

# Sowing Excellence, Spreading Growth



**Balkrishna Industries Limited**

52<sup>nd</sup> Annual Report 2014



Lord Ganesha

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**BOARD OF DIRECTORS:**

DHARAPRASAD PODDAR  
Chairman Emeritus  
ARVIND PODDAR  
Chairman & Managing Director  
RAJIV PODDAR  
Joint Managing Director  
VIJAYLAXMI PODDAR  
Executive Director  
VIPUL SHAH  
Whole Time Director & Company Secretary  
SACHIN NATH CHATURVEDI  
SUBHASH CHAND MANTRI (upto 15.05.2014)  
RAMESHKUMAR PODDAR  
KHURSHED DOONGAJI  
LAXMIDAS MERCHANT  
SANJAY ASHER  
ASHOK SARAF

**MANAGEMENT COMMITTEE**

DILIP VAIDYA – Director (Technical)  
KHUSHBOO PODDAR  
BASANT BANSAL- Director (Finance)

**REGISTERED OFFICE:**

H-3/1 MIDC "A" Road, Tarapur (Boisar) 401 506  
Dist. Thane (Maharashtra)

**PLANTS :**

**TYRE MANUFACTURING :**

**CALENDERING :**

**WIND FARM :**

**MOULD UNITS :**

**BANKERS:**

CORPORATION BANK  
THE ROYAL BANK OF SCOTLAND N.V.  
STANDARD CHARTERED BANK  
STATE BANK OF INDIA  
ING VYSYA BANK LIMITED  
BARCLAYS BANK PLC  
BANK OF BARODA  
INDUSIND BANK LIMITED  
CITI BANK N.A.  
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
BNP PARIBAS  
SOCIETE GENERALE  
KINGS TOWN BANK  
INDIAN BANK  
HDFC BANK LIMITED  
BANK OF TOKYO-MITSUBISHI UFJ  
DBS BANK LIMITED

**AUDITORS:**

M/s. JAYANTILAL THAKKAR & CO.  
Chartered Accountants

**INTERNAL AUDITORS:**

M/s. DILIP A. JAIN & ASSOCIATES  
Chartered Accountants

**COST AUDITORS:**

R S RAGHVAN  
Cost Accountants

**CORPORATE OFFICE:**

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

B-66, Waluj MIDC, Waluj Indl. Area,  
Dist. Aurangabad 431 136, (Maharashtra)

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

RIICO, Phase VIII,  
Chopanki P.O. Bhiwadi 301 707, Dist. Alwar (Rajasthan)

Village Padhdhar, Taluka Bhuj,  
District Kachchh (Gujarat)

SP4-886, RIICO Industrial Area,  
Pathredi 301 707, Dist. Alwar (Rajasthan)

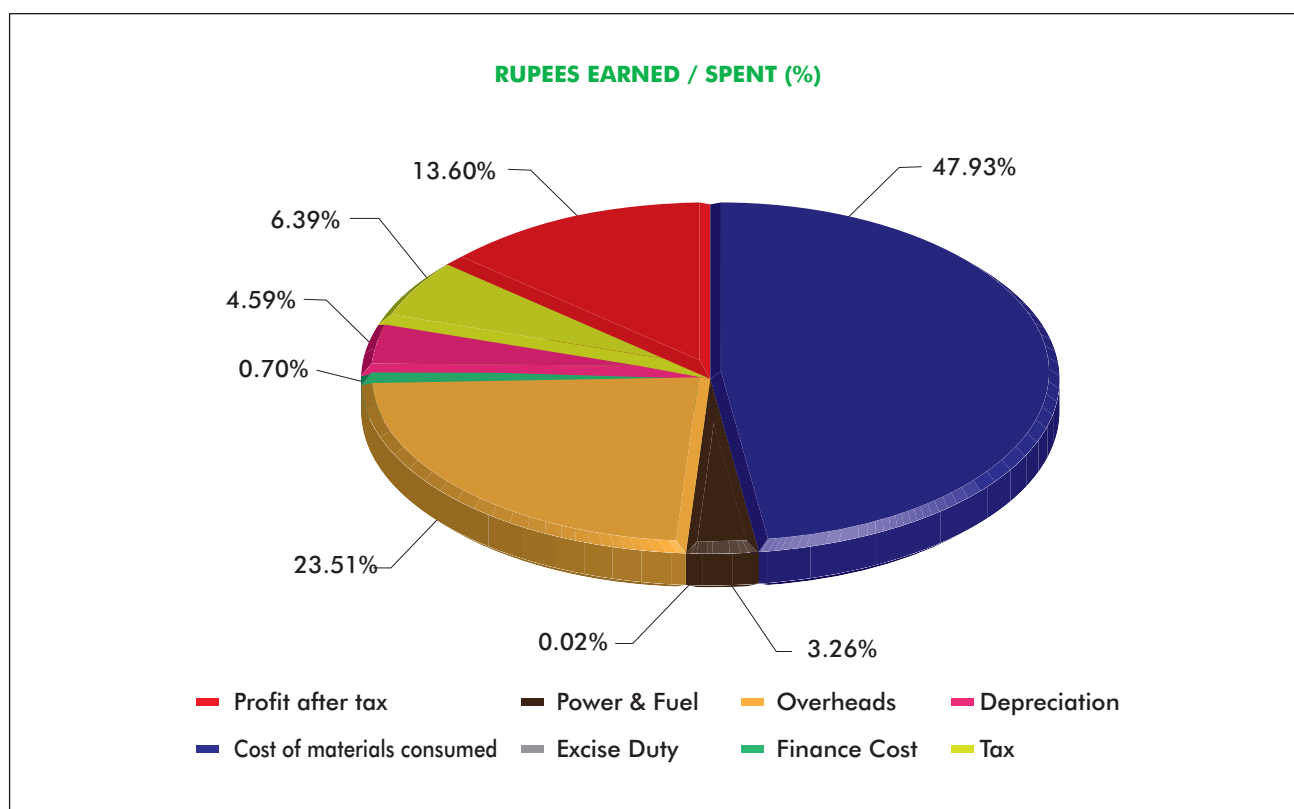
Village Soda Mada, Tehsil: Fatehgarh,  
Dist. Jaisalmer (Rajasthan)

Plot No. TS-1 and C-21, M.I.D.C, Phase No.II,  
Dombivali (E) 421 201, Dist. Thane (Maharashtra)

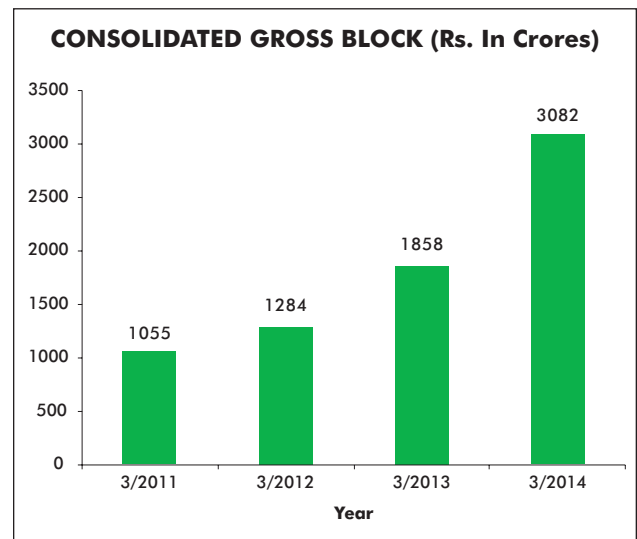
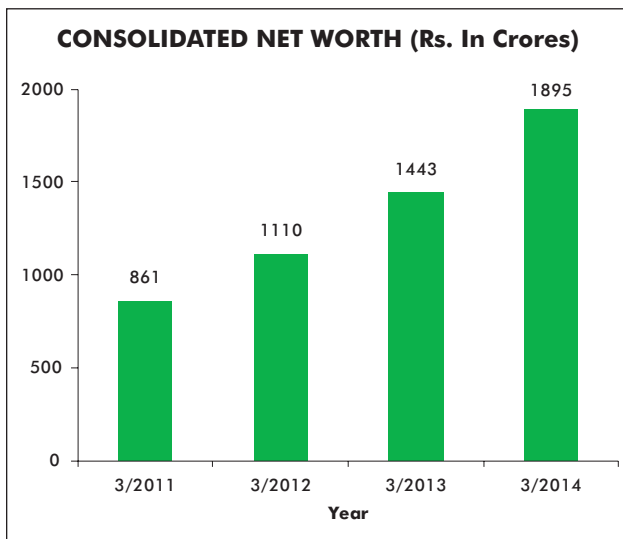
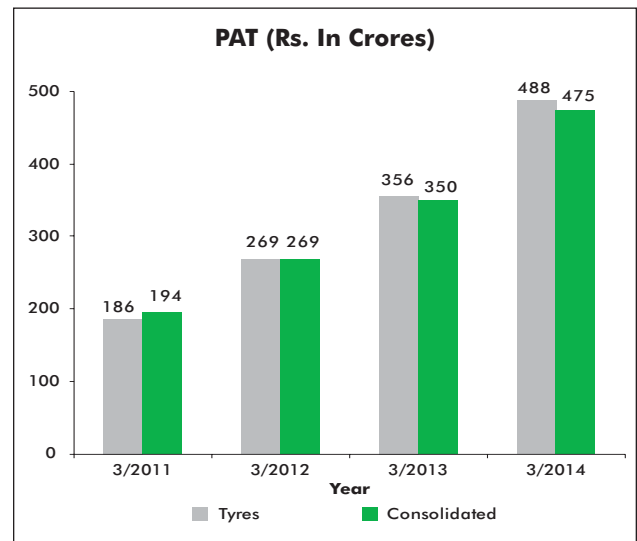
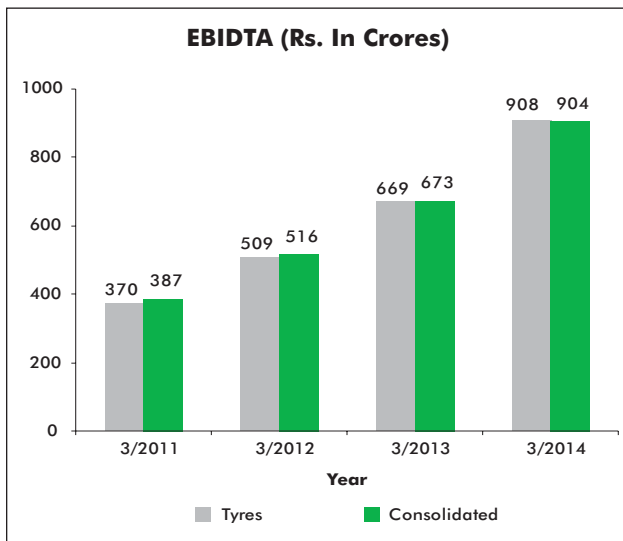
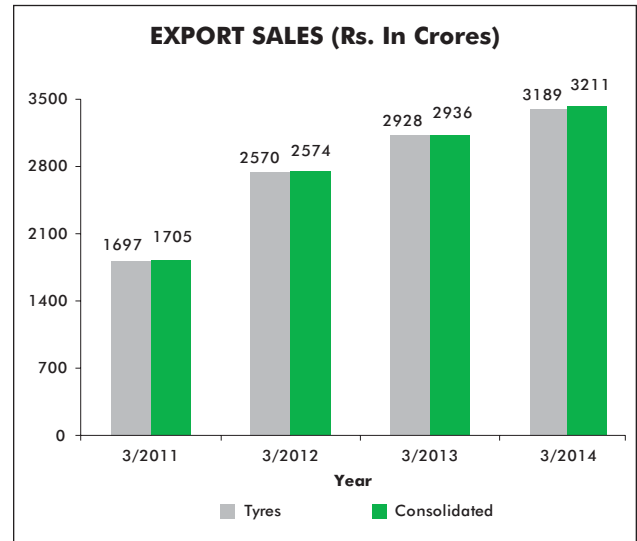
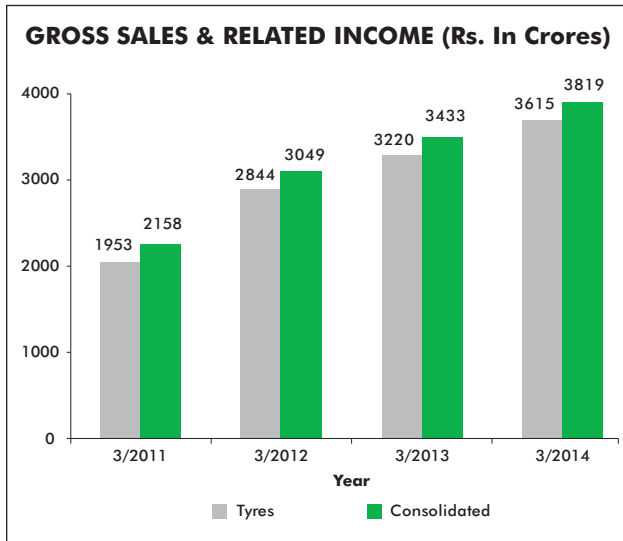
Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.

**FINANCIAL HIGHLIGHTS (CONSOLIDATED)**

| Particulars                     | (Rs. In Crores) |       |       |       |
|---------------------------------|-----------------|-------|-------|-------|
|                                 | 2014            | 2013  | 2012  | 2011  |
| <b>Year ended 31st March</b>    | <b>2014</b>     | 2013  | 2012  | 2011  |
| Revenue from operations (Gross) | <b>3819</b>     | 3433  | 3049  | 2158  |
| Revenue from operations (Net)   | <b>3772</b>     | 3394  | 3017  | 2132  |
| Other Income                    | <b>14</b>       | 5     | 4     | 92    |
| Total Revenue                   | <b>3786</b>     | 3399  | 3021  | 2224  |
| PBIDT                           | <b>904</b>      | 673   | 516   | 387   |
| PBDT                            | <b>876</b>      | 646   | 487   | 365   |
| Depreciation                    | <b>170</b>      | 112   | 87    | 77    |
| PBT                             | <b>706</b>      | 534   | 400   | 288   |
| Taxes                           | <b>231</b>      | 184   | 131   | 94    |
| PAT                             | <b>475</b>      | 350   | 269   | 194   |
| Dividend                        | <b>100%</b>     | 75%   | 75%   | 70%   |
| Earning per Share of Rs. 2 each | <b>49.10</b>    | 36.20 | 27.48 | 20.14 |
| Total Cash Accruals             | <b>622</b>      | 446   | 339   | 256   |



FINANCIAL HIGHLIGHTS





## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 52<sup>nd</sup> Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2014.

(Rs. in Crores)

|  | Current Year ended |                | Previous Year ended |         |
|--|--------------------|----------------|---------------------|---------|
|  | 31.03.2014         |                | 31.03.2013          |         |
| <b>Income from Operations and other Operating Income</b> |                    | <b>3615.17</b> |                     | 3220.20 |
| Less: Excise Duty Recovered on Sales                     |                    | <b>38.46</b>   |                     | 29.63   |
| Total Income from Operations (Net)                       |                    | <b>3576.71</b> |                     | 3190.57 |
| <b>Gross Profit</b>                                      |                    | <b>882.66</b>  |                     | 642.91  |
| Less: Depreciation and Amortization                      |                    | <b>164.96</b>  |                     | 107.71  |
| <b>Profit before Tax</b>                                 |                    | <b>717.70</b>  |                     | 535.20  |
| Less: Provision for Taxation                             |                    |                |                     |         |
| Current Tax  | <b>157.00</b>      |                | 142.10              |         |
| Deferred Tax   | <b>72.33</b>       | <b>229.33</b>  | 37.27               | 179.37  |
| <b>Profit after Tax</b>                                  |                    | <b>488.37</b>  |                     | 355.83  |
| Balance brought forward from last year                   |                    | <b>76.59</b>   |                     | 87.72   |
| <b>PROFIT AVAILABLE FOR APPROPRIATIONS:</b>              |                    | <b>564.96</b>  |                     | 443.55  |
| Transfer to General Reserve                              |                    | <b>400.00</b>  |                     | 350.00  |
| Proposed Final Dividend                                  |                    | <b>19.33</b>   |                     | 14.50   |
| Tax on Final Dividend                                    |                    | <b>3.20</b>    |                     | 2.46    |
| Balance Carried forward to balance sheet                 |                    | <b>142.43</b>  |                     | 76.59   |

### OPERATIONS:

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of "Off-Highway Specialty Tyres". These specialty tyres are meant for Agricultural, Industrial, Material Handling, Construction, Earth moving (OTR), Forestry, Lawn & Garden Equipment and All Terrain Vehicles (ATV). More than 85% of our revenue is generated through exports.

During the year under consideration, the Company's revenue from its operations has grown over 12%. The Net Turnover and other Income of the company has increased from Rs. 3,191 Crores to Rs. 3,577 Crores.

The Gross Profit of the Company for the year under consideration has increased from Rs. 643 Crores to Rs. 883 Crores and correspondingly, the profit after tax has increased to Rs. 488 Crores as compared to Rs. 356 Crores in the previous year.

Your Company enjoys the status of "PREMIER TRADING HOUSE".

### DIVIDEND:

Your Directors are pleased to recommend Dividend of Rs. 2/- per Equity Share (100%) for the year, with a total payout of Rs. 22.53 Crores, including Tax on Dividend.

### BHUJ PROJECT:

The Bhuj Project is in advanced stage of implementations, and as at March end 2014, the Company has incurred capital expenditure of approximately Rs. 2,240 Crores. Partial production has already commenced and the plant is expected to be fully operative by March, 2015.

### SCHEME OF ARRANGEMENT:

"A Scheme of Arrangement ('the Scheme') has been filed with the Hon'ble High Court of Bombay, pursuant to the provisions of section 391 to 394 of the Companies Act, 1956 which envisages (i) the amalgamation of Balkrishna Paper Mills Limited, a wholly owned subsidiary of the Company, with the Company w.e.f. 1st April, 2013 being the appointed date for amalgamation and (ii) demerger of the Paper Division Undertaking of the Company into Nirvikara Paper Mills Limited, a wholly owned subsidiary of the Company along with transfer of Investment of Balkrishna Synthetics Limited, with appointed date for the demerger being the date of filing the order of the Hon'ble High Court sanctioning the Scheme, with the Registrar of Companies, i.e. the Effective Date. The scheme shall be given effect to in the books with effect from the respective appointed date, upon receipt of the necessary approvals."

### OUTLOOK FOR THE CURRENT YEAR 2014-2015:

The Company's earnings are mainly generated from exports to European Countries and USA. Due to recessionary trends continuing to prevail in the global market, the business environment has become competitive and difficult, however the company is optimistic about maintaining reasonable growth rates with profits match during fiscal 2014-15.

Whilst prices of rubber have declined in the international market and other input costs have risen marginally, however Company expects to maintain reasonable growth levels during the current year.

The long-term prospects of the company are definitely positive and the company continues to expand its product range by widening its products offerings and venturing in to new geographies.

### OPPORTUNITY & THREATS:

#### OPPORTUNITIES:

The segment in which your company operates is predominantly known as "large varieties -low volume segment". Although it is considered both as capital and 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 has incremental opportunity to develop "Earth Moving Tyres" (OTR) markets and take advantage of the shift from bias to radial tyres, which is growing up rapidly. To adhere this, the company has already set up an all-steel OTR Radial tyre plant at its Chopanki location and it is the first company in India to set up such plant. Your company is in the process of expanding its base into its various sub-segments like agricultural, industrial, construction, mining, winter and solid tyres 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, labour unrest, increase in raw material prices and other input costs etc.

### RISKS / CONCERNS AND RISK MITIGATION:

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. Its prices fluctuate significantly and have moved up considerably in the past. Recently there has been a softening in the prices of natural rubber and other raw materials which is expected to continue for some more time. Whilst lower prices of raw materials may improve its profit margin it could be partly vitiated as the company would need to pass on the benefits to its customers.

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.

Since most of the raw materials are imported, the company is exposed to foreign currency risk. However, it will be offset against the revenues of the company which are also in foreign currency. The increase in utility and other administrative costs may also marginally affect the profitability of the company adversely. However, there are chances of its off set through benefits of scale which is on card.

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 workers and improve the overall 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 equipments. 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.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that the necessary controls are in place. The Audit Committee of the Board reviews these and the Company, when needed, takes corrective actions.

**HUMAN RESOURCES:**

The Company's human resources continue to be its biggest asset. The team has remained as committed as ever and produced results that are considered significant. Quality, quick delivery and focus on resolving customer issues are the hallmark of the team performance. There is a strong focus on TEAM spirit. During the year, many events/training programs were conducted to develop personality and outlook of its employees. Employee relations continue to be cordial.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

During the current year, your Directors have constituted the Corporate Social Responsibility Committee comprising of Smt. Vijaylaxmi A Poddar as the Chairperson and Shri Arvind M Poddar, Shri Rajiv A Poddar and Shri Sachin Nath Chaturvedi as other Members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

**SUBSIDIARY COMPANIES:**

The company has following 100% subsidiary companies:

Balkrishna Paper Mills Limited, Balkrishna Synthetics Limited, BKT Tyres Limited, Nirvikara Paper Mills Limited, Thritha Synthetics Limited, BKT Exim Limited and Indirect subsidiary Companies i.e subsidiary companies of BKT Exim Limited; i.e. BKT EUROPE S.R.L., BKT (USA) INC and BKT TIRES (CANADA) INC. BKT EXIM Limited has dissolved BKT (EUROPE) Limited in December, 2013.

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, and form part of the Annual Report and Accounts.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary Companies and the related information to any member of the Company who may be interested in obtaining the same. These documents will also be available for inspection by any members at the Corporate Office of the Company and that of respective subsidiary companies.

The financial data of the Subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report.

**DIRECTORS:**

Shri Subhash Chand B Mantri, the Independent Director has resigned from the Board of Directors of the Company w.e.f. 15<sup>th</sup> May, 2014. Shri Subhash Chand B Mantri has put in his sincere and dedicated efforts into the Company. Your directors take on record their sincere appreciation for the valuable services rendered by him during his tenure on the Board of Directors of the Company.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Vipul Shah, Director is liable to retire by rotation and being eligible offer himself for reappointment.

Pursuant to the provisions of Section 150(2) read with Section 149(10) of the Companies Act, 2013, shareholders' approval is sought for the appointment of Shri Sachin Nath Chaturvedi, Shri Khurshed Doongaji, Shri Ashok Saraf, Shri Sanjay Asher and Shri Laxmidas Merchant, as Independent Directors of the Company for a term of five consecutive years, at the ensuing annual general meeting.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding Compliance of the same are made a part of this Annual Report.

**FIXED DEPOSITS:**

There are no deposits as on 31<sup>st</sup> March 2014.

**INDUSTRIAL RELATIONS:**

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

**PARTICULARS OF EMPLOYEES:**

In terms of the provision of Section 217 (2AA) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any members interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-I to the report.



### RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the accounts for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, 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, 2014 and of the Profit of the Company for the year ended as on that date;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a "going concern" basis.

### AUDITORS:

Messers Jayantilal Thakkar & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and who have furnished certificates of their eligibility for re-appointment as required under Companies Act, 2013.

### CAUTIONARY STATEMENTS:

Certain statements in the "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.

### APPRECIATION:

Your Company is grateful to its valued customers for their continuous co-operation and patronizing its products. A word of appreciation is also extended to its Financial Institutions, Banks and State Governments of Maharashtra, Rajasthan and Gujarat for their continuous co-operation and assistance in meeting the financial requirements of the Company. Your company would also like to thank its shareholders, employees, vendors and other service providers for their valuable services to the company.

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**

**ARVIND PODDAR  
CHAIRMAN & MANAGING DIRECTOR**

Mumbai,  
Dated : 2<sup>nd</sup> August, 2014

**ANNEXURE – I**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014.

**A. CONSERVATION OF ENERGY:**

(a) Energy Conservation measures taken by the Company;

(i) Electrical Energy:

Energy Audit by outside Consultants has been carried out in the earlier years at various Plants of the Company and also in-house audits/surveys are conducted periodically. Necessary follow-up actions are being continuously carried out.

Besides, regular monitoring of the overall energy consumption is also carried out periodically during the year, and losses, if any, are identified and suitable improvements carried out.

(ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

(b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy;

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

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder.

**FORM 'A'**

| <b>I. Power and Fuel Consumption:</b> |  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---------------------------------------|--|--------------------------------|---------------------------------|
| 1                                     | Electricity  |                                |                                 |
|                                       | (a) Purchased  |                                |                                 |
|                                       | Units (KWH)  | <b>13,41,69,026</b>            | 10,19,39,109                    |
|                                       | Total amount (Rs. in lacs)                                 | <b>8,154</b>                   | 5,865                           |
|                                       | Rate/Unit (Rs.)  | <b>6.08</b>                    | 5.75                            |
|                                       | (b) Own generation   |                                |                                 |
|                                       | (i) Through Diesel Generation Sets                         | <b>31,32,931</b>               | 2,21,61,287                     |
|                                       | Units (KWH)  |                                |                                 |
|                                       | Units per liter of H.S.D/L.D.O/Furnace Oil                 | <b>3.00</b>                    | 3.34                            |
|                                       | Cost/Unit (Rs.)  | <b>17.12</b>                   | 13.47                           |
|                                       | (ii) Through Wind Mill (for Captive Consumption)           |                                |                                 |
|                                       | Units (KWH)  | <b>60,66,234</b>               | 60,27,309                       |
| 2                                     | Pet Coke (specify quality and where used)                  |                                |                                 |
|                                       | The Company also used Pet Coke grade B/C in its Boilers    |                                |                                 |
|                                       | Quantity (Tons)  | <b>32,991</b>                  | 35,051                          |
|                                       | Total Amount (Rs. in lacs)                                 | <b>2,564</b>                   | 2,722                           |
|                                       | Average Rate (Rs./Ton)                                     | <b>7,771</b>                   | 7,766                           |
| 3                                     | Coal (specify quality and where used)                      |                                |                                 |
|                                       | The Company also used Steam Coal grade B/C in its Boilers  |                                |                                 |
|                                       | Quantity (Tons)  | <b>16,666</b>                  | 6,989                           |
|                                       | Total Amount (Rs. in lacs)                                 | <b>575</b>                     | 251                             |
|                                       | Average Rate (Rs./Ton)                                     | <b>3,451</b>                   | 3,594                           |
| 4                                     | H.S.D/L.D.O/Furnace Oil                                    |                                |                                 |
|                                       | Quantity (K.Ltrs)  | <b>1,046</b>                   | 6,633                           |
|                                       | Total Amount (Rs. in lacs)                                 | <b>536</b>                     | 2,984                           |
|                                       | Average Rate (Rs./KL) (Net of Modvat, Wherever applicable) | <b>51,291</b>                  | 44,991                          |

**II. Consumption per unit of production:**

|                              | <b>Electricity (KWH)</b> | <b>Pet Coke(Kgs)</b> | <b>Furnace Oil (Ltr)</b> |
|------------------------------|--------------------------|----------------------|--------------------------|
| <b>Automobile Tyres (MT)</b> | <b>963 (890)</b>         | <b>231 (251)</b>     | <b>7 (48)</b>            |

Note: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product-mix for the period.

Figures in brackets are of previous year.

**B. TECHNOLOGY ABSORPTION:**

Efforts made in technology absorption as per Form 'B':

**FORM 'B'****I. Research and development (R&D):**

1. Specific areas in which R&D carried out by the Company:

The R & D Centre at Chopanki has been recognized as "In House R & D unit" by Department of Scientific and Industrial Research, of Government of India.

We propose to put up very comprehensive R & D Centre along with Testing facilities at upcoming plant at Bhuj. This will include all the state of art equipment for testing.

Product and quality improvement, development of new designs/products, cost control and energy conservation.

2. Benefits derived as a result of the above R&D:

The R&D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.

3. Future plan of action:

Water and energy conservation, development of new designs of tyres, further improvement in process technology and product mix.

4. Expenditure on R&D (Rs. in lacs):

|               |   |         |
|---------------|---|---------|
| (a) Capital   | : | 693.16  |
| (b) Recurring | : | 1013.76 |
| (C) Total     | : | 1706.92 |

**II. Technology absorption, adaptation and innovation:**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

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.

2. Benefits – which, when found suitable, are integrated into the regular manufacturing operation:

- (a) Quality improvement.
- (b) Energy conservation.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

N.A.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;

The export of Tyres, Tubes and Flaps during the year amounted to Rs.3,093 Crores as against Rs.2,832 Crores during the previous year. The products of the Company are well established in the international market and the Company expects to further improve its performance in the export segment.

- (b) Total foreign exchange used and earned (Rs. in Crores)

Used : 1,860 Earned : 3,190

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

**ARVIND PODDAR**  
**CHAIRMAN & MANAGING DIRECTOR**

Mumbai,  
Dated : 2<sup>nd</sup> August, 2014

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-2014

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

Balkrishna Industries Limited believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. Models of the Corporate Governance code are many and different environments will need specific solutions to meet the demands of legal compliances and regulations. However, there is a universal principle, which percolates through the elements of governance, which calls for the affairs of the Company to be regulated in a manner that is transparent, ethical and accountable. In this pursuit, your Company is committed to transparency in all its dealing with its shareholders and others and to provide high quality products and services to its customers and places uncompromising emphasis on integrity and regulatory compliances. The basic philosophy of your Company has been to achieve business excellence, to enhance shareholders value, keeping in view the needs and the interest of the shareholders.

### BOARD OF DIRECTORS

The Company at the end of the year on 31<sup>st</sup> March 2014 has Eleven Directors comprising of; Non-Executive & Non-Independent Director, Non-Executive & Independent Directors and Whole Time Directors (Managing Director, Joint Managing Director, Executive Director and Director & Company Secretary).

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Chairman of the Board is Executive Chairman and is a Promoter of the Company. The numbers of the Independent Directors are more than 50% of the total number of Directors and the numbers of the Non-Executive Directors are more than 50% of the total number of Directors.

The constitution of the Board during the course of the year ended 31<sup>st</sup> March 2014.

| Name of the Directors          | Category of Directors                    | Board meetings attended during the year | Whether attended last Annual General Meeting | Number of Directorships in other public companies |        | Number of Mandatory Committee positions held in other public companies |        |
|--------------------------------|--|---|--|---|--------|--|--------|
|                                |  |   |  | Chairman  | Member | Chairman   | Member |
| Shri Arvind M. Poddar          | Chairman & Managing Director             | 4                                       | Y  | 2   | 4      | -  | 1      |
| Shri Rameshkumar D. Poddar     | Non-Executive & Non-Independent Director | -                                       | N  | 1   | -      | -  | 1      |
| Shri Sachin Nath B. Chaturvedi | Non-Executive & Independent Director     | 4                                       | Y  | -   | 4      | -  | 2      |
| Shri Khurshed M. Doongaji      | Non-Executive & Independent Director     | 4                                       | N  | -   | 1      | 2  | -      |
| Shri Sanjay K. Asher           | Non-Executive & Independent Director     | 2                                       | N  | -   | 15     | 4  | 9      |
| Shri Subhash Chand B. Mantri   | Non-Executive & Independent Director     | 3                                       | Y  | -   | 2      | -  | 2      |
| Shri Ashok M. Saraf            | Non-Executive & Independent Director     | 2                                       | Y  | 1   | -      | -  | -      |
| Shri Laxmidas V. Merchant      | Non-Executive & Independent Director     | 4                                       | N  | -   | 2      | 2  | -      |
| Smt. Vijaylaxmi A Poddar       | Executive Director                       | 4                                       | N  | -   | 7      | -  | -      |
| Shri Rajiv A. Poddar           | Joint Managing Director                  | 4                                       | Y  | -   | 6      | -  | -      |
| Shri Vipul R. Shah             | Director & Company Secretary             | 4                                       | Y  | -   | -      | -  | -      |

Shri Arvind M Poddar, Smt. Vijaylaxmi A Poddar and Shri Rajiv A Poddar are relatives of each other.

