Bond	2,50,000	2,589		2,597
7.14 % NHAI Tax Free Bond	2,85,698	2,924		2,934
			6,602	6,620
<b>B Investment carried at fair value through Profit and Loss</b>				
(a) Investment in Non Convertible Debenture				
Ecap Equities Ltd.	2,500	2,922		2,674
Samasta Microfinance Ltd.	1,500	1,616		-
Edelweiss Assets Reconstruction co. Ltd	1,486	1,700		1,559
			6,238	4,233
<b>Unquoted:</b>				
(b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 ( As at 31st March 2018 -69,87,283 Units)	1,49,39,939	1,526		702
Avendus Absolute Return Fund Class A6 (value based product)	-	1,056		-
Edelweiss Alpha fund Scheme 1	1,00,038	1,043		-
Xponentia Opportunities Fund	200	198		-
			3,823	702
<b>Quoted:</b>				
(c) Investment in Mutual fund				
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	50,00,000	501		501
HDFC Charity Fund for Cancer Cure - Arbitrage Plan Direct Option -100% Dividend Donation	50,00,000	501		501
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	1,00,00,000	977		964
HDFC Fixed Maturity Plan Series 35/36/37/39/44 Direct Growth (As at 31st March 2018 units 37,30,00,000)	8,00,00,000	8,382		43,540
			10,361	45,506
			31,909	61,949
Aggregate amount of quoted investments and market value thereof			23,201	56,359
Aggregate amount of unquoted investments.			8,708	5,590

(₹ in Lakhs)

NOTE NO.6	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL ASSETS (NON CURRENT)</b>		
Security Deposits	1,037	812
	1,037	812

(₹ in Lakhs)

NOTE NO.7	As at 31st March 2019	As at 31st March 2018
<b>INCOME TAX ASSETS(NET)</b>		
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	9,567	8,154
	<u>9,567</u>	<u>8,154</u>

(₹ in Lakhs)

NOTE NO.8	As at 31st March 2019	As at 31st March 2018
<b>OTHER NON CURRENT ASSETS</b>		
(a) Capital Advances	19,428	18,365
(b) Others loans and advances		
VAT Receivable	136	-
Prepaid expense	105	100
	<u>19,669</u>	<u>18,465</u>

(₹ in Lakhs)

NOTE NO.9	As at 31st March 2019	As at 31st March 2018
<b>INVENTORIES :</b>		
(At lower of Cost and Net Realisable Value)		
(a) Raw Materials	35,755	29,688
(b) Work-in-Progress	6,967	5,661
(c) Finished Goods	20,397	18,148
(d) Stock-in-Trade	5,477	3,077
(e) Stores and Spares	6,545	4,567
(f) Others - Packing Materials and Fuel	730	746
	<u>75,871</u>	<u>61,887</u>

(₹ in Lakhs)

NOTE NO.10	UNITS	As at 31st March 2019	As at 31st March 2018
<b>INVESTMENTS (CURRENT)</b>			
(a) Investments in Government Securities			
In 6 Year National Saving Certificates (As at 31st March 2019 ₹ 20,000)		0	-
<b>Investment carried at fair value through Profit and Loss</b>			
(b) In Mutual Fund			
<b>Quoted</b>			
HDFC Fixed Maturity Plan Series 35/36 Growth	34,30,00,000	43,368	-
<b>Unquoted</b>			
IDFC Ultra Short Term Fund Growth	28,61,012	-	709
ICICI Prudential Ultra Short Term - Direct Plan - Growth	16,40,815	-	300
HDFC Gilt Fund - Long Term Plan	5,16,24,449	19,682	18,466
HDFC Cash management Fund - Treasury Advantage Plant -Direct Plan-Retail	34,36,581	-	1,305
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Growth	5,05,694	-	154
HDFC Liquid Fund (As at 31st March. 2019 - 4,032 Units)	5,443	200	138
Aditya Birla Sun Life Cash Manager -Direct-Growth	5,55,70,757	-	2,223
SBI Magnum Gilt Fund Long Term Plan (As at 31st March 2018 - 6,42,38,971 Units)	3,13,23,614	13,096	25,023
		<u>76,346</u>	<u>48,318</u>
		<u>76,346</u>	<u>48,318</u>
Aggregate amount of quoted investments and Market value thereof		43,368	-
Aggregate amount of Unquoted investments		32,978	48,318

(₹ in Lakhs)

<b>NOTE NO.11</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>TRADE RECEIVABLES</b>		
Trade receivables Considered good - Secured	14,972	14,463
Trade receivables Considered good - Unsecured	36,738	33,500
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<u>51,710</u>	<u>47,963</u>

(₹ in Lakhs)

<b>NOTE NO.12</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with banks	4,593	2,617
Cash on hand	24	29
	<u>4,617</u>	<u>2,646</u>

(₹ in Lakhs)

<b>NOTE NO.13</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>OTHER BANK BALANCES</b>		
Unpaid Dividend	208	178
Margin Money ( Including Fixed Deposit)#	1,738	519
#(Held against guarantee and other commitments)	<u>1,946</u>	<u>697</u>

(₹ in Lakhs)

<b>NOTE NO.14</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>LOANS</b>		
<b>Unsecured</b>		
<b>Loans and advances to other than related parties</b>		
Loans receivables - Considered good	-	990
Loans receivables which have significant increase in credit risk	1,650	660
Loans receivables - Credit impaired	-	-
	<u>1,650</u>	<u>1,650</u>
Less: Provision for loans which have significant increase in credit risk	<u>1,650</u>	<u>660</u>
	-	990
Loans and advances to employees (considered good)	478	422
	<u>478</u>	<u>1,412</u>

(₹ in Lakhs)

<b>NOTE NO.15</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>OTHER FINANCIAL ASSETS (CURRENT)</b>		
Derivative Assets	5,382	8,448
Interest accrued on Investments	277	277
Interest accrued on Deposits and Loans	59	108
Income accrued on Investments	5	1
	<u>5,723</u>	<u>8,834</u>

