



Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

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

Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013

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NOTICE

NOTICE is hereby given that the 61st Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held on Saturday, the 22nd July, 2023 at 11.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt:
 - the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Board of Directors and Auditors' thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Report of the Auditors' thereon.
- To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend of ₹ 4.00 per Equity Share (200%) on Equity Shares of ₹ 2/- each (face value), if any, for the financial year 2022-23.
- To appoint a Director in place of Mr. Vipul Shah (DIN: 05199526), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- To approve the alteration of the Article of Association (AOA) of the Company.

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

"RESOLVED THAT pursuant to (i) the provisions of Section 5, Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the applicable rules framed thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"); (ii) all other laws, acts, rules, regulations, guidelines, circulars, directions and notifications, applicable from time to time and subject to such other consent(s), intimation(s), permission(s) or sanction(s) as may be required, consent of the Members of the Company be and is hereby accorded for the following alterations to the Articles of Association of the Company:

The Article 124A - Debenture Director is being amended to Article 124A - Debenture Director/Nominee Director is as following:

Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation

of Credit Corporation or to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as the "Corporation") continue to hold debentures in the company by direct subscription or private placement, or so long as the Corporation or the debenture trustees hold securities in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the corporation on behalf of the Company remains outstanding or two consecutive defaults in terms of payment of interest or default in redemption of securities have been made by the Company, or there is a default in creation of security by the Company, then in case of any such event or such other event as may be prescribed as per Applicable Laws, the Corporation and/or the debenture trustees, as the case may be shall have a right to appoint from time to time any person or persons as a Director or Directors Whole Time or Non-Whole Time (which Director or Directors is/are hereinafter referred to as "Nominee" Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

Such a nomination shall be made in writing by the Corporation and/or the debenture trustees and shall be delivered to the Company and the Company shall be obligated to make such appointment at the earliest and not later than one month from the date of receipt of such nomination in writing from the Corporation and/or the debenture trustees.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation and/or the debenture trustees such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation and/or the debenture trustees such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director's shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said Office only so long as any moneys remain owing by the Company to the Corporation or through debenture trustees holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation and/or the debenture trustees holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation and/or the

debenture trustees is paid off or on the Corporation and/or the debenture trustees ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation and/or the debenture trustees.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting Board Meetings of the Company of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation and/or the debenture trustees shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any firm is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and/or the debenture trustees and the same shall accordingly be paid by the company directly to the Corporation and/or the debenture trustees. Any expenses that may be incurred by the Corporation and/or the debenture trustees and/ or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation and/or the debenture trustees or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation and/or the debenture trustees, the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and/or the debenture trustees and the same shall accordingly be paid by the Company directly to the Corporation and/or the debenture trustees.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to Corporation and/or the Debenture Trustee and the same shall accordingly be paid by the Company directly to Corporation and/or the Debenture Trustee.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be appointed by the Lenders and/or the debenture trustees and have such rights are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration fees, commission and monies as may be approved by the lenders and/or the debenture trustees.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred as the “Board” which term shall include any committee constituted / may be constituted by the Board or any other person(s), for the time being exercising the powers conferred on the Board by this resolution and as may be authorised by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, including without limitation issuing clarifications and resolving all questions of doubt, to authorize all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall

deem fit without being required to seek any further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the alteration of the Articles of Association and to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing and the decision of the Board shall be final and conclusive.”

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) and SEBI vide Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through other audio-visual means (“OAVM”), without the physical presence of the Members at a common venue.

In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 61st AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the 61st AGM.
2. The Explanatory Statement pursuant to Section 102 of the Act in respect of the Special Resolution given in the Notice of the AGM and details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM is annexed. Requisite declarations have been received from the Director for seeking re-appointment and his brief profile forms part of this Notice.
3. Pursuant to the provisions of the Companies Act, 2013, (“Act”) a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to gbbbabuji@yahoo.co.in with a copy marked to einward.ris@kfintech.com.
5. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No.20.

6. To support Green Initiative and for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, the Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with the Company or Registrar and Share Transfer Agent of the Company – KFin Technologies Limited (KFinTech) in case the shares are held by them in physical form.
7. SEBI vide its circular dated 16th March, 2023 in supersession of earlier circular dated 3rd November, 2021, read with clarification dated 14th December, 2021 introduced common and simplified norms for processing investor's service request by Registrar and Transfer Agent(s) (RTAs) and norms for furnishing PAN, KYC details and Nomination. Accordingly, **the RTA cannot process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents / details are updated. Moreover, on or after 1st October, 2023, in case any of the above cited documents / details are not available in the folios, RTA shall be constrained to freeze such folios.** The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing the aforesaid details. In view of this requirement and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are once again requested to update their KYC details (through Form ISR-1, Form ISR-2 and Form ISR-3, as applicable) and consider converting their holdings to dematerialized form. Members can download Forms to make their service request with RTA from Company website: www.bkt-tires.com or from KFinTech Website <https://ris.kfintech.com/clientservices/isc/default.aspx> or contact the Company or Company's Registrar and Transfer Agent- KFinTech for assistance in this regard.
8. Members are requested to intimate changes, if any, pertaining to their Name, Postal address, E-mail address, Telephone/Mobile numbers, Permanent Account Number (PAN), Nominations, Bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., (a) For shares held in electronic form: to their Depository Participants (DPs) (b) For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed forms. Format of the forms are available on the Company's Website www.bkt-tires.com
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website www.bkt-tires.com.
10. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation Members are advised to dematerialise the shares held by them in physical form. Members can contact the Kfintech/Company for assistance in this regard.
11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out of Nomination he/she may submit the same in Form ISR – 3 or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form SH-14. The said forms can be downloaded from the Company's website www.bkt-tires.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the KFinTech/Company in case the shares are held in physical form.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write an email to the Company on or before 14th July, 2023 at Company's email id: shares@bkt-tires.com.
14. Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPFA Rules) as amended from time to time, the Company has transferred the unpaid / unclaimed dividends declared up to financial year 2015-16, on due date to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Details of unpaid / unclaimed dividend amounts lying with the Company are uploaded on website of the Company viz: www.bkt-tires.com and on website of the Ministry of Corporate Affairs.
15. As per Section 124(6) of the Act read with the IEPFA Rules as amended from time to time, all the shares in respect of which dividend has not been encashed or claimed for seven consecutive years or more shall be transferred to designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

Accordingly, during the year 2022-23 and year 2023-24, the Company had, after sending reminders to concerned members transferred 580 Equity Shares in respect of unclaimed Final Dividend for Financial Year 2014-15 and 42,125 Equity shares in respect of unclaimed Interim Dividend for Financial Year 2015-16 to the IEPF Account in respect of dividends which were unclaimed for seven consecutive years.

Details of shares transferred to IEPF Authority are available on the website of the Company. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.

The Shareholders will be able to claim these dividend / equity shares pursuant to IEPFA Rules by making an online application in web form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/ shares so transferred.
16. Members who have not yet encashed their dividend warrant(s) for the financial year 2016-17 or any subsequent financial years are requested to approach the Company or KFinTech for claiming the same. It may be noted that the unpaid / unclaimed 1st, 2nd and 3rd Interim Dividends for the financial year 2016-17 can be claimed by the Members before 17th October, 2023, 6th January, 2024 and 19th March, 2024 respectively. Members attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.

17. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 61st AGM along with the Annual Report for year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.bkt-tires.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and <https://www.nseindia.com> respectively, and on the website of Company's Registrar KFinTech: <https://evoting.kfintech.com>.

18. Subject to approval of the Members at the AGM, the dividend will be paid to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 11th July, 2023 and in respect of the shares held in dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The payment of such final dividend subject to deduction of tax at source as recommended by the Board of Directors, if approved at the AGM, will be made on or after 22nd July, 2023 but within stipulated time, to all the beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day of Tuesday, 11th July, 2023 and to all the Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as at the close of business hours on Tuesday, 11th July, 2023.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details. Shareholders are requested to register / update their complete bank details: (a) with their Depository Participant(s) with whom they maintain their demat accounts, if shares are held in dematerialized mode by submitting the requisite documents, and (b) with the Company / KFinTech, if shares held in physical mode, by submitting scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details).

19. Tax Deductible at Source / Withholding tax:

Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ KFinTech/ Depository Participant.

A. Resident Shareholders:

A.1. Tax Deductible at Source for Resident Shareholders

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any)/ Remarks (4)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed ₹ 5,000/-, no TDS/ withholding tax will be deducted. Also, please refer note (v) below.

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any)/ Remarks (4)
2.	No PAN/ Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/ KFinTech/ Depository Participant. All the shareholders are requested to update, on or before 11 th July, 2023, their PAN with their Depository Participant (if shares are held in electronic form) and Company / KFinTech (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3.	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961.	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 11 th July, 2023.

A.2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit following documents as mentioned in column no. 4 of the below table with the Company / KFinTech/Depository Participant on or before 11th July, 2023.

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) / Remarks (4)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax Act, 1961 does not apply as per second proviso to section 194 such as LIC, GIC. etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961.

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) / Remarks (4)
4	Category I and II Alternate Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961.
	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT).
5	National Pension Scheme	NIL	No TDS/ withholding tax as per section 197A (1E) of Income Tax Act, 1961.
6	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act, 1961 or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

B. Non-Resident Shareholders:

The table below shows the withholding tax on dividend payment to non-resident shareholders who submit, on or before 11th July, 2023 the following document(s), as mentioned in column no. 4 of the below table, to the Company / KFinTech.

In case all necessary documents are not submitted, then the TDS/ Withholding tax will be deducted @ 20% (plus applicable surcharge and cess).

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) / Remarks (4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is lower	<p>FPI registration certificate in case of FIIs / FPIs.</p> <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format.

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) / Remarks (4)
			<p>3. Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated 16th July 2022 and a subsequent notification dated December 12, 2022 issued by the Central Board of Direct Taxes (CBDT), as required under the Income-tax Act, 1961. (Please note that the shareholders who have PAN may not be eligible for DTAA benefit if the e-filed Form 10F is not furnished. However, pursuant to the Notification dated March 28, 2023, CBDT exempted those non-residents who are not having PAN and are not required to have PAN as per the law from mandatory e-filing of Form 10F online until September 30, 2023, and such non-residents may make this statutory compliance of filing Form 10F in manual form as was being done prior to issuance of the Notification No. 3/2022 till September 30, 2023 only)</p> <p>4. Self-declaration for nonexistence of permanent establishment/ fixed base in India</p> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company).</p>
2.	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India

Sr. No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any) / Remarks (4)
3.	Availability of Lower/ NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4.	Any non-resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act, 1961 or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from WHT deduction

Notes:

- (i) The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with KFinTech post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>
- (ii) For Shareholders who are identified as "Specified Persons" under Sec 206AB of the Act, higher tax rate as applicable would be deducted. For the purpose of TDS, Company will verify the status (i.e., Specified Person or not) from the Government enabled online facility and deduct TDS accordingly.
- (iii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://ris.kfintech.com/form15> on or before 11th July, 2023 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received after 11th July, 2023 shall not be considered. Formats of Form 15G / Form 15H can be downloaded from the link <https://ris.kfintech.com/form15>.
- (iv) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ KFinTech.
- (v) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income

and claim an appropriate refund. No claim shall lie against the Company for such taxes deducted.