### Number of Board Meetings held and the dates on which held:

The Company held four Board Meetings during 2013-2014 and the gap between two meetings did not exceed four months. The meetings were held on 30<sup>th</sup> May, 2013, 1<sup>st</sup> August, 2013, 26<sup>th</sup> October, 2013 and 30<sup>th</sup> January, 2014 .

The information as required under Annexure 1A to Clause 49 of the listing agreement is being made available to the Board. These are submitted either as a part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

Apart from payment of sitting fees, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the year.

**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 Members of the Senior Management. The Code has also been posted on the Company's website [www.bkt-tires.com](http://www.bkt-tires.com).

**Remuneration to Directors:**

The Board of Directors on the recommendation of the Remuneration Committee fixes remuneration of Managing/Joint Managing / Executive/Whole-Time Director and thereafter the same is approved by the shareholders at a General Meeting.

The Board of Directors takes all decisions regarding the remuneration of Non-executive Directors.

**The details of the remuneration of Directors for the year are given below:**

(in Rupees)

| Name of the Director           | Salary      | Perquisites and allowances # | Commission   | Sitting Fees | Total        | Service Contract         |
|--------------------------------|-------------|------------------------------|--------------|--------------|--------------|--------------------------|
| Shri Arvind M. Poddar          | 1,80,00,000 | 1,80,04,921                  | 12,60,00,000 | NIL          | 16,20,04,921 | 01.08.2011 to 31.07.2016 |
| Shri Rameshkumar D. Poddar     | NIL         | NIL                          | NIL          | 2,500        | 2,500        | *                        |
| Shri Sachin Nath B. Chaturvedi | NIL         | NIL                          | NIL          | 1,35,000     | 1,35,000     | *                        |
| Shri Khurshed M. Doongaji      | NIL         | NIL                          | NIL          | 1,30,000     | 1,30,000     | *                        |
| Shri Sanjay K. Asher           | NIL         | NIL                          | NIL          | 30,000       | 30,000       | *                        |
| Shri Subhash Chand B. Mantri   | NIL         | NIL                          | NIL          | 95,000       | 95,000       | *                        |
| Shri Ashok M. Saraf            | NIL         | NIL                          | NIL          | 30,000       | 30,000       | *                        |
| Shri Laxmidas V. Merchant      | NIL         | NIL                          | NIL          | 60,000       | 60,000       | *                        |
| Smt. Vijaylaxmi A. Poddar      | 1,20,00,000 | 1,18,46,617                  | 6,00,00,000  | NIL          | 8,38,46,617  | 30.05.2012 to 29.05.2017 |
| Shri Rajiv A. Poddar**         | 1,25,80,645 | 1,34,10,073                  | 7,54,83,871  | NIL          | 10,14,74,589 | 22.01.2014 to 21.01.2019 |
| Shri Vipul R. Shah             | 10,15,200   | 16,97,670                    | NIL          | NIL          | 27,12,870    | 11.02.2012 to 10.02.2017 |

\* Retire by rotation

\*\* Subject to approval of Shareholders of the Company.

# Perquisites and Allowances also include Contribution to Provident Fund and other Funds and Retirement Benefits.

The Company does not have Stock Option Scheme.

**Notice Period**

The Notice Period for the Managing /Joint Managing/Executive/Whole-Time Director is three months from either side for resigning/terminating from the services of the Company.

**Severance Fees**

No Severance Fees has been paid or payable by the Company.

**Details of Shareholding of Directors as on 31<sup>st</sup> March, 2014:**

| Name of Director           | No. of Shares held of Rs. 2 Each |
|----------------------------|----------------------------------|
| Shri Arvind M. Poddar      | 500                              |
| Shri Rameshkumar D. Poddar | 100                              |
| Smt. Vijaylaxmi A. Poddar  | 8,38,170                         |
| Shri Rajiv A. Poddar       | 10,69,790                        |

**Audit Committee:**

The Audit Committee comprises of three Independent Non-Executive Directors viz. Shri Subhash Chand B. Mantri (Chairman), Shri Sachin Nath B. Chaturvedi and Shri Khurshed M Doongaji.

All the members have financial and accounting knowledge and the Chairman, Shri Subhash Chand B. Mantri, is a Chartered Accountant. The Director & Company Secretary, Shri Vipul R. Shah, acts as the Secretary of the Committee.

The broad terms of reference of Audit Committee were: To review reports of the Internal Auditors and discuss the same with the Internal Auditors periodically, to meet the Statutory Auditors to discuss their findings, suggestions and other related matters, to review weaknesses, if any, in internal controls reported by the Internal and Statutory Auditors.



The scope of the activities of the Audit Committee includes the areas prescribed by Clause 49 II (D), (E) and has been granted powers as prescribed under Clause 49 II (C), of the Listing Agreement.

The Audit Committee met for four times during the year on 30<sup>th</sup> May, 2013, 1<sup>st</sup> August, 2013, 26<sup>th</sup> October, 2013 and 30<sup>th</sup> January, 2014 where all the members of the Committee were present for the said meetings except Shri Subhash Chand B. Mantri who was absent on the meeting held on 26<sup>th</sup> October, 2013.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 21<sup>st</sup> September, 2013.

#### **Subsidiary Companies:**

The Company does not have material non-listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and investments made by unlisted Subsidiary Companies. The minutes of the Board Meeting as well as statements of all significant transactions and arrangements entered into of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

#### **Remuneration Committee:**

The Remuneration committee comprises of Shri Subhash Chand B. Mantri (Chairman), Shri Sachin Nath Chaturvedi and Shri Khurshed M Doongaji.

The terms of reference of the Remuneration Committee, inter alia consists of reviewing remuneration policy and other employment terms of the Managing/Joint Managing/Executive/ Whole-Time Director.

The Remuneration Committee met two times during the year on 26<sup>th</sup> October, 2013 and 30<sup>th</sup> January, 2014 where all the members of the Committee were present for the said meetings except Shri Subhash Chand B. Mantri was absent on the meeting held on 26<sup>th</sup> October, 2013.

#### **Remuneration Policy**

Subject to the approval of the Board and of the Company in its General Meeting and such other approval as may be necessary, Managing/Joint Managing/Executive/Whole-Time Director are paid remuneration as per their terms of appointments. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

#### **Share Transfer and Shareholders'/ Investors' Grievance Committee:**

The Shareholders'/Investors' Grievance Committee deals with all matters relating to transfer of shares, issue of duplicate/new shares subdivided and consolidated share certificates, demat/remat, Shareholders'/Investors' Grievance and its redressal.

During the year Share Transfer and Shareholders'/Investors' Grievance Committee comprises of Shri Arvind M Poddar (Chairman), Shri Rameshkumar D Poddar, Smt. Vijaylaxmi A Poddar and Shri Rajiv A Poddar. The Director & Company Secretary, Shri Vipul R. Shah, has been designated as Compliance Officer.

The above committee has met for four times during the financial year ended 31<sup>st</sup> March, 2014. The meetings were held on 29<sup>th</sup> April, 2013, 10<sup>th</sup> July, 2013, 19<sup>th</sup> October, 2013 and 15<sup>th</sup> January, 2014 where all the members of the Committee were present for the said meetings except Shri Rameshkumar D Poddar who was absent for the meetings held on 10<sup>th</sup> July, 2013, 19<sup>th</sup> October, 2013 and 15<sup>th</sup> January, 2014 during the year.

The Chairman of Committee Shri Arvind M Poddar has resigned w.e.f 1<sup>st</sup> August, 2013. Shri Sachin Nath B Chaturvedi, is appointed as Chairman of the Committee w.e.f. 1<sup>st</sup> August, 2013. The Committee is reconstituted. Shri Sachin Nath B Chaturvedi (Chairman), Shri Arvind M Poddar, Shri Rameshkumar D Poddar, Shri Rajiv A. Poddar and Smt. Vijaylaxmi Poddar - members of the Committee.

During the year ended 31<sup>st</sup> March 2014, three Complaints/ queries were received which was attended to and resolved satisfactorily during the year. There was no complaint pending as on 31<sup>st</sup> March, 2014.

As at 31<sup>st</sup> March 2014, there was no Share Transfer pending for Registration for more than 15 days.

#### **General Body Meeting:**

Details of the last three Annual General Meetings:

| <b>Year</b>                       | <b>Location</b>   | <b>Date</b> | <b>Time</b> |
|-----------------------------------|---|-------------|-------------|
| 2010-2011<br>49 <sup>th</sup> AGM | G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra)                                      | 06/08/2011  | 12:30 p.m.  |
| 2011-2012<br>50 <sup>th</sup> AGM | Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar – 401506 | 01/09/2012  | 11:30 a.m.  |
| 2012-2013<br>51 <sup>st</sup> AGM | G-4/1 "MIDC" Tarapur(Boisar)(Maharashtra)                                       | 21/09/2013  | 11:30 a.m.  |

#### **Special Resolution passed in the Previous 3 Annual General Meetings:**

At the 49<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> August, 2011, five Special Resolutions were passed, first Special resolution was passed pertaining to re- appointment of Shri Arvind M. Poddar, Director of the Company, as a Whole Time Director designated as a Managing Director of the Company, for a period of 5 years with effect from 1<sup>st</sup> August, 2011, Second Special

resolution was revision in the remuneration payable to Shri Basant G. Bansal, Whole Time Director w.e.f 1<sup>st</sup> April, 2011 till the remaining period of his term, Third Special resolution was commencement of new Trading activities in commodities, Fourth and Fifth Special Resolution was revision in the remuneration payable to Smt. Sangeeta P Poddar and Smt. Khushboo R Poddar respectively and to hold and continue to hold an office or place of profit as Executives of the Company .

At the 50<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> September, 2012, four Special Resolutions were passed, first Special resolution was passed pertaining to appointment of Shri Vipul R. Shah as a Whole Time Director designated as Director & Company Secretary for a period of 5 years with effect from 11<sup>th</sup> February, 2012, Second Special Resolution was passed pertaining to appointment of Smt. Vijaylaxmi Poddar as a Whole Time Director designated as Executive Director for a period of 5 years w.e.f. 30<sup>th</sup> May, 2012 , Third Special Resolution was passed pertaining to appointment of Smt. Shyamlatata Poddar, pursuant to 314 to hold and continue to hold place of profit under the Company as Executive w.e.f. 1<sup>st</sup> June, 2012 and Fourth Special Resolution was passed pertaining to increase of remuneration of Shri Rajiv A Poddar to Rs. 10,00,000/- per month w.e.f. 1<sup>st</sup> April, 2012 till remaining period of his term.

At the 51<sup>st</sup> Annual General meeting held on 21<sup>st</sup> September, 2013 , No Special Resolutions were passed.

The Resolutions were put to vote by show of hands and were passed by majority.

### Postal ballots:

No Postal Ballot was conducted during the year.

### Disclosure:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted following non-mandatory requirements of the Clause.

A Certificate from Managing Director and CFO was placed before the Board.

The Company has set up the Remuneration Committee as per the provision of Clause 49.

### Means of Communication:

The Board of Directors of the Company approves and takes on record the un-audited financial results in the Proforma prescribed by the Stock Exchanges, within forty five days from the end of quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. Further, the results are published in newspapers (The Economic Times and Maharashtra Times), as prescribed. The results are also posted on Company's Website [www.bkt-tires.com](http://www.bkt-tires.com). As the Company publishes the audited annual results within the stipulated period i.e. within sixty days of end of the financial year, as required by the listing agreement with the Stock Exchanges, the audited results for the last quarter of the financial year are not separately published.

Detailed Presentations are made to Institutional Investors and Financial Analysts on the Un-audited Quarterly Financial Results as well as Audited Financial Results of the Company. The Presentations are also uploaded on the website of the Company.

Management Discussion and Analysis is a part of the Annual Report.

### General Shareholder Information:

| Annual General Meeting : |  |
|--------------------------|--|
| Date                     | 13 <sup>th</sup> September, 2014   |
| Time                     | 11:30 a.m  |
| Venue                    | Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar -401506 |
| Date of Book Closure     | 9 <sup>th</sup> September to 10 <sup>h</sup> September, 2014                   |
| Dividend Payment Date    | On or after 13 <sup>th</sup> September, 2014                                   |

### Financial Calendar for the year 2014-2015

| Financial Year          |   |
|-------------------------|---|
| First Quarterly Results | Within 45 days from the end of quarter            |
| Half Yearly Results     | Within 45 days from the end of quarter/half year. |
| Third Quarter Results   | Within 45 days from the end of quarter            |
| Results for year end    | Within 60 days from the end of financial year.    |

Listing on Stock Exchange      The Company's Shares are listed on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited.

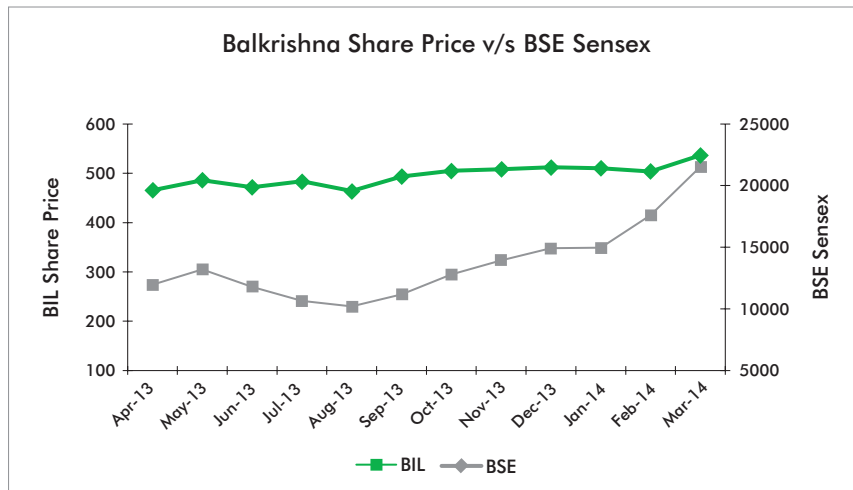
Stock Code                              Bombay Stock Exchange Limited  
Scrip Code No.: 502355 (Demat)  
National Stock Exchange of India Limited  
NSE Code: BALKRISIND; ISIN NO. : INE787D01026

**Shareholding Pattern as on 31<sup>st</sup> March, 2014**

| Particulars                     | No. of Shares      | %             |
|---------------------------------|--------------------|---------------|
| Promoters                       | 5,63,48,010        | 58.30         |
| Mutual Funds / UTI              | 1,61,73,105        | 16.73         |
| Companies                       | 39,30,040          | 4.06          |
| Public                          | 92,91,711          | 9.61          |
| Non Resident Indians            | 2,85,936           | 0.30          |
| Foreign Institutional Investors | 1,06,29,793        | 11.00         |
| <b>TOTAL</b>                    | <b>9,66,58,595</b> | <b>100.00</b> |

**Market Price Data (Rs.):**

| Month   | Bombay Stock Exchange Limited (BSE) |        | National Stock Exchange of India (NSE) |        |
|---------|-------------------------------------|--------|--|--------|
|         | High                                | Low    | High                                   | Low    |
| Apr-13  | 274.30                              | 257.10 | 273.40                                 | 256.00 |
| May-13  | 304.95                              | 262.00 | 298.80                                 | 262.20 |
| Jun-13  | 269.35                              | 199.00 | 268.85                                 | 198.60 |
| July-13 | 241.00                              | 202.10 | 242.00                                 | 200.10 |
| Aug-13  | 230.00                              | 201.50 | 234.00                                 | 200.15 |
| Sept-13 | 254.45                              | 218.00 | 255.00                                 | 218.75 |
| Oct-13  | 295.05                              | 232.50 | 294.05                                 | 232.10 |
| Nov-13  | 323.30                              | 273.00 | 323.50                                 | 271.35 |
| Dec-13  | 348.00                              | 278.10 | 347.75                                 | 277.10 |
| Jan-14  | 349.00                              | 295.10 | 349.80                                 | 294.50 |
| Feb-14  | 414.90                              | 321.65 | 416.85                                 | 322.70 |
| Mar-14  | 513.00                              | 372.00 | 513.90                                 | 371.10 |



**Share Transfer System :**

The Company has entered into an agreement with SHAREPRO SERVICES (India) PRIVATE LIMITED to act as Share Transfer Agent of the Company with effect from April 01, 2003. SHAREPRO SERVICES (India) PRIVATE LIMITED is also the Company's Depository Interface for both NSDL and CDSL. Accordingly, all documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrars directly at their following Offices:

Registered Office: M/s Sharepro Services (India) Pvt. Limited  
(Unit: Balkrishna Industries Limited)  
13AB Samhita Warehousing Complex  
2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka  
Andheri (E), Mumbai – 400 072

Contact No.: 022-67720300, 67720400  
Fax no. : 022-28591568/28508927  
Email: sharepro@shareproservices.com

Investor Relation Centre: M/s Sharepro Services (India) Pvt Limited  
 (Unit: Balkrishna Industries Limited)  
 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021

Contact No.: 022- 66134700

### Distribution of Shareholding as on 31<sup>st</sup> March, 2014:

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares held | % Share holding |
|---------------------------|---------------------|-------------------|--------------------|-----------------|
| 1 to 500                  | 8,166               | 80.56             | 9,49,578           | 0.98            |
| 501 to 1000               | 633                 | 6.25              | 4,96,556           | 0.51            |
| 1001 to 2000              | 463                 | 4.57              | 6,99,950           | 0.72            |
| 2001 to 3000              | 242                 | 2.39              | 6,42,995           | 0.67            |
| 3001 to 4000              | 69                  | 0.68              | 2,51,788           | 0.26            |
| 4001 to 5000              | 86                  | 0.85              | 3,94,441           | 0.41            |
| 5001 to 10000             | 187                 | 1.85              | 13,27,185          | 1.37            |
| 10001 & above             | 290                 | 2.86              | 9,18,96,102        | 95.07           |
| <b>Total</b>              | <b>10,136</b>       | <b>100.00</b>     | <b>9,66,58,595</b> | <b>100.00</b>   |

### Dematerialization of shares and liquidity:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories. As on 31<sup>st</sup> March 2014, 98.20% of Company's Shares were dematerialised.

#### Plant Locations

#### PLANTS :

- TYRE MANUFACTURING: B-66, Waluj MIDC, Waluj Indl. Area, Aurangabad 431 136 (Maharashtra)  
 SP-923, RIICO Phase-III, P.O. Bhiwadi 301 019, Dist. Alwar (Rajasthan)  
 RIICO, Phase VIII, Chopanki P.O. Bhiwadi 301 707, Dist. Alwar (Rajasthan)  
 Village Padhdhar, Taluka Bhuj, Dist: Kachchh (Gujarat)
- CALENDERING : SP4-886, RIICO Industrial Area Pathredi 301 707, Dist. Alwar (Rajasthan)
- WIND FARM : Village Soda Mada, Tehsil: Fatehgarh Dist. Jaisalmer (Rajasthan)
- MOULD UNIT : Plot No. TS-1 and C-21, M.I.D.C, Phase No. II, Dombivali (E) 421 201, Dist. Thane (Maharashtra)

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

Mumbai,  
 Dated : 2<sup>nd</sup> August, 2014

**ARVIND PODDAR**  
**Chairman & Managing Director**

To,

The Members of Balkrishna Industries Limited

I Arvind M. Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare 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 the Code of Conduct for the year ended March 31, 2014.

**For Balkrishna Industries Limited.**

**Arvind Poddar**  
**Chairman & Managing Director**

Mumbai;

Dated : 2<sup>nd</sup> August, 2014

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**AUDITORS' CERTIFICATE**

On Compliance with the conditions of Corporate Governance under Clause 49 of the listing Agreement.

To the Members of  
Balkrishna Industries Limited

We have examined the compliance of conditions of Corporate Governance by Balkrishna Industries Limited (the Company) for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR JAYANTILAL THAKKAR & CO.**  
Chartered Accountants  
(FIRM REG. NO.104133W)

**VIRAL A. MERCHANT**  
Partner  
Membership No.116279

Mumbai;

Dated : 2<sup>nd</sup> August, 2014



## Independent Auditors' Report to the Members of BALKRISHNA INDUSTRIES LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **Balkrishna Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR JAYANTILAL THAKKAR & CO.**

Chartered Accountants  
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**

Partner  
Membership No. 116279

Mumbai,  
Dated : 15<sup>th</sup> May, 2014

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- i) a) 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) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the 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) a) As per the information and explanations given to us, the Company has granted unsecured loan to two of its subsidiaries, covered in the register maintained under Section 301 of the Act, out of which one of the company has refunded the loan in full. The maximum amount involved during the year was Rs.11,82,92,690 and the year-end balance of the loans granted was Rs. 5,59,25,000.  
b) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans, in our opinion and having regard to the holding and subsidiary company relationship, are not, prima facie, prejudicial to the interest of the Company.  
c) In our opinion and as per the information and explanations given to us, the Company was regular in receipt of the principal amounts whenever demanded. The receipt of interest is regular.  
d) As per the information and explanations given to us, the outstanding amount of the loan given was not overdue.  
e) The Company has not taken any loan, secured or unsecured, from any party covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.  
b) In our opinion and as per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act 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 determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, to the extent applicable, during the year with the appropriate authorities. However, as at 31<sup>st</sup> March, 2014 there were no material undisputed dues outstanding for a period of more than six months from the date they became payable. During the year, the Company was not required to deposit any dues in respect of Wealth Tax.

- b) According to the information and explanations given to us, the dues in respect of Sales Tax, Income Tax, Customs Duty, 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 (Rs.) | Period to which the Amount Relates                | Forum where dispute is pending |
|--------------------|--|--------------|---|--------------------------------|
| Sales Tax Act      | Sales Tax (Including Interest and Penalty)                   | 2,63,96,831  | 1999-2002   | Tribunal                       |
|                    |  | 14,04,71,320 | 1996-1997,<br>1998-1999<br>2002-2006<br>2008-2009 | Commissioner (Appeals)         |
|                    |  | 2,58,000     | 2004-2005   | High Court                     |
| Income Tax Act     | Income Tax (Including Interest and Penalty)                  | 22,45,010    | 2007-2008   | Assessing Authority            |
| Customs Act        | Custom Duty (Including Interest)                             | 29,50,97,207 | 2012-2014   | High Court                     |
| Central Excise Act | Excise Duty and Service Tax (Including Interest and Penalty) | 9,32,92,102  | 2002-2013   | High Court                     |
|                    |  | 86,11,11,765 | 2004-2013   | Tribunal                       |
|                    |  | 36,29,994    | 1999-2001<br>2005-2007<br>2010-2012               | Commissioner (Appeals)         |
|                    |  | 3,46,89,477  | 1994-2004   | Assessing Authority            |

As per the information given to us, there are no dues of Cess which have not been deposited on account of any dispute. The Company is not liable to pay Wealth Tax.

- x) The Company does not have any accumulated losses at the end of the current financial year and has not incurred cash losses during current financial year and in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for a loan taken by another company covered in the register maintained under Section 301 of the Act, from a bank during the year is not prejudicial to the interest of the Company.
- xvi) As per the information and explanations given to us, in our opinion, the term loan has been applied for the purpose for which it was obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year the Company has not raised funds by public issue. Therefore, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- xxi) 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 and no material fraud on the Company has been noticed or reported during the year.

**FOR JAYANTILAL THAKKAR & CO.**  
Chartered Accountants  
( Firm Reg. No. 104133W )

**VIRAL A. MERCHANT**  
Partner  
Membership No. 116279

Mumbai,  
Dated : 15<sup>th</sup> May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

| PARTICULARS                        | Note No. | Current Year<br>Rupees |                              | Previous Year<br>Rupees      |
|------------------------------------|----------|------------------------|------------------------------|------------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                        |                              |                              |
| <b>1 SHAREHOLDERS' FUND</b>        |          |                        |                              |                              |
| (a) Share Capital                  | 2        | 19,33,17,190           |                              | 19,33,17,190                 |
| (b) Reserves And Surplus           | 3        | <u>1865,47,16,854</u>  |                              | <u>1399,63,68,522</u>        |
|                                    |          |                        | <b>1884,80,34,044</b>        | 1418,96,85,712               |
| <b>2 NON-CURRENT LIABILITIES</b>   |          |                        |                              |                              |
| (a) Long-Term Borrowings           | 4        | 1655,88,76,154         |                              | 1504,28,77,954               |
| (b) Deferred Tax Liabilities (Net) | 5        | 172,18,18,083          |                              | 99,85,66,580                 |
| (c) Other Long Term Liabilities    | 6        | 41,20,82,524           |                              | 94,09,27,181                 |
| (d) Long-Term Provisions           | 7        | <u>(75,40,092)</u>     |                              | <u>(17,10,580)</u>           |
|                                    |          |                        | <b>1868,52,36,669</b>        | 1698,06,61,135               |
| <b>3 CURRENT LIABILITIES</b>       |          |                        |                              |                              |
| (a) Short Term Borrowings          | 8        | 688,10,96,366          |                              | 559,26,38,742                |
| (b) Trade Payables                 | 9        | 343,07,93,140          |                              | 241,00,32,585                |
| (c) Other Current Liabilities      | 10       | 61,13,23,130           |                              | 49,74,28,804                 |
| (d) Short-Term Provisions          | 11       | <u>28,37,04,793</u>    |                              | <u>21,67,78,139</u>          |
|                                    |          |                        | <b>1120,69,17,429</b>        | 871,68,78,270                |
| <b>TOTAL</b>                       |          |                        | <b><u>4874,01,88,142</u></b> | <b><u>3988,72,25,117</u></b> |
| <b>II. ASSETS</b>                  |          |                        |                              |                              |
| <b>1 NON-CURRENT ASSETS</b>        |          |                        |                              |                              |
| (a) Fixed Assets                   |          |                        |                              |                              |
| (i) Tangible Assets                | 12       | 2328,56,78,232         |                              | 1276,55,14,159               |
| (ii) Intangible Assets             | 13       | 87,52,190              |                              | 1,15,37,097                  |
| (iii) Capital Work-in-Progress     |          | <u>476,33,85,818</u>   |                              | <u>945,51,13,694</u>         |
|                                    |          |                        | <b>2805,78,16,240</b>        | 2223,21,64,950               |
| (b) Non-Current Investments        | 14       |                        | <b>426,51,30,835</b>         | 32,91,33,835                 |
| (c) Long-Term Loans and Advances   | 15       |                        | <b>209,81,04,342</b>         | 279,15,78,785                |
| (d) Other Non-Current Assets       | 16       |                        | <b>44,06,839</b>             | 85,542                       |
| <b>2 CURRENT ASSETS</b>            |          |                        |                              |                              |
| (a) Inventories                    | 17       | 529,07,77,394          |                              | 432,55,34,735                |
| (b) Trade Receivables              | 18       | 618,46,57,400          |                              | 504,49,14,743                |
| (c) Cash and Cash Equivalents      | 19       | 9,80,46,789            |                              | 266,30,62,722                |
| (d) Short-Term Loans and Advances  | 20       | 273,93,79,188          |                              | 243,77,90,620                |
| (e) Other Current Assets           | 21       | <u>18,69,114</u>       |                              | <u>6,29,59,185</u>           |
|                                    |          |                        | <b>1431,47,29,885</b>        | 1453,42,62,005               |
| <b>TOTAL</b>                       |          |                        | <b><u>4874,01,88,142</u></b> | <b><u>3988,72,25,117</u></b> |

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES 1 to 54 TO THE ACCOUNTS**

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For **JAYANTIL THAKKAR & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

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

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**  
Partner

Mumbai,  
Dated: 15th May, 2014

Mumbai,  
Dated: 15th May, 2014

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| PARTICULARS |   | Note No.  | Current Year Rupees   | Previous Year Rupees  |
|-------------|---|-----------|-----------------------|-----------------------|
| <b>I</b>    | <b>Revenue From Operations</b>  | <b>22</b> | <b>3576,71,35,542</b> | 3190,57,04,306        |
| <b>II</b>   | <b>Other Income</b>   | <b>23</b> | <b>13,83,99,744</b>   | 4,21,25,208           |
| <b>III</b>  | <b>Total Revenue (I+II)</b>   |           | <b>3590,55,35,286</b> | <u>3194,78,29,514</u> |
| <b>IV</b>   | <b>Expenses :</b>   |           |                       |                       |
|             | Cost of Materials Consumed  | <b>24</b> | <b>1711,99,44,636</b> | 1817,90,90,375        |
|             | Purchases of Stock-in-Trade   | <b>25</b> | <b>5,54,04,041</b>    | 9,49,48,355           |
|             | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | <b>26</b> | <b>3,48,05,282</b>    | (36,43,96,642)        |
|             | Employee Benefits Expense   | <b>27</b> | <b>138,57,63,263</b>  | 107,48,28,490         |
|             | Finance Cost  | <b>28</b> | <b>24,97,39,020</b>   | 25,68,09,734          |
|             | Depreciation and Amortization Expense   | <b>29</b> | <b>164,96,42,325</b>  | 107,71,36,497         |
|             | Other Expenses  | <b>30</b> | <b>823,32,77,896</b>  | 627,73,97,317         |
|             | Total Expenses  |           | <b>2872,85,76,463</b> | <u>2659,58,14,126</u> |
| <b>V</b>    | <b>Profit Before Tax (III-IV)</b>   |           | <b>717,69,58,823</b>  | 535,20,15,388         |
| <b>VI</b>   | <b>Tax Expense:</b>   |           |                       |                       |
|             | Current tax   |           | <b>157,00,00,000</b>  | 142,10,00,000         |
|             | Deferred tax  |           | <b>72,32,51,503</b>   | 37,26,77,140          |
| <b>VII</b>  | <b>Profit After Tax (V-VI)</b>  |           | <b>488,37,07,320</b>  | <u>355,83,38,248</u>  |
| <b>VIII</b> | <b>Earnings per equity share</b>  |           |                       |                       |
|             | Basic and Diluted   | <b>40</b> | <b>50.53</b>          | 36.81                 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 54

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For **JAYANTILAL THAKKAR & CO.**  
Chartered Accountants**BASANT BANSAL**  
Director (Finance)**VIRAL A. MERCHANT**

Partner

Mumbai,

Dated: 15th May, 2014

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: 15th May, 2014



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE NO.1

#### SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Accounting**

The accounts have been prepared in accordance with historical cost convention and on accrual basis.

##### **Use of Estimates**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

##### **Fixed Assets**

Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.

Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

##### **Depreciation/Amortisation**

Depreciation on fixed assets (other than leasehold land) has been provided in accordance with Schedule XIV to the Companies Act, 1956, on Straight Line Method. In respect of fixed assets whose actual cost does not exceed Five thousand rupees, depreciation is provided at the rate of 100 percent, irrespective of the date of addition during the year.

Premium on Leasehold Land is amortised over the duration of the Lease.

##### **Investments**

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

##### **Valuation of Inventories**

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

##### **Sales**

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives.