(₹ in Lakhs)

<b>NOTE NO.16</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>OTHER CURRENT ASSETS</b>		
Advance Payment to Suppliers	9,039	14,076
GST/Excise/Sales Tax/Custom Duty etc. Receivables	21,148	15,254
Prepaid Expenses	180	574
	<u>30,367</u>	<u>29,904</u>

(₹ in Lakhs)

NOTE NO.17	As at 31st March 2019	As at 31st March 2018
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	<u>9,100</u>	<u>9,100</u>
<b>Issued Subscribed and fully paid up:</b>		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	<u>3,866</u>	<u>3,866</u>

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

**Reconciliation of number of Equity shares :**

Equity Share	As at 31st March 2019		As at 31st March 2018	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	9,66,58,595	1,933
Issue and Allotment of Bonus Equity Shares on 27th December, 2017 in ratio of 1:1	-	-	9,66,58,595	1,933
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

Shareholder's holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	Holding (%)	No. of Shares held	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.72	5,35,77,010	27.72

(₹ in Lakhs)

NOTE NO.18	As at 31st March 2019		As at 31st March 2018
<b>OTHER EQUITY</b>			
<b>a. Capital Reserve</b>			
Opening Balance		4	4
Closing Balance		4	4
<b>b. Securities Premium Account</b>			
Opening Balance	-		1,253
Less: Movement during the year on account of Issue of Bonus shares	-		(1,253)
Closing Balance	-		-
<b>c. Other Reserve (General Reserve)</b>			
Opening Balance	3,00,000		2,70,000
Add: Transferred from Profit and Loss account	30,000		30,680
Less: On account of Issue of Bonus Shares	-		680
Closing Balance		3,30,000	3,00,000
<b>d. Retained earnings</b>			
Opening Balance	99,648		69,740
Add: Net Profit for the current year	77,365		73,579
Less: Interim Dividend	11,599		7,733
Less: Tax on Interim Dividend	2,384		1,574
Less: Dividend on equity shares	2,900		2,416
Less: Tax on equity dividend	596		492
Less: Transfer to General Reserve	30,000		30,680
Add/(Less): Income Tax of Earlier Years	-		(776)
Closing Balance		1,29,534	99,648

(₹ in Lakhs)

NOTE NO.18	As at 31st March 2019	As at 31st March 2018
Other Comprehensive Income (OCI) :		
<b>e. Remeasurements of the net defined benefit plans</b>		
Opening Balance	(618)	(653)
Movement during the year	(383)	35
Closing Balance	(1,001)	(618)
<b>f. Effective portion of cash flow hedges</b>		
Opening Balance	5,439	12,009
Movement during the year	(1,990)	(6,570)
Closing Balance	3,449	5,439
<b>g. Foreign Currency translation reserve</b>		
Opening Balance	-	-
Movement during the year	(486)	-
Closing Balance	(486)	-
	<b>4,61,500</b>	<b>4,04,473</b>

**Securities Premium Reserve**

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**General reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

**Retained earnings**

Retained earnings includes the Group's cumulative earnings and losses respectively

**Remeasurements of the net defined benefit Plans**

Remeasurements of defined benefit liability comprises actuarial gains and losses and return on plan assets (excluding interest income)

**Cash flow hedging reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedge item affects profit/(loss) i.e., when the designated sale occurs.

**Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than INR is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

(₹ in Lakhs)

NOTE NO.19	As at 31st March 2019	As at 31st March 2018
<b>BORROWINGS (NON CURRENT)</b>		
<b>Unsecured</b>		
Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	223	250
	<b>223</b>	<b>250</b>

(₹ in Lakhs)

NOTE NO. 20	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL LIABILITIES (NON CURRENT)</b>		
Distributors/Dealers Deposit	737	733
	<b>737</b>	<b>733</b>



(₹ in Lakhs)

NOTE NO.21	As at 31st March 2019	As at 31st March 2018
<b>PROVISIONS (NON CURRENT)</b>		
Provision for employee benefits		
Gratuity	1,409	1,037
Leave Encashment	325	260
Others	167	-
	<u>1,901</u>	<u>1,297</u>

(₹ in Lakhs)

NOTE NO.22	As at 31st March 2019	As at 31st March 2018
<b>DEFERRED TAX LIABILITIES (NET)</b>		
The balance comprises temporary difference attributable to:		
Deferred tax liabilities	34,187	34,011
Deferred tax assets	1,633	1,124
Net Deferred tax liabilities	<u>32,554</u>	<u>32,887</u>

(₹ in Lakhs)

NOTE NO.23	As at 31st March 2019	As at 31st March 2018
<b>OTHER NON CURRENT LIABILITIES</b>		
Deferred Income (Export Incentive)	1,608	877
Income received in advance	25	58
	<u>1,633</u>	<u>935</u>

(₹ in Lakhs)

NOTE NO.24	As at 31st March 2019	As at 31st March 2018
<b>BORROWINGS (CURRENT)</b>		
Secured		
From Banks#	22,454	28,293
Unsecured		
From Banks	64,410	36,516
	<u>86,864</u>	<u>64,809</u>
#(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

(₹ in Lakhs)

NOTE NO.25	As at 31st March 2019	As at 31st March 2018
<b>TRADE PAYABLES</b>		
Trade Payables (including Acceptances) due to:		
Total outstanding dues of Micro and Small Enterprise#	627	-
Total outstanding dues of creditors other than Micro and Small Enterprise	37,987	40,925
# (Refer Note No. 45 for Micro and Small Enterprise)	<u>38,614</u>	<u>40,925</u>

(₹ in Lakhs)