- (vi) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹5,000/-. However, where the PAN is not updated in Company/KFinTech/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹5,000/-.

All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / KFinTech (if shares are held in physical form) against all their folio holdings on or before 11th July, 2023.

- (vii) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

20. Instructions for e-voting and joining the AGM are as follows:
A. Voting through electronic means:

- i. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-voting Facility provided by Listed Entities, the Company provides to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 61st AGM by electronic means and the business may be transacted through e-voting services.

The facility of casting the votes by the Members using the electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by KFin Technologies Limited (KFinTech).





- ii. The Board of Directors has appointed Mr. G.B.B. Babuji, a Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- iii. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC /OAVM but shall not be entitled to cast their vote again.
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- v. The remote e-voting period commences on Wednesday, the 19th July, 2023 (9:00 a.m.) and ends on Friday, the 21st July, 2023 (5:00 p.m.). During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, (as on the cut-off date of 15th July, 2023) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.

- vi. Once the vote on a resolution is cast by a Member through e-voting, the concerned member shall not be allowed to change it subsequently.
- vii. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- viii. All documents referred to in the accompanying Notice are open for inspection up to the date of the 61st AGM of the Company through electronic mode.
- ix. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the AGM through electronic mode.
- x. **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode in terms of SEBI Circular dated 9th December, 2020:** Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

(a) Login method for Individual shareholders holding securities in demat mode is given below:

Type of Member	Login Method
Individual Members holding equity shares in demat mode with NSDL	<p>A) Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <ul style="list-style-type: none"> i) Visit the e-services website of NSDL https://eservices.nsd.com either on a personal computer or on a mobile. ii) On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii) After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv) Click on Company name or e-voting service provider i.e. KFinTech. v) Members will be re-directed to KFinTech's website for casting their vote during the remote e-voting period and voting during the AGM.

Type of Member	Login Method
	<p>B) Users not registered under IDeAS e-Services:</p> <ul style="list-style-type: none"> i) Visit https://eservices.nsd.com for registering. ii) Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.
	<p>C) By visiting the e-voting website of NSDL:</p> <ul style="list-style-type: none"> i) Visit the e-voting website of NSDL https://www.evoting.nsd.com/. ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. iii) Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv) After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. v) Click on company or e-voting service provider name i.e. KFinTech after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM. vi) Members can also download the NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience. <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div> </div>
Individual Members holding equity shares in demat mode with CDSL	<p>A) Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:</p> <ul style="list-style-type: none"> i) Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii) Click on New System Myeasi. iii) Login to MyEasi option under quick login. iv) Login with the registered user ID and password. v) Members will be able to view the e-voting Menu. vi) The Menu will have links of KFinTech e-voting portal and will be redirected to the e-voting page of KFinTech to cast their vote without any further authentication. <p>B) Users who have not opted for Easi/Easiest:</p> <ul style="list-style-type: none"> i) Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii) Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii) After successful registration, please follow the steps given in point no. 1 above to cast your vote.

Type of Member	Login Method
	<p>C) By visiting the e-voting website of CDSL:</p> <ul style="list-style-type: none"> i) Visit www.cdslindia.com ii) Provide demat Account Number and PAN iii) System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv) After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, or select KFinTech. v) Members will be re-directed to the e-voting page of KFinTech to cast their vote without any further authentication.
Individual Members (holding equity shares in demat mode) logging through their depository participants	<ul style="list-style-type: none"> i) Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. ii) Once logged-in, Members will be able to view e-voting option. iii) Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv) Click on options available against Company's name or KFinTech. v) Members will be redirected to e-voting website of KFinTech for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding equity shares in demat mode for any technical issues related to login through NSDL / CDSL:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free number: 1800 1020 990 and 1800 224 430	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022-23058738 or 022-23058542-43

(b) Login method for remote e-voting for Members other than Individual's holding shares in demat mode and Members holding equity shares in physical mode.

- (I) Members whose email IDs are registered with the Company / Depository Participants, will receive an email from KFinTech which will include details of e-voting Event Number (EVEN), USER ID and Password. They will have to follow the following process:
 - i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be

your DP ID and Client ID. However, if a Member is registered with KFinTech for e-voting, they can use their existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
 - iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
 - v. Members would need to login again with the new credentials.
 - vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., E Voting Event Number for Balkrishna Industries Limited and click on "Submit"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding of the shareholder as on the cut-off date. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
 - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
 - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (II) Members whose email IDs are not registered with the Company/Depository Participants and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFinTech by following the below steps:

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- i) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- ii) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- iii) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com / shares@bkt-tires.com.

- iii. Alternatively, Members may send an e-mail request at the email id einward.ris@kfintech.com/ shares@bkt-tires.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

- iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

- v. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

- xi. Instructions for Members for attending the AGM:

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com> / by using the e-voting login credentials provided in the email received from the Company / KFinTech.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

- xii. Voting at the Annual General Meeting:

- i. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

- ii. Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.

- iii. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.

- iv. Facility of joining the AGM through VC/OAVM shall opened 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM. This does not include large members/shareholders (members/ shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Statutory Auditors, etc. who are allowed to attend the AGM without any restrictions.
- v. Members will be allowed to attend the AGM through VC/OAVM on first come first served basis.
- vi. Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.
- vii. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid Glitches.
- viii. AGM Questions prior to e-AGM: Members who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com> and click on "Post your Questions". Thereafter, the members may post their queries/views in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. "Post your Questions" link shall commence from Tuesday, the 18th July, 2023 (9:00 a.m.) and shall close on Wednesday, the 19th July, 2023 at 5.00 p.m.
- ix. Speaker Registration during e-AGM session: Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on "Speaker Registration". You would have to mention the demat account number/folio number, city, email id, mobile number and then click on submit. The speaker registration shall commence from Tuesday, the 18th July, 2023 (9:00 a.m.) and shall close on Wednesday, the 19th July, 2023 at 5.00 p.m. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.
- x. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- xiii. Contact details for addressing e-voting grievances:
Mr. Ganesh Chandra Patro, Assistant Vice President, M/s KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, Telangana
Phone No.: + 91 40 67161630 Toll-free No.: 1800-309-4001 E-mail: einward.ris@kfintech.com, com/shares@bkt-tires.com.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
22. The voting result declared along with the report of the Scrutinizer shall be placed on the website of the Company, viz., www.bkt-tires.com and on the website of KFinTech <https://evoting.kfintech.com> immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
23. Subject to receipt of requisite number of votes, the resolutions as stated in this Notice shall be deemed to have been passed on the date of the AGM i.e. 22nd July, 2023.

By order of Board of Directors
For Balkrishna Industries Limited

Vipul Shah
Director & Company Secretary
DIN: 05199526

Place : Mumbai
Dated: 27th May, 2023

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

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

ITEM NO. 4

Alteration of the Articles of Association of the Company SEBI vide its notification dated February 2, 2023, bearing reference number SEBI/LAD-NRO/GN/2023/119 (“SEBI Notification”), amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“SEBI NCS Regulation”) wherein it mandated that Articles of Association (“AOA”) of an issuer of debt securities should contain a clause authorising the Board of Directors of such issuer company to appoint a person nominated by the debenture trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board. Further, in case AOA of issuer companies whose debt securities are already listed on the date of SEBI Notification does not contain a provision for appointing a Nominee Director by Debenture Trustee then such issuer companies should amend their AOA on or before September 30, 2023.

Members are requested to note that the Company has been issuing debt securities under SEBI NCS Regulations. Further, the existing AOA of the Company does not contain any provisions with respect to appointment of Nominee Director by the Debenture Trustee in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

Considering the above, the Board of Directors of the Company at their meeting held on 27th May, 2023 subject to the approval of the shareholders of the Company, approved the amendment to the AOA of the Company to amend the Article No. 124A relating to Debenture Director.

Members are requested to note that approval of the Members of the Company is required in terms of Section 14 of the Companies Act, 2013 for alteration to the AOA of the Company.

The draft of the current and amended AOA of the Company are available for inspection by the Members of the Company at the Registered & Corporate Office of the Company on all working days (except Saturdays, Sundays and bank and public holidays) during business hours up to the date of the AGM and shall also be available during the continuance of AGM.

The Board of Directors recommends the resolution set out at Item No. 4 of the AGM Notice to the Members of the Company for their consideration and approval, by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of this AGM Notice except to the extent of their shareholding in the Company.

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

Name of the Director	Mr. Vipul Shah
DIN	05199526
Qualification	<ul style="list-style-type: none"> • B.Com, • Diploma in Business Management • Company Secretary (ACS)
Date of Birth (Age)	2 nd March, 1963 (60 years)
Date of appointment on the Board	11 th February, 2012
Experience and Expertise	He has experience of over 35 years in the areas of company secretarial compliances, finance and accounts.
No. of Meetings of the Board attended during the year	5 out of 5
List of Directorship/ Membership / Chairmanship of Committees of other Board	NIL
No. of shares held in the Company	NIL
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	He is not related to any of the directors or Key Managerial Personnel of the Company.
Terms & Conditions of appointment / re-appointment	The terms and conditions of appointment / re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time.
Details of remuneration last drawn by such person for Financial Year 2022-23	₹ 87.48 Lakhs
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Please refer to the Skills & Competency Matrix in the Corporate Governance Report and the details given in the Explanatory Statement



BKT
GROWING TOGETHER

**ANNUAL
REPORT**
2022-23

BALKRISHNA
INDUSTRIES
LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS:

Executive Directors:

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

Non-Executive Directors:

- Sandeep Junnarkar** - Independent Director
Pannkaj Ghadiali - Independent Director
Rajendra Hingwala - Independent Director
Shruti Shah - Independent Director
Vijaylaxmi Poddar - Non-Independent Director

REGISTERED OFFICE:

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

CORPORATE OFFICE:

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

AUDITORS:

STATUTORY:

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

INTERNAL:

M/s. R T D & ASSOCIATES
Chartered Accountants

SECRETARIAL:

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

BANKERS:

Standard Chartered Bank
Kotak Mahindra Bank Limited
Citi Bank N.A.
The Hongkong and Shanghai Banking Corporation Limited
ICICI Bank Limited
SUMITOMO MITSUI Banking Corporation

PLANTS:

Tire Manufacturing :

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

F 19/20, Gut no 62, 65, 66, Waluj MIDC, Village Wadgaon
Kolhati, Aurangabad 431 136 (Maharashtra)

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

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

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

Carbon Black Manufacturing :

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

Mould Manufacturing :

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

Drum Manufacturing :

Plot No. TS-1, MIDC Phase II, Opp. Don Bosco School,
Manpada Road, Sagaon, Dombivli (E) 421 204 (Maharashtra)

Wind Farm :

Village Soda Mada, Tehsil: Fatehgarh 345 027,
District - Jaisalmer (Rajasthan)

REGISTRAR AND SHARE TRANSFER AGENT:

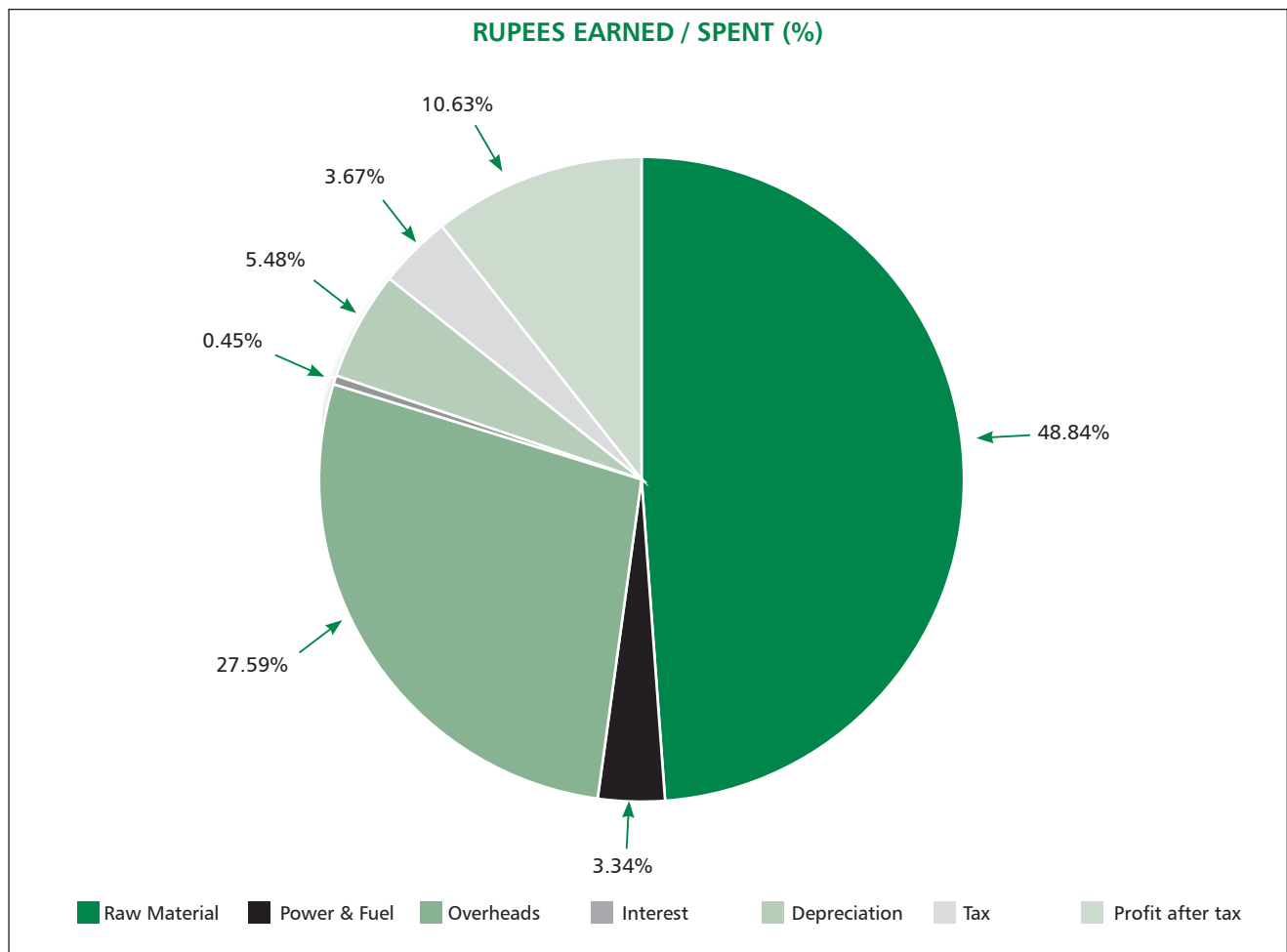
KFin Technologies Limited
Selenium Tower B, Plot No. 31-32 Gachibowli, Financial
District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032 (Telangana)
Toll free No.: 1- 800-309-4001
Email Id: einward.ris@kfintech.com
Website: www.kfintech.com

FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ In Lakhs)

Particulars	Ind AS				
	2023	2022	2021	2020	2019
Year ended 31 st March					
Revenue From Operations	9,81,052	8,26,671	5,75,792	4,78,249	5,24,450
Other Income	33,779	43,060	16,145	24,877	21,421
Total Income	10,14,831	8,69,731	5,91,937	5,03,126	5,45,871
PBIDT	2,05,343	2,40,610	1,94,696	1,49,812	1,52,535
PBDT	2,00,779	2,39,824	1,93,714	1,49,085	1,51,556
Depreciation	55,663	44,377	40,615	36,801	33,255
PBT	1,45,116	1,95,447	1,53,099	1,12,284	1,18,301
Taxes	37,245	54,378	37,561	17,786	40,101
PAT	1,07,871	1,41,069	1,15,538	94,498	78,200
Dividend	*800%	1400%	850%	1000%	400%
Earning per Share of ₹ 2 each	55.80	72.97	59.77	48.88	40.45

*The Board has declared and paid 1st Interim Dividend of ₹ 4.00 per equity share, 2nd Interim Dividend of ₹ 4.00 per equity share and 3rd Interim Dividend of ₹ 4.00 per equity share, aggregating to ₹ 12.00 per equity shares and recommended Final Dividend of ₹ 4.00 per equity share for the financial year 2022-23, subject to approval of Shareholders in the ensuing Annual General Meeting.



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your directors are pleased to present the 61st Annual Report of Balkrishna Industries Limited (the "Company") along with the audited Financial Statements for the financial year ended 31st March, 2023. The consolidated performance of the Company and its subsidiaries for the year ended 31st March, 2023 has been referred to wherever required.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year ended	Previous Year ended	Current Year ended	Previous Year ended
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Revenue from Operations	9,81,052	8,26,671	9,75,953	8,29,512
Other Income	33,779	43,060	34,653	43,792
Total Income	10,14,831	8,69,731	10,10,606	8,73,304
Gross Profit	2,00,779	2,39,824	2,00,560	2,43,752
Less: Depreciation	55,663	44,377	57,081	45,537
Profit before tax	1,45,116	1,95,447	1,43,479	1,98,215
Less: Provision for tax				
Current Tax	34,457	45,746	34,922	46,045
Income Tax of earlier years	225	6,154	225	6,154
Deferred Tax	2,563	2,478	2,592	2,478
Profit after Tax	1,07,871	1,41,069	1,05,740	1,43,538

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company is one of the world's leading manufactures of "Off- Highway Tires". It has the widest product range with more than 3,200 SKU's (Stock Keeping Units). Your Company has made it's mark in speciality segments like Agricultural, Mining, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle), and Turf care applications in both cross ply and radial construction.

Your Company is always paying close attention when it comes to latest market trends as well as the technological developments.

As a result of global economic slowdown and ongoing war, there is some pressure on exports which seems to be improving. We are fairly hopeful of the demand growing in the coming quarters with a reduction in inflation.

3. OPERATIONS AND STATE OF AFFAIRS:

Standalone: During the year under consideration on Standalone basis, your Company achieved Revenue from Operations of ₹ 9,81,052 Lakhs as against ₹ 8,26,671 Lakhs during the previous financial year, an increase of 18.67%. EBITDA has decreased to ₹ 2,05,343 Lakhs from ₹ 2,40,610 Lakhs during previous financial year and Net profit has decreased to ₹ 1,07,871 Lakhs from ₹ 1,41,069 Lakhs during previous financial year. The revenue from exports is about 79%.

Consolidated: During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 9,75,953 Lakhs as against ₹ 8,29,512 Lakhs during the previous financial year, an increase of 17.65%. EBITDA has decreased to ₹ 2,05,364 Lakhs from ₹ 2,44,667 Lakhs during previous financial year, and Net profit has decreased to ₹ 1,05,740 Lakhs from ₹ 1,43,538 Lakhs during previous financial year.

4. EXPORT HOUSE AND AUTHORISED ECONOMIC OPERATOR STATUS:

In accordance with provisions of Foreign Trade Policy, your Company continues to enjoy the "Five Star Export House" status w.e.f September 2021. In addition to this, your Company is also Authorised Economic Operator (AEO) Tier II which helps your company in faster processing and clearance of cargo, deferred payment of duty, direct port delivery/entry and other benefits.

5. PROJECTS AND EXPANSION:

Expansion of Carbon Black and Captive Power Plant: During the year the capacity to manufacture Carbon Black has been increased from 1,15,000 MTPA to 2,00,000 MTPA in December, 2022 (well ahead of schedule) leading to an increase in the capacity of power generation in the Captive Power Plant. The high value advanced Carbon Black of 30,000 MTPA is now expected to be completed by H2 FY 2024.

Modernization, Automation and Technology Upgradation: During the year under review, your Company has successfully completed the modernization, automation and technology upgradation at its Bhiwadi, Chopanki and Bhuj Plants.

Waluj Plant: The expansion at new Waluj plant to have overall capacity of 55,000 MTPA is completed.

6. DIVIDEND:

You are aware of the consistent track record of dividend payment by your Company over last three decades. In keeping with this trend, the Board of Directors are pleased to recommend a Final Dividend of ₹ 4 (200%) per equity share for the financial year 2022-2023. This is in addition to 3 interim dividends each of ₹ 4 (200%) per equity share aggregating to ₹ 12 (600%) per equity share. The aggregate dividend for the year thus works out to ₹ 16 (800%) per equity share. The final dividend is subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company Scheduled to be held on 22nd July, 2023. The final dividend once approved by Shareholders will be paid within the stipulated time after deduction of applicable tax at source. The Record Date for the purpose of payment of final dividend will be 11th July, 2023.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Dividend Distribution Policy can be accessed at the Company's website at: <https://www.bkt-tires.com/www/us/investors-desk>.

7. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2023 remains unchanged at ₹ 3,866 Lakhs. The Company has neither issued shares with differential voting rights, nor granted stock options, nor sweat equity and none of the Directors of the Company hold any such shares or convertible instruments.

8. RESERVES:

The Company proposes to transfer ₹ 40,000 Lakhs to General Reserves.

9. OUTLOOK FOR THE FINANCIAL YEAR 2023-24:

Concerns of global economic slowdown, the Impact of war in Ukraine and the Risks of stagflation envisaging numerous market scenarios are pressing the need for Tire Material industry players to be more vigilant and forward-looking. COVID-19 has changed the dynamics of Tire Material supply chain which is further influenced by the burgeoning drive for a cleaner and sustainable environment.

Over the last few years, the global automobile industry has witnessed a considerable increase in demand for different vehicles, which boosted the sale of Tire globally. Most of our customer segments are thriving for mechanization and modernization. This trend is expected to prevail with continuing growth in tire production and demand over the next five years.