##### **Export Benefits**

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. Export Incentives under Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted in the year of such sale.

##### **Foreign Currency Transactions**

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

## Employee Benefits:

### A) Short-term employee benefits:

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

### B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

## 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 Fixed Assets.

## Government Grants

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

## Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

## Taxation

Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.

## Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books.

## Impairment

The carrying amount of an asset is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

## Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

| <b>NOTE NO.2</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| <b>SHARE CAPITAL</b>  |                                |                                 |
| Authorised :  |                                |                                 |
| 25,00,00,000 Equity Shares of Rs.2 each   | <b>50,00,00,000</b>            | 50,00,00,000                    |
| Issued Subscribed and fully paid up:  |                                |                                 |
| 9,66,58,595 Equity Shares of Rs.2 each fully paid up  | <b>19,33,17,190</b>            | 19,33,17,190                    |
|   | <b>19,33,17,190</b>            | 19,33,17,190                    |
| Terms/rights attached to equity shares:   |                                |                                 |
| All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.   |                                |                                 |
| Shareholder's holding more than 5 % Shares in the Company   |                                |                                 |
| <b>Name of Shareholders</b>   | <b>No. of Shares held</b>      | <b>No. of Shares held</b>       |
| GPP ENTERPRISES LLP   | *                              | 2,16,30,535                     |
| % Holding   | *                              | 22.38                           |
| RAP ENTERPRISES LLP   | <b>2,32,67,995</b>             | 2,32,67,995                     |
| % Holding   | <b>24.07</b>                   | 24.07                           |
| AKP ENTERPRISES LLP   | <b>2,35,73,445</b>             | NIL                             |
| % Holding   | <b>24.39</b>                   | NIL                             |
| * In the current year percentage shareholding has decreased below 5% and accordingly, no disclosure is made for the same.   |                                |                                 |
| <b>NOTE NO.3</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>RESERVES AND SURPLUS</b>   |                                |                                 |
| (a) Capital Reserves  | <b>1,51,06,067</b>             | 1,51,06,067                     |
| (b) Securities Premium Account  | <b>71,53,42,628</b>            | 71,53,42,628                    |
| (c) Other Reserve (General Reserve)   |                                |                                 |
| Opening Balance   | <b>1250,00,00,000</b>          | 900,00,00,000                   |
| Add: Transferred from Profit and Loss account   | <b>400,00,00,000</b>           | 350,00,00,000                   |
| Closing Balance   | <b>1650,00,00,000</b>          | 1250,00,00,000                  |
| (d) Surplus   |                                |                                 |
| Opening Balance   | <b>76,59,19,824</b>            | 87,71,65,977                    |
| Add: Net Profit for the current year  | <b>488,37,07,320</b>           | 355,83,38,248                   |
| Less: Proposed Dividend   | <b>19,33,17,190</b>            | 14,49,87,893                    |
| Less: Tax on Dividend   | <b>3,20,41,795</b>             | 2,45,96,505                     |
| Less: Transfer to General Reserve   | <b>400,00,00,000</b>           | 350,00,00,000                   |
| Closing Balance   | <b>142,42,68,159</b>           | 76,59,19,827                    |
|   | <b>1865,47,16,854</b>          | 1399,63,68,522                  |
| <b>NOTE NO.4</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>LONG TERM BORROWINGS</b>   |                                |                                 |
| Secured (Refer Note No.51)  |                                |                                 |
| Term loans  |                                |                                 |
| - from banks  | <b>1652,74,45,000</b>          | 1501,14,46,800                  |
| Unsecured   |                                |                                 |
| Deferred Payment Liabilities  |                                |                                 |
| - 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) | <b>3,14,31,154</b>             | 3,14,31,154                     |
|   | <b>1655,88,76,154</b>          | 1504,28,77,954                  |
| <b>NOTE NO.5</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>DEFERRED TAX LIABILITIES (NET)</b>   |                                |                                 |
| Deferred Tax Liability on account of :  |                                |                                 |
| Depreciation  | <b>175,62,45,644</b>           | 102,99,01,564                   |
| Deferred Tax Assets on account of :   |                                |                                 |
| Expenses allowable for tax purpose when paid  | <b>3,44,27,561</b>             | 3,13,34,984                     |
| Net Deferred Tax Liability  | <b>172,18,18,083</b>           | 99,85,66,580                    |

| <b>NOTE NO.6</b>   | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
|--|----------------------------|-----------------------------|
| <b>OTHER LONG TERM LIABILITIES</b>   |                            |                             |
| Trade payable(Refer Note No. 43 for details of Dues to Micro and Small Enterprises)                              | <b>4,12,64,826</b>         | 1,53,82,444                 |
| Others - Payable towards Capital Goods,Security Deposit etc.   | <b>37,08,17,698</b>        | 92,55,44,737                |
|  | <b>41,20,82,524</b>        | 94,09,27,181                |
| <b>NOTE NO.7</b>   | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
| <b>LONG TERM PROVISIONS</b>  |                            |                             |
| Provision for employee benefits - Gratuity   | <b>(75,40,092)</b>         | (17,10,580)                 |
| <b>NOTE NO.8</b>   | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
| <b>SHORT TERM BORROWINGS</b>   |                            |                             |
| Secured Loan from banks (Refer Note No.51)   |                            |                             |
| - Loans repayable on demand (Cash Credit)  | <b>370,85,12,961</b>       | 158,59,47,580               |
| - Other Loans  | <b>41,24,25,484</b>        | 62,33,49,151                |
| Unsecured Loans form banks   |                            |                             |
| - Loans repayable on demand  | <b>276,01,57,921</b>       | 338,33,42,011               |
|  | <b>688,10,96,366</b>       | 559,26,38,742               |
| <b>NOTE NO.9</b>   | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
| <b>TRADE PAYABLES</b>  |                            |                             |
| Trade Payables (including Acceptances)<br>(Refer Note No. 43 for details of Dues to Micro and Small Enterprises) | <b>343,07,93,140</b>       | 241,00,32,585               |
| <b>NOTE NO.10</b>  | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
| <b>OTHER CURRENT LIABILITIES</b>   |                            |                             |
| Current maturities of long-term debt   | <b>6,00,99,800</b>         | 10,87,78,600                |
| Interest accrued but not due on borrowings   | <b>3,24,67,633</b>         | 3,08,70,300                 |
| Income received in advance   | <b>13,06,35,500</b>        | 14,32,39,261                |
| Unpaid dividends   | <b>55,98,282</b>           | 68,14,307                   |
| Other payables   |                            |                             |
| - Statutory dues towards TDS/VAT/CST/Service Tax etc.  | <b>12,02,75,044</b>        | 6,87,92,788                 |
| - Security Deposits  | <b>7,63,000</b>            | 7,40,000                    |
| - Others   | <b>26,14,83,871</b>        | 13,81,93,548                |
|  | <b>61,13,23,130</b>        | 49,74,28,804                |
| <b>NOTE NO.11</b>  | <b>Current Year Rupees</b> | <b>Previous Year Rupees</b> |
| <b>SHORT TERM PROVISIONS</b>   |                            |                             |
| Provision for employee benefits  |                            |                             |
| - Leave encashment   | <b>5,75,86,764</b>         | 4,71,93,741                 |
| Others   |                            |                             |
| - Proposed Dividend  | <b>19,33,17,190</b>        | 14,49,87,893                |
| - Tax on proposed Dividend   | <b>3,28,00,839</b>         | 2,45,96,505                 |
|  | <b>28,37,04,793</b>        | 21,67,78,139                |

**NOTE NO.12**

| Fixed Assets                         | Gross Block (At Cost)    |                           |                            | Depreciation (Including Amortization) |                       |                      | Net Block                  |                       |                       |                  |
|--------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------------------|-----------------------|----------------------|----------------------------|-----------------------|-----------------------|------------------|
|                                      | Balance As at 01.04.2013 | Additions During the year | Deductions During the year | Balance As at 31.03.2014              | Total upto 31.03.2013 | *For the Year        | Deductions During the year | Total upto 31.03.2014 | As At 31.03.2014      | As At 31.03.2013 |
| <b>Tangible assets</b>               |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| (a) Land                             |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| - Freehold                           | 36,50,75,066             | NIL                       | NIL                        | 36,50,75,066                          | NIL                   | NIL                  | NIL                        | NIL                   | 36,50,75,066          | 36,50,75,066     |
| - Leasehold                          | 20,64,25,513             | NIL                       | NIL                        | 20,64,25,513                          | 1,15,96,435           | 24,11,163            | NIL                        | 1,40,07,598           | 19,24,17,915          | 19,48,29,078     |
| (b) Buildings                        | 336,37,48,582            | 198,31,51,513             | 1,12,4,473                 | 534,57,75,622                         | 29,68,78,442          | 10,57,33,900         | 11,24,472                  | 40,14,87,870          | 494,42,87,752         | 306,68,70,140    |
| (c) Plant and Equipment              | 1309,06,99,235           | 968,34,46,143             | 1,46,01,858                | 2275,95,43,520                        | 455,05,82,518         | 151,05,04,744        | 1,32,17,626                | 604,78,69,636         | 1671,16,73,884        | 854,01,16,717    |
| (d) Furniture and Fixtures           | 13,21,14,406             | 2,60,002                  | NIL                        | 13,23,74,408                          | 3,58,30,145           | 81,75,237            | NIL                        | 4,40,05,382           | 8,83,69,026           | 9,62,84,261      |
| (e) Vehicles                         | 5,86,65,246              | 2,54,72,696               | 1,17,43,035                | 7,23,94,907                           | 1,14,37,198           | 57,75,270            | 48,57,341                  | 1,23,55,127           | 6,00,39,780           | 4,72,28,048      |
| (f) Office Equipment                 | 3,78,72,853              | 44,85,161                 | 2,10,854                   | 4,21,47,160                           | 75,28,017             | 18,73,883            | 90,247                     | 93,11,653             | 3,28,35,507           | 3,03,44,836      |
| (g) Others                           |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| - Electric Installations             | 43,35,60,724             | 48,67,48,835              | 469,336                    | 91,98,40,223                          | 7,36,98,965           | 2,45,88,079          | 1,51,044                   | 9,81,36,000           | 82,17,04,223          | 35,98,61,759     |
| - Air Conditioners                   | 3,09,95,800              | 51,75,161                 | 90,316                     | 3,60,80,645                           | 48,31,615             | 15,51,965            | 29,364                     | 63,54,216             | 2,97,26,429           | 2,61,64,185      |
| - Computer                           | 8,06,53,884              | 1,12,18,343               | 21,12,256                  | 8,97,59,971                           | 4,19,13,816           | 1,02,52,325          | 19,54,820                  | 5,02,11,321           | 3,95,48,650           | 3,87,40,068      |
| <b>TOTAL TANGIBLE (CURRENT YEAR)</b> | <b>1779,98,11,309</b>    | <b>1219,99,57,854</b>     | <b>3,03,52,128</b>         | <b>2996,94,17,035</b>                 | <b>503,42,97,151</b>  | <b>167,08,66,566</b> | <b>2,14,24,914</b>         | <b>668,37,38,803</b>  | <b>2328,56,78,232</b> | <b>-</b>         |
| TOTAL TANGIBLE (PREVIOUS YEAR)       | 1222,70,87,347           | 560,87,64,432             | 3,60,40,469                | 1779,98,11,310                        | 395,98,41,019         | 109,48,63,853        | 2,04,07,721                | 503,42,97,151         | -                     | 1276,55,14,158   |

**NOTE NO.13**

| Intangible assets                      | Balance As at 01.04.2013 | Additions During the year | Deductions During the year | Balance As at 31.03.2014 | Total upto 31.03.2013 | *For the Year    | Deductions During the year | Total upto 31.03.2014 | As At 31.03.2014     | As At 31.03.2013     |
|--|--------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|----------------------------|-----------------------|----------------------|----------------------|
| (a) Computer software                  | 4,23,64,779              | 21,70,002                 | NIL                        | 4,45,34,781              | 3,08,27,682           | 49,54,909        | NIL                        | 3,57,82,591           | 87,52,190            | 1,15,37,097          |
| <b>TOTAL INTANGIBLE (CURRENT YEAR)</b> | <b>4,23,64,779</b>       | <b>21,70,002</b>          | <b>NIL</b>                 | <b>4,45,34,781</b>       | <b>3,08,27,682</b>    | <b>49,54,909</b> | <b>NIL</b>                 | <b>3,57,82,591</b>    | <b>87,52,190</b>     | <b>-</b>             |
| TOTAL INTANGIBLE (PREVIOUS YEAR)       | 3,95,57,279              | 28,07,500                 | NIL                        | 4,23,64,779              | 2,52,56,340           | 55,71,342        | NIL                        | 3,08,27,682           | -                    | 11,537,097           |
| <b>Capital Work in Progress</b>        |                          |                           |                            |                          |                       |                  |                            |                       | <b>476,33,85,818</b> | <b>945,51,13,694</b> |

\* Including Depreciation capitalised Rs. 2,61,79,150 (Previous Year Rs. 2,32,98,698).

| NOTE NO.14  | Current Year<br>Rupees |                      | Previous Year<br>Rupees |
|---|------------------------|----------------------|-------------------------|
| <b>Non-current Investments (At Cost):</b>   |                        |                      |                         |
| <b>Trade Investments :</b>  |                        |                      |                         |
| (a) Investments in Equity Instruments<br>(Shares of Rs.10 each, fully paid up)<br>Unquoted (In 100 % Subsidiaries Companies)      |                        |                      |                         |
| 3,80,00,000 Shares of Balkrishna Paper Mills Ltd. (Purchased during the year 3,50,00,000 shares)                                  | <b>38,00,00,000</b>    |                      | 3,00,00,000             |
| 10,00,000 Shares of Balkrishna Synthetics Ltd.  | <b>1,00,00,000</b>     |                      | 1,00,00,000             |
| 3,00,000 Shares of BKT Exim Ltd.  | <b>30,00,000</b>       |                      | 30,00,000               |
| 50,000 Shares BKT Tyres Ltd.  | <b>5,00,000</b>        |                      | 5,00,000                |
| 50,000 Shares of Nirvika Paper Mills Ltd.   | <b>5,00,000</b>        |                      | NIL                     |
| 50,000 Shares of Tristha Synthetics Mills Ltd.  | <b>5,00,000</b>        |                      | NIL                     |
| Unquoted (Others)   |                        |                      |                         |
| 12,56,037 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares)  | <b>1,25,60,370</b>     |                      | 1,25,60,370             |
|   |                        | <b>40,70,60,370</b>  | 5,60,60,370             |
| (b) Investment in Preference Shares<br>(Shares of Rs.10 each, fully paid up)<br>Unquoted (In 100 % Subsidiaries Companies)        |                        |                      |                         |
| 1% Optionally Convertible Redeemable Preference Shares of Rs.10 each, fully paid up (OCPS)  |                        |                      |                         |
| 19,50,000 OCPS of Balkrishna Paper Mills Ltd.   | <b>19,50,00,000</b>    |                      | 19,50,00,000            |
| 6,50,000 OPCS of Balkrishna Synthetics Ltd. (Redeemed during the year)  | <b>NIL</b>             |                      | 6,50,00,000             |
| Unquoted (Others)   |                        |                      |                         |
| 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost         | <b>1,11,42,230</b>     |                      | 1,11,42,230             |
|   |                        | <b>20,61,42,230</b>  | 27,11,42,230            |
|   |                        | <b>61,32,02,600</b>  | 32,72,02,600            |
| <b>Other than Trade Investments :</b>   |                        |                      |                         |
| Unquoted (Others)   |                        |                      |                         |
| (a) Investments in Government Securities<br>In 6 Year National Saving Certificates (Rs. 3000 matured during the year)             |                        | <b>13,000</b>        | 16,000                  |
| Quoted  |                        |                      |                         |
| (b) Investment in Mutual fund (FMP)   |                        |                      |                         |
| Axis Fixed Term Plan - Series 49 Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                                  | <b>25,00,00,000</b>    |                      |                         |
| HDFC Debit Fund for Cancer Cure - 100% Direct Option -2014 Dividend Option<br>[Units: Current Year 50,00,000 (Previous Year NIL)] | <b>5,00,00,000</b>     |                      |                         |
| HDFC Fixed Maturity Plan Series 29 Growth<br>[Units: Current Year 10,50,00,000 (Previous Year NIL)]                               | <b>105,00,00,000</b>   |                      |                         |
| ICICI Prudential Fixed Maturity Plan Series 72 Growth<br>[Units: Current Year 3,50,00,000 (Previous Year NIL)]                    | <b>35,00,00,000</b>    |                      |                         |
| IDFC Fixed Term Plan Series 70 Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                                    | <b>25,00,00,000</b>    |                      |                         |
| LIC Nomura MF Fixed Maturity Plan Series 76 Growth<br>[Units: Current Year 3,50,00,000 (Previous Year NIL)]                       | <b>35,00,00,000</b>    |                      |                         |
| SBI Debt Fund Series - A1/2/3/14 Growth<br>[Units: Current Year 11,00,00,000 (Previous Year NIL)]                                 | <b>110,00,00,000</b>   |                      |                         |
| UTI Fixed Term Income Fund Series XVII - VII Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                      | <b>25,00,00,000</b>    |                      |                         |
|   |                        | <b>365,00,00,000</b> |                         |
| (c) Investments in Equity Instruments<br>(Shares of Rs.10 each, fully paid up)  |                        |                      |                         |
| 4,98,759 Equity Shares of Govind Rubber Ltd.  | <b>1,87,50,059</b>     |                      | 1,87,50,059             |
| Less : Provision for diminution in the value of Investments (Investment in Equity Shares)   | <b>1,68,34,824</b>     |                      | 1,68,34,824             |
|   |                        | <b>19,15,235</b>     | 19,15,235               |
|   |                        | <b>365,19,28,235</b> | 19,31,235               |
|   |                        | <b>426,51,30,835</b> | 32,91,33,835            |
| Aggregate amount of quoted investments net of provision - Market value of <b>Rs.370,28,57,513</b> (Previous Year Rs. 88,77,910)   |                        | <b>365,19,15,235</b> | 19,15,235               |
| Aggregate amount of unquoted investments.   |                        | <b>61,32,15,600</b>  | 32,72,18,600            |

| <b>NOTE NO.15</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>LONG TERM LOANS AND ADVANCES</b><br>(Unsecured considered good)   |                                |                                 |
| (a) Capital Advances   | <b>140,91,01,896</b>           | 235,47,42,500                   |
| (b) Security Deposits  | <b>9,09,36,096</b>             | 9,88,49,830                     |
| (c) Others Loans and Advances  |                                |                                 |
| - Advance Payment to Suppliers   | <b>6,19,04,074</b>             | 2,51,15,016                     |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables  | <b>4,97,80,931</b>             | 1,44,85,693                     |
| - Advance Payments of Taxes and Tax deducted at source (Net of Provisions)   | <b>48,63,81,345</b>            | 29,83,85,746                    |
|  | <b><u>209,81,04,342</u></b>    | <u>279,15,78,785</u>            |
| <b>NOTE NO.16</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER NON - CURRENT ASSETS:</b>   |                                |                                 |
| Trade Receivables (Unsecured)  | <b><u>44,06,839</u></b>        | <u>85,542</u>                   |
| <b>NOTE NO.17</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>INVENTORIES :</b><br>(As Certified by the Management)<br>(At lower of Cost and Net Realisable Value)                    |                                |                                 |
| (a) Raw materials  | <b>308,23,82,484</b>           | 248,99,00,478                   |
| (b) Work-in-Progress   | <b>76,33,33,986</b>            | 86,28,71,850                    |
| (c) Finished Goods   | <b>56,66,95,150</b>            | 49,80,18,589                    |
| (d) Stock-in-Trade   | <b>1,01,45,606</b>             | 1,40,89,585                     |
| (e) Stores and Spares  | <b>84,24,99,377</b>            | 43,72,21,572                    |
| (f) Others -Packing Materials and Fuel   | <b>2,57,20,790</b>             | 2,34,32,661                     |
|  | <b><u>529,07,77,394</u></b>    | <u>432,55,34,735</u>            |
| <b>NOTE NO.18</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>TRADE RECEIVABLES</b>   |                                |                                 |
| Trade Receivables outstanding for a period less than Six Months  |                                |                                 |
| (a) Secured Considered good  | <b>196,11,09,266</b>           | 166,61,99,725                   |
| (b) Unsecured Considered good  | <b>419,78,38,133</b>           | 332,98,01,643                   |
|  | <b>615,89,47,400</b>           | 499,60,01,368                   |
| Trade Receivables outstanding for a period exceeding Six Months  |                                |                                 |
| - Unsecured Considered good  | <b>2,57,10,000</b>             | 4,89,13,375                     |
|  | <b>2,57,10,000</b>             | 4,89,13,375                     |
|  | <b><u>618,46,57,400</u></b>    | <u>504,49,14,743</u>            |
| <b>NOTE NO.19</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                                |                                 |
| Balances with banks  | <b>8,58,87,714</b>             | 6,91,29,461                     |
| Unpaid Dividend  | <b>55,98,282</b>               | 68,14,307                       |
| Margin Money ( Including Fixed Deposit)  | <b>7,62,690</b>                | 3,78,105                        |
| In Fixed Deposit   | <b>71,869</b>                  | 258,00,66,248                   |
| (Including lodged with Government Authorities and matured after twelve months<br><b>Rs.71,869</b> Previous Year Rs.66,248) |                                |                                 |
| Cash on hand   | <b>57,26,234</b>               | 66,74,601                       |
|  | <b><u>9,80,46,789</u></b>      | <u>266,30,62,722</u>            |



| <b>NOTE NO.20</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| <b>SHORT TERM LOANS AND ADVANCES:</b>                       |                                |                                 |
| Unsecured considered good                                   |                                |                                 |
| - Loans and advances to :                                   |                                |                                 |
| - Related parties - 100% Subsidiary Companies               | 5,59,25,000                    | 5,32,92,690                     |
| - Others  | 2,00,00,000                    | NIL                             |
| Others  |                                |                                 |
| - Advance payment to suppliers                              | 71,34,59,061                   | 58,31,81,554                    |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | 192,48,14,148                  | 178,42,04,595                   |
| - Loans and advances to employees                           | 2,51,80,979                    | 1,71,11,781                     |
|   | <b>273,93,79,188</b>           | <b>243,77,90,620</b>            |
| <b>NOTE NO.21</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER CURRENT ASSETS</b>                                 |                                |                                 |
| Interest Accrued on Investment                              | 6,521                          | 6,577                           |
| Export Incentive Receivables                                | 18,27,086                      | 10,26,579                       |
| Interest Accrued on others                                  | 35,507                         | 6,19,26,029                     |
|   | <b>18,69,114</b>               | <b>6,29,59,185</b>              |
| <b>NOTE NO.22</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>REVENUE FROM OPERATIONS</b>                              |                                |                                 |
| Sale of Products  | 3574,14,26,515                 | 3202,71,41,989                  |
| Other Operating Revenue:                                    |                                |                                 |
| - Export Incentives   | 32,27,62,137                   | 8,40,91,846                     |
| - Scrap Sales   | 7,26,82,948                    | 5,92,10,378                     |
| - Others  | 1,48,37,397                    | 3,15,55,478                     |
|   | <b>41,02,82,482</b>            | <b>17,48,57,702</b>             |
| Total Revenue from Operations (Gross)                       | <b>3615,17,08,997</b>          | <b>3220,19,99,691</b>           |
| Less: Excise Duty   | <b>38,45,73,455</b>            | <b>29,62,95,385</b>             |
| Total Revenue from Operations (Net)                         | <b>3576,71,35,542</b>          | <b>3190,57,04,306</b>           |
| <b>NOTE NO.23</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER INCOME</b>   |                                |                                 |
| Interest Income on:   |                                |                                 |
| - Long Term Investments (Other than trade)                  | 1,750                          | 1,588                           |
| - Interest received on Deposits/Loans and Advances          | 1,72,09,729                    | 1,02,92,268                     |
| - Subsidy from Government                                   | NIL                            | 7,08,301                        |
|   | <b>1,72,11,479</b>             | <b>1,10,02,157</b>              |
| Dividend Income on:   |                                |                                 |
| - Long Term Investment in Subsidiaries (Trade)              | 3,14,315                       | 2,60,000                        |
| - Current Investments                                       | 11,46,63,668                   | 34,19,362                       |
|   | <b>11,49,77,983</b>            | <b>36,79,362</b>                |
| Net gain on sale of Current Investments                     | 7,57,963                       | NIL                             |
| Profit on sale of Fixed Assets                              | NIL                            | 50,24,371                       |
| Other non-operating income                                  | 54,52,319                      | 2,24,19,318                     |
|   | <b>13,83,99,744</b>            | <b>4,21,25,208</b>              |
| <b>NOTE NO.24</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>COST OF MATERIAL CONSUMED</b>                            |                                |                                 |
| Raw Material Consumed<br>(Refer Note no. 33)                | <b>1711,99,44,636</b>          | <b>1817,90,90,375</b>           |
| <b>NOTE NO.25</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>PURCHASE OF STOCK IN TRADE</b>                           |                                |                                 |
| Purchase of Traded Goods                                    | <b>5,54,04,041</b>             | <b>9,49,48,355</b>              |

| <b>NOTE NO.26</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b> |                                |                                 |
| Opening Stock :  |                                |                                 |
| Work-in-Progress   | <b>86,28,71,850</b>            | 74,24,91,301                    |
| Stock in Trade   | <b>1,40,89,585</b>             | 2,15,65,164                     |
| Finished Goods   | <b>49,80,18,589</b>            | 24,65,26,917                    |
|  | <b>137,49,80,024</b>           | 101,05,83,382                   |
| Less :   |                                |                                 |
| Closing Stock :  |                                |                                 |
| Work-in-Progress   | <b>76,33,33,986</b>            | 86,28,71,850                    |
| Stock in Trade   | <b>1,01,45,606</b>             | 1,40,89,585                     |
| Finished Goods   | <b>56,66,95,150</b>            | 49,80,18,589                    |
|  | <b>134,01,74,742</b>           | 137,49,80,024                   |
| Net Increase/(Decrease) in Inventories   | <b>3,48,05,282</b>             | (36,43,96,642)                  |
| <b>NOTE NO.27</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>EMPLOYEE BENEFIT EXPENSES</b>   |                                |                                 |
| Salaries and wages   | <b>129,25,88,131</b>           | 98,31,06,155                    |
| Contribution to provident and other funds  | <b>6,96,18,428</b>             | 7,27,26,359                     |
| Staff welfare expenses   | <b>2,35,56,704</b>             | 1,89,95,976                     |
|  | <b>138,57,63,263</b>           | 107,48,28,490                   |
| <b>NOTE NO.28</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>FINANCE COST</b>  |                                |                                 |
| Interest expenses *  | <b>25,31,93,477</b>            | 18,09,60,163                    |
| Other borrowing costs  | <b>13,55,533</b>               | 1,87,45,379                     |
| Applicable net (Gain)/Loss on foreign currency transactions and translation          | <b>(48,09,990)</b>             | 5,71,04,192                     |
|  | <b>24,97,39,020</b>            | 25,68,09,734                    |
| * Current Year includes Interest on income tax for earlier year Rs.88,10,000/-       |                                |                                 |
| <b>NOTE NO.29</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>DEPRECIATION AND AMORTISATION EXPENSE</b>   |                                |                                 |
| Depreciation and amortisation  | <b>164,96,42,325</b>           | 107,71,36,497                   |
| <b>NOTE NO.30</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER EXPENSES:</b>   |                                |                                 |
| Consumption of stores and spare parts  | <b>148,74,72,071</b>           | 122,75,33,045                   |
| Packing material consumed  | <b>89,39,559</b>               | 85,40,084                       |
| Power and fuel(Net)  | <b>116,99,12,874</b>           | 115,32,29,743                   |
| Freight and forwarding (Net)   | <b>151,64,52,135</b>           | 143,15,81,539                   |
| Excise duty on variation of Finished Goods   | <b>74,05,512</b>               | 43,41,630                       |
| Labour/Job Charges   | <b>60,83,28,480</b>            | 60,33,03,761                    |
| Water charges  | <b>1,72,41,972</b>             | 2,48,50,636                     |
| Repairs and Maintenance to buildings   | <b>12,59,08,947</b>            | 10,37,55,851                    |
| Repairs and Maintenance to Machinery   | <b>16,15,13,726</b>            | 12,80,51,796                    |
| Repairs and Maintenance to Others  | <b>4,21,63,024</b>             | 3,93,37,416                     |
| Insurance Charges  | <b>11,92,73,539</b>            | 9,72,81,002                     |
| Rates and Taxes excluding taxes on income  | <b>52,87,733</b>               | 99,04,478                       |
| Rent   | <b>4,33,16,310</b>             | 2,96,27,891                     |
| Legal and Professional charges   | <b>13,75,55,540</b>            | 10,55,82,336                    |
| Advertisement, Publicity and Sales Promotion   | <b>106,87,00,826</b>           | 50,09,38,599                    |

|  | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|------------------------|-------------------------|
| Commission   | 2,98,62,241            | 1,89,13,306             |
| Discount   | 1,47,54,046            | 1,51,73,542             |
| Travelling Expenses                                      | 12,96,10,615           | 8,42,96,865             |
| Directors Meeting Fees                                   | 4,82,500               | 5,45,000                |
| Loss on sale of Fixed Assets                             | 17,08,426              | NIL                     |
| Fixed Assets Discarded                                   | 11,02,904              | 70,419                  |
| Interest to Others                                       | 9,94,500               | 13,69,266               |
| Net Loss on foreign currency transaction and translation | 91,06,65,383           | 13,49,44,332            |
| Marketing service expenses                               | 43,96,73,930           | 40,23,96,101            |
| Miscellaneous expenses                                   | 18,49,51,103           | 15,18,28,679            |
|  | <b>823,32,77,896</b>   | <b>627,73,97,317</b>    |

| <b>NOTE NO.31</b>  | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|------------------------|-------------------------|
| <b>Contingent Liabilities and commitments</b>  |                        |                         |
| (i) <b>Contingent Liabilities</b>  |                        |                         |
| (a) Claims against the Company not acknowledge as debts  |                        |                         |
| - Disputed claims for excise, sales tax, customs and service tax                                       | 145,49,46,696          | 22,63,07,241            |
| - Disputed income tax demands  | 22,45,010              | 4,68,97,728             |
| (b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | 13,41,01,626           | 12,44,17,577            |
| (c) Corporate Guarantee given by the Company:  |                        |                         |
| - To the President of India through commissioner of Custom   | 858,75,00,000          | 2000,00,00,000          |
| - To other Company   | NIL                    | 7,27,68,750             |
| (ii) <b>Commitments</b>  |                        |                         |
| Estimated amount of contracts remaining to be executed on capital account and not provided for         | 296,73,80,759          | 385,10,22,142           |

| <b>NOTE NO.32</b>                      | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|------------------------|-------------------------|
| <b>Value of Imports on CIF Basis :</b> |                        |                         |
| (a) Raw materials                      | 1444,43,82,956         | 1410,08,99,034          |
| (b) Stores and Spare parts             | 15,50,18,014           | 11,42,11,057            |
| (c) Capital goods                      | 244,21,79,015          | 300,38,19,516           |
| (d) Others                             | 1,22,15,046            | 85,94,473               |
|  | <b>1705,37,95,031</b>  | <b>1722,75,24,080</b>   |

| <b>NOTE NO.33</b>  | Quantity in<br>Metric Tonnes | Value in<br>Rupees                               |
|--|------------------------------|--|
| <b>Consumption of Raw Materials:</b><br>(As Certified by the Management) |                              |  |
| (a) Rubber   | 72,992<br>(73,239)           | 1016,83,24,258<br>(1157,29,33,801)               |
| (b) Tyre Cord/Fabrics  | 9,162<br>(9,240)             | 206,29,92,247<br>(202,13,15,258)                 |
| (c) Carbon Black   | 38,209<br>(38,087)           | 254,79,35,550<br>(249,98,39,608)                 |
| (d) Colours, Chemicals and Other Materials                               | -<br>-                       | 234,06,92,581<br>(208,50,01,708)                 |
|  |                              | <b>1711,99,44,636</b><br><b>(1817,90,90,375)</b> |