NOTE NO.26	As at 31st March 2019	As at 31st March 2018
<b>OTHER FINANCIAL LIABILITIES (CURRENT)</b>		
Interest accrued but not due	-	32
Current maturity of Long Term debt	27	21,688
Unpaid Dividend	208	178
Other Payable (capital creditors)	5,290	4,782
Derivative liabilities	82	89
	<u>5,607</u>	<u>26,769</u>

(₹ in Lakhs)

<b>NOTE NO.27</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>OTHER CURRENT LIABILITIES</b>		
Income received in advance	2,503	2,172
Security Deposit	1,621	1,513
Statutory dues towards GST/TDS etc.	9,506	6,450
	<u>13,630</u>	<u>10,135</u>

(₹ in Lakhs)

<b>NOTE NO.28</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>PROVISIONS (CURRENT)</b>		
<b>Provision for employee benefits</b>		
Leave encashment	772	742
	<u>772</u>	<u>742</u>

(₹ in Lakhs)

<b>NOTE NO.29</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products	5,03,342	4,36,633
Other Operating Revenue:		
Export Incentives	16,027	7,824
Scrap Sales	1,368	1,405
Others	262	234
	<u>17,657</u>	<u>9,464</u>
Total Revenue from Operations	<u>5,20,999</u>	<u>4,46,097</u>
<b>DISAGGREGATION OF REVENUE</b>		
<b>Revenue based on Geography</b>		
Export	4,27,560	3,74,193
Domestic #	93,438	71,904
Total Revenue from operations	<u>5,20,999</u>	<u>4,46,097</u>
# ( Including export incentive on account of MEIS license)		
<b>Reconciliation of Revenue from operations with contract price</b>		
Contract Price	5,31,144	4,58,275
Less:		
Sales returns	86	182
Sales Incentives and Bonus	8,446	10,697
Others (Discounts etc.)	1,613	1,299
	<u>10,145</u>	<u>12,178</u>
Total Revenue from operations	<u>5,20,999</u>	<u>4,46,097</u>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Group provides performance warranty for its products. The amount of liability towards such warranty is not material.

(₹ in Lakhs)

<b>NOTE NO.30</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>OTHER INCOME</b>		
Interest Income on:		
Non Current Investments	443	449
Current Investments	27	-
Deposits/Loans and Advances	149	262
	<u>619</u>	<u>711</u>

(₹ in Lakhs)

<b>NOTE NO.30</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
Net gain on foreign currency transaction and translation	12,800	26,359
Income from Non current Investment	104	-
Dividend Income on investments in mutual fund	406	242
Net gain on sale of Non Current Investments	2,952	2,094
Net gain on sale of Current Investments	463	1,308
Net mark to market gain on investments	3,238	2,437
Profit on sale of Property Plant and Equipment	-	10
Other non-operating income	1,234	814
	<u>21,817</u>	<u>33,975</u>

(₹ in Lakhs)

<b>NOTE NO.31</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed	244,097	216,521
	<u>2,44,097</u>	<u>2,16,521</u>

(₹ in Lakhs)

<b>NOTE NO.32</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>PURCHASE OF STOCK IN TRADE</b>		
Purchase of Traded Goods	6,270	2,923
	<u>6,270</u>	<u>2,923</u>

(₹ in Lakhs)

<b>NOTE NO.33</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Opening Stock :</b>		
Work-in-Progress	5,661	4,748
Stock in Trade	3,077	1,775
Finished Goods	18,148	15,241
	<u>26,886</u>	<u>21,764</u>
<b>Less :</b>		
<b>Closing Stock :</b>		
Work-in-Progress	6,967	5,661
Stock in Trade	5,477	3,077
Finished Goods	20,397	18,148
	<u>32,841</u>	<u>26,886</u>
Net (Increase)/Decrease in Inventories	<u>(5,955)</u>	<u>(5,122)</u>

(₹ in Lakhs)

<b>NOTE NO.34</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	27,438	25,578
Contribution to provident and other funds	1,828	1,803
Staff Welfare Expenses	649	611
	<u>29,915</u>	<u>27,992</u>

(₹ in Lakhs)

<b>NOTE NO.35</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>FINANCE COST</b>		
Interest expenses	993	1,212
Other borrowing cost	120	175
	<b>1,113</b>	<b>1,387</b>

(₹ in Lakhs)

<b>NOTE NO.36</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation	33,261	31,140
	<b>33,261</b>	<b>31,140</b>

(₹ in Lakhs)

<b>NOTE NO.37</b>	<b>Year Ended 31st March 2019</b>	<b>Year Ended 31st March 2018</b>
<b>OTHER EXPENSES:</b>		
Consumption of stores and spare parts	17,642	11,316
Packing material consumed	140	127
Power and fuel(Net)	18,116	17,229
Freight and forwarding	22,767	21,415
Excise Duty	-	1,718
Labour/Job Charges	11,495	10,484
Water charges	571	397
Repairs and Maintenance to Plant & Machinery	3,134	3,496
Repairs and Maintenance to Building	2,433	4,630
Repairs and Maintenance to Others	1,438	764
Insurance Charges	1,122	1,063
Rates and Taxes excluding taxes on income	3,682	3,154
Rent	609	529
Legal and Professional charges	3,019	2,609
Advertisement, Publicity, Sales Promotion and Marketing Service Expenses	21,681	6,982
Commission	17	100
Travelling Expenses	2,880	2,215
Directors Meeting Fees	15	12
Loss on sale of Property, Plant and Equipment	274	-
Property, Plant and Equipment Discarded	5	4
Interest to Others	131	96
Contribution towards CSR Expenses	1,697	1,655
Provision for doubtful advances	990	660
Miscellaneous Expenses	2,601	2,972
	<b>1,16,459</b>	<b>93,627</b>

**NOTE NO.38**
**i) Tax Reconciliation**
**(a) The Income tax expense consists of the following:**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
Current income tax	39,350	37,002
Deferred tax expense	941	1,023
<b>Tax expense for the year</b>	<b>40,291</b>	<b>38,025</b>