Despite the Challenges due to global economy due to recessionary conditions, rising interest rate and political turmoil which has led to slowing of external demand, your Company is determined to grow further in "Off Highway Tire" segment with its core strength of Research and Development which is supported by the state-of-the-art manufacturing facilities. Simultaneous expansion projects at Company's plants are leading to the launch of advanced and eco-friendly tires also lead to sustainable market growth of tires. In the Union Budget of 2022-23 there is Duty tweak of Compounded rubber which according to the industry will pinch the margins. The increase in duty is in line with the demands of the All India Rubber Industry Association.

The Captive Power Plant of the Company at Bhuj will hedge energy cost and provide better flow of energy to the plant. While your Company's demand outlook is strong, our approach is to remain vigilant to ensure that we are agile and evolve our dynamics.

10. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, there are no material changes and commitments affecting the financial position of your Company which have occurred between the close of the financial year of the Company on 31st March, 2023 to which the Financial Statements relate and up to the date of this report.

11. OPPORTUNITIES AND THREAT:

Opportunities:

Your Company operates into a segment predominantly known as "large varieties - low volume segment", which is not only capital intensive but also labour intensive. Your Company is fully geared 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. Your Company is witnessing gains in market leadership due to its strong and robust product portfolio.

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

The Company is continuously marching ahead to explore incremental opportunity in the form of developing "Ultra Large Earthmovers & Mining Radial Tires" markets and taking advantage of the shift from Bias to Radial Tires, which is growing continuously. In order to take advantage of this opportunity, the Company had set up India's first Ultra Large size all-steel OTR Radial tire plant at Bhuj and

further added capacity to cater the market demand. Your Company is continuously expanding its base into various segments like agricultural, mining, industrial, construction, winter and solid tires under both technologies – Bias as well as Radials.

Threats:

Like any other Company, your Company is also exposed to various threats like competition, retention of employees, labour issues, increase in raw material prices and its timely availability, etc.

An economic downturn or slowdown in the key markets (India and Europe) may lead to decrease in volumes and capacity utilisation. Volatile exchange rates, Price Competition and fears of aggravation in Russia-Ukraine war are some of the threats. It may increase the operating cost of running the business. Increases in raw material cost can impact the profitability of the Company.

12. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS & RETURN ON NET WORTH:

As per Schedule V read with Regulation 34(3) of Listing Regulations, details of significant changes (i.e change of 25% or more as compared to the immediate previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations thereof are provided in Note No. 52 & 54 of Standalone and Consolidated financial statement respectively forming part of this Annual Report.

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has put in place well defined procedures, covering financial and operating functions. Delegation of authority and segregation of duties are also addressed to ensure that the financial transactions are properly authorised. The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been developed considering the nature, size and risks in the business. The Company has adequate internal control systems in place and has reasonable assurance on authorising, recording and reporting transactions of its operations. The Company has well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company has already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures (SOP). Internal control systems are an integral part of your Company's Corporate Governance structure. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. The Company has successfully implemented ERP system, supported by SAP software & backed by necessary Bandwidth. The systems and processes are continuously improved by adopting best in class processes and automation and implementing the latest IT tools which help further for maintaining financial and commercial discipline. These have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia:

- a. recording and providing reliable financial and operational information;
- b. complying with the applicable statutes;
- c. safeguarding assets from unauthorized use;
- d. executing transactions with proper authorization, and ensuring compliance with corporate policies;
- e. prevention and detection of frauds / errors;
- f. continuous updating of IT systems;
- g. managing the risk of security exposure or compromise.

Your Company has adopted Cyber Security and Data Privacy Policy. Further, your Company understands the significance of protecting personal and sensitive data (as per the regulatory provisions such as price sensitive information, details of complainant in case of discrimination or POSH related incidents) and the requirement for appropriate controls while collecting, transferring, storing and processing personal data. It anticipates that all information shall be handled responsibly in accordance with the applicable laws.

The management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2023.

The Company recognizes that in today's fast growing digital world, one must be equally conscious of cyber threats. Your Company has a robust system to prevent any intrusion into their IT systems and servers thereby protecting the IT assets of the Company.

Your Company has appointed M/s. Deloitte Haskins & Sells LLP to assess the effectiveness of internal financial controls of the Company. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee and is found to be quite adequate.

The Audit Committee reviewed the reports submitted by the Management and Internal Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of 31st March, 2023, the Company's internal financial controls were adequate and operating effectively.

14. HUMAN RESOURCES:

With a motivated team of 3,472 employees (permanent) as on 31st March, 2023, your Company is proud to inform that the employees have been the key players in its progress. This workforce is focussed towards building a Sustainable organisation. Immense emphasis

is placed on to have a safe workplace with an agile team. Your Company believes in a culture of inclusion, trust, skill development, empowerment, and all-round development of its employees. Your Company continues to build strong pillars of cultural values which strengthens the business operations. Young Talent is coached and mentored by a seasoned leadership team. Effective Communication channels help your Company to transcend its Vision and Mission till the bottom of the pyramid. Your Company visualises the greater good of its workforce which would conversely make the Company achieve its business goals in a competitive environment. Your Company keeps an "Employee First" approach and accords topmost priority to all human issues within the organisation. The core cultural values of your Company is nurturing top quality talent, teamwork, innovation, respect for all, open door policy and creation of a future ready workforce with Happy Hearts. Your Company's organisation structure is robust and committed to deliver the best business results. Your Company through its people policies, promotes the congruence of employee personal vision and the Company's goals.

There is a constant sharing of information about the business with the employees. Your Company provides fast track career paths for the young talent. Employee engagement programmes and developmental sessions have created an outstanding workforce which is focussed and cognizant of its responsibilities. An objective performance management system has provided satisfaction and growth to all employees. Your Company strongly believes in harnessing a culture of trust and mutual respect amongst all employees. The values and principles of your Company have given good results in challenging times. Industrial relations continue to be cordial across the plants.

15. SUBSIDIARY COMPANIES:

At the end of the year under review, the Company had one Domestic and four Overseas Wholly Owned Subsidiary Companies (WOS). The domestic WOS is known as BKT Tires Limited and the Overseas WOS are BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC. The Company also has one step down subsidiary in the name of BKT Tires Inc. based in USA which is a 100% subsidiary of BKT Exim US, INC. The Company does not have any material subsidiary as per the thresholds laid down under the Listing Regulations. A policy on material subsidiaries has been formulated by the Company and posted on the website of the Company and can be accessed at: <https://www.bkt-tires.com/www/us/investors-desk>.

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

16. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2023;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a "Going Concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are adequate and operating effectively.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval.

18. CORPORATE SOCIAL RESPONSIBILITY:

The Company's social initiatives empower society at a large and provide a holistic growth platform. The Company believes that Corporate Social Responsibility (CSR) projects undertaken by it should be sustainable with the long-term purpose of improving the quality of livelihood of the less privileged. The funds on CSR projects / activities are spent very carefully to ensure that the desired objectives are achieved. CSR Activities has been segregated as to have a reach in different areas such as promoting education, improving healthcare, sustainability, rural development.

The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-II**. The Board of Directors has formed a committee on CSR in accordance with the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, composition and attendance of the Directors during the financial year ended 31st March, 2023 are given separately in the Corporate Governance Report. During FY 2021-22, the Company had spent excess CSR amount of ₹11 lakhs. During the year under review, the Company was required to spend ₹ 2,889 Lakhs. The Company had identified various CSR projects having a total commitment of ₹ 2,878 Lakhs and after considering the excess spend in FY 2021-22 the company has completed their obligation of ₹ 2,889 Lakhs for FY 2022-23. In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021") effective from 22nd January, 2021, the Company in FY 2021-22 had identified Ongoing Project upto ₹ 75 lakhs of which Company had spent ₹ 72 lakhs till 31st March, 2022 and had deposited ₹ 3 lakhs in separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021. During the year under review, out of ₹ 3 lakhs, Company had spent ₹ 1.5 lakhs towards ongoing Project and would spend remaining ₹ 1.5 lakhs in FY 2023-24 in Compliance with CSR Rules 2021.

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

19. RISKS RELATED TO BUSINESS:

Risk is an integral and unavoidable component of business. BKT's nature and scale of the business operations calls for a robust risk management framework to deal with impacts of external and internal environment. In today's challenging and competitive environment, mitigating risks is imperative. The range of risks are not only limited to business disruptions to COVID-19, but include volatile commodity prices, raw material price fluctuation, growing demand of customers, cybersecurity risks, etc. Common risks include changing regulations, competition, business risk, technology obsolescence, investments and retention of talent. Business risk, inter alia, further includes financial risk, social risk, political risk, environmental risk and legal risk. These ranges of risks have been meticulously addressed through a comprehensive risk management process. For managing risks more efficiently, the Company has undertaken a detailed risk management exercise and has identified key risks that can have a critical impact on the Company's performance. Risks, once identified, are periodically monitored, along with emerging risks on the dual scale of impact and probability. The Company has inter alia identified the following key risks:

Operational Risk:

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

The Company's major raw material is Natural and Synthetic Rubber, Carbon Black and Nylon fabric. Due to the high demand of all the major raw materials and shutting down of some raw material manufacturers, the prices and the supply have been adversely affected. In view of this we have experienced that an increase in cost gets set off by an increase in prices over a period of time.

Market Risk:

Your Company manages market risk by expanding its presence in different markets, deeper penetration into existing markets and by launching new products. Furthermore, the Company spends requisite amount on marketing and promotional activities to ensure customer retention and brand-building. Company has also invested in building larger network of distributors and dealers across the market to avoid the risk in case of fluctuations in market.

Labour Relations:

Since the manufacturing process of the Company is labour intensive, it requires lot of skilled as well as un-skilled workers. Maintaining a huge work force is a challenging task.

In order to mitigate the said risk, the Company follows good HR practices to promote the welfare and safety of its workmen and maintain a cordial working environment. All workers are paid more than government stipulated wages.

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. However, the Company is able to manage the said risk by good HR practices and rewarding its employees handsomely. Company provides various opportunities for career development.

Currency Fluctuation:

The Company revenues are mainly through exports. Further, since most of the raw materials and capital equipment are imported, the Company is exposed to foreign currency risk. However, it enjoys natural hedge as most of its revenues are in foreign currency.

However, since, the Company is a net foreign exchange earner and mostly hedges its net exposure in advance by way of forward contracts, it is immune to a large extent from the fluctuation in currencies.

Technology Risk:

Due to growing digitalisation the company is exposed to vulnerability to cyber-attacks. To avoid such risks your company has put in place policies and procedure for data privacy. Also, adaptation of Security operations control and technologies to safeguard IT data and applications. Focus is also maintained on mandatory employee training on cybersecurity awareness.

RISK MANAGEMENT AND MITIGATION:

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

The Company's Board of Directors has overall responsibility for the establishment and overseeing of the Company risk management framework. Pursuant to Regulation 21 of Listing Regulations, Risk Management Committee was constituted comprising of Mr. Pannkaj Ghadiali, an Independent Director as Chairman of the Committee, Mr. Arvind Poddar and Mr. Vipul Shah, Directors of the Company are Members of the Committee. The primary objective of the Committee is to control the various risks that the Company is exposed to, with a view to prevent unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposure risks by the Company and to keep such risk at or below predetermined levels. The Company has framed an Enterprise Risk Management Policy (the "Policy") to realise the following benefits for the Company:

- a. Enhanced risk management for the organization including strategy setting.
- b. Facilitate risk-based decision making.
- c. Improve governance and accountability.
- d. Enhance credibility with key stakeholders such as investors, employees, government, regulators, society, etc.
- e. Create, protect and enrich stakeholder value.