**NOTE NO.34**
**Value of Raw Materials and Stores and Spare Parts consumed:**

(As Certified by the Management)

|                | Raw Materials                             |                           | Stores and Spare Parts                  |                           |
|----------------|---|---------------------------|---|---------------------------|
|                | Rupees                                    | %                         | Rupees                                  | %                         |
| (a) Imported   | <b>1411,16,77,218</b><br>(1497,13,90,084) | <b>82.43</b><br>(82.36)   | <b>9,78,54,881</b><br>(14,24,15,945)    | <b>6.58</b><br>(11.60)    |
| (b) Indigenous | <b>300,82,67,418</b><br>(320,77,00,291)   | <b>17.57</b><br>(17.64)   | <b>138,96,17,190</b><br>(108,51,17,100) | <b>93.42</b><br>(88.40)   |
|                | <b>1711,99,44,636</b><br>(1817,90,90,375) | <b>100.00</b><br>(100.00) | <b>148,74,72,071</b><br>(122,75,33,045) | <b>100.00</b><br>(100.00) |

**NOTE NO.35**
**Expenditure in Foreign currency\***

|  | Current Year Rupees  | Previous Year Rupees |
|--|----------------------|----------------------|
| (a) Professional and consultation fees   | <b>4,85,64,585</b>   | 4,90,75,622          |
| (b) Interest (Net)   | <b>64,31,44,309</b>  | 59,55,75,888         |
| (c) Other matters (Travelling, Subscription, commission, Sales Promotion etc.) | <b>85,77,54,169</b>  | 79,66,51,556         |
|  | <b>154,94,63,063</b> | 144,13,03,066        |

 \* Including net amount capitalised **Rs.40,50,69,87,639** (Previous year Rs.41,22,87,624)

**NOTE NO.36**
**Amount remitted in foreign currency on account of dividend:**

The Company has not made any remittance in foreign currencies on account of dividend and does not have information as to the extent to which remittance in foreign currencies on account of dividend has been made by or on behalf of the non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as under :

|  | 2012-13            | 2011-12     |
|--|--------------------|-------------|
| (a) Years to which dividends relate  |                    |             |
| (b) Number of non-resident Shareholders  | <b>293</b>         | 257         |
| (c) Number of Shares held by them  | <b>1,07,27,938</b> | 1,00,02,474 |
| (d) Amount in Rupees remitted to Banks/Addresses in India of the non-resident Shareholders | <b>1,60,91,907</b> | 1,50,03,711 |

**NOTE NO.37**
**Earning in Foreign exchange**

|  | Current Year Rupees   | Previous Year Rupees |
|--|-----------------------|----------------------|
| (a) Export of goods on FOB Basis                     | <b>3093,12,62,416</b> | 2832,08,54,787       |
| (b) Recovery towards Freight and Insurance on Export | <b>96,11,89,914</b>   | 89,35,12,852         |
| (c) Recovery towards Expenditure                     | <b>33,58,245</b>      | 79,12,654            |
|  | <b>3189,58,10,575</b> | 2922,22,80,293       |

**NOTE NO.38**
**Details of Current Investment in units of Mutual funds purchased and sold during the year :**

| Name of Mutual Fund  | Purchased During the Year |               | Sold / Redeemed During the Year |               |
|--|---------------------------|---------------|---------------------------------|---------------|
|  | No. of Units              | Cost Rs.      | No. of Units                    | Cost Rs.      |
| LIC NOMURA MF LIQUID FUND - DIRECT- DIVIDEND PLAN  | 26,15,728                 | 287,20,18,249 | 26,15,728                       | 287,20,18,249 |
| LIC NOMURA MF SAVINGS PLUS FUND - DIRECT - DIVIDEND PLAN   | 5,01,34,656               | 50,38,53,292  | 5,01,34,656                     | 50,38,53,292  |
| ICICI PRUDENTIAL LIQUID SUPER INST. DIRECT PLAN - DAILY DIVIDEND                                     | 2,07,28,576               | 207,37,98,056 | 2,07,28,576                     | 207,37,98,056 |
| ICICI PRUDENTIAL BANKING AND PSU FUND DIRECT PLAN - DAILY DIVIDEND                                   | 9,84,85,479               | 101,10,22,382 | 9,84,85,479                     | 101,10,22,382 |
| ICICI PRUDENTIAL MONEY MARKET FUND - REGULAR PLAN - DAILY DIVIDEND                                   | 14,02,524                 | 14,04,33,990  | 14,02,524                       | 14,04,33,990  |
| ICICI PRUDENTIAL FLEXIBLE INCOME PLAN DIRECT PLAN - DAILY DIVIDEND                                   | 65,51,251                 | 69,27,01,761  | 65,51,251                       | 69,27,01,761  |
| ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT PLAN - DAILY DIVIDEND                                    | 11,04,067                 | 11,05,65,101  | 11,04,067                       | 11,05,65,101  |
| BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND- REGULAR PLAN - DAILY DIVIDEND                             | 23,36,670                 | 23,41,22,641  | 23,36,670                       | 23,41,22,641  |
| BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND- DIRECT PLAN - DAILY DIVIDEND                              | 1,30,32,048               | 130,57,19,804 | 1,30,32,048                     | 130,57,19,804 |
| HDFC FLOATING RATE INCOME FUND - SHORT TERM PLAN - WHOLESALE OPTION - DIRECT OPTION - DAILY DIVIDEND | 4,79,40,543               | 48,32,83,817  | 4,79,40,543                     | 48,32,83,817  |
| HDFC LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND  | 6,58,35,562               | 67,14,04,225  | 6,58,35,562                     | 67,14,04,225  |
| SBI ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND   | 2,36,926                  | 23,73,94,028  | 2,36,926                        | 23,73,94,028  |
| SBI PREMIUR LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND   | 6,74,431                  | 67,66,23,218  | 6,74,431                        | 67,66,23,218  |

| Name of Mutual Fund   | Purchased During the Year |                       | Sold / Redeemed During the Year |                       |
|---|---------------------------|-----------------------|---------------------------------|-----------------------|
|   | No. of Units              | Cost Rs.              | No. of Units                    | Cost Rs.              |
| SBI MAGNUM INSTA CASH FUND - DIRECT PLAN - DAILY DIVIDEND                     | 3,45,407                  | 57,85,67,392          | 3,45,407                        | 57,85,67,392          |
| UTI TREASURY ADVANTAGE FUND INSTITUTIONAL PLAN - DIRECT PLAN - DAILY DIVIDEND | 5,03,061                  | 50,42,45,700          | 5,03,061                        | 50,42,45,700          |
| UTI FLOATING RATE FUND STP - REGULAR PLAN - DIRECT PLAN - DAILY DIVIDEND      | 7,475                     | 80,49,730             | 7,475                           | 80,49,730             |
| RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT PLAN - GROWTH             | 7,090                     | 1,00,00,000           | 7,090                           | 1,00,00,000           |
| RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT PLAN - DAILY DIVIDEND     | 20,133                    | 2,01,39,107           | 20,133                          | 2,01,39,107           |
| RELIGARE INVESCO LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND                   | 2,00,154                  | 20,03,12,161          | 2,00,154                        | 20,03,12,161          |
| L&T ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND                      | 39,94,200                 | 4,12,09,764           | 39,94,200                       | 4,12,09,764           |
| DSP BLACKROCK LIQUIDITY FUND - DIRECT PLAN - DAILY DIVIDEND                   | 10,019                    | 1,00,22,195           | 10,019                          | 1,00,22,195           |
| DSP BLACKROCK MONEY MANAGER FUND - DIRECT PLAN - DAILY DIVIDEND               | 39,968                    | 4,01,37,506           | 39,968                          | 4,01,37,506           |
| JPMORGAN INDIA TREASURY FUND - DIRECT PLAN - DAILY DIVIDEND                   | 5,48,58,994               | 54,95,16,066          | 5,48,58,994                     | 54,95,16,066          |
| KOTAK FLOATER LONG TERM - DIRECT PLAN - DAILY DIVIDEND                        | 19,91,250                 | 2,00,71,402           | 19,91,250                       | 2,00,71,402           |
| TATA FLOATER FUND - DIRECT PLAN - DAILY DIVIDEND                              | 70,174                    | 7,04,21,440           | 70,174                          | 7,04,21,440           |
| TATA MONEY MARKET FUND - DIRECT PLAN - DAILY DIVIDEND                         | 4,08,577                  | 40,91,97,988          | 4,08,577                        | 40,91,97,988          |
| SUNDARAM ULTRA SHORT-TERM FUND - DIRECT PLAN - DAILY DIVIDEND                 | 1,24,60,896               | 12,51,55,996          | 1,24,60,896                     | 12,51,55,996          |
| DWS ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND                      | 2,62,25,450               | 26,27,23,933          | 2,62,25,450                     | 26,27,23,933          |
| DWS ULTRA SHORT TERM FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND               | 2,42,91,157               | 24,33,46,386          | 2,42,91,157                     | 24,33,46,386          |
| <b>Grand Total</b>  | <b>43,65,12,467</b>       | <b>1410,60,57,329</b> | <b>43,65,12,467</b>             | <b>1410,60,57,329</b> |

**NOTE NO.39****SEGMENT INFORMATION**

## (a) Primary Business Segments:-

The Company has only one business segment, namely Tyres therefore primary business segment reporting as required by AS-17 is not applicable.

## (b) Secondary Segment - Geographical by location of customers

|  | Rupees                                    | Rupees                                    |
|--|---|---|
| <b>Segment Revenue</b>   |   |   |
| Revenue from Operations :  |   |   |
| In India   |   | <b>387,46,83,212</b><br>(262,61,57,780)   |
| Outside India  |   |   |
| Europe   | <b>1882,35,13,680</b><br>(1466,64,11,719) |   |
| North America  | <b>545,24,17,375</b><br>(612,11,10,191)   |   |
| Others   | <b>761,65,21,275</b><br>(849,20,24,616)   |   |
|  |   | <b>3189,24,52,330</b><br>(2927,95,46,526) |
| Total  |   | <b>3576,71,35,542</b><br>(3190,57,04,306) |
| <b>Segment Assets</b>  |   |   |
| In India   |   | <b>3758,17,24,563</b><br>(3327,98,49,117) |
| Outside India  |   |   |
| Europe   | <b>394,36,38,498</b><br>(332,73,87,962)   |   |
| Others   | <b>294,96,94,246</b><br>(295,08,54,203)   |   |
|  |   | <b>689,33,32,744</b><br>(627,82,42,165)   |
| Total  |   | <b>4447,50,57,307</b><br>(3955,80,91,282) |
| <b>Total Cost incurred during the year to acquire Segment Fixed Assets</b> |   |   |
| In India   |   | <b>751,03,99,980</b><br>(1056,79,86,620)  |
| Outside India  |   | <b>NIL</b><br>(NIL)                       |
| Total  |   | <b>751,03,99,980</b><br>(1056,79,86,620)  |
| Segment Assets excludes -Investments                                       |   | <b>426,51,30,835</b><br>(32,91,33,835)    |

**NOTE NO.40**
**Earning Per Share (EPS)**

( In accordance with Accounting Standard - 20 )

|   | Current Year<br>Rupees | Previous Year<br>Rupees |
|---|------------------------|-------------------------|
| Profit After Tax  | <b>488,37,07,320</b>   | 355,83,38,248           |
| Number of Equity Shares outstanding for Basic/Diluted Earning Per Share | <b>9,66,58,595</b>     | 9,66,58,595             |
| Nominal Value of Equity Shares (in Rupees)                              | <b>2.00</b>            | 2.00                    |
| Earning Per Share Basic/Diluted   | <b>50.53</b>           | 36.81                   |

**NOTE NO.41**
**I) Related Party Disclosures \***

(Where transactions have taken place)

**(a) Key Management Personnel (KMP)**

Mr. Arvind Poddar - Managing Director, Mrs. Vijayalaxmi Poddar - Executive Director (w.e.f 30.05.2012) Mr. Rajiv Poddar - Joint Managing Director, Mr. Anurag Poddar - Executive Director (upto 29.05.2012), Mr. Vipul Shah - Director &amp; Company Secretary

**(b) Relatives of Key Management Personnel :**

Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Shyamalata Poddar (w.e.f. 01.06.2012)

**(c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Balgopal Holding & Traders Ltd., and Clothing Culture Ltd.**
**Related Party Transactions**

| Transactions                    | KMP                                   | Relatives of<br>(KMP)             | Other Related<br>Parties          | Total                                 |
|---------------------------------|---------------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| Purchase of Goods/Materials     | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>1,08,66,887</b><br>(49,61,460) | <b>1,08,66,887</b><br>(49,61,460)     |
| Sales of Goods/Materials        | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>3,33,851</b><br>(4,59,19,286)  | <b>3,33,851</b><br>(4,59,19,286)      |
| Expenses reimbursed             | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(13,838)            | <b>NIL</b><br>(13,838)                |
| Rent Paid                       | <b>NIL</b><br>(NIL)                   | <b>1,04,71,428</b><br>(25,86,246) | <b>NIL</b><br>(NIL)               | <b>1,04,71,428</b><br>(25,86,246)     |
| Rent received                   | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>5,39,329</b><br>(2,69,664)     | <b>5,39,329</b><br>(2,69,664)         |
| Recovery of expenses            | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>37,565</b><br>(11,86,863)      | <b>37,565</b><br>(11,86,863)          |
| Sale of Fixed Assets            | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(61,96,613)         | <b>NIL</b><br>(61,96,613)             |
| Purchases of Fixed Assets       | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(5,17,399)          | <b>NIL</b><br>(5,17,399)              |
| Assignment of Insurance Policy  | <b>NIL</b><br>(93,43,554)             | <b>NIL</b><br>(52,47,080)         | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(145,90,634)            |
| Surrender of Insurance Policy   | <b>NIL</b><br>(32,33,379)             | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(32,33,379)             |
| Loan Given (ICD)                | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(3,00,00,000)       | <b>NIL</b><br>(3,00,00,000)           |
| Loan Refund Received (ICD)      | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(3,00,00,000)       | <b>NIL</b><br>(3,00,00,000)           |
| Interest received on Loan (ICD) | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(2,77,808)          | <b>NIL</b><br>(2,77,808)              |
| Remuneration                    | <b>35,00,38,996</b><br>(23,07,07,224) | <b>60,00,072</b><br>(47,00,054)   | <b>NIL</b><br>(NIL)               | <b>35,60,39,068</b><br>(23,54,07,278) |
| Payables                        | <b>26,15,67,182</b><br>(13,82,84,384) | <b>16,800</b><br>(15,400)         | <b>NIL</b><br>(NIL)               | <b>26,15,83,982</b><br>(13,82,99,784) |

**Disclosure in Respect of Material Related Party Transaction during the year :**

- 1 Purchase of Goods/Materials includes : Balgopal Holding & Traders Limited. Rs. NIL (Previous Year Rs.28,02,800), Clothing Culture Limited. Rs.1,08,66,887 (Previous Year Rs.13,86,885), Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs.7,71,775).
- 2 Sale of Goods/Materials includes : Clothing Culture Limited. Rs.3,33,851 (Previous Year Rs.4,59,19,286).
- 3 Expenses reimbursed includes : Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs.13,838 ).
- 4 Rent Paid includes : Mrs. Pooja Dhoot Rs.1,04,71,428 (Previous Year Rs. 25,86,246).
- 5 Rent Received includes : Clothing Culture Limited Rs.5,39,329 (Previous Year Rs.2,69,664).
- 6 Recovery of Expenses includes : Clothing Culture Limited Rs.37,565 (Previous Year Rs.8,47,556), Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs. 3,37,699).
- 7 Sale of Fixed Assets includes : Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs.61,96,613).
- 8 Purchase of Fixed Assets includes under Other Related Parties : Siyaram Silk Mills Limited Rs. NIL (Previous Year Rs.5,17,399).
- 9 Assignment of Insurance Policy includes- under KMP : Mrs. VijayaLaxmi Poddar Rs.NIL (Previous Year Rs. 93,43,554), under Relative of KMP Mrs. Shyamllata Poddar Rs.NIL (Previous Year Rs. 52,47,080).
- 10 Surrender of Insurance Policy includes : Mr. Anurag Poddar Rs.NIL (Previous Year Rs. 32,33,379).
- 11 Loan Given ( ICD ) includes : Balgopal Holding & Traders Limited Rs.NIL (Previous Year Rs.1,50,00,000), Clothing Culture Limited Rs. NIL (Previous Year Rs.1,50,00,000).
- 12 Loan Refund Received ( ICD )includes : Balgopal Holding & Traders Limited Rs.NIL (Previous Year Rs.1,50,00,000), Clothing Culture Limited Rs.NIL (Previous Year Rs.1,50,00,000).
- 13 Interest Received on Loan Given ( ICD ) includes : Balgopal Holding & Traders Limited Rs.NIL (Previous Year Rs.39,452), Clothing Culture Limited Rs.NIL (Previous Year Rs.2,38,356).
- 14 Payment to Key Managerial Personnel includes : Mr. Arvind Poddar Rs.16,20,04,921 (Previous Year Rs. 11,34,27,542), Mr. Rajiv Poddar Rs.10,14,74,589 (Previous Year Rs. 6,34,45,602), Mrs. Vijaylaxmi Poddar Rs.8,38,46,617 (Previous Year Rs.4,98,16,119), Mr. Anurag Poddar Rs.NIL (Previous Year Rs.19,16,210), Mr. Vipul Shah Rs.27,12,870 (Previous Year Rs.21,01,751), Payment to Relatives of Key Managerial Personnel includes : Mrs. Khushboo Poddar Rs.30,00,036 (Previous Year Rs.30,00,036), Mrs. Shyamllata Poddar Rs.30,00,036 (Previous Year Rs.17,00,018).
- 15 Payables to Key Management Personnel includes : Mr. Arvind Poddar Rs.12,60,00,000 (Previous Year Rs. 7,20,00,000), Mr. Rajiv Poddar Rs.7,54,83,871 (Previous Year Rs. 3,60,00,000), Mrs. Vijaylaxmi Poddar Rs.6,00,00,000 (Previous Year Rs.3,01,93,548), Mr. Vipul Shah Rs. 83,311 (Previous Year Rs.90,836) and Payables to Relatives of Key Managerial Personnel includes : Mrs. Khushboo Poddar Rs.8,400 (Previous Year Rs.8,400), Mrs. Shyamllata Poddar Rs.8,400 (Previous Year Rs. 7,000).

**Transactions with subsidiary**

| Transactions  | Balkrishna Paper Mills Ltd   | Balkrishna Synthetics Ltd | BKT (EUROPE) LTD. | BKT EUROPE S.R.L.              | BKT (USA) INC                  | BKT TIRES (CANADA) INC. | Nirvikara Paper Mills Ltd. | Thristha Synthetics Ltd. |
|---|------------------------------|---------------------------|-------------------|--------------------------------|--------------------------------|-------------------------|----------------------------|--------------------------|
| Marketing Service Expenses                                | NIL<br>(NIL)                 | NIL<br>(NIL)              | NIL<br>(1,16,517) | 28,81,79,404<br>(27,63,09,294) | 12,36,54,710<br>(12,33,97,216) | 2,78,39,815<br>(NIL)    | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Sale of Fixed Assets                                      | NIL<br>(44,92,015)           | NIL<br>(NIL)              | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Loan given (Inter Corporate Deposit)                      | 8,00,00,000<br>(3,00,00,000) | NIL<br>(NIL)              | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Loan refund received(Inter Corporate Deposit)             | 6,50,00,000<br>(3,40,75,000) | 1,23,67,690<br>(NIL)      | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Interest received on Loan given (Inter Corporate Deposit) | 52,56,196<br>(49,34,631)     | 12,06,613<br>(12,36,769)  | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Dividend Received from Subsidiary                         | 1,95,000<br>(1,95,000)       | 1,19,315<br>(65,000)      | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Sale of goods/Materials                                   | NIL<br>(NIL)                 | NIL<br>(NIL)              | NIL<br>(NIL)      | 25,10,78,042<br>(NIL)          | 6,90,93,393<br>(NIL)           | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Rent Received   | 6,10,460<br>(29,12,831)      | NIL<br>(NIL)              | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |
| Recovery of expenses                                      | 8,19,360<br>(7,74,005)       | NIL<br>(3,500)            | NIL<br>(NIL)      | NIL<br>(NIL)                   | NIL<br>(NIL)                   | NIL<br>(NIL)            | NIL<br>(NIL)               | NIL<br>(NIL)             |



| Transactions                               | Balkrishna Paper Mills Ltd | Balkrishna Synthetics Ltd | BKT (EUROPE) LTD. | BKT EUROPE S.R.L. | BKT (USA) INC | BKT TIRES (CANADA) INC. | Nirvikara Paper Mills Ltd. | Thristha Synthetics Ltd. |
|--|----------------------------|---------------------------|-------------------|-------------------|---------------|-------------------------|----------------------------|--------------------------|
| Purchase of Investment                     | 35,00,00,000               | NIL                       | NIL               | NIL               | NIL           | NIL                     | 5,00,000                   | 5,00,000                 |
|  | (NIL)                      | (NIL)                     | (NIL)             | (NIL)             | (NIL)         | (NIL)                   | (NIL)                      | (NIL)                    |
| Redemption of Preference Shares            | NIL                        | 65,00,000                 | NIL               | NIL               | NIL           | NIL                     | NIL                        | NIL                      |
|  | (NIL)                      | (NIL)                     | (NIL)             | (NIL)             | (NIL)         | (NIL)                   | (NIL)                      | (NIL)                    |
| Premium on Redemption of Preference Shares | NIL                        | 5,85,00,000               | NIL               | NIL               | NIL           | NIL                     | NIL                        | NIL                      |
|  | (NIL)                      | (NIL)                     | (NIL)             | (NIL)             | (NIL)         | (NIL)                   | (NIL)                      | (NIL)                    |
| Receivables                                | 5,59,25,000                | NIL                       | NIL               | 21,70,73,768      | NIL           | NIL                     | NIL                        | NIL                      |
|  | (4,09,25,000)              | (1,23,67,690)             | (NIL)             | (22,78,349)       | (NIL)         | (NIL)                   | (NIL)                      | (NIL)                    |
| Payables                                   | NIL                        | NIL                       | NIL               | NIL               | 1,37,10,136   | 24,68,220               | NIL                        | NIL                      |
|  | (NIL)                      | (NIL)                     | (1,16,517)        | (NIL)             | (44,78,415)   | (NIL)                   | (NIL)                      | (NIL)                    |

\* Parties identified by the Management and relied upon by the auditors.

No amount in respect of related parties have been written off/back or are provided for.

## II) Disclosures required by clause 32 of the listing agreement

| Name of the Company   | Outstanding at the year end Rupees | Maximum Amount outstanding during the year Rupees |
|---|------------------------------------|---|
| Amount of Loans/Advances in nature of loans outstanding from:<br>Subsidiary:      |                                    |   |
| - Balkrishna Synthetics Limited ((No repayment schedule and interest bearing)     | NIL<br>(1,23,67,690)               | 1,23,67,690<br>(1,23,67,690)                      |
| - Balkrishna Paper Mills Limited (No repayment schedule and interest bearing)     | 5,59,25,000<br>(4,09,25,000)       | 10,59,25,000<br>(4,50,00,000)                     |
| Other than Subsidiary:  |                                    |   |
| - Balgopal Holding & Traders Limited (No repayment schedule and interest bearing) | NIL<br>(NIL)                       | NIL<br>(1,50,00,000)                              |
| - Clothing Culture Limited (No repayment schedule and interest bearing)           | NIL<br>(NIL)                       | NIL<br>(1,50,00,000)                              |

### NOTE NO.42

#### Leases - Operating leases :

|  | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| i) The company has taken commercial premises under cancellable and non-cancellable operating leases.   |                     |                      |
| ii) Future minimum Lease Payments under non - cancellable operating leases:  |                     |                      |
| not later than one year  | NIL                 | 4,23,750             |
| later than one year and not later than five years  | NIL                 | NIL                  |
| later than five years  | NIL                 | NIL                  |
| iii) The rental expenses recognised in Profit and Loss account for operating leases :  |                     |                      |
| (a) Minimum Rent   | 3,17,75,270         | 1,57,23,475          |
| (b) Contingent Rent  | NIL                 | NIL                  |
| iv) The Company has given certain portion of its office premises on operating lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company. |                     |                      |
| Gross carrying amount of the furnished office premises leased, included in Note No. '12' of Fixed Assets   | 20,11,99,816        | 20,01,65,371         |
| Accumulated Depreciation   | 2,84,75,605         | 2,25,90,359          |
| Depreciation recognised in the Profit and Loss Account   | 58,85,683           | 40,73,113            |

### NOTE NO.43

- As at 31st March,2014, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## NOTE NO.44

| PARTICULARS   | Current Year ended | Previous Year ended |
|---|--------------------|---------------------|
| <b>Derivative Instruments</b>   |                    |                     |
| (a) Hedging Contracts :   |                    |                     |
| i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose. |                    |                     |
| ii) Derivative Instruments outstanding  |                    |                     |
| Forward Exchange Contracts :  |                    |                     |
| Total No. of contracts outstanding for amount receivable on account of Export of Goods.   | 215                | 334                 |
| Foreign Currency Value covered :  |                    |                     |
| US Dollars  | 13,00,000          | 17,39,12,113        |
| Euro  | 21,13,04,293       | 18,29,63,481        |
| (b) Unhedged foreign currency exposure is as follows:   |                    |                     |
| <b>Amounts Payable :</b>  |                    |                     |
| Loans :   |                    |                     |
| US Dollars  | 33,30,53,088       | 31,92,32,138        |
| Euro  | 3,47,92,692        | 2,70,05,393         |
| Interest US Dollars   | 5,40,229           | 5,67,580            |
| Payables for goods and services:  |                    |                     |
| US Dollars  | 29,75,669          | 28,28,950           |
| Euro  | 8,19,339           | 4,92,581            |
| GBP   | NIL                | 1,575               |
| THB   | 1,92,725           | 2,29,214            |
| CAD   | 45,695             | 36,190              |
| JPY   | NIL                | 71,985              |
| SGD   | NIL                | 19,800              |
| <b>Amounts Receivable:</b>  |                    |                     |
| Export of Goods US Dollar   | NIL                | NIL                 |
| Advances :  |                    |                     |
| US Dollar   | 1,14,55,199        | 1,55,31,669         |
| Euro  | 1,89,098           | 23,85,188           |
| GBP   | NIL                | 15,326              |
| JPY   | 3,37,000           | NIL                 |
| Balance with Scheduled Banks  |                    |                     |
| On Current Accounts:  |                    |                     |
| US Dollar   | 14,10,752          | 269                 |
| Euro  | 4,95,291           | NIL                 |

**NOTE NO.45**
**Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".**

Defined benefit plans - As per actuarial valuation in respect of gratuity

| Sr. no. | Descriptions  | Current Year Rupees | Previous Year Rupees |
|---------|---|---------------------|----------------------|
| i)      | <b>Components of employer expenses</b>  |                     |                      |
|         | Current Service Cost  | 1,37,54,226         | 93,26,570            |
|         | Interest Cost   | 68,42,790           | 50,29,343            |
|         | Expected Return on Plan Assets  | (69,83,913)         | (55,53,937)          |
|         | Actuarial (Gain)/Loss (Net)   | (30,00,622)         | 1,10,05,153          |
|         | Total Expenses recognised in the statement of Profit & Loss Account in Note No. '27'        | 1,06,12,481         | 1,98,07,129          |
| ii)     | <b>Actual Contribution and Benefit Payments for the year end</b>                            |                     |                      |
|         | Actual Benefit Payments   | 46,29,009           | 23,14,590            |
|         | Actual Contributions  | 1,64,41,993         | 1,53,46,016          |
| iii)    | <b>Net (Asset) / Liabilities recognised in balance sheet at the year end</b>                |                     |                      |
|         | Present Value of Defined Benefit Obligation   | 9,64,92,279         | 8,29,42,912          |
|         | Fair value of plan assets   | 10,40,32,371        | (8,46,53,492)        |
|         | Net (Asset) / Liabilities recognised in balance sheet                                       | (75,40,092)         | (17,10,580)          |
| iv)     | <b>Reconciliation of Opening and Closing Balances of Defined Benefit Obligations ( DBO)</b> |                     |                      |
|         | Present Value of DBO at the beginning of the year   | 8,29,42,912         | 5,91,68,738          |
|         | Current Service cost  | 1,37,54,226         | 93,26,570            |
|         | Interest cost   | 68,42,790           | 50,29,343            |
|         | Past Service Cost (Vested Benefit)  | NIL                 | NIL                  |
|         | Actuarial (Gain)/Loss on DBO  | (24,18,640)         | 1,17,32,851          |
|         | Benefits paid   | (46,29,009)         | (23,14,590)          |
|         | Present Value of DBO at the end of the year   | 9,64,92,279         | 8,29,42,912          |
| v)      | <b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets</b>          |                     |                      |
|         | Plan assets at the beginning of the year  | 8,46,53,492         | 6,53,40,431          |
|         | Expected return on plan assets  | 69,83,913           | 55,53,937            |
|         | Actual Company contributions  | 1,64,41,993         | 1,53,46,016          |
|         | Actuarial Gain on Plan Assets   | 5,81,982            | 7,27,698             |
|         | Benefits paid   | (46,29,009)         | (23,14,590)          |
|         | Plan assets at the end of the year  | 10,40,32,371        | 8,46,53,492          |
| vi)     | <b>Actuarial Assumptions</b>  |                     |                      |
|         | Discount Rate   | 9.31%               | 8.25%                |
|         | Expected Return on plan Assets  | 9.31%               | 8.25%                |
|         | Salary escalation   | 4.50%               | 4.50%                |

**a) Defined Contribution Plans-**

The Company's contribution to defined contribution plans aggregating to **Rs.5,90,05,947** (Previous Year Rs.5,28,68,129) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 27) .