**(b) Amounts recognised in other comprehensive income**

(₹ in Lakhs)

<b>Particulars</b>	<b>Year ended 31st March 2019</b>			<b>Year ended 31st March 2018</b>		
	<b>Before tax</b>	<b>Tax (expense) /benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expenses) /benefit</b>	<b>Net of tax</b>
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	(589)	206	(383)	49	(14)	35
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow hedges	(3,059)	1,069	(1,990)	(10,005)	3,435	(6,570)
	<b>(3,648)</b>	<b>1,275</b>	<b>(2,373)</b>	<b>(9,956)</b>	<b>3,421</b>	<b>(6,535)</b>

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit before tax	1,17,656	1,11,604
Indian statutory income tax rate	34.944%	34.608%
Expected income tax expenses	41,114	38,624
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income taxes	(340)	(338)
Additional allowances/deductions	(85)	(41)
Impact of differential tax rate	(1,440)	(1,138)
Permanent differences	472	339
Others (Net)	570	579
<b>Total Income Tax expenses</b>	<b>40,291</b>	<b>38,025</b>
<b>Effective Tax Rate</b>	<b>34.244%</b>	<b>34.071%</b>

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars				As at 31st March, 2019
	Net balance as at 1st April, 2018	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
<b>Deferred tax assets / (liabilities) :</b>				
Property, Plant and Equipment	(25,602)	(217)	-	(25,819)
Investments	(3,781)	(403)	-	(4,184)
Derivatives	(730)	-	-	(730)
Employee benefits	893	(43)	206	1,056
Cash Flow Hedge	(2,921)	-	1,069	(1,852)
Provision for Doubtful Advances	231	346	-	577
Other items	(977)	(625)	-	(1,602)
<b>Deferred tax assets/ (liabilities)</b>	<b>(32,887)</b>	<b>(941)</b>	<b>1,275</b>	<b>(32,554)</b>

(b) Movement in deferred tax balances

Particulars				As at 31st March, 2018
	Net balance as at 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
<b>Deferred tax assets/ (liabilities)</b>				
Property, plant and equipment	(24,977)	(625)	-	(25,602)
Investments	(3,460)	(321)	-	(3,781)
Derivatives	(723)	(7)	-	(730)
Employee benefits	808	99	(14)	893
Cash flow hedge	(6,356)	-	3,435	(2,921)
Provision for Doubtful Advances	-	231	-	231
Other items	(577)	(400)	-	(977)
<b>Deferred tax assets/ (liabilities)</b>	<b>(35,285)</b>	<b>(1,023)</b>	<b>3,421</b>	<b>(32,887)</b>

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**NOTE NO.39**
**Financial instruments – Fair values and risk management**
**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. (₹ in Lakhs)

Particulars	As at 31st March 2019					
	Carrying amount		Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2
<b>Financial Assets:</b>						
Cash and cash equivalents (Including other bank balances)	-	-	6,563	6,563	-	-
Mutual Fund	86,707	-	-	86,707	53,729	32,978
Debentures	6,238	-	-	6,238	6,238	-
Loans	-	-	478	478	-	-
Trade receivables	-	-	51,710	51,710	-	-
Other financial assets	-	-	341	341	-	-
Foreign exchange forward contracts	-	5,382	-	5,382	-	5,382
Preference shares and bonds	-	-	11,487	11,487	-	-
Alternate Investment Fund	3,823	-	-	3,823	-	3,823
Security deposit	-	-	1,037	1,037	-	-
<b>TOTAL</b>	<b>96,768</b>	<b>5,382</b>	<b>71,616</b>	<b>1,73,766</b>	<b>59,967</b>	<b>42,183</b>
<b>Financial Liabilities</b>						
Long term borrowings (Including current maturity of Long term borrowings)	-	-	250	250	-	-
Other financial liabilities	-	-	6,235	6,235	-	-
Short term borrowings	-	-	86,864	86,864	-	-
Trade payables	-	-	38,614	38,614	-	-
Foreign exchange forward contracts	-	82	-	82	-	82
<b>TOTAL</b>	<b>-</b>	<b>82</b>	<b>1,31,963</b>	<b>1,32,045</b>	<b>-</b>	<b>82</b>
Particulars	As at 31st March 2018					
	Carrying amount		Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2
<b>Financial Assets:</b>						
Cash and cash equivalents (Including other bank balances)	-	-	3,343	3,343	-	-
Mutual Fund	93,824	-	-	93,824	45,506	48,318
Debentures	4,233	-	-	4,233	4,233	-
Loans	-	-	1,412	1,412	-	-
Trade receivables	-	-	47,963	47,963	-	-
Other financial assets	-	-	386	386	-	-
Foreign exchange forward contracts	-	8,448	-	8,448	-	8,448
Preference shares and bonds	-	-	11,508	11,508	-	-
Alternate Investment Fund	702	-	-	702	-	702
Security deposit	-	-	812	812	-	-
<b>TOTAL</b>	<b>98,759</b>	<b>8,448</b>	<b>65,424</b>	<b>1,72,631</b>	<b>49,739</b>	<b>57,468</b>
<b>Financial Liabilities</b>						
Long term borrowings (Including current maturity of Long term borrowings)	-	-	21,938	21,938	-	-
Other financial liabilities	-	-	5,725	5,725	-	-
Short term borrowings	-	-	64,809	64,809	-	-
Trade payables	-	-	40,925	40,925	-	-
Foreign exchange forward contracts	-	89	-	89	-	89
<b>TOTAL</b>	<b>-</b>	<b>89</b>	<b>1,33,397</b>	<b>1,33,486</b>	<b>-</b>	<b>89</b>

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.