The policy contains the objectives of risk management, company's approach to risk management and the risk organization structure for identification, management and reporting of risks. The policy specifies the roles and responsibilities of key stakeholders and other key personnel of the Company with regards to risk management. The policy also aims to ensure and identify process of risk identification and management in compliance with the provisions of the Companies Act, 2013.

Following objectives are achieved through the Risk Management program of the Company viz:

- a. Enable organizational sustainability taking cognizance of the impact of its products, services & operations on society and the environment
- b. Reduce potential gaps in achieving company's objectives
- c. Align and integrate existing risk management practices in the organization
- d. Build confidence of investor community and stakeholders
- e. Enhanced Corporate Governance
- f. Successfully respond to changing business environment

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's Activities.

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

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

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of Mr. Pannkaj Ghadiali as Independent Director of the Company for a term of five years w.e.f. 8th November, 2022 which was duly approved by the members of the Company at the 60th Annual General Meeting held on 7th July, 2022.

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

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

21. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

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

(i) Criteria for Appointment of Managing Director / Whole Time Director/ Director:

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience particularly in Tire Industry, leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

(ii) Criteria for Appointment of Independent Director:

The Independent Director shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

22. PERFORMANCE EVALUATION:

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

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

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

The Securities and Exchange Board of India (SEBI) vide circular SEBI /HO /CFD /CMD/ CIR/ 2017/004 dated 5th January, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders. While evaluating the performance, the above guidance note was considered. Performance evaluation of Independent Directors was carried out by the entire board. A meeting of the Independent Director for the 2022-23, with Mr. Pannkaj Ghadiali as the Chairman, was held on 18th March, 2023, to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board. The same were discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the board, its committees, and individual Directors were also discussed. The Directors expressed their satisfaction with the evaluation process.

23. AUDITORS:**Statutory Auditor:**

During the year under review, as recommended by the Audit Committee, the Board of Directors has approved the appointment of M/s Jayantilal Thakkar & Co. (Firm Registration Number 104133W) as Statutory Auditors of the Company, for a period of 5 (five) consecutive financial years from the conclusion of 60th AGM till the conclusion of the 65th AGM on remuneration, terms and conditions as may be approved by the Board and pursuant to approval of members of the Company at 60th Annual General Meeting M/s Jayantilal Thakkar & Co. was appointed as Statutory Auditors of the Company.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report do not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditor:

The Board has appointed M/s. RTD & Associates, Chartered Accountants as Internal Auditors for a period of 1 (One) year for Financial Year 2022-23 under Section 138 of the Companies Act, 2013 and they have completed the Internal Audit as per the scope as defined by the Audit Committee.

Secretarial Auditor:

The Company has appointed Mr. G.B.B Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2022-23 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. Further, pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February, 2019, Mr. G.B.B Babuji, has also conducted the Annual Secretarial Compliance. The Secretarial Audit Report for the financial year ended 31st March, 2023 is annexed herewith marked as **Annexure – III**.

Cost Auditor:

In terms of Section 148 of the Companies Act, 2013 read with Rule 4(3) of Companies (Cost Records and Audit) Rules, 2014, ("Cost Records Rules") as amended from time to time, the Company maintained its Cost Records on regular basis in such manner which facilitates the calculation as may be prescribed by the Rules. The cost records are maintained in such manner which enable the Company to exercise, to the extent possible, control over the various operating costs to achieve optimum economies in utilization of resources. Since the Company's revenue from exports, in foreign exchange, exceeds 79% per cent of the Company's total revenue and pursuant to Rule 4 of Cost Records Rules of Companies Act, 2013 as amended from time to time, Cost Audit is not applicable to the Company for the financial year 2022-23.

24. AUDITOR'S QUALIFICATION:

There are no qualifications in the reports of the Statutory Auditors and Secretarial Auditor. There was no instance of fraud during the year under review, which is required to be reported by Statutory Auditors in their reports as mentioned under sub-section (12) of Section 143 of the Act. Subject Audit Report.

25. INDUSTRIAL RELATIONS:

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

26. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

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

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

ii. Audit Committee:

The Audit Committee consist of Mr. Pannkaj Ghadiali an Independent Director as Chairman, Mr. Rajendra Hingwala, Mr. Sandeep Junnarkar & Mrs. Shruti Shah, Independent Directors as the members. All the recommendations made by the Audit Committee have been accepted by the Board. All the members have relevant experience in financial matters.

iii. Audit Trail:

Ministry of Corporate Affairs vide the Notification dated 24.03.2021 has mandated that every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Accordingly, your Company has already in past placed an accounting software in place which records the audit trail of each and every transaction which creates an edit log of each changes made in the books of accounts and the audit trail is being preserved by the Company as per the Statutory requirements.

iv. Number of Board Meetings:

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

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in Note Nos. 5,10,14, 46 and 48 to the financial statement forming part of this Annual Report.

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

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

vii. Annual Return:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at: <https://www.bkt-tires.com/ww/us/investors-desk>.

viii. Particulars of Employees and related disclosures:

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

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

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

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

The Company has adopted zero tolerance for sexual harassment at the workplace and has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company have setup ICCs to redress complaints on sexual harassment.

x. Business Responsibility and Sustainability Committee Report:

Your Company does business that delivers long-term shareholder value and benefits the society. Your Company continue to focus on its commitments which are aligned with national priorities and United Nations Sustainability Development Goals.

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs'). As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top 1000 listed companies by market capitalisation. Accordingly, for the financial year ended 31st March, 2023, your Company is publishing BRSR instead of Business Responsibility Report. BRSR describes the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure – VI** and forms an integral part of the Annual Report.

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

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

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

- a. Details relating to deposit and unclaimed deposits or interest thereon.
- b. Issue of equity shares with differential rights as to dividend or voting.
- c. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.

- d. None of the managerial personnel i.e. Managing Director, Joint Managing Director and Whole-time Director of the Company are in receipt of remuneration / commission from Subsidiary Companies of the Company.
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future.

xii. IBC Code & One-time Settlement:

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code). There has not been any instance of one-time settlement of the Company with any bank or financial institution.

28. CAUTIONARY STATEMENTS:

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

29. APPRECIATION:

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai,
Dated: 27th May, 2023

ARVIND PODDAR
Chairman & Managing Director
DIN: 00089984

ANNEXURE-I**Form AOC-1**

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture.**Part "A": Subsidiaries**

Sr. No.	Particulars	1	2	3	4	5
		₹ In Lakhs				
1	Name of the Subsidiary	BKT TYRES LIMITED	BKT EXIM US, INC *	BKT EUROPE S.R.L.	BKT USA INC	BKT TIRES (CANADA) INC
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of the above subsidiaries is the same as that of the Company i.e. 1 st April, 2022 to 31 st March, 2023.				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. #	INR	USD	EURO	USD	CAD
4	Share Capital	5.00	36.59	13.21	0.70	2.68
5	Reserves & Surplus	(1.66)	924.76	1643.37	1344.05	273.71
6	Total Assets	3.56	13400.47	23024.34	2040.98	354.75
7	Total Liabilities	0.22	12439.13	21367.75	696.23	78.36
8	Investment	NIL	NIL	NIL	NIL	NIL
9	Turnover (include other income)	NIL	18658.25	41844.93	5442.77	1375.36
10	Profit Before Taxation	(0.27)	1159.05	2007.43	432.19	95.35
11	Provision for Taxation	NIL	31.79	375.57	66.87	19.75
12	Profit/(Loss) After Taxation	(0.27)	1127.26	1631.86	365.31	75.60
13	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
14	% of Shareholding	100%	100%	100%	100%	100%

Notes:

* Including figures of BKT TIRES INC.

#Exchange Rate

1 EURO = ₹ 89.6076; 1 USD = ₹ 82.2169; 1 CAD = ₹ 60.6540

Part B of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2023.**For and on behalf of the Board of Directors**Place : Mumbai,
Dated : 27th May, 2023**MADHUSUDAN BAJAJ**
Sr. President (Commercial) & CFO**ARVIND PODDAR** Chairman & Managing Director
RAJIV PODDAR Joint Managing Director
VIPUL SHAH Director & Company Secretary**ANNEXURE-II****Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2022-23**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Companies (Corporate Social Responsibility) Rules, 2021]

1. Brief outline on CSR Policy of the Company.

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

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. The Company either by itself or through vibrant and innovative partnerships with the Government, NGO's and Other Organisations, promotes education and healthcare for all vulnerable sections of society and also undertake rural development initiatives.

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

During the year under consideration, the Company has supported various projects in the field of healthcare, education and rural development. The Company has partnered in various projects which are as under:

- For expansion of hospital infrastructure in Aurangabad comprising of one floor which will host 4 general wards comprising of 120 beds, OPD for super specialists, ICU for Neurology, multi-purpose hall and additional admin infrastructure;
- Serving mid-day meals to 23,000 children in various schools in Bhuj, Gujarat;
- Partnering in enhancing of capex of Bhuj kitchen for serving around 50,000 mid-day meals per day;
- For the provision of quality, holistic, inclusive education to the approx. 495 students and in-service teacher education to the 68 teachers and teacher educators in Gokhale Road South Mumbai Public School, Dadar (West), Mumbai;
- Various Rural Development and education programmes in and around the district of Bhuj, Gujarat, Bhiwadi and Chopanki;
- Providing medical support to the economically weaker section;
- Overall care, education, health, nutrition and development of 100 children of SAMPARC Poynad Balgram, Bandhan Village, Pune, Shel-Pimpalgaon, Pune and Gangani -Jodhpur centers etc.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Vijaylaxmi Poddar	Chairperson	4	4
2	Mr. Rajiv Poddar	Member	4	4
3	Mr. Vipul Shah	Member	4	4
4	Mrs. Shruti Shah	Member	4	4

 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.bkt-tires.com/www/en/investors-desk>

 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company has done impact assessment of the projects to understand the benefit of the overall society as a whole.

The relevant impact assessment report of the relevant project is attached as **Annexure II(i)**.