**b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.**

| <b>NOTE NO.46</b>                                  | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| Amount of Proposed dividend to Equity shareholders | 19,33,17,190        | 14,49,87,893         |
| Amount per share of Rs. 2 each, fully paid up      | 2.00                | 1.50                 |

| <b>NOTE NO.47</b>                          | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>Payment to Auditors</b>                 |                                |                                 |
| (a) Statutory Auditors                     |                                |                                 |
| - Audit Fees                               | <b>22,00,000</b>               | 20,00,000                       |
| - For Tax Audit                            | <b>4,50,000</b>                | 4,00,000                        |
| - For taxation matters                     | <b>7,50,000</b>                | 5,45,000                        |
| - For Company Law matters                  | <b>2,50,000</b>                | 2,00,000                        |
| - For other services - Certification, etc. | <b>12,87,500</b>               | 11,47,500                       |
| - For reimbursement of expenses            |                                |                                 |
| - Service Tax                              | <b>6,16,900</b>                | 5,36,412                        |
| - Expenses                                 | <b>53,600</b>                  | 47,400                          |
| (b) Cost Auditors                          |                                |                                 |
| - Audit Fees                               | <b>2,50,000</b>                | 2,00,000                        |
| - For reimbursement of Service Tax         | <b>30,900</b>                  | 24,720                          |

| <b>NOTE NO.48</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| (a) Amount of Borrowing Cost capitalised (Net)  | <b>102,42,91,479</b>           | 59,98,84,915                    |
| (b) Research and Development Cost/Expenditure   |                                |                                 |
| - Revenue   | <b>10,13,76,625</b>            | 7,57,79,229                     |
| - Capital   | <b>6,93,15,848</b>             | 9,37,18,529                     |
| Total of Research and Development Cost/Expenditure  | <b>17,06,92,473</b>            | 16,94,97,758                    |
| (c) Contribution to Provident and Other Funds ( Note No. 27 ) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India. | <b>1,64,41,993</b>             | 1,53,46,016                     |

**NOTE NO.49****(a) Information in respect of Goods Manufactured**

(As Certified by the Management)

| <b>Product</b>                             | <b>Unit of<br/>Measurement</b> | <b>Installed<br/>Capacity<br/>Quantity</b> | <b>Opening Stock</b>      |                                       | <b>Actual<br/>Production</b>    | <b>Closing Stock</b>      |                                       |
|--|--------------------------------|--|---------------------------|---------------------------------------|---------------------------------|---------------------------|---------------------------------------|
|  |                                |  | <b>Quantity</b>           | <b>Value in<br/>Rupees</b>            | <b>Quantity</b>                 | <b>Quantity</b>           | <b>Value in<br/>Rupees</b>            |
| Tyres                                      | Numbers                        | <b>63.03 lacs</b><br>(53.14 lacs)          | <b>79,665</b><br>(35,706) | <b>47,34,33,175</b><br>(22,38,17,897) | <b>29,26,717</b><br>(28,88,355) | <b>65,516</b><br>(79,665) | <b>53,80,59,054</b><br>(47,34,33,175) |
| Tube                                       | Numbers                        | <b>12.44 lacs</b><br>(12.44 lacs)          | <b>49,147</b><br>(27,634) | <b>2,27,10,952</b><br>(2,15,26,019)   | <b>3,27,141</b><br>(228,743)    | <b>43,055</b><br>(49,147) | <b>2,77,15,958</b><br>(2,27,10,952)   |
| Tyre Flaps                                 | Numbers                        | <b>3.79 lacs</b><br>(3.79 lacs)            | <b>21,265</b><br>(9,515)  | <b>18,74,462</b><br>(11,83,001)       | <b>88,209</b><br>(79,571)       | <b>8,271</b><br>(21,265)  | <b>9,20,138</b><br>(18,74,462)        |
| Wind Power Generation (Captively consumed) | KWH/Units                      | <b>5 MW</b><br>(5 MW)                      | <b>NIL</b><br>(NIL)       | <b>NIL</b><br>(NIL)                   | <b>60,66,234</b><br>(60,27,311) | <b>NIL</b><br>(NIL)       | <b>NIL</b><br>(NIL)                   |
|  |                                |  |                           | <b>49,80,18,589</b><br>(24,65,26,917) |                                 |                           | <b>56,66,95,150</b><br>(49,80,18,589) |

- i) The difference in quantities is on account of captive consumption, free samples and wastage/damages.  
ii) Installed capacity for tyres is based on the product mix and on the average weight of tyres manufactured.

**(b) Information in respect of Goods Traded in**

(As Certified by the Management)

| <b>Product</b> | <b>Unit of<br/>Measurement</b> | <b>Opening Stock</b>      |                                     | <b>Purchases</b>            |                                     | <b>Closing Stock</b>      |                                     |
|----------------|--------------------------------|---------------------------|-------------------------------------|-----------------------------|-------------------------------------|---------------------------|-------------------------------------|
|                |                                | <b>Quantity</b>           | <b>Value in Rupees</b>              | <b>Quantity</b>             | <b>Value in Rupees</b>              | <b>Quantity</b>           | <b>Value in Rupees</b>              |
| Tyres          | Numbers                        | <b>429</b><br>(1,100)     | <b>37,41,873</b><br>(76,84,754)     | <b>1,207</b><br>(3,292)     | <b>1,43,94,903</b><br>(3,14,31,920) | <b>189</b><br>(429)       | <b>12,33,691</b><br>(37,41,873)     |
| Tubes          | Numbers                        | <b>5,819</b><br>(29,248)  | <b>41,54,949</b><br>(1,19,56,497)   | <b>5,536</b><br>(22,500)    | <b>1,41,39,564</b><br>(3,06,80,748) | <b>1,129</b><br>(5,819)   | <b>27,82,033</b><br>(41,54,949)     |
| Tyre Flaps     | Numbers                        | <b>25,181</b><br>(12,480) | <b>61,92,763</b><br>(19,23,913)     | <b>95,200</b><br>(1,48,636) | <b>2,68,69,574</b><br>(3,28,35,687) | <b>22,512</b><br>(25,181) | <b>61,29,882</b><br>(61,92,763)     |
|                |                                |                           | <b>1,40,89,585</b><br>(2,15,65,164) |                             | <b>5,54,04,041</b><br>(9,49,48,355) |                           | <b>1,01,45,606</b><br>(1,40,89,585) |

**(c) Sale of Products:**

|            | Unit of Measurement | Quantity                        | Value                                     |
|------------|---------------------|---------------------------------|---|
| Tyres      | Numbers             | <b>29,40,762</b><br>(28,48,290) | <b>3536,21,03,636</b><br>(3171,34,38,083) |
| Tubes      | Numbers             | <b>3,38,879</b><br>(2,52,277)   | <b>33,07,86,826</b><br>(26,51,02,818)     |
| Tyre Flaps | Numbers             | <b>1,98,889</b><br>(2,03,588)   | <b>4,85,36,053</b><br>(4,86,01,088)       |
|            |                     |                                 | <b>3574,14,26,515</b><br>(3202,71,41,989) |

**NOTE NO.50**

Other Operating Revenue includes **Rs.18,68,142** (Previous Year Rs. 22,09,548 ) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

**NOTE NO.51**

| Nature of Security in respect of secured Loan (Long Term/Short Term):   | Rupees  |
|---|---|
| <b>Working Capital Loans from Banks Repayable on Demand:</b><br>Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets 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.   | <b>412,09,38,445</b>                          |
| <b>Term Loan from Banks:</b><br>Secured by first charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis.<br>(Repayment in 14 Quarterly Equal Installments beginning from financial Year 2011-12 , Rate of Interest LIBOR + 300 bppa)  | <b>6,00,99,800</b>                            |
| <b>Term Loan from Banks:</b><br>Secured by first charge by way of hypothecation on the all present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & certain 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 movables on pari-passu basis.<br>(Repayment in 3 Annual Equal Installments beginning from financial Year 2015-16, Rate of Interest LIBOR + 265 bppa)<br>(Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 320 bppa) | <b>1051,74,65,000</b><br><b>600,99,80,000</b> |

**NOTE NO.52**

Miscellaneous Expenses includes **Rs. NIL** ( Previous Year Rs.11,00,000) paid to a Political Party, Bhartiya Janta Party - Gujarat Pradesh

**NOTE NO.53**

The Company has received approval from stock exchanges in connection with its scheme of arrangement of its two subsidiary Companies namely Balkrishna Paper Mills Limited and Balkrishna Synthetics Limited, has filed Application in the High Court of Bombay for its approval.

**NOTE NO.54**

- Figures in brackets in notes 33,34,39,41 and 49 pertain to previous year.
- Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For **JAYANTILAL THAKKAR & CO.**  
Chartered Accountants

**VIRAL A. MERCHANT**  
Partner

Mumbai,  
Dated: 15th May, 2014

For and on behalf of the Board of Directors

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

**BASANT BANSAL**  
Director (Finance)

Mumbai,  
Dated: 15th May, 2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

|  | Year Ended<br>31st March, 2014 |                  | Year Ended<br>31st March, 2013 |                 |
|--|--------------------------------|------------------|--------------------------------|-----------------|
|  | Rupees                         |                  | Rupees                         |                 |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>          |                                |                  |                                |                 |
| Profit before Tax  |                                | 717,69,58,823    |                                | 535,20,15,388   |
| Adjustment for :   |                                |                  |                                |                 |
| Depreciation and Amortisation                            | 164,96,42,325                  |                  | 107,71,36,497                  |                 |
| Income from Investments                                  | (11,57,37,696)                 |                  | (36,80,950)                    |                 |
| Finance Cost   | 24,97,39,020                   |                  | 25,68,09,734                   |                 |
| Interest Income  | (1,72,09,729)                  |                  | (1,10,00,569)                  |                 |
| Loss/(Profit) on Sale of Fixed Assets                    | 17,08,426                      |                  | (50,24,371)                    |                 |
| Fixed Assets Discarded/Written Off                       | 11,02,904                      |                  | 70,419                         |                 |
| Unrealised Foreign Exchange differences                  | 23,80,67,830                   |                  | (8,92,09,273)                  |                 |
| Retiring Gratuities                                      | 1,06,12,481                    |                  | 1,98,07,129                    |                 |
| Leave Encashment   | 1,85,17,731                    |                  | 2,31,30,827                    |                 |
|  |                                | 203,64,43,292    |                                | 126,80,39,442   |
| Operating profit before working capital changes          |                                | 921,34,02,115    |                                | 662,00,54,830   |
| Adjustment for:  |                                |                  |                                |                 |
| Trade and other receivables                              | (173,71,43,221)                |                  | (48,58,12,667)                 |                 |
| Inventories  | (96,52,42,659)                 |                  | 48,51,92,651                   |                 |
| Trade payables   | 120,90,33,161                  |                  | 31,37,88,073                   |                 |
|  |                                | (149,33,52,719)  |                                | 31,31,68,057    |
| Cash generated from operations                           |                                | 772,00,49,396    |                                | 693,32,22,887   |
| Direct taxes paid  |                                | (175,79,95,599)  |                                | (140,96,09,912) |
| Gratuity paid  |                                | (1,64,41,993)    |                                | (1,53,46,016)   |
| Leave Encashment paid                                    |                                | (81,24,708)      |                                | (71,01,146)     |
| Net cash from Operating Activities                       |                                | 593,74,87,096    |                                | 550,11,65,813   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>          |                                |                  |                                |                 |
| Purchase of Fixed Assets & Capital Work in Progress      | (858,69,08,895)                |                  | (962,60,12,985)                |                 |
| Sale of Fixed Assets                                     | 61,15,885                      |                  | 2,05,86,700                    |                 |
| Purchase of Investments                                  | (1810,70,57,329)               |                  | (490,17,32,520)                |                 |
| Sale of Investments                                      | 1417,10,60,329                 |                  | 489,49,49,920                  |                 |
| Inter Corporate Loan Given                               | (38,00,00,000)                 |                  | (6,00,00,000)                  |                 |
| Inter Corporate Loan Refund Received                     | 35,73,67,690                   |                  | 6,40,75,000                    |                 |
| Interest received  | 1,71,74,222                    |                  | 1,10,00,569                    |                 |
| Income Received on Investments                           | 11,57,37,751                   |                  | 36,79,362                      |                 |
| Net cash used in Investing Activities                    |                                | (1240,65,10,347) |                                | (959,34,53,953) |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>          |                                |                  |                                |                 |
| Proceeds from Short Term Borrowings (Net)                | 252,43,02,827                  |                  | 127,81,34,630                  |                 |
| Proceeds from Long Term Borrowings                       | 1597,79,91,065                 |                  | 1997,11,35,458                 |                 |
| Repayment of Long Term Borrowings                        | (1417,77,93,538)               |                  | (1763,88,25,627)               |                 |
| Dividend paid (including tax thereon)                    | (17,00,41,379)                 |                  | (16,87,56,980)                 |                 |
| Finance Cost paid  | (25,06,57,802)                 |                  | (26,05,00,215)                 |                 |
| Net Cash from Financing Activities                       |                                | 390,38,01,173    |                                | 318,11,87,266   |
| Net Increase in cash and cash equivalent                 |                                | (256,52,22,078)  |                                | (91,11,00,875)  |
| Exchange difference on cash and cash equivalent - Gain   |                                | 2,06,145         |                                | 1,95,880        |
| Cash and cash equivalent as at the beginning of the year |                                | 266,30,62,722    |                                | 357,39,67,717   |
| Cash and cash equivalent as at the end of the year       |                                | 9,80,46,789      |                                | 266,30,62,722   |

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 **JAYANTILAL THAKKAR & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

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

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**  
Partner

Mumbai,  
Dated: 15th May, 2014

Mumbai,  
Dated: 15th May, 2014

**Statement Pursuant to Section 212 of the Companies Act, 1956, Details of Subsidiary Companies**

| Sr. No.                | Name of the Subsidiary Company                          | Balkrishna Paper Mills Ltd.  | Balkrishna Synthetics Ltd. | BKT EXIM Ltd. | BKT Tyres Ltd. | Nirvikara Paper Mills Ltd. | Thristha Synthetics Ltd. | BKT (EUROPE) Ltd. | BKT EUROPE SRL | BKT (USA) INC | BKT TIRES (CANADA) INC |
|------------------------|---|------------------------------|----------------------------|---------------|----------------|----------------------------|--------------------------|-------------------|----------------|---------------|------------------------|
| Amount (Rs. In Crores) |   |                              |                            |               |                |                            |                          |                   |                |               |                        |
| <b>1</b>               | Financial year of the Subsidiary ended on               | 31 <sup>st</sup> March, 2014 |                            |               |                |                            |                          |                   |                |               |                        |
| <b>2</b>               | Capital   | 39.95                        | 1.00                       | 0.30          | 0.05           | 0.05                       | 0.05                     | 0.04              | 0.06           | 0.01          | 0.03                   |
| <b>3</b>               | Reserves  | 18.82                        | 6.69                       | (0.02)        | 0.02           | (0.003)                    | (0.003)                  | 0.17              | (0.11)         | 2.17          | 0.08                   |
| <b>4</b>               | Total Assets  | 164.35                       | 38.11                      | 0.28          | 0.07           | 0.05                       | 0.05                     | 0.22              | 32.78          | 3.08          | 0.31                   |
| <b>5</b>               | Total Liabilities                                       | 105.58                       | 30.42                      | 0.004         | 0.001          | 0.001                      | 0.001                    | 0.00              | 32.83          | 0.90          | 0.20                   |
| <b>6</b>               | Details of Investment                                   | 0.00                         | 0.56                       | 0.19          | 0.00           | 0.00                       | 0.00                     | 0.00              | 0.00           | 0.00          | 0.00                   |
| <b>7</b>               | Turnover  | 166.80                       | 50.21                      | 0.05          | 0.009          | 0.00                       | 0.00                     | 0.04              | 33.28          | 18.97         | 2.78                   |
| <b>8</b>               | Profit Before Taxation                                  | (14.29)                      | 1.35                       | 0.04          | 0.007          | (0.003)                    | (0.003)                  | 0.04              | 0.48           | 0.76          | 0.12                   |
| <b>9</b>               | Provision of Tax  | 0.26                         | 0.55                       | 0.01          | 0.002          | 0.00                       | 0.00                     | 0.00              | 1.22           | 0.14          | 0.04                   |
| <b>10</b>              | Profit/(Loss) After Taxation                            | (14.55)                      | 0.80                       | 0.03          | 0.005          | (0.003)                    | (0.003)                  | 0.04              | (0.74)         | 0.62          | 0.08                   |
| <b>11</b>              | Proposed Dividend (On Preference Shares + Dividend Tax) | 0.02                         | 0.01                       | 0.00          | 0.00           | 0.00                       | 0.00                     | 0.00              | 0.00           | 0.00          | 0.00                   |
| <b>12</b>              | Reporting Currency                                      | INR                          | INR                        | INR           | INR            | INR                        | INR                      | GBP               | EURO           | USD           | CAD                    |

**Exchange Rate**

1 Euro = Rs.82.5765

1 US \$ = Rs.60.0998

1 GBP = Rs.99.8498

1 CAD = Rs.54.0151

For and on behalf of the Board of Directors

**ARVIND PODDAR** Chairman & Managing Director

**RAJIV PODDAR** Executive Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,

Dated: 15th May 2014

**BASANT BANSAL**

Director (Finance)



## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### To the Board of Directors of BALKRISHNA INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of **Balkrishna Industries Limited** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

- (i) We did not audit the financial statements of the subsidiary, BKT (EUROPE) LTD. (incorporated in UK), whose financial statements reflect total assets of Rs.21,52,662 (net) as at 31<sup>st</sup> March, 2014, total revenue of Rs.3,79,962 and net cash inflows amounting to Rs.3,82,858 for the year ended on that date. These financial statements have not been audited in accordance with Section 476 and Section 477 of the Companies Act, 2006(UK). We have relied on the Management certified financial statements.
- (ii) We did not audit the financial statements of the subsidiary, BKT EUROPE S.R.L. (incorporated in ITALY), whose financial statements reflect the total liability of Rs.5,03,037 (net) as at 31<sup>st</sup> March 2014, total revenue of Rs.33,27,85,851 and net cash inflows amounting to Rs.1,89,90,766 for the year ended on that date. These financial statements have been certified by a Certified Public Accountant of Italy, whose report has been furnished to us and our opinion is based solely on the report of the said accountant.
- (iii) We did not audit the financial statements of the subsidiary, BKT (USA) INC (incorporated in USA), whose financial statements reflect the total assets of Rs.2,18,06,939 (net) as at 31<sup>st</sup> March 2014, total revenue of Rs.18,96,63,640 and net cash inflows amounting to Rs.35,77,918 for the year ended on that date. These financial statements have been reviewed by a Certified Public Accountants of USA, whose review report has been furnished to us and our opinion is based solely on the report of the said accountant.
- (iv) We did not audit the financial statements of the subsidiary, BKT TIRES (CANADA) INC (incorporated in CANADA), whose financial statements reflect the total assets of Rs.10,75,658 (net) as at 31<sup>st</sup> March 2014, total revenue of Rs.2,78,39,815 and net cash inflows amounting to Rs.3,50,978 for the year ended on that date. These financial statements have been reviewed by a Certified Public Accountants of Canada, whose review report has been furnished to us and our opinion is based solely on the report of the said accountant.

Our opinion is not qualified in respect of other matters.

### FOR JAYANTILAL THAKKAR & CO.

Chartered Accountants  
(Firm Reg. No. 104133W)

### VIRAL A.MERCHANT

Partner  
Membership No. 116279

Mumbai,  
Dated : 15<sup>th</sup> May, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014**

| PARTICULARS                        |                                | Note No. | Current Year Rupees |                       | Previous Year Rupees  |
|------------------------------------|--------------------------------|----------|---------------------|-----------------------|-----------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |                                |          |                     |                       |                       |
| <b>1 SHAREHOLDERS' FUND</b>        |                                |          |                     |                       |                       |
| (a)                                | Share Capital                  | 2        | 19,33,17,190        |                       | 19,33,17,190          |
| (b)                                | Reserves And Surplus           | 3        | 1875,75,01,235      |                       | 1423,67,29,307        |
|                                    |                                |          |                     | 1895,08,18,425        | 1443,00,46,497        |
| <b>2 NON-CURRENT LIABILITIES</b>   |                                |          |                     |                       |                       |
| (a)                                | Long-Term Borrowings           | 4        | 1706,39,62,398      |                       | 1566,64,67,477        |
| (b)                                | Deferred Tax Liabilities (Net) | 5        | 179,55,31,701       |                       | 106,68,67,250         |
| (c)                                | Other Long Term Liabilities    | 6        | 42,00,93,829        |                       | 96,93,63,158          |
| (d)                                | Long-Term Provisions           | 7        | (31,91,571)         |                       | 46,19,856             |
|                                    |                                |          |                     | 1927,63,96,357        | 1770,73,17,741        |
| <b>3 CURRENT LIABILITIES</b>       |                                |          |                     |                       |                       |
| (a)                                | Short Term Borrowings          | 8        | 705,56,58,404       |                       | 579,95,19,047         |
| (b)                                | Trade Payables                 | 9        | 378,07,63,950       |                       | 274,10,97,643         |
| (c)                                | Other Current Liabilities      | 10       | 86,73,00,214        |                       | 60,49,70,267          |
| (d)                                | Short-Term Provisions          | 11       | 28,98,58,076        |                       | 22,43,43,065          |
|                                    |                                |          |                     | 1199,35,80,644        | 936,99,30,022         |
| <b>TOTAL</b>                       |                                |          |                     | <b>5022,07,95,426</b> | <b>4150,72,94,260</b> |
| <b>II. ASSETS</b>                  |                                |          |                     |                       |                       |
| <b>1 NON-CURRENT ASSETS</b>        |                                |          |                     |                       |                       |
| (a)                                | Fixed Assets                   |          |                     |                       |                       |
| (i)                                | Tangible Assets                | 12       | 2387,80,57,701      |                       | 1333,79,76,043        |
| (ii)                               | Intangible Assets              | 13       | 1,13,24,199         |                       | 1,47,73,770           |
| (iii)                              | Capital Work-in-Progress       |          | 565,63,26,457       |                       | 1012,55,28,259        |
|                                    |                                |          |                     | 2954,57,08,357        | 2347,82,78,072        |
| (b)                                | Non-Current Investments        | 14       | 368,11,96,535       |                       | 3,11,99,535           |
| (c)                                | Long-Term Loans and Advances   | 15       | 219,54,75,475       |                       | 287,52,14,693         |
| (d)                                | Other Non-Current Assets       | 16       | 98,08,001           |                       | 30,10,247             |
| <b>2 GOODWILL ON CONSOLIDATION</b> |                                |          |                     |                       | 5,99,090              |
| <b>3 CURRENT ASSETS</b>            |                                |          |                     |                       |                       |
| (a)                                | Current Investments            | 17       | 2,06,96,686         |                       | 20,00,775             |
| (b)                                | Inventories                    | 18       | 568,40,32,760       |                       | 456,74,33,111         |
| (c)                                | Trade Receivables              | 19       | 613,76,29,783       |                       | 519,67,25,713         |
| (d)                                | Cash and Cash Equivalents      | 20       | 14,93,45,909        |                       | 277,96,89,624         |
| (e)                                | Short-Term Loans and Advances  | 21       | 279,26,26,892       |                       | 250,73,79,178         |
| (f)                                | Other Current Assets           | 22       | 36,75,938           |                       | 6,57,64,222           |
|                                    |                                |          |                     | 1478,80,07,968        | 1511,89,92,623        |
| <b>TOTAL</b>                       |                                |          |                     | <b>5022,07,95,426</b> | <b>4150,72,94,260</b> |

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES 1 to 47 TO THE ACCOUNTS**

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For **JAYANTILAL THAKKAR & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

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

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**

Partner

Mumbai,

Dated: 15th May, 2014

Mumbai,

Dated: 15th May, 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| PARTICULARS |   | Note No.  | Current Year Rupees   | Previous Year Rupees |
|-------------|---|-----------|-----------------------|----------------------|
| <b>I</b>    | <b>Revenue From Operations</b>  | <b>23</b> | <b>3771,85,39,485</b> | 3393,93,10,473       |
| <b>II</b>   | <b>Other Income</b>   | <b>24</b> | <b>14,10,12,382</b>   | 4,50,63,650          |
| <b>III</b>  | <b>Total Revenue (I+II)</b>   |           | <b>3785,95,51,867</b> | 3398,43,74,123       |
| <b>IV</b>   | <b>Expenses :</b>   |           |                       |                      |
|             | Cost of Materials Consumed  | <b>25</b> | <b>1829,00,77,152</b> | 1921,10,96,623       |
|             | Purchases of Stock-in-Trade   | <b>26</b> | <b>5,77,10,557</b>    | 9,49,48,355          |
|             | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | <b>27</b> | <b>(12,89,23,493)</b> | (35,92,20,861)       |
|             | Employee Benefits Expense   | <b>28</b> | <b>168,56,78,797</b>  | 133,76,73,220        |
|             | Finance Cost  | <b>29</b> | <b>27,27,37,262</b>   | 27,36,99,747         |
|             | Depreciation and Amortization Expense   | <b>30</b> | <b>170,27,94,610</b>  | 112,20,00,858        |
|             | Other Expenses  | <b>31</b> | <b>891,77,39,391</b>  | 696,62,00,570        |
|             | Total Expenses  |           | <b>3079,78,14,276</b> | 2864,63,98,512       |
| <b>V</b>    | <b>Profit Before Tax (III-IV)</b>   |           | <b>706,17,37,591</b>  | 533,79,75,611        |
| <b>VI</b>   | <b>Tax Expense:</b>   |           |                       |                      |
|             | Current tax   |           | <b>158,69,31,287</b>  | 143,88,17,886        |
|             | Deferred tax  |           | <b>72,86,33,020</b>   | 40,01,35,751         |
| <b>VII</b>  | <b>Profit After Tax (V-VI)</b>  |           | <b>474,61,73,284</b>  | 349,90,21,974        |
| <b>VIII</b> | <b>Earnings per equity share:</b>   |           |                       |                      |
|             | Basic and Diluted   | <b>35</b> | <b>49.10</b>          | 36.20                |

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 47

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached  
For **JAYANTILAL THAKKAR & CO.**  
**Chartered Accountants**

For and on behalf of the Board of Directors  
**ARVIND PODDAR** Chairman & Managing Director  
**RAJIV PODDAR** Joint Managing Director  
**VIPUL SHAH** Director & Company Secretary

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**  
Partner  
Mumbai,  
Dated: 15th May, 2014

Mumbai,  
Dated: 15th May, 2014

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE NO.1

#### SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation of consolidated financial statements

The consolidated financial statement relates to Balkrishna Industries Limited (the Company) and its subsidiaries. The Company and its Subsidiaries constitute the Group. The accounts have been prepared in accordance with historical cost convention and on accrual basis.

##### Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS 21) – ‘Consolidated Financial Statements’, as notified under the Companies (Accounting Standards) Rules, 2006.

The financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealised profits or losses .

All intra-group transactions have been entered at common rates.

The excess of cost of investments in the Subsidiary Companies over the Company’s portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements as goodwill. The excess of Company’s portion of equity of the Subsidiaries over the cost of the investment there in is treated as Capital Reserve.

The consolidated financial statements are prepared by using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as in the Company’s separate financial statements unless stated otherwise.

The following subsidiary Companies are considered in the consolidated financial statement.

| Sr.No.                       | Name of the Subsidiary Company | Country of Incorporation | % of holding either directly or through subsidiary in the Current and Previous Year (unless otherwise stated) |
|------------------------------|--------------------------------|--------------------------|---|
| <b>Direct Subsidiaries</b>   |                                |                          |   |
| 1.                           | Balkrishna Paper Mills Limited | India                    | 100%  |
| 2.                           | Balkrishna Synthetics Limited  | India                    | 100%  |
| 3.                           | BKT Exim Limited               | India                    | 100%  |
| 4.                           | BKT Tyres Limited              | India                    | 100%  |
| 5.                           | Nirvikara Paper Mills Limited  | India                    | 100%  |
| 6.                           | Thristha Synthetics Limited    | India                    | 100%  |
| <b>Indirect Subsidiaries</b> |                                |                          |   |
| 7.                           | BKT (EUROPE) LTD.              | U.K.                     | 100%  |
| 8.                           | BKT EUROPE S.R.L.              | Italy                    | 100%  |
| 9.                           | BKT (USA) INC                  | USA                      | 100%  |
| 10.                          | BKT TIRES (CANADA) INC         | Canada                   | 100%  |

##### Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

##### Fixed Assets

- Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

**Depreciation/Amortisation**

- a) In respect of the Company and its subsidiaries in India :
- i) Depreciation on Fixed Assets (Other than leasehold land) has been provided for in accordance with schedule XIV to the Companies Act, 1956 on Straight Line Method. In respect of fixed assets whose actual cost does not exceed five thousand rupees, depreciation at the rate of 100 percent, irrespective of the date of addition during the year.
  - ii) Premium on Leasehold Land is amortised over the duration of the Lease.
- b) In respect of overseas subsidiaries, depreciation has been provided by the overseas subsidiaries as per the methods and at the rates required/permissible by the local laws so as to write off assets over their useful lives.

**Investments**

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

**Valuation of Inventories**

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis by the Company and one of the Subsidiaries – Balkrishna Synthetics Limited. In case of other Subsidiary Companies, wherever applicable, the cost is computed on First in First Out basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**Sales-Processing/Job Charges**

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives. Processing charges are excluding Excise Duty, as the concerned subsidiary is not liable to pay the duty and the same is borne by the Customer.

**Export Benefits**

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. Export Incentives under Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted for in the year of such sale. Export Incentive under Duty Drawback Scheme under EXIM Policy is accounted for in the year of Export.

**Foreign Exchange Transactions**

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

**Translation of accounts of overseas subsidiaries.**

- a) Fixed assets are translated in INR by applying the exchange rate prevailing on the date of acquisition of said assets.
- b) Other assets/ all outside liabilities have been translated at the exchange rate ruling at the year end.
- c) Income and expenses have been translated by applying simple average of exchange rates ruling at the beginning and end of the financial year.
- d) Exchange difference arising on account of translation of accounts is taken to the profit and loss account.

**Employee Benefits:**

- (1) In respect of the Company and its subsidiaries in India:

**A) Short-term employee benefits:**

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

**B) Post employment benefits:**

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to Profit and Loss Account. The liability of the company is also determined through actuarial valuation technique at Balance Sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the Balance Sheet date is provided for at the year end.

(2) In respect of overseas subsidiaries the benefits are paid/provided as per the requirement of local laws.