**B. Measurement of fair values**

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**Transfers between Levels**

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 2: Forward contracts	Market valuation techniques The group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level 1 and Level 2: Mutual Fund	Net Asset Value	Not applicable	Not applicable

**C. Financial risk management**

The group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The group's risk management policies are established to identify and analyses the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**ii. Credit risk**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

### Trade receivables

Around 85% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the group's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

### Impairment

Provision for doubtful debts movement	(₹ in Lakhs)
Balance as at 1st April 2017	-
Impairment loss recognised	23
Amounts written off	23
Balance as at 31st March 2018	-
Impairment loss recognised	14
Amounts written off	14
Balance as at 31st March 2019	-

### Concentration of credit risk

At 31st March 2019, the carrying amount of the group's most significant customer is ₹ 11,892 Lakhs (31st March 2018 : ₹ 11,510 Lakhs)

### Loan to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Group has made provisions of ₹ 990 Lakhs as at 31st March 2019 (31 March 2018 : ₹ 660 Lakhs) in respect of such doubtful loan of ₹ 1,650 Lakhs. The Group has no collateral securities in respect of said loans.

### Investment in debentures

The Group does not perceive any risk as these are issued by reputed financial institution.

### Investment in mutual funds and bonds

The investment in mutual funds, Government bonds are entered into with credit worthy fund houses, Government of India and financial institution. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The group does not expect any losses from non-performance by these counter-parties.

### Derivatives

The derivatives are entered into with the banks, with good credit ratings.

### Cash and cash equivalents

Credit risk from balances with banks is managed by the group's treasury department in accordance with the group's policy. Investment of surplus funds are made mainly in mutual funds with good returns and within approved credit ratings.

### iii. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation.

The group has obtained fund and non-fund based working capital lines from various banks. The group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March 2019, the Group had working capital of ₹ 1,01,571 Lakhs, including cash and cash equivalents of ₹ 4,617 Lakhs, and highly marketable current investments of ₹ 76,346 Lakhs.

As at 31st March 2018, the Group had working capital of ₹ 58,281 Lakhs, including cash and cash equivalents of ₹ 2,646 Lakhs, and highly marketable current investments of ₹ 48,318 Lakhs

### Exposure to liquidity risk

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(₹ in Lakhs)

As at 31st March 2019	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non Current</b>						
Unsecured Long term loans and borrowings	250	250	27	44	134	45
Other financial liabilities	737	823	-	823	-	-
<b>Current</b>						
Secured Short term loans and borrowings	22,454	22,454	22,454	-	-	-
Unsecured Short term loans and borrowings	64,410	64,410	64,410	-	-	-
Trade payables	38,614	38,614	38,614	-	-	-
Other payable (Capital creditors)	5,290	5,290	5,290	-	-	-
Unpaid Dividend	208	208	208	-	-	-
<b>Derivative financial liabilities</b>						
<b>Current</b>						
Foreign exchange forward contract	82	82	82	-	-	-

As at 31st March 2018	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current</b>						
Secured Long term loans and borrowings	21,665	21,890	21,890	-	-	-
Unsecured Long term loans and borrowings	273	273	23	27	143	80
Other financial liabilities	733	818	-	-	818	-
<b>Current</b>						
Secured Short term loans and borrowings	28,293	28,293	28,293	-	-	-
Unsecured Short term loans and borrowings	36,516	36,516	36,516	-	-	-
Trade payables	40,925	40,925	40,925	-	-	-
Other payable (Capital creditors)	4,782	4,782	4,782	-	-	-
Unpaid Dividend	178	178	178	-	-	-
Interest accrued but not due	32	32	32	-	-	-
<b>Derivative financial liabilities</b>						
<b>Current</b>						
Foreign exchange forward contract	89	89	89	-	-	-

The inflows/outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

#### iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates ) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

##### a) Currency risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the group. The functional currency of the group is Indian Rupees (₹). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the group generally hedges its estimated foreign currency exposure in respect of its forecast sales over the following 10 to 12 months. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The group, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March 2019:

Category	Instrument	Currency	Cross Currency	Amounts (million)	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 186.05	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 12.41	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March , 2018:

Category	Instrument	Currency	Cross Currency	Amounts (million)	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 221.16	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 1	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 11.08	Sell

### Exposure to currency risk

The summary quantitative data about the group's exposure to currency risk as reported to the management of the group is as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2019			As at 31st March 2018		
	EUR	USD	Others	EUR	USD	Others
<b>Financial assets (A)</b>						
Trade receivables	29,111	14,001	97	28,507	12,897	74
Cash and cash equivalent	2,949	484	33	865	969	20
Security Deposits	4	5	-	8	2	-
Loans	-	-	16	-	-	4
	<b>32,064</b>	<b>14,490</b>	<b>146</b>	<b>29,380</b>	<b>13,868</b>	<b>98</b>
<b>Financial liabilities (B)</b>						
Secured Loans	19,933	2,232	-	19,276	30,596	-
Unsecured Loans	63,821	-	-	31,973	1,481	-
Interest on loans	-	-	-	-	32	-
Trade payables	7,257	7,784	160	5,111	4,076	442
	<b>91,011</b>	<b>10,016</b>	<b>160</b>	<b>56,360</b>	<b>36,185</b>	<b>442</b>
<b>Net statement of financial position exposure (A-B)</b>	<b>(58,947)</b>	<b>4,474</b>	<b>(14)</b>	<b>(26,980)</b>	<b>(22,317)</b>	<b>(344)</b>

### Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the balance sheet date.