 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	2021-22	10,80,369	10,80,369

6. Average net profit of the company as per section 135(5) ₹ 14,44,32,94,172

7. (a) Two percent of average net profit of the Company as per section 135 (5) ₹ 28,88,65,883

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. -

(c) Amount required to be set off for the financial year, ₹ 10,80,369

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 28,77,85,514

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
28,77,92,131	-	-	Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Plantation of 30,000 trees using the Japanese Technique Miyawaki method for Smritivan Memorial Project at Bhuj.	Rural Development	Yes	Gujarat	Kutch	3 Years	*75,00,000	1,50,000	-	No	Enviro Creators Foundation, Mumbai	CSR00003641
Total							*75,00,000	1,50,000	-			

* The Company in Financial Year 2021-22 had identified Ongoing Project upto ₹ 75,00,000, out of which Company had spent ₹ 72,00,000 till 31st March, 2022 and had deposited unspent ₹ 3,00,000 in separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021 on 25th April, 2022. During the year under review, out of ₹ 3,00,000, Company had spent ₹ 1,50,000 during the financial year 2022-23 and the balance ₹ 1,50,000 will be spent in the Financial year 2023-24.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through Implementation agency	
				State	District			Name	CSR Registration number
1.	In the area towards education/ infrastructure support (Multiple Projects)	Education/ Rural Development	Yes	Gujarat	Kutch	1,91,78,355	Yes	Direct	-
2.	In the area towards rural development	Rural development	Yes	Gujarat	Kutch	3,50,000	No	Kutch Navpallav Education and Medical Charitable Trust, Bhuj	CSR00030379
3.	Contribution for basic computer education to Kasturba Gandhi Balika Vidyalaya, Padhdhar, Bhuj	Education	Yes	Gujarat	Kutch	6,05,000	No	White Desert Mahamaya Trust, Padh- dhar, Bhuj	CSR00008739
4.	Contribution to Advaita Garden School village, Alwar, Rajasthan for basic primary education to 350 Children	Education	Yes	Rajasthan	Alwar	11,00,000	No	Nirvanavan Foundation, New Delhi	CSR00011666

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation – Direct (Yes/No)	(8) Mode of implementation – Through Implementation agency	
				State	District			Name	CSR Registration number
5.	Contribution for Infrastructure development at Sarvajani Kumar Hostel	Rural Development	Yes	Gujarat	Kutch	5,00,000	No	Shri Harijan Sevak Sangh, Bhuj	CSR00038686
6	Partnering for plantation of 30,000 trees using the Japanese Technique Miyawaki method for Smritivan Memorial Project at Bhuj.	Rural Development	Yes	Gujarat	Kutch	1,50,000	No	Enviro Creators Foundation, Mumbai	CSR00003641
7.	Partnering for expansion of the hospital infrastructure	Healthcare	Yes	Maharashtra	Aurangabad	19,00,00,000	No	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad	CSR00000181
8.	Contribution for Infrastructure development	Rural Development	Yes	Chhatisgarh	Bemetara	3,00,000	No	Shree Akhil Bharatvarshiya Sadunargiya Shant Kranti Jain Shrawak Sang, Udaipur (Rajasthan)	CSR00022904
9.	Contribution for food distribution to needy in Borivali, Mumbai	Healthcare	Yes	Maharashtra	Mumbai	50,000	No	Panna Narendra Dalal Charitable Trust, Mumbai	CSR00021096
10.	Partnering for serving of Mid day meals to 23000 children in various school at Bhuj Gujarat	Healthcare	Yes	Gujarat	Kutch	3,45,00,000	No	The Akshyapatra Foundation, Bangalore	CSR00000286
11.	Partnering for undertaking the upgradation of the Centralized Kitchen involving a capex	Healthcare	Yes	Gujarat	Kutch	1,09,55,000	No	The Akshyapatra Foundation, Bangalore	CSR00000286
12.	Contribution for the provision of quality, holistic, inclusive education to the approx. 495 students and in-service teacher education to the 68 teachers and teacher educators in Gokhale Road South Mumbai Public School.	Education	Yes	Maharashtra	Mumbai	1,33,00,000	No	Muktangan Education Trust, Mumbai	CSR00000732

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation – Direct (Yes/No)	(8) Mode of implementation – Through Implementation agency	
				State	District			Name	CSR Registration number
13.	Contribution towards Corpus fund, the income from which will be used for the medical support to the economically weaker 3 patients per year and subsidized surgical intervention being prosthetic hip or knee replacement for 1 (one)patients per year.	Education	Yes	Maharashtra	Mumbai	50,00,000	No	Swasthya Vidhya Foundation, Mumbai	CSR00002664
14.	Contribution for development of infrastructure at Government Secondary School, Saidpur, Bhiwadi, dist. Alwar	Education	Yes	Rajasthan	Alwar	7,67,611	Yes	Direct	-
15.	Contribution for rural development at Bhiwadi and Chopanki	Rural Development	Yes	Rajasthan	Alwar	2,90,152	Yes	Direct	-
16.	Medical Expenses of Mrs. Lucy Lopes for treatment of blood cancer at Jaslok Hospital And Research Centre, Mumbai	Healthcare	Yes	Maharashtra	Mumbai	1,28,509	Yes	Direct	-
17.	Contribution for free meals to Cancer patients and their family members residing at Arogya Bhawan in Vashi, Navi Mumbai	Healthcare	Yes	Maharashtra	Mumbai	4,40,000	No	Deepsikha, Mumbai	CSR00002693
18.	Contributing to corpus of the foundation, the income from which will be used for medical support to the economically weaker patients viz. subsidized medication cost for 10 patients per month and multidisciplinary therapy to patients attending the rehabilitative support group program.	Healthcare	Yes	Maharashtra	Mumbai	35,00,000	No	Parkinsons Disease and Movement Disorder Society, Mumbai	CSR00002825

(1) Sr. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation – Direct (Yes/No)	(8) Mode of implementation – Through Implementation agency	
				State	District			Name	CSR Registration number
19.	Partnering with trust for overall care, education, health, nutrition and development of 100 children of SAMPARC Poynad Balgram, Bandhan Village, Pune, Shel-Pimpalgaon, Pune and Gangani-Jodhpur centres.	Healthcare/ Education	Yes	Maharashtra	Pune	40,00,000	No	SAMPARC -Social Action For Manpower Creation, Pune	CSR00003752
20.	Provided Audiometric Booth (1 Nos) to screen neonates hearing and heart defects. Approximately 25-30 neonates will be screened per day and 8000 neonates will be screened per year at KEM Hospital, Mumbai	Healthcare	Yes	Maharashtra	Mumbai	1,20,000	Yes	Direct	-
21.	Partenering for serving Mid day meals to 1350 children's in various school at Jaipur (Rajasthan)	Healthcare	Yes	Rajasthan	Jaipur	20,00,000	No	The Akshyapatra Foundation, Bangalore	CSR00000286
Total						28,72,34,627			

(d) Amount spent in Administrative Overheads - ₹ 5,57,504

(e) Amount spent on Impact Assessment, if applicable - NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 28,77,92,131

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹28,88,65,883
(ii)	Total amount spent for the Financial Year	₹28,77,92,131
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹6,617*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹6,617

* During the year under review, the Company was required to spend ₹ 28,88,65,883. During Financial year 2021-22, the Company had spent excess CSR amount of ₹10,80,369 which has been set off in this current financial year 2022-23. The Net CSR to spent for financial year 2022-23 is ₹ 28,77,85,514.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project-Completed /Ongoing
1		Enviro Creators Foundation, Mumbai, Partnering for plantation of 30,000 trees using the Japanese Technique Miyawaki method for Smritivan Memorial Project at Bhuj.	2021-22	3 years	75,00,000	1,50,000	73,50,000	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details).

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
1.	10-03-2023	5,00,000	Shri Harijan Sevak Sangh, Bhuj	Construction work for Kitchen Address: Sarvajanik Kumar Hostel - Bhuj -Kutch -370105
2.	14-09-2022, 27-12-2022, 30-01-2023, 02-03-2023, 27-03-2023, 31-03-2023	19,00,00,000	Dr. Babasaheb Ambedkar Vaidyakiya Pratishtan, Aurangabad	Build an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure. Address: Dr. Hedgewar Hospital Campus, Gharkheda, Aurangabad-431009 Maharashtra
3.	16-04-2022	3,00,000	Shree Akhil Bharatvarshiya Sadunargiya Shant Kranti Jain Shrawak Sang, Udaipur(Rajasthan)	Contribution for construction work at Navkar Gaushala Address: Gram Bahera, Tehsil- Berla, Dist. Bemetara-491335 (Chhatisgarh)
4.	27-05-2022, 26-09-2022, 04-03-2023	1,09,55,000	The Akshyapatra Foundation, Bangalore	Capex in Bhuj Kitchen for providing 50 Big Crates,100 Crates with holes, 10 Slotted Angle Racks, 6 Vehicle-Mahindra Bolero, 100 Small Meal distribution vessels, 8 Roti Collecting Tray, 2 Hand Pallet Trucks, 1 Atta Kneading Machine, 30 KW Goldi make Solar panel for Solar Roof Top and 1 Auto Rikshaw, Atta Kneading Machine-75 Kg per batch capacity.7.5 HP Motor, Reverse and Forward Movement and Jet Pressure Pump IPC C23 plus Water Jet pressure Pump with Accessories (Roto brush M22 and IPC Fixed Brushed M22, etc. Miscellaneous kitchen items (including vessels). Address: Survey No. 155, Sukhpar Village, Bhuj - Mandvi Highway, near Shiv Paras Temple, Bhuj, 370040.

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
5.	04-06-2022, 02-08-2022, 25-08-2022	7,67,611	Miscellaneous Expenses, Bhiwadi	Construction of one class room at Government Secondary School. Address: Government Secondary School, Saidpur, Bhiwadi, Dist. Alwar-301019 Rajasthan
6.	05-12-2022, 11-02-2023	1,20,000	KEM Hospital, Mumbai	Audiometric Booth (1 Nos) to screen neonates hearing and heart defects. Address: K E M Hospital. Acharya Donde Marg, Parel, Mumbai, Maharashtra 400012.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not applicable

Place : Mumbai,
Dated : 27th May, 2023

RAJIV PODDAR
Joint Managing Director

VIJAYLAXMI PODDAR
Chairperson of CSR Committee

ANNEXURE II(i) to CSR Report Impact Assessment Report

i. Project Name: Akshaya Patra Bhuj Kitchen

1.0 Background

Company Profile

Balkrishna Industries Limited ('BKT') is one of the world's leading manufacturers of "OFF-HIGHWAY tires". BKT has the widest product range with more than 3,200 SKU's (Stock Keeping Units) and is "One Stop Shop" for all off-highway tyre solutions.

BKT has made its mark in the specialty segments like Agricultural, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply & radial construction.

The Corporate Social Responsibility ('CSR') of the Company is undertaken by its CSR division, BKT Foundation.

Company's CSR vision

BKT considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the BKT group in providing school education for the under privileged and needy; and funding various hospitals for free medical services to the poor and needy.

The CSR vision of the Company is "**Promotion of Education, Health and Rural Development**".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development by promoting quality education and healthcare for all vulnerable sections of society.

BKT has developed CSR policy (which will be made available on the website of the Company) in order to achieve its CSR vision which is in consonance with the requirements of the Companies Act, 2013.

2.0 CSR Initiative of the Company

Need for Education in the current scenario

Children and youth are the future of the nation. For an emerging and developing country like India, development of underprivileged children and youth holds the key to the progress of the nation itself.

Further, Education plays an important role in development of an individual's career. It is both the means as well as the end to a better life: the means because it empowers an individual to earn his/her livelihood and the end because it increases one's awareness on a range of issues – from healthcare to appropriate social behaviour to understanding one's rights – and in the process help him/her evolve as a better citizen.