**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 Fixed Assets.

**Government Grants**

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

**Borrowing Cost**

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

**Taxation**

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the respective taxation laws.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.
- c) Deferred tax at overseas subsidiaries is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the Management, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

**Leases**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books

**Impairment**

The carrying amount of an asset is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to the accounts. Contingent Assets are not recognised or disclosed in the financial statements.

| <b>NOTE NO.2</b>  | <b>Current Year<br/>Rupees</b>             | <b>Previous Year<br/>Rupees</b> |
|---|--|---------------------------------|
| <b>SHARE CAPITAL</b>  |  |                                 |
| Authorised :<br>25,00,00,000 Equity Shares of Rs.2 each   | <b>50,00,00,000</b>                        | 50,00,00,000                    |
| Issued Subscribed and fully paid up:<br>9,66,58,595 Equity Shares of Rs.2 each fully paid up  | <b>19,33,17,190</b><br><b>19,33,17,190</b> | 19,33,17,190<br>19,33,17,190    |
| Terms/rights attached to equity shares:<br>All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.<br>Shareholder's holding more than 5 % Shares in the Company |  |                                 |
| <b>Name of Shareholders</b>   | <b>No. of Shares held</b>                  | <b>No. of Shares held</b>       |
| GPP ENTERPRISES LLP   | *  | 2,16,30,535                     |
| % Holding   | *  | 22.38                           |
| RAP ENTERPRISES LLP   | <b>2,32,67,995</b>                         | 2,32,67,995                     |
| % Holding   | <b>24.07</b>                               | 24.07                           |
| AKP ENTERPRISES LLP   | <b>2,35,73,445</b>                         | NIL                             |
| % Holding   | <b>24.39</b>                               | NIL                             |
| * In the current year percentage shareholding has decreased below 5% and accordingly, no disclosure is made for the same.   |  |                                 |

| <b>NOTE NO.3</b>                              | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| <b>RESERVES AND SURPLUS</b>                   |                                |                                 |
| (a) Capital Redemption Reserve                |                                |                                 |
| Opening Balance                               | <b>NIL</b>                     |                                 |
| Add: Addition during the year                 | <b>65,00,000</b>               |                                 |
| Less: Deduction during the year               | <b>NIL</b>                     |                                 |
| Closing Balance                               | <b>65,00,000</b>               | NIL                             |
| (b) Capital Reserve                           | <b>1,54,57,052</b>             | 1,54,57,052                     |
| (c) Securities Premium Account                | <b>71,53,42,628</b>            | 71,53,42,628                    |
| (d) Other Reserve (General Reserve)           |                                |                                 |
| Opening Balance                               | <b>1,250,00,00,000</b>         | 900,00,00,000                   |
| Add: Transferred from Profit and Loss account | <b>400,00,00,000</b>           | 350,00,00,000                   |
| Closing Balance                               | <b>1,650,00,00,000</b>         | 1,250,00,00,000                 |
| (e) Surplus                                   |                                |                                 |
| Opening Balance                               | <b>100,59,29,627</b>           | 117,67,26,424                   |
| Add: Net Profit for the current year          | <b>474,61,73,284</b>           | 349,90,21,974                   |
| Less: Proposed Dividend                       | <b>19,33,17,190</b>            | 14,49,87,893                    |
| Less: Tax on Dividend                         | <b>3,20,84,166</b>             | 2,46,40,692                     |
| Less: Transfer to Capital Redemption Reserve  | <b>65,00,000</b>               | NIL                             |
| Less: Transfer to General Reserve             | <b>400,00,00,000</b>           | 350,00,00,000                   |
| Less: Income Tax of Earlier Year              | <b>NIL</b>                     | 1,90,186                        |
| Closing Balance                               | <b>152,02,01,555</b>           | 100,59,29,627                   |
|   | <b>1,875,75,01,235</b>         | 1,423,67,29,307                 |

| <b>NOTE NO.4</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| <b>LONG TERM BORROWINGS</b>   |                                |                                 |
| Secured (Refer Note No. 45)   |                                |                                 |
| Term loans  |                                |                                 |
| - from banks  | <b>1,700,57,33,875</b>         | 1,561,20,75,102                 |
| Unsecured   |                                |                                 |
| - 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) | <b>3,14,31,154</b>             | 3,14,31,154                     |
| - Distributors/Dealers Deposit  | <b>2,67,97,369</b>             | 2,29,61,221                     |
|   | <b>1,706,39,62,398</b>         | 1,566,64,67,477                 |



| <b>NOTE NO.5</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>DEFERRED TAX LIABILITIES (NET)</b>  |                                |                                 |
| Deferred Tax Liability on account of :<br>Depreciation   | <b>183,14,66,550</b>           | 110,07,96,663                   |
| Deferred Tax Assets on account of :<br>Expenses allowable for tax purpose when paid                              | <b>3,59,34,849</b>             | 3,39,29,413                     |
| Net Deferred Tax Liability   | <b><u>179,55,31,701</u></b>    | <u>106,68,67,250</u>            |
| <b>NOTE NO.6</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER LONG TERM LIABILITIES</b>   |                                |                                 |
| Trade payable(Refer Note No. 38 for details of Dues to Micro and Small Enterprises)                              | <b>4,22,00,700</b>             | 1,54,22,710                     |
| Others - Payable towards Capital Goods,Security Deposit etc.   | <b>37,75,40,779</b>            | 95,35,48,998                    |
| Security Deposit   | <b>3,52,350</b>                | 3,91,450                        |
|  | <b><u>42,00,93,829</u></b>     | <u>96,93,63,158</u>             |
| <b>NOTE NO.7</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>LONG TERM PROVISIONS</b>  |                                |                                 |
| Provision for employee benefits - Gratuity   | <b><u>(31,91,571)</u></b>      | <u>46,19,856</u>                |
| <b>NOTE NO.8</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>SHORT TERM BORROWINGS</b>   |                                |                                 |
| Secured (Refer Note No.45 )  |                                |                                 |
| - Loans repayable on demand (Cash Credit)  | <b>376,35,28,723</b>           | 161,80,81,647                   |
| - Other Loans  | <b>49,14,71,761</b>            | 64,76,95,390                    |
| Unsecured  |                                |                                 |
| Loans repayable on demand  | <b>276,01,57,921</b>           | 338,33,42,010                   |
| - from banks   | <b>4,05,00,000</b>             | 15,04,00,000                    |
| Loans and advances from related parties.   | <b><u>705,56,58,404</u></b>    | <u>579,95,19,047</u>            |
| <b>NOTE NO.9</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>TRADE PAYABLES</b>  |                                |                                 |
| Trade Payables (including Acceptances)<br>(Refer Note No. 38 for details of Dues to Micro and Small Enterprises) | <b><u>378,07,63,950</u></b>    | <u>274,10,97,643</u>            |
| <b>NOTE NO.10</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER CURRENT LIABILITIES</b>   |                                |                                 |
| Current maturities of long-term debt   | <b>26,55,98,066</b>            | 17,37,64,497                    |
| Interest accrued but not due on borrowings   | <b>3,39,64,532</b>             | 3,24,29,138                     |
| Income received in advance   | <b>13,80,33,945</b>            | 14,75,36,130                    |
| Unpaid dividends   | <b>55,98,282</b>               | 68,14,307                       |
| Other payables   |                                |                                 |
| - Statutory dues towards TDS/VAT/CST/Service Tax etc.  | <b>15,16,49,063</b>            | 9,53,81,786                     |
| - Security Deposits  | <b>19,09,064</b>               | 17,96,749                       |
| - Others   | <b>27,05,47,262</b>            | 14,72,47,660                    |
|  | <b><u>86,73,00,214</u></b>     | <u>60,49,70,267</u>             |
| <b>NOTE NO.11</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>SHORT TERM PROVISIONS</b>   |                                |                                 |
| Provision for employee benefits  |                                |                                 |
| - Leave encashment   | <b>6,35,11,907</b>             | 5,44,54,479                     |
| Others   |                                |                                 |
| - Proposed Dividend  | <b>19,35,12,190</b>            | 14,52,47,894                    |
| - Tax on proposed Dividend   | <b>3,28,33,979</b>             | 2,46,40,692                     |
|  | <b><u>28,98,58,076</u></b>     | <u>22,43,43,065</u>             |

**NOTE NO.12**

| Fixed Assets                         | Gross Block (At Cost)    |                           |                            | Depreciation (Including Amortization) |                       |                      | (Net Block)                |                       |                       |                  |
|--------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------------------|-----------------------|----------------------|----------------------------|-----------------------|-----------------------|------------------|
|                                      | Balance As at 01.04.2013 | Additions During the year | Deductions During the year | Balance As at 31.03.2014              | Total upto 31.03.2013 | For the Year         | Deductions During the year | Total upto 31.03.2014 | As At 31.03.2014      | As At 31.03.2013 |
| <b>Tangible assets</b>               |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| (a) Land                             |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| - Freehold                           | 36,86,18,200             | NIL                       | NIL                        | 36,86,18,200                          | NIL                   | NIL                  | NIL                        | NIL                   | 36,86,18,200          | 36,86,18,200     |
| - Leasehold                          | 23,29,57,609             | NIL                       | NIL                        | 23,29,57,609                          | 1,26,48,008           | 28,59,991            | NIL                        | 1,55,07,999           | 21,74,49,610          | 22,03,09,601     |
| (b) Buildings                        | 344,59,58,772            | 198,98,53,470             | 11,24,473                  | 543,46,87,769                         | 30,44,73,023          | 10,78,47,349         | 11,24,472                  | 41,11,95,900          | 502,34,91,869         | 314,14,85,749    |
| (c) Plant and Equipment              | 1305,56,31,474           | 939,77,01,526             | 1,72,90,533                | 2243,60,42,467                        | 459,02,56,789         | 152,53,21,276        | 1,52,93,175                | 610,02,84,890         | 1633,57,57,577        | 846,53,74,685    |
| (d) Factory Equipment                | 61,14,51,770             | 34,77,79,324              | 8,40,426                   | 95,83,90,668                          | 10,29,79,232          | 3,13,25,930          | 2,84,548                   | 13,40,20,614          | 82,43,70,054          | 50,84,72,539     |
| (d) Furniture and Fixtures           | 14,04,44,434             | 13,10,149                 | NIL                        | 14,17,54,583                          | 3,86,75,912           | 89,31,932            | NIL                        | 4,76,07,844           | 9,41,46,739           | 10,17,68,522     |
| (e) Vehicles                         | 6,45,24,262              | 2,58,39,455               | 1,17,43,035                | 7,86,20,682                           | 1,21,76,899           | 63,52,114            | 48,57,341                  | 1,36,71,672           | 6,49,49,010           | 5,23,47,363      |
| (f) Office Equipment                 | 4,29,14,445              | 49,68,350                 | 2,10,854                   | 4,76,71,941                           | 91,15,673             | 22,75,382            | 90,247                     | 1,13,00,808           | 3,63,71,133           | 3,37,98,772      |
| (g) Others                           |                          |                           |                            |                                       |                       |                      |                            |                       |                       |                  |
| - Electric Installations             | 45,45,04,260             | 48,71,83,645              | 4,69,336                   | 94,12,18,569                          | 7,79,57,636           | 2,55,97,403          | 1,51,044                   | 10,34,03,995          | 83,78,14,574          | 37,65,46,624     |
| - Air Conditioners                   | 3,26,70,150              | 51,75,161                 | 1,09,909                   | 3,77,35,402                           | 50,57,928             | 16,30,635            | 31,601                     | 66,56,962             | 3,10,78,440           | 2,76,12,221      |
| - Computer                           | 8,59,60,255              | 1,37,38,338               | 21,12,256                  | 9,75,86,337                           | 4,43,18,487           | 1,12,12,175          | 19,54,820                  | 5,35,75,842           | 4,40,10,495           | 4,16,41,767      |
| <b>TOTAL TANGIBLE (CURRENT YEAR)</b> | <b>1853,56,35,631</b>    | <b>1227,35,49,417</b>     | <b>3,39,00,822</b>         | <b>3077,52,84,227</b>                 | <b>519,76,59,587</b>  | <b>172,33,54,187</b> | <b>2,37,87,248</b>         | <b>689,72,26,526</b>  | <b>2387,80,57,701</b> | <b>-</b>         |
| TOTAL TANGIBLE (PREVIOUS YEAR)       | 1279,18,80,704           | 578,17,03,180             | 3,79,48,253                | 1853,56,35,631                        | 408,01,52,692         | 113,90,59,916        | 2,15,53,021                | 519,76,59,588         | -                     | 1333,79,76,043   |

**NOTE NO.13**

|  |                    |                  |            |                    |                    |                  |            |                    |                      |                       |
|--|--------------------|------------------|------------|--------------------|--------------------|------------------|------------|--------------------|----------------------|-----------------------|
| <b>Intangible assets</b>               |                    |                  |            |                    |                    |                  |            |                    |                      |                       |
| Computer software                      | 4,64,94,136        | 21,70,002        | NIL        | 4,86,64,138        | 3,17,20,366        | 56,19,573        | NIL        | 3,73,39,939        | 1,13,24,199          | 1,47,73,770           |
| <b>TOTAL INTANGIBLE (CURRENT YEAR)</b> | <b>4,64,94,136</b> | <b>21,70,002</b> | <b>NIL</b> | <b>4,86,64,138</b> | <b>3,17,20,366</b> | <b>56,19,573</b> | <b>NIL</b> | <b>3,73,39,939</b> | <b>1,13,24,199</b>   | <b>-</b>              |
| TOTAL INTANGIBLE (PREVIOUS YEAR)       | 3,95,57,279        | 28,07,500        | NIL        | 4,23,64,779        | 2,52,56,340        | 55,71,342        | NIL        | 3,08,27,682        | 1,15,37,097          |                       |
| <b>Capital Work in Progress</b>        |                    |                  |            |                    |                    |                  |            |                    | <b>565,63,26,457</b> | <b>1012,55,28,259</b> |

\* Including Depreciation capitalised Rs. 2,61,79,150 (Previous Year Rs. 2,32,98,698).

| <b>NOTE NO.14</b>   | <b>Current Year<br/>Rupees</b> |                                 | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|---------------------------------|
| <b>Non-current Investments (At Cost):</b>   |                                |                                 |                                 |
| <b>Trade Investments :</b>  |                                |                                 |                                 |
| Unquoted (Others)   |                                |                                 |                                 |
| (a) Investments in Equity Instruments<br>(Shares of Rs.10 each, fully paid up)  |                                |                                 |                                 |
| 55,657 shares of Tarapur Environment protection society   | <b>55,65,700</b>               |                                 | 55,65,700                       |
| 12,56,037 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares)  | <b>1,25,60,370</b>             |                                 | 1,25,60,370                     |
|   | <b>1,81,26,070</b>             |                                 | 1,81,26,070                     |
| (b) Investment in Preference Shares<br>(Shares of Rs.10 each, fully paid up)  |                                |                                 |                                 |
| 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost         | <b>1,11,42,230</b>             |                                 | 1,11,42,230                     |
|   |                                | <b>2,92,68,300</b>              | 2,92,68,300                     |
| <b>Other than Trade Investments :</b>   |                                |                                 |                                 |
| Unquoted (Others)   |                                |                                 |                                 |
| (a) Investments in Government Securities<br>In 6 Year National Saving Certificates (Rs. 3000 matured during the year)             |                                | <b>13,000</b>                   | 16,000                          |
| Quoted  |                                |                                 |                                 |
| (b) Investment in Mutual fund (FMP)   |                                |                                 |                                 |
| Axis Fixed Term Plan - Series 49 Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                                  | <b>25,00,00,000</b>            |                                 |                                 |
| HDFC Debit Fund for Cancer Cure - 100% Direct Option -2014 Dividend Option<br>[Units: Current Year 50,00,000 (Previous Year NIL)] | <b>5,00,00,000</b>             |                                 |                                 |
| HDFC Fixed Maturity Plan Series 29 Growth<br>[Units: Current Year 10,50,00,000 (Previous Year NIL)]                               | <b>105,00,00,000</b>           |                                 |                                 |
| ICICI Prudential Fixed Maturity Plan Series 72 Growth<br>[Units: Current Year 3,50,00,000 (Previous Year NIL)]                    | <b>35,00,00,000</b>            |                                 |                                 |
| IDFC Fixed Term Plan Series 70 Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                                    | <b>25,00,00,000</b>            |                                 |                                 |
| LIC Nomura MF Fixed Maturity Plan Series 76 Growth<br>[Units: Current Year 3,50,00,000 (Previous Year NIL)]                       | <b>35,00,00,000</b>            |                                 |                                 |
| SBI Debt Fund Series - A1/2/3/14 Growth<br>[Units: Current Year 11,00,00,000 (Previous Year NIL)]                                 | <b>110,00,00,000</b>           |                                 |                                 |
| UTI Fixed Term Income Fund Series XVII - VII Growth<br>[Units: Current Year 2,50,00,000 (Previous Year NIL)]                      | <b>25,00,00,000</b>            |                                 |                                 |
|   |                                | <b>365,00,00,000</b>            |                                 |
| (c) Investments in Equity Instruments<br>(Shares of Rs.10 each, fully paid up)  |                                |                                 |                                 |
| 4,98,759 Equity Shares of Govind Rubber Ltd.  | <b>1,87,50,059</b>             |                                 | 1,87,50,059                     |
| Less : Provision for diminution in the value of Investments (Investment in Equity Shares)   | <b>1,68,34,824</b>             |                                 | 1,68,34,824                     |
|   | <b>19,15,235</b>               |                                 | 19,15,235                       |
|   |                                | <b>19,15,235</b>                | 19,31,235                       |
|   |                                | <b>368,11,96,535</b>            | 3,11,99,535                     |
| Aggregate amount of quoted investments net of provision - Market value of <b>Rs. 370,28,57,513</b> (Previous Year Rs. 88,77,910)  |                                | <b>365,19,15,235</b>            | 19,15,235                       |
| Aggregate amount of unquoted investments.   |                                | <b>2,92,81,300</b>              | 2,92,84,300                     |
| <b>NOTE NO.15</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |                                 |
| <b>LONG TERM LOANS AND ADVANCES</b>   |                                |                                 |                                 |
| (Unsecured considered good)   |                                |                                 |                                 |
| (a) Capital Advances  | <b>144,35,38,553</b>           |                                 | 237,78,31,591                   |
| (b) Security Deposits   | <b>9,87,29,429</b>             |                                 | 10,37,78,712                    |
| (c) Others Loans and Advances   |                                |                                 |                                 |
| - Advance Payment to Suppliers  | <b>6,24,33,749</b>             |                                 | 2,55,60,635                     |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables   | <b>8,02,22,876</b>             |                                 | 4,23,54,964                     |
| - Advance Payments of Taxes and Tax deducted at source(Net of Provisions)   | <b>51,05,50,868</b>            |                                 | 32,56,88,791                    |
|   | <b>219,54,75,475</b>           |                                 | 287,52,14,693                   |

| <b>NOTE NO.16</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>OTHER NON - CURRENT ASSETS:</b>   |                                |                                 |
| Trade Receivables (Unsecured)  | <b>98,08,001</b>               | 30,10,247                       |
| <b>NOTE NO.17</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>CURRENT INVESTMENTS :</b>   |                                |                                 |
| In Mutual Fund (Quoted)  | <b>2,06,96,686</b>             | NIL                             |
| (Market value of <b>Rs.2,09,96,786</b> Previous Year Rs. NIL)                                      |                                |                                 |
| In Mutual Fund (Unquoted)  | <b>NIL</b>                     | 20,00,775                       |
|  | <b>2,06,96,686</b>             | 20,00,775                       |
| <b>NOTE NO.18</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>INVENTORIES :</b>   |                                |                                 |
| (As Certified by the Management)   |                                |                                 |
| (At lower of Cost and Net Realisable Value)  |                                |                                 |
| (a) Raw materials  | <b>315,62,95,520</b>           | 257,20,45,653                   |
| (b) Work-in-Progress   | <b>77,15,57,334</b>            | 87,18,83,508                    |
| (c) Finished Goods   | <b>59,47,05,429</b>            | 54,90,86,981                    |
| (d) Stock-in-Trade   | <b>21,34,27,307</b>            | 1,40,89,585                     |
| (e) Stores and Spares  | <b>91,15,57,876</b>            | 52,07,45,420                    |
| (f) Others -Packing Material and Fuel  | <b>3,64,89,294</b>             | 3,95,81,964                     |
|  | <b>568,40,32,760</b>           | 456,74,33,111                   |
| <b>NOTE NO.19</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>TRADE RECEIVABLES</b>   |                                |                                 |
| Trade Receivables outstanding for a period less than Six Months                                    |                                |                                 |
| (a) Secured Considered good  | <b>196,11,09,266</b>           | 166,61,99,725                   |
| (b) Unsecured Considered good  | <b>415,08,10,517</b>           | 346,26,47,046                   |
|  | <b>611,19,19,783</b>           | 512,88,46,771                   |
| Trade Receivables outstanding for a period exceeding Six Months                                    |                                |                                 |
| Unsecured Considered good  | <b>2,57,10,000</b>             | 6,78,78,942                     |
|  | <b>2,57,10,000</b>             | 6,78,78,942                     |
|  | <b>613,76,29,783</b>           | 519,67,25,713                   |
| <b>NOTE NO.20</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                                |                                 |
| Balances with banks  | <b>13,43,47,281</b>            | 9,28,84,166                     |
| Unpaid Dividend  | <b>55,98,282</b>               | 68,14,307                       |
| Margin Money ( Including Fixed Deposit)  | <b>7,62,690</b>                | 3,78,105                        |
| In Fixed Deposit #   | <b>21,24,681</b>               | 267,17,99,383                   |
| (Including lodged with Government Authorities <b>Rs. 71,869</b> Previous Year Rs. 66,248)          |                                |                                 |
| Cash on hand   | <b>65,12,975</b>               | 78,13,663                       |
| #(Including deposits of <b>Rs. 71,869</b> Previous year Rs. 2,91,253 maturing after twelve months) | <b>14,93,45,909</b>            | 277,96,89,624                   |
| <b>NOTE NO.21</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>SHORT TERM LOANS AND ADVANCES:</b>  |                                |                                 |
| Unsecured considered good  |                                |                                 |
| Inter Corporate Deposit  | <b>2,00,00,000</b>             | NIL                             |
| - Advance payment to suppliers   | <b>73,16,11,643</b>            | 59,41,55,018                    |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables  | <b>201,49,66,484</b>           | 189,52,48,766                   |
| - Loans and advances to employees  | <b>2,60,48,765</b>             | 1,79,75,394                     |
|  | <b>279,26,26,892</b>           | 250,73,79,178                   |

| <b>NOTE NO.22</b>                     | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---------------------------------------|--------------------------------|---------------------------------|
| <b>OTHER CURRENT ASSETS</b>           |                                |                                 |
| Interest Accrued on Investment        | 6,521                          | 6,577                           |
| Export Incentive Receivables          | 28,23,848                      | 17,35,677                       |
| Interest Accrued on Security Deposits | 1,36,617                       | 74,020                          |
| Interest Accrued on others            | 7,08,952                       | 6,39,47,948                     |
|                                       | <b>36,75,938</b>               | <b>6,57,64,222</b>              |

| <b>NOTE NO.23</b>                     | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---------------------------------------|--------------------------------|---------------------------------|
| <b>REVENUE FROM OPERATIONS</b>        |                                |                                 |
| Sale of Products                      | 3724,94,98,441                 | 3361,87,08,540                  |
| Sales of Services                     | 5,67,576                       | NIL                             |
| Job Charges Received                  | 49,41,83,760                   | 50,66,80,701                    |
| Other Operating Revenue:              |                                |                                 |
| - Export Incentives                   | 32,71,98,929                   | 8,62,10,885                     |
| - Scrap Sales                         | 9,31,65,845                    | 6,79,50,159                     |
| - Others                              | 2,91,26,449                    | 4,69,10,094                     |
|                                       | <b>44,94,91,223</b>            | <b>20,10,71,138</b>             |
| Total Revenue from Operations (Gross) | <b>3819,37,41,000</b>          | <b>3432,64,60,379</b>           |
| Less: Excise Duty                     | <b>47,52,01,515</b>            | <b>38,71,49,906</b>             |
| Total Revenue from Operations (Net)   | <b>3771,85,39,485</b>          | <b>3393,93,10,473</b>           |

| <b>NOTE NO.24</b>  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|--|--------------------------------|---------------------------------|
| <b>OTHER INCOME</b>  |                                |                                 |
| Interest Income on:  |                                |                                 |
| - Long Term Investments (Other than trade)                 | 1,750                          | 1,588                           |
| - Interest received on Deposits/Loans and Advances         | 1,91,60,488                    | 1,54,00,327                     |
| - Subsidy from Government                                  | NIL                            | 7,08,301                        |
|  | <b>1,91,62,238</b>             | <b>1,61,10,216</b>              |
| - Net gain on foreign currency transaction and translation | 3,79,104                       | NIL                             |
| Dividend Income on:  |                                |                                 |
| - Long Term Investment in Subsidiaries (Trade)             | 65,000                         | NIL                             |
| - Current Investments                                      | 11,46,63,668                   | 34,20,279                       |
| - Profit on sale of Fixed Assets                           | NIL                            | 56,01,254                       |
| -Net gain on sale of Current Investments                   | 15,19,455                      | 1,04,983                        |
| -Other non-operating income                                | 52,22,917                      | 1,98,26,918                     |
|  | <b>14,10,12,382</b>            | <b>4,50,63,650</b>              |

| <b>NOTE NO.25</b>                | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|----------------------------------|--------------------------------|---------------------------------|
| <b>COST OF MATERIAL CONSUMED</b> |                                |                                 |
| Raw Material Consumed            | <b>1829,00,77,152</b>          | <b>1921,10,96,623</b>           |

| <b>NOTE NO.26</b>                 | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|-----------------------------------|--------------------------------|---------------------------------|
| <b>PURCHASE OF STOCK IN TRADE</b> |                                |                                 |
| Purchase of Traded Goods          | <b>5,77,10,557</b>             | <b>9,49,48,355</b>              |

| <b>NOTE NO.27</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|---|--------------------------------|---------------------------------|
| <b>CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE</b> |                                |                                 |
| Opening Stock :   |                                |                                 |
| Work-in-Progress  | <b>87,18,83,508</b>            | 74,98,42,696                    |
| Stock in Trade  | <b>1,40,89,585</b>             | 2,15,65,164                     |
| Finished Goods  | <b>54,90,86,981</b>            | 30,44,31,353                    |
|   | <b>143,50,60,074</b>           | 107,58,39,213                   |
| Less :  |                                |                                 |
| Closing Stock :   |                                |                                 |
| Work-in-Progress  | <b>77,15,57,334</b>            | 87,18,83,508                    |
| Stock in Trade  | <b>19,77,20,804</b>            | 1,40,89,585                     |
| Finished Goods  | <b>59,47,05,429</b>            | 54,90,86,981                    |
|   | <b>156,39,83,567</b>           | 143,50,60,074                   |
| Net Increase in Inventories   | <b>(12,89,23,493)</b>          | (35,92,20,861)                  |
| <b>NOTE NO.28</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>EMPLOYEE BENEFIT EXPENSES</b>  |                                |                                 |
| Salaries and wages  | <b>155,46,30,901</b>           | 121,98,45,940                   |
| Contribution to provident and other funds   | <b>9,51,70,284</b>             | 9,40,95,955                     |
| Staff welfare expenses  | <b>3,58,77,612</b>             | 2,37,31,325                     |
|   | <b>168,56,78,797</b>           | 133,76,73,220                   |
| <b>NOTE NO.29</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>FINANCE COST</b>   |                                |                                 |
| Interest expenses*  | <b>26,63,76,934</b>            | 19,77,10,177                    |
| Other borrowing costs   | <b>38,92,631</b>               | 1,88,85,379                     |
| Applicable net loss/(gain) on foreign currency transactions and translation         | <b>24,67,697</b>               | 5,71,04,191                     |
|   | <b>27,27,37,262</b>            | 27,36,99,747                    |
| * Current Year includes Interest on income tax for earlier year Rs. 88,10,000/-     |                                |                                 |
| <b>NOTE NO.30</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>DEPRECIATION AND AMORTISATION EXPENSE</b>  |                                |                                 |
| Depreciation and amortisation   | <b>170,27,94,610</b>           | 112,20,00,858                   |
| <b>NOTE NO.31</b>   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
| <b>OTHER EXPENSES:</b>  |                                |                                 |
| Consumption of stores and spare parts   | <b>156,11,42,019</b>           | 128,95,83,859                   |
| Packing material consumed   | <b>4,95,23,730</b>             | 4,74,03,942                     |
| Power and fuel (Net)  | <b>165,02,24,911</b>           | 163,43,74,311                   |
| Freight and forwarding (Net)  | <b>154,71,05,798</b>           | 144,81,95,631                   |
| Excise duty on variation of Finished Goods  | <b>87,35,784</b>               | 46,92,097                       |
| Labour/Job Charges  | <b>68,84,70,197</b>            | 68,05,30,076                    |
| Water charges   | <b>3,70,25,472</b>             | 4,11,83,863                     |
| Repairs and Maintenance to buildings  | <b>13,28,43,180</b>            | 11,32,80,393                    |
| Repairs and Maintenance to Machinery  | <b>18,89,50,627</b>            | 14,96,82,808                    |
| Repairs and Maintenance to Others   | <b>4,94,89,116</b>             | 4,89,73,386                     |
| Insurance Charges   | <b>13,25,99,499</b>            | 11,82,53,831                    |

|  | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|------------------------|-------------------------|
| Rates and Taxes excluding taxes on income                | 1,89,75,826            | 1,29,57,092             |
| Rent   | 5,82,29,950            | 3,90,85,869             |
| Legal and Professional charges                           | 16,23,15,742           | 12,64,72,836            |
| Advertisement, Publicity and Sales Promotion             | 121,62,55,455          | 69,90,26,115            |
| Commission   | 3,65,99,342            | 2,37,47,536             |
| Discount   | 3,57,64,937            | 3,55,94,487             |
| Travelling Expenses                                      | 17,07,13,065           | 10,69,74,655            |
| Directors Meeting Fees                                   | 6,63,006               | 7,17,416                |
| Loss on sale of Fixed Assets                             | 16,08,786              | NIL                     |
| Fixed Assets Discarded                                   | 11,02,904              | 1,66,697                |
| Interest to Others                                       | 18,75,580              | 14,51,760               |
| Net Loss on foreign currency transaction and translation | 91,87,91,071           | 14,46,48,813            |
| Miscellaneous expenses                                   | 24,87,33,393           | 19,92,03,098            |
|  | <b>891,77,39,391</b>   | <b>696,62,00,570</b>    |

| <b>NOTE NO.32</b>  | Current Year<br>Rupees | Previous Year<br>Rupees |
|--|------------------------|-------------------------|
| Contingent Liabilities and commitments   |                        |                         |
| (i) <b>Contingent Liabilities</b>  |                        |                         |
| (a) Claims against the Company not acknowledge as debts  |                        |                         |
| - Disputed claims for excise,cess, sales tax, customs and service tax                                  | 160,48,21,719          | 37,33,77,497            |
| - Disputed income tax demands  | 44,27,210              | 4,89,53,858             |
| - Others   | 6,25,27,899            | 6,09,89,779             |
| (b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | 16,43,99,282           | 14,83,65,233            |
| (c) Corporate Guarantee given by the Company:  |                        |                         |
| - To the President of India through commissioner of Custom   | 858,75,00,000          | 2000,00,00,000          |
| - To other Company   | NIL                    | 7,27,68,750             |
| (ii) <b>Commitments</b>  |                        |                         |
| Estimated amount of contracts remaining to be executed on capital account and not provided for         | 305,28,61,153          | 386,56,36,976           |