Effect in ₹ Lakhs As at 31st March 2019	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(1,179)	1,179
USD	3%	134	(134)
Others	10%	(1)	1

Effect in ₹ Lakhs As at 31st March 2018	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(540)	540
USD	3%	(670)	670
Others	10%	(34)	34

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

## b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note no.50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Fixed-rate instruments</b>		
Financial assets	13,225	13,017
Financial liabilities	(81,832)	(58,443)
	(68,607)	(45,426)
<b>Variable-rate instruments</b>		
Financial liabilities	(5,032)	(28,030)
	(5,032)	(28,030)

**Interest rate sensitivity - fixed rate instruments**

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

**Interest rate sensitivity - variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
<b>As at 31st March 2019</b>		
Variable-rate instruments	(50)	50
<b>Sensitivity (net)</b>	(50)	50
<b>As at 31st March 2018</b>		
Variable-rate instruments	(280)	280
<b>Sensitivity (net)</b>	(280)	280

(Note: The impact is indicated on the profit/(loss) before tax basis)

**Offsetting financial assets and financial liabilities**

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March 2019 and 31st March 2018. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
<b>As at 31st March 2019</b>						
<b>Financial assets</b>						
Derivative financial instruments	5,382	-	5,382	5,382	-	5,382
<b>Total</b>	5,382	-	5,382	5,382	-	5,382
<b>Financial liabilities</b>						
Derivative financial instruments	82	-	82	82	-	82
<b>Total</b>	82	-	82	82	-	82
<b>As at 31st March 2018</b>						
<b>Financial assets</b>						
Derivative financial instruments	8,448	-	8,448	8,448	-	8,448
<b>Total</b>	8,448	-	8,448	8,448	-	8,448
<b>Financial liabilities</b>						
Derivative financial instruments	89	-	89	89	-	89
<b>Total</b>	89	-	89	89	-	89

**NOTE NO.40**
**Hedge accounting**

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the next 12 to 18 months in advance. The group uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The group applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The group has formally designated and documented hedge relationship from 1st April 2016.

**a) Disclosure of effects of hedge accounting on financial position**

As at 31st March 2019

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Group enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts  These are customised contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at 31st March 2019

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in the Balance Sheet where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	12.41 Million EURO 186.05 Million USD	5,382	82	-	FY 2019-20	1 USD = ₹ 72.8795 1 EURO = ₹ 79.0434
Particulars	Change in fair value for the year	Change in fair value for the year recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2018-19	(3,059)	-	Not applicable	-	Not applicable



The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Lakhs)		
Movement in Cash flow hedge reserve	As at 31st March 2019	As at 31st March 2018
Opening balance	5,439	12,009
<b>Effective portion of changes in fair value:</b>		
Foreign currency risk	(3,059)	(10,005)
<b>Net amount reclassified to profit or loss:</b>		
Foreign currency risk	-	-
Tax on movements on reserves during the year	1,069	3,435
<b>Closing balance</b>	<b>3,449</b>	<b>5,439</b>

#### NOTE NO. 41

##### Capital Management

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The group monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising interest-bearing loans and borrowings less cash and cash equivalents and current investments.

The group's net debt to equity ratio is as follows.

(₹ in Lakhs)		
Particulars	As at 31st March 2019	As at 31st March 2018
Current Borrowings	86,864	64,809
Current maturity of long term debt	-	21,665
<b>Gross Debt</b>	<b>86,864</b>	<b>86,474</b>
Less - Cash and Cash Equivalents	4,617	2,646
Less - Current Investments	76,346	48,318
<b>Net debt</b>	<b>5,901</b>	<b>35,510</b>
Total equity	4,65,366	4,08,339
Less : Hedging reserve	3,449	5,439
<b>Equity</b>	<b>4,61,917</b>	<b>4,02,900</b>
Net debt to Equity ratio	0.01	0.09

#### NOTE NO.42

##### Earning Per Share (EPS):

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit attributable to equity holders (₹ in Lakhs)	77,365	73,579
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	40.02	38.06

**NOTE NO.43**
**Related Party Disclosures \***

(Where transactions have taken place)

**I Related Party Relationships**

## a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman &amp; Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director &amp; Company Secretary, Mr. Basant Bansal - Director Finance.

## b) Relatives of Key Management Personnel :

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal

## c) Other Related Parties - (Enterprises / KMP having significant influence / owned by major shareholders): Clothing Culture Ltd.

**II Related Party Transactions \$**

(₹ in Lakhs)

Transactions	Year ended 31st March 2019		Year ended 31st March 2018	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials	-	23	-	40
Rent received	-	46	-	47
Recovery of Expenses	-	3	-	30
Rent/Lease Rent Paid	102	-	102	-
Vehicle Hiring Charges	8	-	8	-
Remuneration	28	-	28	-
Meeting fees	2	-	1	-

Particulars	Key Management Personnel		Relatives of (KMP)	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Outstanding Balances				
Remuneration payable - outstanding for Relative of KMP is ₹ 16,800 (Previous Year ₹ 16,800)	4,942	5,401	0	0

**III Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Remuneration	6,102	6,659
<b>Total</b>	<b>6,102</b>	<b>6,659</b>

**Disclosure in Respect of Related Party Transaction during the year :**

Transactions	Year ended 31st March 2019		Year ended 31st March 2018	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
<b>Purchase of Goods/ Materials</b>				
Clothing Culture Ltd	-	23	-	40
<b>Rent received</b>				
Clothing Culture Ltd	-	46	-	47
<b>Recovery of Expenses</b>				
Clothing Culture Ltd	-	3	-	30
<b>Rent/Lease Rent Paid</b>				
Mrs. Pooja Dhoot	102	-	102	-
<b>Vehicle Hiring Charges</b>				
Mr. Gunal Basat Bansal	8	-	8	-
<b>Meeting Fees</b>				
Mrs. Vijaylaxmi Poddar	2	-	1	-
<b>Remuneration</b>				
Mrs. Khushboo Poddar	28	-	28	-

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
<b>Outstanding Balances</b>				
<b>Remuneration payable</b>				
Mr. Arvind M Poddar	2,419	3,000	-	-
Mr. Rajiv A Poddar	2,521	2,400	-	-
Mr. Vipul Shah	1	1	-	-
Mr. Basant Kumar Bansal- Outstanding for KMP in Previous Year ₹ 34,800	1	0	-	-
Mrs. Khushboo Poddar- Outstanding for Relative of KMP is ₹16,800 (Previous Year ₹ 16800)	-	-	0	0

**Key management personnel compensation\*\***

Key management personnel compensation comprised the following :

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>Remuneration</b>		
Mr. Arvind M Poddar	2,946	3,590
Mr. Rajiv A Poddar	2,942	2,860
Mr. Vipul Shah	61	65
Mr. Basant Kumar Bansal	153	144
<b>Total</b>	<b>6,102</b>	<b>6,659</b>

\*\* Excluding Provision for gratuity and leave encashment

**Terms and conditions of transactions with related parties**

\* Parties identified by the Management and relied upon by the auditors.