Education is the most effective tool which helps children and youth to build a strong foundation; enabling them to free themselves from the vicious cycle of ignorance, poverty and diseases.

Considering the above, the Company had decided to focus on health and education to underprivileged students.

What BKT proposes to do for Education?

Education has been one of the core agenda of the CSR initiative of BKT. BKT intends to sponsor the education of the needy and underprivileged children and students by providing merit-based scholarships. The Company also intends to undertake activities to improve the facilities at the schools, colleges or universities. Providing support to under construction schools, colleges or universities, providing / sponsoring drinking water facility or sanitisation facilities in the schools, colleges or universities assistance in providing training programmes to the teachers, etc.

There have been cases of multiple drop outs from the schools for various reasons. Mid-day meal program acts as an enabler to avoid this drop outs and encourage parents to send their kids to school. Also Mid-day meal provides healthy and nutritious diet to the kids and thereby improving their health as well. Therefore, the Company intends to endeavor to work in the direction of providing mid-day meal to school going students in India so that the youth in India can live a better future.

Self-Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for promotion of education by itself or should it partner with an NGO. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an NGO / Implementation Partner.

In order to achieve its CSR vision of Promotion of Education and in alignment with its CSR Policy, the Company has identified and decided to partner with The Akshaya Patra Foundation (hereinafter referred to as 'the Foundation') for setting up a centralized kitchen with the capacity to serve approximately 50,000 (Fifty Thousand) meals / a day, in Bhuj, Gujarat, which is being used to prepare fresh hot food, for serving to Government school children, under the "Mid-Day Meal Program" run by Akshaya Patra in partnership with the State Government.

Why the Company wants to support The Akshaya Patra Foundation

Before finalising on The Akshaya Patra Foundation as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criterias viz. Identity and Image, Capability and Competence of the Foundation, Management, Transparency, Financial Capability, etc.

The summary of the conclusion drawn from the due diligence of The Akshaya Patra Foundation is as under-

- **Identity and Image**

The Akshaya Patra Foundation is a registered public charitable trust established in the year 2000 at Bengaluru with the purpose to eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools.

Over the last 22 years, The Akshaya Patra Foundation has been concerting all its efforts towards providing fresh and nutritious meals to children on every single school day.

- **Capability and Competence**

In 2000, the Foundation started its journey by serving 1,500 students in 5 schools and today they have a partnership with the Central Government as well as various State Governments and they serve 2 million children today.

Today, Akshaya Patra is the world's largest (not-for-profit run) Mid-Day Meal Programme serving wholesome food every school day to over 2 million children from 22,367 schools across 15 states & 2 Union territory of India.

The Bhuj kitchen has been up and running with the capacity to serve approximately 50,000 (Fifty Thousand) meals / a day, in Bhuj, Gujarat, which is being used to prepare fresh hot food, for serving to Government school children, under the "Mid-Day Meal Program" run by Akshaya Patra in partnership with the State Government.

- **Management**

The Akshaya Patra Foundation (TAPF) is a public, charitable, secular Trust, registered in Bengaluru. The Board of Trustees comprise missionaries of ISKCON Bengaluru, corporate professionals, and entrepreneurs. Sri Madhu Pandit Das is the Chairman of TAPF with various retired IAS and IRS officers on the board of TAPF.

It also has a strong advisory board comprising of Chef Sanjeev Kapoor, Avani Davda, Divya Balagopal, Dr. Subba Rao M Gavaravarapu, G.V. Gopala Rao, Lakshmi Sampath, Lathika Pai, Meghana Narayan, Sanjeev Shishoo etc.

Its executive team is lead by CEO- Shridhar Venkat, CFO- Balaji M N and COO- Saanil K. Bhaskaran.

- **Transparency**

The management of the Foundation has agreed to provide fund utilisation report as regards the utilisation of the project and also annual report on the said project.

Over the years, TAPF has received various awards and recognitions viz. The India Today- RPG Happiness award in 2022, 24th SIES Sri Chandrashekarendra Saraswathi National eminence award in 2021, the CSR Times Award in COVID category in 2021 etc.

- **Financial Capability**

The Foundation has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G.

Considering the above, the CSR Committee had recommended the Board to support The Akshaya Patra Foundation for undertaking the upgradation of the Centralized Kitchen involving a capex cost.

Track Record of The Akshaya Patra Foundation

- The Foundation is active since last 22 years in the area of providing mid day meal to children studying in schools.
- The Akshaya Patra Foundation is a non-profit organisation that operates on a public-private partnership (PPP) model.
- Since Akshaya Patra acts as an implementing partner of the Mid-Day Meal Scheme, there is a firm support from the Government of India, the State Governments and associated organisations.

This has enabled Akshaya Patra's school lunch programme to grow from feeding 1,500 children in the year 2000 to over 2 million children in 2022. On 11th February 2019, the organisation commemorated the serving of 3 billion meals (cumulative).

- Akshaya Patra reaches out to 20,10,516 (includes Anganwadi feeding) children in 66 kitchens across 15 States & 2 Union Territories of India, providing them with freshly cooked meal on all school days. Currently, they implement the mid-day meal programme in 22,367 schools of the country, with plans to increase that number to hundreds more.
- Currently, they operate 64 centralised kitchens in 15 States & 2 Union Territory of India and these kitchens prepare mid-day meals for 17,74,477 school children.
- They also have decentralised kitchens in Baran, Rajasthan reaching out to 161 schools and in Nayagarh, Odisha reaching out to 319 schools. They set up our first decentralised kitchen in Baran, Rajasthan and with support from the local Sarpanch (head of the village) of the area, Akshaya Patra hired and trained women from Self-Help Groups to cook the nutritious food in kitchens across the district, and feed the children.
- The Akshaya Patra Foundation has integrated ISO 22000:2018 Food Safety Management into the process and successfully certified for the 33 kitchens & many more to be certified in future.
- Akshaya Patra Foundation has implemented ISO14001(EMS) and ISO 45001 (OHSAS) by complying the vast array of environment and occupation safety laws in 2 kitchens, Hubli and Bellar.
- The Central office of the Akshaya Patra situated in Bangalore is certified for ISO 9001:2015.

Implementation of Bhuj Kitchen Mid-Day Meal Project by the Company

The Company will make contribution of ₹ 1,09,55,000 towards the Project to the Foundation for undertaking the upgradation of the Centralized Kitchen involving a capex.

The Company will ensure that the funds are utilized for the furtherance of the stated objective of the Project. The representatives / Directors / employees of the Company apart from receiving progress reports from the Foundation and reviewing the same, may also visit the premises of the Project and inspect the progress of the Project and also to give their suggestions / inputs for betterment of the Project.

Impact Assessment of the Bhuj Kitchen Mid Day meal project

With the current project, mid-day meals will be provided to Fifty Thousand children studying in schools in and around the city of Bhuj.

ii. Project Name: Akshaya Patra Mid-day Meal

1.0 Background

Company Profile

Balkrishna Industries Limited ('BKT') is one of the world's leading manufacturers of "OFF-HIGHWAY tires". BKT has the widest product range with more than 3,200 SKU's (Stock Keeping Units) and is "One Stop Shop" for all off-highway tyre solutions.

BKT has made its mark in the specialty segments like Agricultural, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply & radial construction.

The Corporate Social Responsibility ('CSR') of the Company is undertaken by its CSR division, BKT Foundation.

Company's CSR vision

BKT considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the BKT group in providing school education for the under privileged and needy; and funding various hospitals for free medical services to the poor and needy.

The CSR vision of the Company is "**Promotion of Education, Health and Rural Development**".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development by promoting quality education and healthcare for all vulnerable sections of society.

BKT has developed CSR policy (which will be made available on the website of the Company) in order to achieve its CSR vision which is in consonance with the requirements of the Companies Act, 2013.

2.0 CSR Initiative of the Company

Need for Education in the current scenario

Children and youth are the future of the nation. For an emerging and developing country like India, development of underprivileged children and youth holds the key to the progress of the nation itself.

Further, Education plays an important role in development of an individual's career. It is both the means as well as the end to a better life: the means because it empowers an individual to earn his/her livelihood and the end because it increases one's awareness on a range of issues – from healthcare to appropriate social behaviour to understanding one's rights – and in the process help him/her evolve as a better citizen.

Education is the most effective tool which helps children and youth to build a strong foundation; enabling them to free themselves from the vicious cycle of ignorance, poverty and diseases.

Considering the above, the Company had decided to focus on health and education to underprivileged students.

What BKT proposes to do for Education?

Education has been one of the core agenda of the CSR initiative of BKT. BKT intends to sponsor the education of the needy and underprivileged children and students by providing merit-based scholarships. The Company also intends to undertake activities to improve the facilities at the schools, colleges or universities. Providing support to under construction schools, colleges or universities, providing / sponsoring drinking water facility or sanitisation facilities in the schools, colleges or universities assistance in providing training programmes to the teachers, etc.

There have been cases of multiple drop outs from the schools for various reasons. Mid-day meal program acts as an enabler to avoid this drop outs and encourage parents to send their kids to school. Also Mid-day meal provides healthy and nutritious diet to the kids and thereby improving their health as well. Therefore, the Company intends to endeavor to work in the direction of providing mid-day meal to school going students in India so that the youth in India can live a better future.

Self-Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for promotion of education by itself or should it partner with an NGO. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an NGO / Implementation Partner.

In order to achieve its CSR vision of Promotion of Education and in alignment with its CSR Policy, the Company has identified and decided to partner with The Akshaya Patra Foundation (hereinafter referred to as 'the Foundation') for providing mid-day meals to Twenty Three Thousand children studying in schools in and around Bhuj thereby uplifting the underprivileged and contributing for a noble cause.

Why the Company wants to support The Akshaya Patra Foundation

Before finalising on The Akshaya Patra Foundation as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criterias viz. Identity and Image, Capability and Competence of the Foundation, Management, Transparency, Financial Capability, etc.

The summary of the conclusion drawn from the due diligence of The Akshaya Patra Foundation is as under-

- **Identity and Image**

The Akshaya Patra Foundation is a registered public charitable trust established in the year 2000 at Bengaluru with the purpose to eliminate classroom hunger by implementing the Mid-Day Meal Scheme in the government schools and government-aided schools.

Over the last 22 years, The Akshaya Patra Foundation has been concerting all its efforts towards providing fresh and nutritious meals to children on every single school day.

- **Capability and Competence**

In 2000, the Foundation started its journey by serving 1,500 students in 5 schools and today they have a partnership with the Central Government as well as various State Governments and they serve 2 million children today.

Today, Akshaya Patra is the world's largest (not-for-profit run) Mid-Day Meal Programme serving wholesome food every school day to over 2 million children from 22,367 schools across 15 states & 2 Union territory of India.

- **Management**

The Akshaya Patra Foundation (TAPF) is a public, charitable, secular Trust, registered in Bengaluru. The Board of Trustees comprise missionaries of ISKCON Bengaluru, corporate professionals, and entrepreneurs. Sri Madhu Pandit Das is the Chairman of TAPF with various retired IAS and IRS officers on the board of TAPF.