**NOTE NO.33**

Details of Current Investment in units of Mutual funds purchased and sold during the year :

| Name of Mutual Fund  | Balance as at 01.04.13 |           | Purchased During the Year |               | Sold / Redeemed During the Year |               | Balance as at 31.03.14 |             |
|--|------------------------|-----------|---------------------------|---------------|---------------------------------|---------------|------------------------|-------------|
|  | No. of Units           | Cost Rs.  | No. of Units              | Cost Rs.      | No. of Units                    | Cost Rs.      | No. of Units           | Cost Rs.    |
| LIC NOMURA MF LIQUID FUND - DIRECT GROWTH PLAN LF-G1               | 954                    | 20,00,775 | 257                       | 5,50,000      | 1,211                           | 25,50,775     | NIL                    | NIL         |
| PRINCIPAL CASH MANAGEMENT FUND                                     | NIL                    | NIL       | 77,300                    | 9,50,00,000   | 60,474                          | 7,43,03,314   | 16,826                 | 2,06,96,686 |
| LIC NOMURA MF LIQUID FUND - DIRECT- DIVIDEND PLAN                  | NIL                    | NIL       | 26,15,728                 | 287,20,18,249 | 26,15,728                       | 287,20,18,249 | NIL                    | NIL         |
| LIC NOMURA MF SAVINGS PLUS FUND - DIRECT - DIVIDEND PLAN           | NIL                    | NIL       | 5,01,34,656               | 50,38,53,292  | 5,01,34,656                     | 50,38,53,292  | NIL                    | NIL         |
| ICICI PRUDENTIAL LIQUID SUPER INST. DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL       | 2,07,28,576               | 207,37,98,056 | 2,07,28,576                     | 207,37,98,056 | NIL                    | NIL         |
| ICICI PRUDENTIAL BANKING AND PSU FUND DIRECT PLAN - DAILY DIVIDEND | NIL                    | NIL       | 9,84,85,479               | 101,10,22,382 | 9,84,85,479                     | 101,10,22,382 | NIL                    | NIL         |
| ICICI PRUDENTIAL MONEY MARKET FUND - REGULAR PLAN - DAILY DIVIDEND | NIL                    | NIL       | 14,02,524                 | 14,04,33,990  | 14,02,524                       | 14,04,33,990  | NIL                    | NIL         |
| ICICI PRUDENTIAL FLEXIBLE INCOME PLAN DIRECT PLAN - DAILY DIVIDEND | NIL                    | NIL       | 65,51,251                 | 69,27,01,761  | 65,51,251                       | 69,27,01,761  | NIL                    | NIL         |



| Name of Mutual Fund  | Balance as at 01.04.13 |                  | Purchased During the Year |                       | Sold / Redeemed During the Year |                       | Balance as at 31.03.14 |                    |
|--|------------------------|------------------|---------------------------|-----------------------|---------------------------------|-----------------------|------------------------|--------------------|
|  | No. of Units           | Cost Rs.         | No. of Units              | Cost Rs.              | No. of Units                    | Cost Rs.              | No. of Units           | Cost Rs.           |
| ICICI PRUDENTIAL MONEY MARKET FUND - DIRECT PLAN - DAILY DIVIDEND                                    | NIL                    | NIL              | 11,04,067                 | 11,05,65,101          | 11,04,067                       | 11,05,65,101          | NIL                    | NIL                |
| BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND-REGULAR PLAN - DAILY DIVIDEND                              | NIL                    | NIL              | 23,36,670                 | 23,41,22,641          | 23,36,670                       | 23,41,22,641          | NIL                    | NIL                |
| BIRLA SUN LIFE CASH PLUS - DAILY DIVIDEND-DIRECT PLAN - DAILY DIVIDEND                               | NIL                    | NIL              | 1,30,32,048               | 130,57,19,804         | 1,30,32,048                     | 130,57,19,804         | NIL                    | NIL                |
| HDFC FLOATING RATE INCOME FUND - SHORT TERM PLAN - WHOLESALE OPTION - DIRECT OPTION - DAILY DIVIDEND | NIL                    | NIL              | 4,79,40,543               | 48,32,83,817          | 4,79,40,543                     | 48,32,83,817          | NIL                    | NIL                |
| HDFC LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 6,58,35,562               | 67,14,04,225          | 6,58,35,562                     | 67,14,04,225          | NIL                    | NIL                |
| SBI ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 2,36,926                  | 23,73,94,028          | 2,36,926                        | 23,73,94,028          | NIL                    | NIL                |
| SBI PREMIUR LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 6,74,431                  | 67,66,23,218          | 6,74,431                        | 67,66,23,218          | NIL                    | NIL                |
| SBI MAGNUM INSTA CASH FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 3,45,407                  | 57,85,67,392          | 3,45,407                        | 57,85,67,392          | NIL                    | NIL                |
| UTI TREASURY ADVANTAGE FUND INSTITUTIONAL PLAN - DIRECT PLAN - DAILY DIVIDEND                        | NIL                    | NIL              | 5,03,061                  | 50,42,45,700          | 5,03,061                        | 50,42,45,700          | NIL                    | NIL                |
| UTI FLOATING RATE FUND STP - REGULAR PLAN - DIRECT PLAN - DAILY DIVIDEND                             | NIL                    | NIL              | 7,475                     | 80,49,730             | 7,475                           | 80,49,730             | NIL                    | NIL                |
| RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT PLAN - GROWTH                                    | NIL                    | NIL              | 7,090                     | 1,00,00,000           | 7,090                           | 1,00,00,000           | NIL                    | NIL                |
| RELIGARE INVESCO CREDIT OPPORTUNITIES FUND - DIRECT PLAN - DAILY DIVIDEND                            | NIL                    | NIL              | 20,133                    | 2,01,39,107           | 20,133                          | 2,01,39,107           | NIL                    | NIL                |
| RELIGARE INVESCO LIQUID FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 2,00,154                  | 20,03,12,161          | 2,00,154                        | 20,03,12,161          | NIL                    | NIL                |
| L&T ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 39,94,200                 | 4,12,09,764           | 39,94,200                       | 4,12,09,764           | NIL                    | NIL                |
| DSP BLACKROCK LIQUIDITY FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 10,019                    | 1,00,22,195           | 10,019                          | 1,00,22,195           | NIL                    | NIL                |
| DSP BLACKROCK MONEY MANAGER FUND - DIRECT PLAN - DAILY DIVIDEND                                      | NIL                    | NIL              | 39,968                    | 4,01,37,506           | 39,968                          | 4,01,37,506           | NIL                    | NIL                |
| JPMORGAN INDIA TREASURY FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 5,48,58,994               | 54,95,16,066          | 5,48,58,994                     | 54,95,16,066          | NIL                    | NIL                |
| KOTAK FLOATER LONG TERM - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 19,91,250                 | 2,00,71,402           | 19,91,250                       | 2,00,71,402           | NIL                    | NIL                |
| TATA FLOATER FUND - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 70,174                    | 7,04,21,440           | 70,174                          | 7,04,21,440           | NIL                    | NIL                |
| TATA MONEY MARKET FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 4,08,577                  | 40,91,97,988          | 4,08,577                        | 40,91,97,988          | NIL                    | NIL                |
| SUNDARAM ULTRA SHORT-TERM FUND - DIRECT PLAN - DAILY DIVIDEND  | NIL                    | NIL              | 1,24,60,896               | 12,51,55,996          | 1,24,60,896                     | 12,51,55,996          | NIL                    | NIL                |
| DWS ULTRA SHORT TERM FUND - DIRECT PLAN - DAILY DIVIDEND   | NIL                    | NIL              | 2,62,25,450               | 26,27,23,933          | 2,62,25,450                     | 26,27,23,933          | NIL                    | NIL                |
| DWS ULTRA SHORT TERM FUND - INSTITUTIONAL PLAN - DAILY DIVIDEND                                      | NIL                    | NIL              | 2,42,91,157               | 24,33,46,386          | 2,42,91,157                     | 24,33,46,386          | NIL                    | NIL                |
| <b>GRAND TOTAL</b>   | <b>954</b>             | <b>20,00,775</b> | <b>43,65,90,024</b>       | <b>1420,16,07,330</b> | <b>43,65,74,152</b>             | <b>1418,29,11,418</b> | <b>16,826</b>          | <b>2,06,96,686</b> |

**NOTE NO.34**
**SEGMENT INFORMATION**

## (a) Primary Business Segments:-

The Group has only one business segment, namely Tyres therefore primary business segment reporting as required by AS-17 is not applicable.

## (b) Secondary Segment - Geographical by location of customers

|  | Rupees                                    | Rupees                                    |
|--|---|---|
| <b>Segment Revenue</b>   |   |   |
| Revenue from Operations:   |   |   |
| In India   |   | <b>560,71,03,818</b><br>(457,94,93,386)   |
| Outside India  |   |   |
| Europe   | <b>1882,35,13,680</b><br>(1466,64,11,719) |   |
| North America  | <b>545,24,17,375</b><br>(612,11,10,191)   |   |
| Others   | <b>783,55,04,612</b><br>(857,22,95,177)   |   |
|  |   | <b>3211,14,35,667</b><br>(2935,98,17,087) |
|  |   | <b>3771,85,39,485</b><br>(3393,93,10,473) |
| <b>Total</b>   |   |   |
| <b>Segment Assets</b>  |   |   |
| In India   |   | <b>3955,03,53,141</b><br>(3513,10,83,226) |
| Outside India  |   |   |
| Europe   |   | <b>396,09,62,363</b><br>(337,56,85,429)   |
| Others   |   | <b>300,69,87,615</b><br>(296,73,25,295)   |
| <b>Total</b>   |   | <b>4651,83,03,119</b><br>(4147,40,93,950) |
| <b>Total Cost incurred during the year to acquire Segment Fixed Assets</b> |   |   |
| In India   |   | <b>780,65,17,618</b><br>(1114,25,11,052)  |
| Outside India  |   | <b>NIL</b><br>(1,34,384)                  |
| <b>Total</b>   |   | <b>780,65,17,618</b><br>(1114,26,45,436)  |
| Segment Assets excludes -Investments                                       |   | <b>370,18,93,221</b><br>(3,32,00,310)     |

**NOTE NO.35**

|   | Current Year<br>Rupees | Previous Year<br>Rupees |
|---|------------------------|-------------------------|
| <b>Earning Per Share (EPS)</b>  |                        |                         |
| ( In accordance with Accounting Standard - 20 )                         |                        |                         |
| Profit After Tax  | <b>474,61,73,284</b>   | 349,90,21,974           |
| (Less)/Add: Income Tax of Earlier Year                                  | <b>NIL</b>             | (1,90,186)              |
| Profit after Taxation of earlier years                                  | <b>474,61,73,284</b>   | 349,88,31,788           |
| Less : Proposed Preference Dividend                                     |                        |                         |
| Less : Tax on Preference Dividend                                       | <b>42,371</b>          | 44,187                  |
| Profit for the year available to Equity Shareholders                    | <b>474,61,30,913</b>   | 349,87,87,601           |
| Number of Equity Shares outstanding for Basic/Diluted Earning Per Share | <b>9,66,58,595</b>     | 9,66,58,595             |
| Nominal Value of Equity Shares (in Rupees)                              | <b>2</b>               | 2                       |
| Earning Per Share Basic/Diluted   | <b>49.10</b>           | 36.20                   |

## NOTE NO.36

## I) Related Party Disclosures\*

(Where transactions have taken place)

## (a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Managing Director, Mrs. Vijaya Laxmi Poddar - Executive Director (w.e.f 30.05.2012)  
 Mr. Rajiv Poddar - Joint Managing Director, Mr. Anurag Poddar - Executive Director, Mr. Vipul Shah - Director & Company Secretary, Ankit Poddar - Executive Director, Mr. Kishanlal Jangir - Wholetime Director ( upto 20.04.2013),  
 Mr. Shrutisheel Jhanwar - Wholetime Director (w.e.f. 24.05.2013 Mr. Rajendra Jhanwar - Director (Works),  
 Mr. Avnish Poddar - Executive Director (upto 14.02.2013)

## (b) Relatives of Key Management Personnel :

Mrs. Khushboo Poddar, Mrs. Shyamalata Poddar (w.e.f 01.06.2012), Mrs. Pooja Dhoot

## (c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Balgopal Holding &amp; Traders Ltd., Clothing Culture Ltd., S P Finance and Trading Ltd., Sanchana Trading Ltd., Vishal Furnishing Ltd., SPG Power Ltd., SPG Infrastructure Ltd.

## Related Party Transactions

| Transactions                              | KMP                                   | Relatives of (KMP)                | Other Related Parties                 | Total                                 |
|---|---------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Purchase of Goods/Materials/Services      | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>1,25,74,199</b><br>(55,23,033)     | <b>1,25,74,199</b><br>(55,23,033)     |
| Sales of Goods/Materials/Services         | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>49,45,17,611</b><br>(55,25,99,987) | <b>49,45,17,611</b><br>(55,25,99,987) |
| Expenses reimbursed                       | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(13,838)                | <b>NIL</b><br>(13,838)                |
| Rent received                             | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>5,39,329</b><br>(2,69,664)         | <b>5,39,329</b><br>(2,69,664)         |
| Recovery of expenses                      | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>37,565</b><br>(11,86,863)          | <b>37,565</b><br>(11,86,863)          |
| Sale of Fixed Assets                      | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(61,96,613)             | <b>NIL</b><br>(61,96,613)             |
| Assignment of Insurance Policy            | <b>NIL</b><br>(93,43,554)             | <b>NIL</b><br>(52,47,080)         | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(1,45,90,634)           |
| Surrender of Insurance Policy             | <b>NIL</b><br>(32,33,379)             | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(32,33,379)             |
| Rent/Lease Rent Paid                      | <b>NIL</b><br>(NIL)                   | <b>1,04,71,428</b><br>(25,86,246) | <b>38,07,010</b><br>(3,07,565)        | <b>1,42,78,438</b><br>(28,93,811)     |
| Purchase of Fixed Assets                  | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(5,17,399)              | <b>NIL</b><br>(5,17,399)              |
| Interest Paid                             | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>1,96,72,809</b><br>(205,29,425)    | <b>1,96,72,809</b><br>(205,29,425)    |
| Loan Received (ICD)                       | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>30,67,50,000</b><br>(35,99,00,000) | <b>30,67,50,000</b><br>(35,99,00,000) |
| Loan Repayment (ICD)                      | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>41,66,50,000</b><br>(22,50,00,000) | <b>41,66,50,000</b><br>(22,50,00,000) |
| Loan Given (ICD)                          | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(3,00,00,000)           | <b>NIL</b><br>(3,00,00,000)           |
| Loan Refund Received (ICD)                | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(3,00,00,000)           | <b>NIL</b><br>(3,00,00,000)           |
| Interest received on Inter-Corporate Loan | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(2,77,808)              | <b>NIL</b><br>(2,77,808)              |
| Remuneration                              | <b>36,08,08,441</b><br>(24,36,44,727) | <b>60,00,072</b><br>(47,00,054)   | <b>NIL</b><br>(NIL)                   | <b>36,68,08,513</b><br>(24,83,44,781) |
| Receivables                               | <b>NIL</b><br>(NIL)                   | <b>NIL</b><br>(NIL)               | <b>NIL</b><br>(4,44,48,536)           | <b>NIL</b><br>(4,44,48,536)           |
| Payables                                  | <b>26,18,31,463</b><br>(13,84,79,464) | <b>16,800</b><br>(15,400)         | <b>4,10,85,941</b><br>(1,58,95,222)   | <b>30,29,34,204</b><br>(15,43,90,086) |

**Disclosure in Respect of Material Related Party Transaction during the year :**

- 1 Purchase of Goods/Materials/Services includes : Balgopal Holding & Traders Limited. Rs.NIL (Previous Year Rs. 28,02,800), Clothing Culture Limited.Rs.1,08,66,887, (Previous Year Rs.13,86,885), Siyaram Silk Mills Limited Rs. 6,99,782 (Previous Year Rs.13,33,348), SPG Infrastructure Limited Rs.10,07,530(Previous Year Rs.NIL).
- 2 Sale of Goods/Materials/Services includes : Clothing Culture Limited.Rs. 3,33,851(Previous Year Rs.4,59,19,286), Siyaram Silk Mills Limited Rs. 49,41,83,760 (Previous Year Rs.50,66,80,701).
- 3 Reimbursement of Expenses includes : Siyaram Silk Mills Limited Rs. NIL(Previous Year Rs.13,838).
- 4 Rent Received includes : Clothing Culture Limited Rs. 5,39,328 (Previous Year Rs.2,69,664).
- 5 Recovery of Expenses includes : Clothing Culture Limited Rs. 37,565 (Previous Year Rs.8,47,556 ), Siyaram Silk Mills Limited Rs.NIL(Previous Year Rs. 3,37,699).
- 6 Sale of Fixed Assets includes : Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs.61,96,613).
- 7 Assignment of Insurance Policy includes : Under KMP Mrs. Vijayalaxmi Poddar of Rs. NIL(Previous Year Rs. 93,43,554), Under Relative of KMP Mrs. Shyamlat Poddar of Rs.NIL(Previous Year Rs.52,47,080).
- 8 Surrender of Insurance Policy includes : Mr. Anurag Poddar of Rs.NIL(Previous Year Rs. 32,33,379).
- 9 Rent Paid includes : Pooja Dhoot Rs. 1,04,71,428 (Previous Year Rs.25,86,246). Siyaram Silk Mills Limited.Rs. 38,07,010 (Previous Year Rs.3,07,565).
- 10 Purchase of Fixed Assets includes : Siyaram Silk Mills Limited Rs. NIL (Previous Year Rs.5,17,399).
- 11 Interest Paid on Loan Received (ICD) includes : Siyaram Silk Mills Limited Rs.57,13,054(Previous Year Rs.1,52,47,721), S. P. Finance & Trading Limited. Rs.1,15,96,427 (Previous Year Rs.52,81,704), Sanchana Trading & Finance Limited Rs. 9,51,671 (Previous Year Rs. NIL), Vishal Furnishing Limited Rs. 11,33,849 (Previous Year Rs.NIL), S P G Power Limited Rs.2,77,808 (Previous Year Rs. NIL).
- 12 Loan Received (ICD) includes : Siyaram Silk Mills Limited Rs. 11,60,00,000 (Previous Year Rs.25,00,00,000), S. P. Finance & Trading Limited. Rs. 8,77,50,000 (Previous Year Rs.10,99,00,000), Sanchana Trading & Finance Limited Rs.3,80,00,000 (Previous Year Rs.NIL), Vishal Furnishing Limited Rs.4,50,00,000 (Previous Year Rs.NIL), S P G Power Limited Rs.2,00,00,000 (Previous Year Rs. NIL).
- 13 Loan Repayment (ICD) includes : Siyaram Silk Mills Limited Rs.12,60,00,000 (Previous Year Rs.21,50,00,000), S. P. Finance & Trading Limited. Rs.18,76,50,000 (Previous Year Rs.1,00,00,000),Sanchana Trading & Finance Limited Rs.3,80,00,000 (Previous Year Rs.NIL), Vishal Furnishing Limited Rs.4,50,00,000 (Previous Year Rs.NIL), S P G Power Limited Rs.2,00,00,000 (Previous Year Rs. NIL).
- 14 Loan Given ( ICD ) includes : Balgopal Holding & Traders Limited Rs.NIL (Previous Year Rs.1,50,00,000), Clothing Culture Limited Rs.NIL (Previous Year Rs.1,50,00,000).
- 15 Loan Refund Received ( ICD )includes : Balgopal Holding & Traders Limited Rs.NIL (Previous Year Rs.1,50,00,000), Clothing Culture Limited Rs. NIL(Previous Year Rs.1,50,00,000).
- 16 Interest Received on Loan Given ( ICD ) includes : Balgopal Holding & Traders Limited Rs.NIL(Previous Year Rs.39,452), Clothing Culture Limited Rs.NIL (Previous Year Rs.2,38,356).
- 17 Payment to Key Management Personnel includes : Mr. Arvind Poddar Rs.16,20,04,921 (Previous Year Rs. 11,34,27,542), Mr. Rajiv Poddar Rs.10,14,74,589 (Previous Year Rs. 6,34,45,602),Mrs. Vijaylaxmi Poddar Rs. 8,38,46,617 (Previous Year Rs.4,98,16,119), Mr. Anurag Poddar Rs.29,44,523 (Previous Year Rs.49,52,010), Mr. Vipul Shah Rs.27,12,870 (Previous Year Rs.21,01,751), Mr. Ankit Poddar Rs. 20,88,929 (Previous Year Rs. 20,48,027), Mr. Shrutisheel Jhanwar Rs. 25,60,255 (Previous Year Rs.NIL) Mr. Kishalal Jangir Rs.7,04,354 (Previous Year Rs. 26,68,740), Mr. Avnish Poddar Rs. NIL (Previous Year Rs. 28,28,580 ), Mr. Rajendra Jhanwar Rs.24,71,384( Previous Year Rs.23,56,356 ) and payment to Relatives of Key Management Personnel includes : Mrs. Khushboo Poddar Rs.30,00,036 (Previous Year Rs.30,00,036), Mrs. Shyamlat Poddar Rs.30,00,036 (Previous Year Rs.17,00,018).
- 18 Receivables From Other Related Parties includes : Siyaram Silk Mills Limited. Rs.NIL (Previous Year Rs. 4,44,48,536).
- 19 Payables to Key Management Personnel includes : Mr. Arvind Poddar Rs. 12,60,00,000 (Previous Year Rs. 7,20,00,000), Mr. Rajiv Poddar Rs. 7,54,83,871 (Previous Year Rs. 3,60,00,000), Mrs. Vijaylaxmi Poddar Rs. 6,00,00,000 (Previous Year Rs.3,01,93,548), Mr. Vipul Shah Rs. 83,311 (Previous Year Rs.90,836), Mr. Kishalal Jangir Rs.NIL(Previous Year Rs.1,85,580), Mr. Rajendra Jhanwar Rs. 2,47,481(Previous Year Rs.9,500 ),Payables to Relatives of Key Management Personnel includes: Mrs. Khushboo Poddar Rs.8,400 (Previous Year Rs.8,400), Mrs. Shyamlat Poddar Rs.8,400 (Previous Year Rs.7,000) and Payables to Other Related Parties includes : Siyaram Silk Mills Limited Rs.4,10,85,941 (Previous Year Rs.5,08,20,883), S.P. Finance & Trading Limited. Rs.NIL(Previous Year Rs.9,99,00,000).

**NOTE NO.37**

**Leases - Operating leases :**

- i) The company has taken commercial premises under cancellable and non-cancellable operating leases.
- ii) Future minimum Lease Payments under non - cancellable operating leases:
  - not later than one year
  - later than one year and not later than five years
  - later than five years

**Current Year ended**

**Previous Year ended**

**27,71,562**

29,26,800

**52,92,869**

72,98,174

**NIL**

NIL

|  | Current Year ended | Previous Year ended |
|--|--------------------|---------------------|
| iii) The rental expenses recognised in Profit and Loss account for operating leases:   |                    |                     |
| (a) Minimum Rent   | 4,09,86,258        | 2,02,21,462         |
| (b) Contingent Rent  | NIL                | NIL                 |
| iv) The Company has given certain portion of its office premises on lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company. |                    |                     |
| Gross carrying amount of the furnished office premises leased, included in Note No. '12' Fixed Assets  | 12,21,22,703       | 12,10,88,258        |
| Accumulated Depreciation   | 2,13,85,048        | 1,67,88,761         |
| Depreciation recognised in the Profit and Loss Account   | 45,96,725          | 27,84,155           |

**NOTE NO.38**

- (a) As at 31st March, 2014, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- (b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

|   | Current Year Rupees | Previous Year Rupees |
|---|---------------------|----------------------|
| <b>NOTE NO.39</b>   |                     |                      |
| <b>Derivative Instruments</b>   |                     |                      |
| (a) Hedging Contracts :   |                     |                      |
| i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose. |                     |                      |
| ii) Derivative Instruments outstanding  |                     |                      |
| Forward Exchange Contracts :  |                     |                      |
| <b>Particulars</b>  |                     |                      |
| Total No. of contracts outstanding for Amount Receivable on account of Export of Goods.   | 217                 | 336                  |
| Foreign Currency Value covered :  |                     |                      |
| US Dollars  | 15,85,018           | 17,40,62,522         |
| Euro  | 21,13,04,293        | 18,29,63,481         |
| Total No. of contracts outstanding for amount receivable on account of Fixed deposit with Bank.   | 6                   | 2                    |
| Foreign Currency Value covered :  |                     |                      |
| US Dollars  | NIL                 | 1,47,845             |
|   | NIL                 | 155                  |
| (b) Unhedged foreign currency exposure is as follows:   |                     |                      |
| <b>Particulars</b>  |                     |                      |
| <b>Amounts Payable :</b>  |                     |                      |
| Loans :   |                     |                      |
| US Dollars  | 34,32,30,272        | 32,92,73,202         |
| Euro  | 3,47,92,692         | 2,70,05,393          |
| Interest US Dollars   | 5,65,136            | 5,97,762             |
| Payables for goods and services:  |                     |                      |
| US Dollars  | 29,75,669           | 28,28,950            |
| Euro  | 8,19,339            | 4,92,581             |
| GBP   | NIL                 | 1,575                |
| THB   | 1,92,725            | 2,29,214             |
| CAD   | 45,695              | 36,190               |
| JPY   | NIL                 | 71,985               |
| SGD   | NIL                 | 19,800               |
| <b>Amounts Receivable:</b>  |                     |                      |
| Export of Goods US Dollar   | NIL                 | NIL                  |
| Advances :  |                     |                      |
| US Dollar   | 1,14,55,199         | 1,55,31,669          |
| Euro  | 1,89,098            | 23,85,188            |
| GBP   | NIL                 | 15,326               |
| JPY   | 3,37,000            | NIL                  |
| Balance with Scheduled Banks  |                     |                      |
| On Current Accounts:  |                     |                      |
| US Dollar   | 14,10,752           | 2,555                |
| Euro  | 4,95,291            | NIL                  |

**NOTE NO.40**
**Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".**

Defined benefit plans - As per actuarial valuation in respect of gratuity

| Sr. no. | Descriptions  | Current Year Rupees | Previous Year Rupees |
|---------|---|---------------------|----------------------|
| i)      | <b>Components of employer expenses</b>  |                     |                      |
|         | Current Service Cost  | 1,56,15,205         | 1,11,01,731          |
|         | Interest Cost   | 96,10,563           | 77,62,004            |
|         | Expected Return on Plan Assets  | (93,20,610)         | (78,27,463)          |
|         | Past Service Cost (Vested benefit) recognised   | NIL                 | NIL                  |
|         | Actuarial (Gain)/Loss (Net)   | (45,44,371)         | 1,15,98,197          |
|         | Total Expenses recognised in the statement of Profit & Loss Account in Note No. '28'        | 1,13,60,787         | 2,26,34,469          |
| ii)     | <b>Actual Contribution and Benefit Payments for the year end</b>                            |                     |                      |
|         | Actual Benefit Payments   | 1,11,86,519         | 50,30,431            |
|         | Actual Contributions  | 1,91,72,214         | 1,72,44,508          |
| iii)    | <b>Net (Asset)/Liability recognised in balance sheet at the year end</b>                    |                     |                      |
|         | Present Value of Defined Benefit Obligation   | 12,75,39,862        | 11,75,40,074         |
|         | Fair value of plan assets   | 7,73,33,309         | (1129,20,218)        |
|         | Net (Asset)/Liability recognised in balance sheet   | (31,91,571)         | 46,19,856            |
| iv)     | <b>Reconciliation of Opening and Closing Balances of Defined Benefit Obligations ( DBO)</b> |                     |                      |
|         | Present Value of DBO at the beginning of the year   | 11,75,40,074        | 9,13,17,689          |
|         | Current Service cost  | 1,56,15,205         | 1,11,01,731          |
|         | Interest cost   | 96,10,563           | 77,62,004            |
|         | Past Service Cost (Vested Benefit)  |                     |                      |
|         | Actuarial (Gain)/Loss on DBO  | (40,39,461)         | 1,23,89,081          |
|         | Benefits paid   | (1,11,86,519)       | (50,30,431)          |
|         | Present Value of DBO at the end of the year   | 12,75,39,862        | 11,75,40,074         |
| v)      | <b>Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets</b>          |                     |                      |
|         | Plan assets at the beginning of the year  | 11,29,20,218        | 9,20,87,794          |
|         | Expected return on plan assets  | 93,20,610           | 78,27,463            |
|         | Actual Company contributions  | 1,91,72,214         | 1,72,44,508          |
|         | Actuarial Gain on Plan Assets   | 5,04,910            | 7,90,884             |
|         | Benefits paid   | (1,11,86,519)       | (50,30,431)          |
|         | Plan assets at the end of the year  | 13,07,31,433        | 11,29,20,218         |
| vi)     | <b>Actuarial Assumptions</b>  |                     |                      |
|         | Discount Rate   | 9.31%               | 8.25%                |
|         | Expected Return on plan Assets  | 9.31%               | 8.25%                |
|         | Salary escalation   | 4.50%               | 4.50%                |

**(a) Defined Contribution Plans-**

The Company's contribution to defined contribution plans aggregating to **Rs. 6,78,65,684** (Previous Year Rs. 6,13,40,127) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 28).

(b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

| <b>NOTE NO.41</b>                                  | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| Amount of Proposed dividend to Equity shareholders | 19,33,17,190        | 14,49,87,893         |
| Amount per share of Rs. 2 each, fully paid up      | 2.00                | 1.50                 |

| <b>NOTE NO.42</b>            |  | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|------------------------------|--|--------------------------------|---------------------------------|
| <b>Payment to Auditors :</b> |  |                                |                                 |
| (a)                          | <b>Statutory Auditors</b>                  |                                |                                 |
|                              | - Audit Fees                               | <b>38,72,591</b>               | 29,31,651                       |
|                              | - For Tax Audit                            | <b>7,93,043</b>                | 5,90,000                        |
|                              | - For taxation matters                     | <b>8,80,000</b>                | 7,95,000                        |
|                              | - For Company Law matters                  | <b>3,05,000</b>                | 2,50,000                        |
|                              | - For other services - Certification etc., | <b>16,76,488</b>               | 12,95,010                       |
|                              | - For reimbursement of expenses            |                                |                                 |
|                              | - Service Tax                              | <b>8,03,539</b>                | 7,03,767                        |
|                              | - Expenses                                 | <b>75,100</b>                  | 66,400                          |
| (b)                          | <b>Cost Auditors</b>                       |                                |                                 |
|                              | - Audit Fees                               | <b>3,10,000</b>                | 2,70,000                        |
|                              | - For reimbursement of expenses            |                                |                                 |
|                              | - Service Tax                              | <b>30,900</b>                  | 24,720                          |

| <b>NOTE NO.43</b> |   | <b>Current Year<br/>Rupees</b> | <b>Previous Year<br/>Rupees</b> |
|-------------------|---|--------------------------------|---------------------------------|
| (a)               | Amount of Borrowing Cost capitalised  | <b>113,55,89,872</b>           | 63,40,54,790                    |
| (b)               | Total of Research and Development Cost/Expenditure  |                                |                                 |
|                   | - Revenue   | <b>10,13,76,625</b>            | 7,57,79,229                     |
|                   | - Capital   | <b>6,93,15,848</b>             | 9,37,18,529                     |
| (c)               | Contribution to Provident and Other Funds ( Note No. 28 ) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India. | <b>1,91,72,214</b>             | 1,72,44,508                     |

**NOTE NO.44**

Other Operating Revenue includes **Rs.82,45,468** (Previous Year Rs.88,83,553 ) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

**NOTE NO.45**

| <b>Nature of Security in respect of secured Loan (Long Term/Short Term):</b>   | <b>Rupees</b>         |
|--|-----------------------|
| <b>Working Capital Loans from Banks Repayable on Demand:</b>   |                       |
| Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Ambivali, Tarapur, Bhiwadi, Chopanki, Jaisalmer & certain assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis. | <b>425,50,00,484</b>  |
| <b>Term Loan from Banks:</b>   |                       |
| Secured by first charge by way of hypothecation on the all present and future movable, immovable fixed assets, Inventories and Receivables of the Company on first pari - passu basis.   | <b>53,83,88,675</b>   |
| <b>Term Loan from Banks:</b>   |                       |
| Secured by first charge by way of hypothecation on the all present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & certain 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 movables on pari-passu basis.                     | <b>1652,74,45,000</b> |

**NOTE NO.46**

The Company has received approval from stock exchanges in connection with its scheme of arrangement of its two subsidiary Companies namely Balkrishna Paper Mills Limited and Balkrishna Synthetics Limited, has filed Application in the High Court of Bombay for its approval.