\$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

No amount in respect of related parties have been written off/back or are provided for.

(₹ in Lakhs)

<b>NOTE NO.44</b>	Year ended 31st March 2019	Year ended 31st March 2018
<b>Leases - Operating leases as lessee :</b>		
The group has taken commercial premises under cancellable operating leases: Further the group has also taken motor cars under cancellable operating lease:		
i) Future minimum Lease Payments under non - cancellable operating leases :		
not later than one year	24	41
later than one year and not later than five years	1	23
later than five years	-	-
ii) The rental expenses recognised in the statement of Profit and Loss for operating leases :		
(a) Minimum Rent	601	528
(b) Contingent Rent	-	-

**Leases - Finance leases as lessee:**

The group has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

**NOTE NO.45**

As at 31st March,2019, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	627	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

**NOTE NO.46**
**Employee Benefit obligations**
**(A) Defined Contribution Plan**

The group has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered by appropriate authorities. The group's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the group has no further obligation beyond making the contributions. The liability of the Group on the exempt Provident Fund is restricted to the interest shortfall if any.

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<u>Charge to the Statement of Profit and Loss based on contributions:</u>		
Superannuation	81	81
Employees' Provident fund	966	902

**(B) Defined Benefit Plan**

In accordance with the provisions of the Payment of Gratuity Act, 1972, the group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the group. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
<b>(i) Change in Defined Benefit Obligation</b>		
Opening defined benefit obligation	3,464	3,001
Amount recognised in profit and loss		
Current service cost	309	303
Past service cost	-	101
Interest cost	269	219
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	400	(170)
Experience adjustment	194	124
Other :		
Benefits paid	(87)	(114)
Closing defined benefit obligation	4,549	3,464
<b>(ii) Change in Fair Value of Assets</b>		
Opening fair value of plan assets	2,427	1,998
Amount recognised in profit and loss		
Interest income	189	146
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	4	3
Other		
Contributions by employer	607	394
Benefits paid	(87)	(114)
Closing fair value of plan assets	3,140	2,427
Actual return on Plan Assets	193	149

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
	Gratuity (Funded plan)	Gratuity (Funded plan)
<b>(iii) Plan assets comprise the following</b>	<b>Unquoted</b>	<b>Unquoted</b>
Insurance fund (100%)	3,140	2,427
<b>(iv) Principal actuarial assumptions used</b>	<b>%</b>	<b>%</b>
Discount rate	7.79	7.78
Rate of employee turnover	For Service 4 years and below 10 % p.a. & thereafter 2%p.a	For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate	8.50	7.50
<b>(v) Amount recognised in the Balance Sheet</b>		
Present value of obligations as at year end	4,549	3,464
Fair value of plan assets as at year end	3,140	2,427
Net (asset) / liability recognised as at year end	1,409	1,037
Recognised under :		
Long term provisions	1,409	1,037
	1,409	1,037

**(vi) Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	(422)	504	(159)	173
Employee turnover (0.5% movement) - Gratuity	(23)	27	6	(6)
Future salary growth (0.5% movement) - Gratuity	460	(404)	166	(154)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

**(vii) Expected future cash flows**

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at 31st March , 2019</b>					
Defined benefit obligations (Gratuity)	261	221	1,114	2,081	3,676
Total	261	221	1,114	2,081	3,676

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>As at 31st March , 2018</b>					
Defined benefit obligations (Gratuity)	456	132	676	1,315	2,579
Total	456	132	676	1,315	2,579

**Other long-term employee benefits:**

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March 2019 based on actuarial valuation using the projected accrued benefit method is ₹ 204 Lakhs (31st March 2018 : ₹ 301 Lakhs).

(₹ in Lakhs)

<b>NOTE NO.47</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>Contingent Liabilities and Commitments</b>		
<b>(i) Contingent Liabilities</b>		
a) Claims against the group not acknowledge as debts		
- Disputed claims for excise, sales tax, customs and service tax	12,172	6,555
- Disputed income tax demands	1,099	207
Others	1,040	2
b) Guarantees given by the group's bankers on behalf of the group against the group's Indemnity	3,786	1,842
c) Corporate Guarantee given by the group:		
- To the President of India through commissioner of Custom	81,088	53,210
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	37,871	49,771

(₹ in Lakhs)

<b>NOTE NO.48</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
<b>Payment to Auditors</b>		
Statutory Auditors :		
Audit Fees	47	47
For Taxation Matters	-	5
For Company Law matters	-	2
For Other services - Certification, etc.	17	13
Total	64	67

(₹ in Lakhs)

<b>NOTE NO.49</b>	<b>Year ended 31st March 2019</b>	<b>Year ended 31st March 2018</b>
<b>Research and Development Cost/Expenditure</b>		
Revenue	2,261	1,633
Capital	421	1,600
Total of Research and Development Cost/Expenditure	2,682	3,233

(₹ in Lakhs)

<b>NOTE NO.50</b>	<b>As at 31st March 2019</b>	<b>As at 31st March 2018</b>
<b>Nature of Security in respect of secured Loan (Long Term/Short Term):</b>		
<b>I Working Capital Loans from Banks Repayable on Demand:</b>		
a) <b>At Parent Company:</b>		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	18,300	25,091
b) <b>At subsidiary Companies:</b>		
Secured by first charge by way of security agreement of all the assets of BKT EXIM US, INC (including its subsidiary) and further Guarantee by BKT Tire Inc and the Parent Company.	1,737	1,630
Secured by Guarantee of the Parent Company.	2,417	1,572
<b>II Term Loan from Banks:</b>		
<b>ECB Loan USD 100 million</b>		
Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis.	-	21,665
(Repaid in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps )		



**NOTE NO.51****Segment reporting****A. General Information****Factors used to identify the entity's reportable segments including the basis of organisation**

For management purposes the group has only one reportable segment as follows:

- Manufacture and sale of tyres

The Managing Director of the group acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by operating segments.