**NOTE NO.47**

- Figures in brackets in notes 34 and 36 pertain to previous year.
- The Revised Schedule VI to the Companies Act, 1956 has become effective from current financial year for the preparation of financial statements. It has significantly changed the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached  
For **JAYANTILAL THAKKAR & CO.**  
**Chartered Accountants**

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**  
Partner  
Mumbai,  
Dated: 15th May, 2014

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: 15th May, 2014



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

|  | Year Ended<br>31st March, 2014<br>Rupees |                         | Year Ended<br>31st March, 2013<br>Rupees |                  |
|--|--|-------------------------|--|------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>          |  |                         |  |                  |
| Profit before Tax  |  | <b>706,17,37,591</b>    |  | 533,79,75,611    |
| Adjustment for :   |  |                         |  |                  |
| Depreciation and Ammortisation                           | <b>170,27,94,610</b>                     |                         | 112,20,00,858                            |                  |
| Income from Investments                                  | <b>(11,62,49,873)</b>                    |                         | (35,26,850)                              |                  |
| Finance Cost   | <b>27,27,37,262</b>                      |                         | 27,36,99,747                             |                  |
| Interest Income  | <b>(1,91,60,488)</b>                     |                         | (1,61,08,629)                            |                  |
| Loss/(Profit) on Sale of Fixed Assets                    | <b>16,08,786</b>                         |                         | (56,01,254)                              |                  |
| Fixed Assets Discarded/Written Off                       | <b>11,02,904</b>                         |                         | 1,66,697                                 |                  |
| Unrealised Foreign Exchange differences Loss/(Gain)      | <b>23,71,95,011</b>                      |                         | (8,91,67,742)                            |                  |
| Retiring Gratuities                                      | <b>1,13,60,787</b>                       |                         | 2,07,35,977                              |                  |
| Leave Encashment   | <b>2,09,59,165</b>                       |                         | 2,73,58,023                              |                  |
|  |  | <b>211,23,48,164</b>    |  | 132,95,56,827    |
| Operating profit before working capital changes          |  | <b>917,40,85,755</b>    |  | 666,75,32,438    |
| Adjustment for:  |  |                         |  |                  |
| Trade and other receivables                              | <b>(146,78,85,398)</b>                   |                         | (57,13,81,406)                           |                  |
| Inventories  | <b>(111,65,99,650)</b>                   |                         | 41,79,81,583                             |                  |
| Trade payables   | <b>122,99,00,205</b>                     |                         | 42,63,53,138                             |                  |
|  |  | <b>(135,45,84,843)</b>  |  | 27,29,53,315     |
| Cash generated from operations                           |  | <b>781,95,00,912</b>    |  | 694,04,85,753    |
| Direct taxes paid  |  | <b>(177,17,62,307)</b>  |  | (142,15,95,952)  |
| Gratuity paid  |  | <b>(1,91,72,214)</b>    |  | (1,53,46,016)    |
| Leave Encashment paid                                    |  | <b>(1,19,01,739)</b>    |  | (1,01,32,813)    |
| Net cash from Operating Activities                       |  | <b>601,66,64,652</b>    |  | 549,34,10,972    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>          |  |                         |  |                  |
| Purchase of Fixed Assets & Capital Work in Progress      | <b>(886,55,45,542)</b>                   |                         | (1014,30,43,993)                         |                  |
| Sale of Fixed Assets                                     | <b>74,01,885</b>                         |                         | 1,73,38,647                              |                  |
| Purchase of Investments                                  | <b>(1785,16,07,329)</b>                  |                         | (490,48,83,294)                          |                  |
| Sale of Investments                                      | <b>1418,36,75,910</b>                    |                         | 489,63,24,664                            |                  |
| Inter Corporate Loan Given                               | <b>(27,00,00,000)</b>                    |                         | (3,00,00,000)                            |                  |
| Inter Corporate Loan Refund Received                     | <b>35,73,67,690</b>                      |                         | 3,00,00,000                              |                  |
| Interest received  | <b>2,68,73,667</b>                       |                         | 2,09,98,511                              |                  |
| Income Received on Investments                           | <b>11,54,88,436</b>                      |                         | 34,20,279                                |                  |
| Net cash used in Investing Activities                    |  | <b>(1229,63,45,283)</b> |  | (1010,98,45,186) |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>          |  |                         |  |                  |
| Proceeds from Short Term Borrowings (Net)                | <b>254,59,59,560</b>                     |                         | 127,56,29,162                            |                  |
| Proceeds from Long Term Borrowings                       | <b>1600,84,72,918</b>                    |                         | 2040,44,61,156                           |                  |
| Repayment of Long Term Borrowings                        | <b>(1423,58,98,093)</b>                  |                         | (1766,59,44,950)                         |                  |
| Inter Corporate Loan Received                            | <b>28,57,50,000</b>                      |                         | 35,99,00,000                             |                  |
| Inter Corporate Loan Repaid                              | <b>(50,30,17,690)</b>                    |                         | (22,50,00,000)                           |                  |
| Dividend paid (including tax thereon)                    | <b>(17,01,59,797)</b>                    |                         | (16,87,99,159)                           |                  |
| Finance cost paid  | <b>(28,19,76,128)</b>                    |                         | (28,27,23,482)                           |                  |
| Net Cash from Financing Activities                       |  | <b>364,91,30,770</b>    |  | 369,75,22,727    |
| Net increase in cash and cash equivalent                 |  | <b>(263,05,49,861)</b>  |  | (91,89,11,487)   |
| Exchange difference on cash and cash equivalent - Gain   |  | <b>2,06,146</b>         |  | 1,95,882         |
| Cash and cash equivalent as at the beginning of the year |  | <b>277,96,89,624</b>    |  | 369,84,05,229    |
| Cash and cash equivalent as at the end of the year       |  | <b>14,93,45,909</b>     |  | 277,96,89,624    |

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 **JAYANTIL THAKKAR & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

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

**BASANT BANSAL**  
Director (Finance)

**VIRAL A. MERCHANT**

Partner

Mumbai,

Dated: 15th May, 2014

Mumbai,

Dated: 15th May, 2014



GROWING TOGETHER

## Few Application with BKT Tires





**GROWING TOGETHER**

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## **Balkrishna Industries limited**

CIN : L99999MH1961PLC012185

**Registered Office:** H-3/1, MIDC, "A" Road, Tarapur, Boisar - 401 506

**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 address:** shares@bkt-tires.com

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



# Balkrishna Industries limited

CIN : L99999MH1961PLC012185

Regd. Office : H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra)- 401506

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

Website: www.bkt-tires.com

## NOTICE

NOTICE is hereby given that the 52<sup>nd</sup> Annual General Meeting of the members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

DAY : Saturday

DATE : 13<sup>th</sup> September, 2014

TIME : 11:30 a.m.

PLACE : Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506.

The Agenda for the Meeting will be as under:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2014 together with the Report 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, 2014.
2. To declare Final Dividend.
3. To appoint a Director in place of Shri Vipul Shah (DIN : 05199526), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration No. 104133W) be and are hereby appointed as Statutory Auditors of the Company, to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS:

5. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the

Listing Agreement, Shri Sachin Nath Chaturvedi (DIN: 00553459), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for five consecutive years from 2nd August, 2014 to 1st August, 2019 and whose office shall not be liable to retire by rotation."

6. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Khurshed Doongaji (DIN: 00090939), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for five consecutive years from 2nd August, 2014 to 1st August, 2019 and whose office shall not be liable to retire by rotation."

7. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ashok Saraf (DIN: 01627873), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for



five consecutive years from 2nd August, 2014 to 1st August, 2019 and whose office shall not be liable to retire by rotation."

8. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Laxmidas Merchant (DIN: 00007722), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for five consecutive years from 2nd August, 2014 to 1st August, 2019 and whose office shall not be liable to retire by rotation."

9. 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Sanjay Asher (DIN: 00008221), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for five consecutive years from 2nd August, 2014 to 1st August, 2019 and whose office shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269 and 309 and other applicable provisions of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to such other consents, approvals and permissions if any needed, approval of the Company be and is hereby accorded to the re-appointment of Shri Rajiv A Poddar (DIN: 00160758) as Joint

Managing Director of the Company, for a period of 5 five years with effect from 22<sup>nd</sup> January, 2014, on the terms and conditions set out in the Explanatory Statement relating to this Resolution with powers to the Board of Directors to alter and vary the terms and conditions and remuneration including minimum remuneration (in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Shri Rajiv A Poddar within the limits specified in Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII of the Companies Act, 1956) or any amendment thereto."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the Members of the Company at the 48<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> August, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013, as amended from time to time and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to borrow from time to time, any sum or sums of money for the purpose of the Company, upon such terms and conditions as the Board of Directors may in its discretions think fit, notwithstanding that the money or moneys to be borrowed by the Company (apart from the ordinary loans obtained or to be obtain from the Company's bankers in the ordinary course of business) together with the moneys already borrowed by the Company may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that maximum amount of the moneys so borrowed by the Board and remaining outstanding shall not at any time, exceed Rs. 5,000 Crores (Rupees Five Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Resolution passed by the Members of the Company at the 48<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> August, 2010 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of

Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecation in addition to the existing charges, mortgages and hypothecation created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and/or concern of the Company in certain events in favour of Banks/Financial Institutions, other investing agencies and trustees for the holders of debentures/bonds/ other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/ fully/convertible or non convertible and/or securities linked to Ordinary Shares and / or rupee / foreign currency convertible bonds and / or bonds with share warrants attached ( hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payments or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of said loans, shall not, at any time exceed the limit of Rs. 5,000 Crores (Rupees Five Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

By order of Board of Directors  
For **BALKRISHNA INDUSTRIES LIMITED**

**VIPUL SHAH**  
**DIRECTOR & COMPANY SECRETARY**  
**DIN NO: 05199526**

**Registered Office:**

H-3/1, MIDC,  
A Road, Tarapur,  
Boisar 401506

Mumbai,  
2<sup>nd</sup> August, 2014

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy should, however, be deposited at the Registered Office of the Company or at the Corporate Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013, not less than 48 hours before commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not

more than ten percent of the total share capital of the Company carrying voting rights. 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.

- 2) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3) The relative details of directors seeking re-appointment under item 3, 5,6,7,8,9 and 10 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
- 4) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
- 5) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting. The Register of Members and Share Transfer Books of the Company will remain closed from 9<sup>th</sup> September, 2014 to 10<sup>th</sup> September, 2014 (both days inclusive).
- 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 are informed that the final dividend amount remaining unpaid/unclaimed relating to the year ended 31<sup>st</sup> March, 2007 and for any subsequent years are advised to send the same to the Company for revalidation. Dividend amount remaining unpaid/unclaimed for a period of 7 years from the dates they became due for payment shall be transferred to the "Investor Education and Protection Fund" of the Central Government in terms of Section 125 of the Companies Act, 2013. No claim shall lie against the Company or "Investor Education and Protection Fund" in respect of unpaid/unclaimed once these dividends are transferred to "Investor Education and Protection Fund."

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the Registrar and Transfer Agent, M/s. Sharepro Service India Pvt. Ltd on email address: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com) or to the Company on email address: [shares@bkt-tires.com](mailto:shares@bkt-tires.com)

The Notice of AGM along with Annual report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same.

- 8) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, 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 the Company / the Registrar and Transfer Agent, M/s. Sharepro Service India Pvt. Ltd.
- 9) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in the Notice

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

#### **INSTRUCTIONS FOR E-VOTING**

**Members are requested to follow the below instructions to cast their vote through e-voting:**

##### **A. In case a Member receives an email from NSDL (for Members whose email addresses are registered with the Company/Depositories):**

- i. Open the e-mail and also open PDF file namely "Balkrishna Industries Ltd e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
- iii. Click on Shareholder – Login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Balkrishna Industries Limited which is 100742.

Now you are ready for e-voting as Cast Vote page opens.

- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xii. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at : [naithanipcs@gmail.com](mailto:naithanipcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). You can also forward the documents at the Company's email ID: [shares@bkt-tires.com](mailto:shares@bkt-tires.com)
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual- Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

##### **B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/ Depositories):**

- i. Initial password is provided separately in the E-voting form enclosed with Annual Report: EVEN (E-Voting Event Number), User ID and Password.
- ii. Please follow all steps from Sr. No. (ii) to Sr. No. (xiii) Above, to cast vote.

##### **C. Other Instructions:**

- i. The e-voting period commences on Wednesday, the 3<sup>rd</sup> September, 2014 (9.00 a.m. IST) and ends on Friday, the 5<sup>th</sup> September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 8<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 8<sup>th</sup> August, 2014.
- iii. Mr. Prasen Naithani, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Prasen Naithani, Practicing Company Secretary, at the Registered Office/Corporate Office of the Company not later than Friday, the 5<sup>th</sup> September, 2014 (6.00 p.m. IST).



- v. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [naitihanipcs@gmail.com](mailto:naitihanipcs@gmail.com) with a copy marked to [shares@bkt-tires.com](mailto:shares@bkt-tires.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office/ Corporate Office of the Company not later than Friday, the 5<sup>th</sup> September, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bkt-tires.com](http://www.bkt-tires.com) and on the website of NSDL

[www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 52<sup>nd</sup> AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of Board of Directors  
For **BALKRISHNA INDUSTRIES LIMITED**

**VIPUL SHAH**  
**DIRECTOR & COMPANY SECRETARY**  
**DIN NO: 05199526**

**Registered Office:**  
H-3/1, MIDC,  
A Road, Tarapur,  
Boisar 401506

Mumbai,  
2<sup>nd</sup> August, 2014

### EXPLANATORY 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 Nos. 5 to 9:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Shri Sachin Nath Chaturvedi, Shri Khurshed Doongaji, Shri Ashok Saraf, Shri Laxmidas Merchant and Shri Sanjay Asher as Independent Directors of the Company up to 5 (five) consecutive years from 2nd August, 2014 to 1st August, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

#### A brief profile along with other details of the Independent Directors is as follows:

|   |   |  |
|---|---|--|
| <b>Name of the Director</b>                                       | Shri Sachin Nath Chaturvedi   |  |
| <b>Director Identification Number</b>                             | 00553459  |  |
| <b>Date of joining the Board</b>                                  | 31 <sup>st</sup> January, 2004.   |  |
| <b>Profile of the Director</b>                                    | Shri Sachin Nath Chaturvedi is a fellow member of Institute of Chartered Accountants of India and holds Bachelor degree in Technology. He has done Master of Business Administration and D.I.S.A. |  |
| <b>Age</b>  | 63 years  |  |
| <b>Nature of expertise in specific functional area</b>            | Professional (Accounts & Finance)   |  |
| <b>No. of shares held in the Company</b>                          | NIL   |  |
| <b>Directorships and Committee memberships in other companies</b> | Jai Corp Ltd  | - Director and Member of Audit Committee |
|   | N R Agarwal Industries Ltd  | - Director and Member of Audit Committee |
|   | Balkrishna Paper Mills Ltd  | - Director                               |
|   | Jai Realty Ventures Ltd   | - Director                               |

|   |   |  |
|---|---|--|
| <b>Name of the Director</b>                                       | Shri Khurshed Doongaji  |  |
| <b>Director Identification Number</b>                             | 00090939  |  |
| <b>Date of joining the Board</b>                                  | 30 <sup>th</sup> October, 2003  |  |
| <b>Profile of the Director</b>                                    | Shri Khurshed Doongaji holds Bachelor Degree in Arts and is Bachelor of Law having vast experience in field of law. |  |
| <b>Age</b>  | 75 years  |  |
| <b>Nature of expertise in specific functional area</b>            | Business  |  |
| <b>No. of shares held in the Company</b>                          | NIL   |  |
| <b>Directorships and Committee memberships in other companies</b> | Jai Corporation Ltd – Director and Chairman of Audit Committee and Shareholders Investor's Grievance Committee      |  |

|   |  |
|---|--|
| <p><b>Name of the Director</b><br/><b>Director Identification Number</b><br/><b>Date of joining the Board</b><br/><b>Profile of the Director</b><br/><b>Age</b><br/><b>Nature of expertise in specific functional area</b><br/><b>No. of shares held in the Company</b><br/><b>Directorships and Committee memberships in other companies</b></p> | <p>Shri Ashok Saraf<br/>01627873<br/>29<sup>th</sup> May, 2008<br/>Shri Ashok Saraf holds Bachelor degree of Commerce. He has Post Graduate Diploma in Business Management and Diploma in Finance Management.<br/>58 years<br/>Industrialist with vast experience in Chemical Industry<br/><br/>NIL<br/>Saraf Chemicals Ltd – Chairman &amp; Managing Director</p>   |
| <p><b>Name of the Director</b><br/><b>Director Identification Number</b><br/><b>Date of joining the Board</b><br/><b>Profile of the Director</b><br/><b>Age</b><br/><b>Nature of expertise in specific functional area</b><br/><b>No. of shares held in the Company</b><br/><b>Directorships and Committee memberships in other companies</b></p> | <p>Shri Laxmidas Merchant<br/>00007722<br/>22<sup>nd</sup> January, 2009<br/>Shri Laxmidas Merchant is a member of Institute of Chartered Accountants of India.<br/>54 years<br/>Professional (Accounts &amp; Finance)<br/><br/>NIL<br/>Reliance Strategic Investments Limited – Director &amp; Chairman of Audit Committee<br/>Reliance Ventures Ltd - Director &amp; Chairman of Audit Committee</p>   |
| <p><b>Name of the Director</b><br/><b>Director Identification Number</b><br/><b>Date of joining the Board</b><br/><b>Profile of the Director</b><br/><b>Age</b><br/><b>Nature of expertise in specific functional area</b><br/><b>No. of shares held in the Company</b><br/><b>Directorships and Committee memberships in other companies</b></p> | <p>Shri Sanjay Asher<br/>00008221<br/>29<sup>th</sup> May, 2010<br/>Shri Sanjay Asher is a member of Institute of Chartered Accountants of India and a Solicitor.<br/>49 years<br/>Professional (Legal)<br/><br/>NIL<br/>Ashok Leyland Limited - Director &amp; Member of Audit Committee and Chairman of Shareholders'/Investors' Grievance Committee.<br/>Bajaj Allianz General Insurance Company Limited - Director<br/>Bajaj Allianz Life Insurance Company Limited- Director<br/>Finolex Cables Limited - Director &amp; Member of Audit Committee and Shareholders'/Investors' Grievance Committee<br/>Finolex Industries Limited- Director<br/>Innoventive Industries Limited - Director<br/>Kryfs Power Components Limited - Director<br/>Repro India Limited - Director &amp; Member of Audit Committee and Chairman of Shareholders'/Investors' Grievance Committee.<br/>Sanghvi Movers Limited - Director<br/>Sharp India Limited - Director &amp; Chairman of Shareholders'/Investors' Grievance Committee.<br/>Shree Renuka Sugars Limited - Director &amp; Chairman of Audit Committee<br/>Sudarshan Chemicals Industries Limited- Director<br/>Tribhovandas Bhimji Zaveri Limited - Director<br/>J.B. Chemicals and Pharmaceuticals Limited - Director<br/>Mandhana Industries Limited - Director &amp; Member of Audit Committee</p> |

The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Shri Sachin Nath Chaturvedi, Shri Khurshed Doongaji, Shri Ashok Saraf, Shri Laxmidas Merchant and Shri Sanjay Asher, as Independent Directors as set out in Item Nos. 5-9 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 5 to 9 of this Notice.

Accordingly, the Board recommends the Ordinary Resolution set out at Item Nos. 5 to 9 of the Notice for approval by the Shareholders.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

**Item No.10:**

The Board of Directors at its Meeting held on 26<sup>th</sup> October, 2013 has re- appointed Shri Rajiv A Poddar, as a Executive Director of the Company, re- designated as a Joint Managing Director of the Company, for a period of 5 years with effect from 22<sup>nd</sup> January, 2014. His appointment and remuneration is fixed in accordance with Schedule V of the Companies Act, 2013 (Corresponding to Schedule XIII to the Companies Act, 1956), and his remuneration is recommended by the Remuneration Committee, is subject to the approval of the Members of the Company, hence the subject Resolution.

The Board of Directors has fixed the following remuneration to be paid to the Joint Managing Director during the term with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule V of the Companies Act, 2013 (Corresponding to Schedule XIII to the Companies Act, 1956), or any statutory amendment or relaxation thereof:

**Salary**

Rs. 20,00,000/- p.m. with such increments as may be approved by the Board of Directors from time to time.

**Commission**

As may be determined by the Board of Directors of the Company at the end of each financial year, subject to overall ceiling stipulated from time to time under Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269 and 309 and other applicable provisions of Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), as may for the time being be in force.

**Perquisites**

In addition to the salary and commission, the following perquisites shall also be allowed to Shri Rajiv Poddar :

**Housing**

The Company shall provide fully furnished residential accommodation together with all amenities, facilities and utilities such as Gas, Water, Electricity and Fuel etc. as may be approved by the Board from time to time.

In case no accommodation is provided by the Company, the Joint Managing Director shall be entitled to House Rent Allowance to the extent of 60% of the basic salary.

**Medical reimbursement**

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable. Premium for medical insurance incurred for self and family will be paid by the Company.

**Leave Travel Concession**

Reimbursement of actual traveling expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during leave travel periods, wherever undertaken, whether in India or abroad.

**Club Membership**

Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

**Personal Accident Insurance**

The actual premium paid.

**Provident Fund, Superannuation Fund and Annuity Fund**

Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of remuneration to the extent these singly or put together are not taxable under Income Tax Rules, 1962.

**Gratuity**

Gratuity shall be payable at half month's salary for each completed year of service and will not be included in computation of remuneration.

**Leave and Encashment of Leave**

The Joint Managing Director shall be entitled to leave with full pay as per the rules of the Company and will be entitled to encash the accumulated leave at the end of the tenure/retirement.

**Use of Car with Driver**

The Company shall provide fully maintained car with driver for business and personal use.

**Free Telephone, Facsimile and other Communication Facilities**

The Company shall provide free Telephone, Facsimile and other communication facilities at the Joint Managing Director's residence.

**Entertainment Expenses**

Reimbursement of entertainment expenses incurred in the course of business of the Company.

**Minimum remuneration**

In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Joint Managing Director shall be paid remuneration by way of salary, perquisites and allowances as specified above subject to limits specified in Schedule V of the Companies Act, 2013 (Corresponding to Schedule XIII of the Companies Act, 1956) or any amendment thereto.

**Explanation**

For the purpose of the perquisites family shall mean the spouse, the dependent children and the dependent parents of the appointee.

Except Shri Rajiv Poddar himself and Shri Arvind Poddar and Smt Vijaylaxmi Poddar, being relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Shareholders.

**Item No.11:**

The members of the Company at their 48<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> August, 2010 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rupees 2,000 Crores (Rupees two thousand crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company.

Approval of members is being sought to borrow money upto Rupees 5,000 Crores (Rupees Five thousand crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

Accordingly, the Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the Shareholders.

**Item No.12:**

In terms of the resolution passed pursuant to Section 293 (1) (a) of the Companies Act, 1956 by Members at the 48<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> August, 2010 the consent of the Members was secured for authorizing the Board of Directors to create mortgage and / or charge on the immovable and movable properties of the Company upto Rs. 2,000 crores.

The Company would be borrowing monies by way of loans from Financial Institutions / Banks and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders / trustees upto an extent of Rs. 5,000 Crores.

To create mortgage and / or charge upto the said limit, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

Accordingly, the Board recommends the Special Resolution set out at Item No. 12 of the Notice for approval by the Shareholders.

By order of Board of Directors  
For **BALKRISHNA INDUSTRIES LIMITED**

**VIPUL SHAH**  
**DIRECTOR & COMPANY SECRETARY**  
**DIN NO: 05199526**

**Registered Office:**

H-3/1, MIDC,  
A Road, Tarapur,  
Boisar 401506

Mumbai,  
2<sup>nd</sup> August, 2014

**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement.**

|  |                      |
|--|----------------------|
| <b>Name of the Director</b>  | Shri Vipul Shah      |
| <b>Director Identification Number</b>                                | 05199526             |
| <b>Date of joining the Board</b>                                     | 11th February, 2012  |
| <b>Profile of the Director</b>                                       | B.Com, ACS           |
| <b>Age</b>   | 51 years             |
| <b>Nature of Expertise</b>   | Professional (Legal) |
| <b>No. of shares held in the Company</b>                             | NIL                  |
| <b>* Directorship &amp; Committee Memberships in other Companies</b> | NIL                  |

|  |  |
|--|--|
| <b>Name of the Director</b>  | Shri Rajiv Poddar  |
| <b>Director Identification Number</b>                                  | 0160758  |
| <b>Date of joining the Board</b>                                       | 22nd January, 2009   |
| <b>Profile of the Director</b>   | B.A. Hons Business Management from Kingston University   |
| <b>Age</b>   | 29 years   |
| <b>Nature of Expertise</b>   | Industrialist with vast experience in Tyre Industry.   |
| <b>No. of shares held in the Company</b>                               | 10,69,790  |
| <b>* Directorships &amp; Committee Memberships in other Companies.</b> | BKT (Exim) Ltd. - Director<br>BKT Tyres Ltd. - Director<br>Nirvikara Paper Mills Ltd. - Director<br>Thristha Synthetics Ltd. - Director<br>SP Investrade (India) Ltd.- Director<br>Clothing Culture Ltd.- Director |

Note

1. \* Private Limited Companies and Companies under Section 8 of the Companies Act, 2013 have been excluded.
2. For appointment of Independent Directors information as required under Clause 49(VI)(A) of the Listing Agreement are given in the Explanatory Statement from Item Nos 5 to 9.

By order of Board of Directors  
For **BALKRISHNA INDUSTRIES LIMITED**

**VIPUL SHAH**  
**DIRECTOR & COMPANY SECRETARY**  
**DIN NO: 05199526**

**Registered Office:**

H-3/1, MIDC, A Road, Tarapur,  
Boisar 401506

Mumbai,  
2<sup>nd</sup> August, 2014

**BANK ACCOUNT PARTICULARS / ECS MANDATE FORM/EMAIL REGISTRATION FORM**

I/ We ..... do hereby authorise Balkrishna Industries Limited.

\*To Print the following details on my/our dividend warrant.

To Credit my dividend amount directly to my Bank account by ECS.

(\*Strike out whichever is not applicable.)

My/our Folio No. : .....

DP ID No..... Client A/c. No.....

| <b>Particulars of Bank Account:</b> |  |   |
|-------------------------------------|--|---|
| A.                                  | Bank Name  | : |
| B.                                  | Branch Name  | : |
|                                     | Address (for Mandate only)   | : |
| C.                                  | 9 Digit Code number of the bank & Branch as appearing on the MICR Cheque | : |
| D.                                  | Account Type (Saving/ Current)   | : |
| E.                                  | Account No. as appearing on the cheque book                              | : |
| F.                                  | STD Code & Telephone No.   | : |
| G.                                  | E-mail ID  | : |
| H.                                  | PAN  | : |

I/We shall not hold the Company responsible if the ECS could not be implemented or the bank discontinue(s) the ECS, for any reason.

MAIL  
TO

**Sharepro Services (India) Pvt. Limited**  
 Regd. Office: 13 AB, Samhita Warehousing Complex,  
 Second Floor, Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road, Sakinaka, Andheri (East),  
 Mumbai – 400 072  
 email address: sharepro@shareproservices.com

.....  
 Signature of the shareholder (s)

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

**In case you are holding shares in demat form, kindly advice your Depository Participant to take note of your Bank account particulars /ECS mandate/email address.**





# Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

Regd. Office : H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra)- 401506

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

Website: www.bkt-tires.com

## ATTENDANCE SLIP CUM BALLOT FORM

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE

Folio No....., DP ID ..... Client ID.....

Name of the Shareholder:..... No. of Shares held .....

I hereby record my presence at the 52<sup>nd</sup> ANNUAL GENERAL MEETING of the Company held on Saturday, the 13<sup>th</sup> September, 2014 at 11:30 a.m. at Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506.

Signature of the Shareholder:.....  
(only shareholders/proxies are allowed to attend the meeting).

| Resolution No. | Particulars of Resolution   | Option |         |
|----------------|---|--------|---------|
|                |   | For    | Against |
|                | <b>Ordinary Business</b>  |        |         |
| 1.             | Adoption of Audited Financial Statement for the year ended 31 <sup>st</sup> March, 2014 and the Audited Consolidated Financial Statement for the year ended 31 <sup>st</sup> March, 2014. |        |         |
| 2.             | Declaration of Dividend.  |        |         |
| 3.             | Re-appointment of Shri Vipul Shah, Director & Company Secretary retiring by rotation and being eligible, offers himself for re-appointment.   |        |         |
| 4.             | Appointment of Statutory Auditors.  |        |         |
|                | <b>Special Business</b>   |        |         |
| 5.             | Appointment of Shri Sachin Nath Chaturvedi as Independent Director for five consecutive years from 2nd August, 2014 to 1st August, 2019.  |        |         |
| 6.             | Appointment of Shri Khurshed Doongaji as Independent Director for five consecutive years from 2nd August, 2014 to 1st August, 2019.   |        |         |
| 7.             | Appointment of Shri Ashok Saraf as Independent Director for five consecutive years from 2nd August, 2014 to 1st August, 2019.   |        |         |
| 8.             | Appointment of Shri Laxmidas Merchant as Independent Director for five consecutive years from 2nd August, 2014 to 1st August, 2019.   |        |         |
| 9.             | Appointment of Shri Sanjay Asher as Independent Director for five consecutive years from 2nd August, 2014 to 1st August, 2019.  |        |         |
| 10.            | Reappointment of Shri Rajiv A Poddar as Joint Managing Director of the Company, for a period of five years with effect from 22 <sup>nd</sup> January, 2014.                               |        |         |
| 11.            | To authorize to borrow under Section 180(1)(c) of the Companies Act, 2013.  |        |         |
| 12.            | To authorize to create mortgage/charge under Section 180(1)(a) of the Companies Act, 2013.  |        |         |

Signed this..... day of ..... 2014

Signature of the Shareholder .....

- Note: (i) This Form of Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate Office of the Company not less than 48 hours before the time for holding 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.



# Balkrishna Industries limited

CIN : L99999MH1961PLC012185

Regd. Office : H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra)- 401506

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

Website: www.bkt-tires.com

## PROXY FORM

Folio No....., DP ID ..... Client ID.....

No. of Shares held .....

I/We ..... of .....

being a member(s) of Balkrishna Industries Limited, hereby appoint .....

of ..... failing him .....

of ..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 52<sup>nd</sup> Annual General Meeting of Balkrishna Industries Limited, to be held on Saturday, the 13<sup>th</sup> September, 2014 at 11:30 a.m. at Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar- 401506 and at any adjournment thereof in respect of such resolutions as are indicated below:

affix  
15 paise  
Revenue  
stamp

Signed this..... day of ..... 2014

Signature across Revenue Stamp