**B. Geographic information**

The geographic information analyses the group's revenue and non-current assets by the group's country of domicile and other countries.

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the group derives revenues		
Revenue from the Country of Domicile- India	93,438	71,904
Revenue from foreign countries		
Europe	2,55,621	2,38,747
North America	79,873	56,496
Others	92,067	78,950
<b>Total</b>	<b>5,20,999</b>	<b>4,46,097</b>

**C. Information about major customers**

Revenue from major customer of the group was ₹ 53,788 Lakhs as on 31st March 2019 (Previous year 31st March 2018: ₹ 58,716 Lakhs.)

(₹ in Lakhs)

**D. Segment Assets**

	As at 31st March 2019	As at 31st March 2018
In India	3,56,820	3,15,197
Outside India	1,510	48
<b>Total</b>	<b>3,58,330</b>	<b>3,15,245</b>

**NOTE NO.52**

Additional information as required by paragraph 2 of Division 2 of schedule III to the companies Act 2013 - 'General instruction for the preparation of consolidated financial statement' Division 2 of Schedule III

31st March 2019

(₹ in Lakhs)

Name of the entities in the Group	Net Assets , i.e Total Assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive income	Amount (₹)	As % of Total Comprehensive income	Amount (₹)
<b>Parent</b>	100.54%	4,67,871	101.08%	78,200	100.00%	(2,859)	101.12%	75,341
<b>Subsidiaries</b>								
<b>Foreign</b>								
1. BKT USA INC	0.13%	608	0.29%	226	-	-	0.30%	226
2. BKT EXIM US, INC	0.06%	270	0.39%	303	-	-	0.41%	303
3. BKT TIRES (CANADA) INC	0.02%	96	0.07%	52	-	-	0.07%	52
4. BKT EUROPE S.R.L.	0.06%	291	0.46%	355	-	-	0.48%	355
<b>Indian</b>								
5. BKT Tyres Ltd.	0.00%	6	0.00%	* (0)	-	-	0.00%	* (0)
Elimination	-0.81%	(3,776)	-2.29%	(1,771)	-	-	2.38%	(1,771)
<b>Total</b>	<b>100.00%</b>	<b>4,65,366</b>	<b>100.00%</b>	<b>77,365</b>	<b>100.00%</b>	<b>(2,859)</b>	<b>100.00%</b>	<b>74,506</b>

\* ₹ 47,386

31st March 2018

(₹ in Lakhs)

Name of the entities in the Group	Net Assets, i.e. Total Assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive income	Amount (₹)	As % of Total Comprehensive income	Amount (₹)
Parent	100.29%	4,09,523	100.47%	73,925	100.00%	(6,535)	100.52%	67,390
Subsidiaries								
Foreign								
1. BKT USA INC	0.12%	496	0.06%	46	-	-	0.07%	46
2. BKT EXIM US, INC	0.03%	121	0.09%	64	-	-	0.10%	64
3. BKT TIRES (CANADA) INC	0.02%	69	0.03%	21	-	-	0.03%	21
4. BKT EUROPE S.R.L.	0.03%	130	0.02%	15	-	-	0.02%	15
Indian								
5. BKT Tyres Ltd.	0.00%	6	0.00%	* (0)	-	-	0.00%	* (0)
6. Thritha Synthetics Ltd.	0.00%	4	0.00%	# (0)	-	-	0.00%	# (0)
Elimination	-0.49%	(2,010)	-0.67%	(492)	-	-	-0.73%	(492)
Total	100.00%	4,08,339	100.00%	73,579	100.00%	(6,535)	100.00%	67,044

\* ₹ 12,634, # ₹ 8,310

**NOTE NO.53**
**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Total Expenditure towards CSR activity	1,697	1,655
Amount required to be spent u/s 135 of Companies Act 2013	1,894	1,654
Excess/(Short)	(197)	1

**NOTE NO.54**
**EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended a final dividend of ₹ 2 (100 %) per equity share of ₹ 2/-each. The cash outgo on account of final dividend and dividend tax will be ₹ 4,661 Lakhs.

**NOTE NO.55**

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**1 TO 55**

As per our report of even date attached

**For N.G. THAKRAR & CO.**
**Chartered Accountants**

(Firm Reg. no.110907W)

**NATWAR THAKRAR**

Partner

Membership No.036213

Mumbai,

Dated: 17th May, 2019

**BASANT BANSAL**

Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR**

Chairman &amp; Managing Director

**RAJIV PODDAR**

Joint Managing Director

**VIPUL SHAH**

Director &amp; Company Secretary

Mumbai,

Dated: 17th May, 2019







***GROWING TOGETHER***

## **Balkrishna Industries Limited**

**CIN :** L99999MH1961PLC012185

**Registered Office:** B-66, Waluj Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra, India.

**Corporate Office:** BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013

**Telephone Number :** +91-22-66663800 **Fax Number :** +91-22-66663898

**Email :** [shares@bkt-tires.com](mailto:shares@bkt-tires.com)

**Website :** [www.bkt-tires.com](http://www.bkt-tires.com)