It also has a strong advisory board comprising of Chef Sanjeev Kapoor, Avani Davda, Divya Balagopal, Dr. Subba Rao M Gavaravarapu, G.V. Gopala Rao, Lakshmi Sampath, Lathika Pai, Meghana Narayan, Sanjeev Shishoo etc.

Its executive team is lead by CEO- Shridhar Venkat, CFO- Balaji M N and COO- Saanil K. Bhaskaran.

- **Transparency**

The management of the Foundation has agreed to provide fund utilisation report as regards the utilisation of the project and also annual report on the said project.

Over the years, TAPF has received various awards and recognitions viz. The India Today- RPG Happiness award in 2022, 24th SIES Sri Chandrashekarendra Saraswathi National eminence award in 2021, the CSR Times Award in COVID category in 2021 etc.

- **Financial Capability**

The Foundation has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G.

Considering the above, the CSR Committee had recommended the Board to support The Akshaya Patra Foundation for mid-day meals to Twenty Three Thousand children studying in schools in and around Bhuj thereby uplifting the underprivileged.

Track Record of The Akshaya Patra Foundation

- The Foundation is active since last 22 years in the area of providing mid day meal to children studying in schools.
- The Akshaya Patra Foundation is a non-profit organisation that operates on a public-private partnership (PPP) model.
- Since Akshaya Patra acts as an implementing partner of the Mid-Day Meal Scheme, there is a firm support from the Government of India, the State Governments and associated organisations.

This has enabled Akshaya Patra's school lunch programme to grow from feeding 1,500 children in the year 2000 to over 2 million children in 2022. On 11 February 2019, the organisation commemorated the serving of 3 billion meals (cumulative).

- Akshaya Patra reaches out to 20,10,516 (includes Anganwadi feeding) children in 66 kitchens across 15 States & 2 Union Territories of India, providing them with freshly cooked meal on all school days. Currently, they implement the mid-day meal programme in 22,367 schools of the country, with plans to increase that number to hundreds more.
- Currently, they operate 64 centralised kitchens in 15 States & 2 Union Territory of India and these kitchens prepare mid-day meals for 17,74,477 school children.
- They also have decentralised kitchens in Baran, Rajasthan reaching out to 161 schools and in Nayagarh, Odisha reaching out to 319 schools. They set up our first decentralised kitchen in Baran, Rajasthan and with support from the local Sarpanch (head of the village) of the area, Akshaya Patra hired and trained women from Self-Help Groups to cook the nutritious food in kitchens across the district, and feed the children.
- The Akshaya Patra Foundation has integrated ISO 22000:2018 Food Safety Management into the process and successfully certified for the 33 kitchens & many more to be certified in future.
- Akshaya Patra Foundation has implemented ISO14001(EMS) and ISO 45001 (OHSAS) by complying the vast array of environment and occupation safety laws in 2 kitchens, Hubli and Bellar.
- The Central office of the Akshaya Patra situated in Bangalore is certified for ISO 9001:2015.

Implementation of Mid-Day Meal Project by the Company

The Company will make contribution of INR 3.45 crores towards the Project to the Foundation involving provision of mid-day meals to Twenty Three Thousand children studying in schools in and around the city of Bhuj.

The Company will ensure that the funds are utilized for the furtherance of the stated objective of the Project. The representatives / Directors / employees of the Company apart from receiving progress reports from the Foundation and reviewing the same, may also visit the premises of the Project and inspect the progress of the Project and also to give their suggestions / inputs for betterment of the Project.

Impact Assessment of the Mid Day meal project

With the current project, mid-day meals will be provided to Twenty Three Thousand children studying in schools in and around the city of Bhuj.

iii. Project Name: Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan- Dr. Hedgewar Hospital

1.0 Background

Company Profile

Balkrishna Industries Limited ('BKT') is one of the world's leading manufacturers of "OFF-HIGHWAY tires". BKT has the widest product range with more than 3,200 SKU's (Stock Keeping Units) and is "One Stop Shop" for all off-highway tyre solutions.

BKT has made its mark in the specialty segments like Agricultural, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply & radial construction.

The Corporate Social Responsibility ('CSR') of the Company is undertaken by its CSR division, BKT Foundation.

Company's CSR vision

BKT considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the BKT group in providing school education for the under privileged and needy; and funding various hospitals for free medical services to the poor and needy.

The CSR vision of the Company is "Promotion of Education, Health and Rural Development".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development by promoting quality education and healthcare for all vulnerable sections of society.

BKT has developed CSR policy (which will be made available on the website of the Company) in order to achieve its CSR vision which is in consonance with the requirements of the Companies Act, 2013.

2.0 CSR Initiative of the Company

Need for Healthcare in the current scenario

India has made rapid strides in the health sector since independence. However, various eye opening data from National Family Health Survey ('NFHS') clearly indicate that access to healthcare still remains a challenge.

While the health statistics of rural India continue to be poor, the health status and access to health services in urban areas on the other has also surfaced to be equally deplorable. Despite accounting for majority of the country's population, rural areas have very few government primary health care facilities.

The neglect in even the simplest preventive medical treatment usually leads to a more serious ailment and eventually into deaths. The need of the hour is thus a two pronged approach – first to bring quality health care services to doorsteps of the needy and second to promote healthcare awareness and contemporary health care services seeking behavior among the underprivileged.

Considering the above, the Company has decided to focus on healthcare.

What BKT proposes to do for Healthcare?

Healthcare has been one of the core agenda of the CSR initiative of BKT. The Company intends to improve the lives of children and adults and mission to ensure health with dignity to every underprivileged children and adult.

The Company intends to inter alia sponsor the basic healthcare facility which may include providing free medical facilities of the needy and underprivileged population. The Company may sponsor the medical treatment of poor and needy patients by directly paying the medical and other expenses to the Hospitals or other medical institutions. The Company may inter alia also undertake activities to improve the facilities and infrastructure at the hospitals. For example, sponsoring or improving the pathological lab facilities, improving the room facilities in the hospitals, providing / sponsoring Ambulance Facilities and/ or Blood Banks, maternity centres, eye care centres, operation theatres etc, providing / sponsoring drinking water facility or sanitation facilities in the hospitals etc. Further, the Company also supports renovation, development of infrastructure facilities at various hospitals.

Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) is an organization run by Professionals Doctors, who have come together to give maximum of themselves to the society. Since 1989, the trust has treated 60,00,000 poor patients.

Dr. Hedgewar Hospital is the nucleus of this Trust. It is providing excellent medical services at affordable cost to the common man. The 10-bed hospital was started in 1989 by Doctors with small borrowings from their families. And then doctors decided to manage their life on subsistent income which set an example. And this is the strongest foundation of this organization.

Dr. Hedgewar Hospital is getting patients from all over Marathwada and Buldhana, Nashik, Ahmednagar and Jalgaon districts. Currently, Hospital is running at full capacity with 280 beds. Lots of patients have to be turned down for want of space. There is dire need of special rooms & General ward both. Increase in capacity of hospital beds is also required to get sanction of Medical College which require 430 beds.

To address the above challenge, and to treat more patients including super speciality patients, the Trust has undertaken to build an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

As a step in the direction, under the instant project, the Company intends to partner with BAVP for expansion of the hospital infrastructure.

Self Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for healthcare by itself or should it partner with an NGO / Implementation Partner. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an Implementation Partner. The thought process behind the subject project is to improve the facilities of existing public hospitals, so that many poor people can benefit and be treated.

In order to achieve its CSR vision of Promotion of Healthcare and in alignment with its CSR Policy, as a step, the Company has identified and decided to partner with BAVP for expansion of the hospital infrastructure and building of an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Why the Company wants to support BAVP

Before finalising on the Hospital as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criteria viz. Identity and Image, Capability and Competence of the Hospital, Management, etc.

The summary of the conclusion drawn from the due diligence of BAVP is as under-

- **Identity and Image**

Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan is an organization run by Professionals Doctors, who have come together to give maximum of themselves to the society. Since 1989, the trust has treated 60,00,000 poor patients.

Dr. Hedgewar Hospital is the nucleus of this Trust. It is providing excellent medical services at affordable cost to the common man. The 10-bed hospital was started in 1989 by Doctors with small borrowings from their families. And then doctors decided to manage their life on subsistent income which set an example. And this is the strongest foundation of this organization.

- **Capability and Competence**

Dr. Hedgewar Hospital has a team of capable and dedicated doctors, well designed infrastructure and professional management. The Trust also runs various social activities wherein it treats 4 lakh patients annually of which 75 percent are poor.

- Dr. Hedgewar Hospital is getting patients from all over Marathwada and Buldhana, Nashik, Ahmednagar and Jalgaon districts. Currently, Hospital is running at full capacity with 280 beds.

- **Management**

BAVP is run by an independent Board of Members which is headed by Shri Anil Bhalerao who is the Chairman, Shri Vinod Bhimrajka being the Vice Chairman and Dr. Anant Pandhare being the Secretary.

- **Transparency**

BAVP is compliant with National Accreditation Board for Hospitals and Healthcare Providers (NABH) and has also been evaluated and awarded by the Ministry of Health and Family Welfare, Government of India.

- **Financial Capability**

BAVP has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G of the Income Tax Act, 1961.

Considering the above, the CSR Committee has recommended the Board to support BAVP for expansion of the hospital infrastructure and building of an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Track Record of BAVP

- BAVP is an organization run by Professionals Doctors, who have come together to give maximum of themselves to the society.
- It is operational since 1989.
- It treats around 4 lakh patients per annum and has treated 60 lakh patients till date.
- Currently, Hospital is running at full capacity with 280 beds. Lots of patients have to be turned down for want of space. There is dire need of special rooms & General ward both. Increase in capacity of hospital beds is also required to get sanction of Medical College which require 430 beds.
- The Hospital has expanded from a 10 bed Hospital to a 280 Bed Hospital.
- BAVP is compliant with National Accreditation Board for Hospitals and Healthcare Providers (NABH) and has also been evaluated and awarded by the Ministry of Health and Family Welfare, Government of India.

Implementation of BAVP Project by the Company

The Company will make contribution towards the Project of ₹ 19 Crores in FY 2022-23 to BAVP which will be used to for expansion of the hospital infrastructure and building of an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

The Company will ensure that the funds are utilized for the expansion of the hospital infrastructure and building of an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Impact Assessment of the BAVP

With the BAVP project, the commitment is to significantly improve the infrastructure of the hospital, ensure consistent functioning so as to provide quality care to needy patients.

The additional floor will be able to add 120 more beds and thereby serve approximately 175,000 more patients annually.

iv. Project Name: Muktang Education Trust**1.0 Background****Company Profile**

Balkrishna Industries Limited ('BKT') is one of the world's leading manufacturers of "OFF-HIGHWAY tires". BKT has the widest product range with more than 3,200 SKU's (Stock Keeping Units) and is "One Stop Shop" for all off-highway tyre solutions.

BKT has made its mark in the specialty segments like Agricultural, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply & radial construction.

The Corporate Social Responsibility ('CSR') of the Company is undertaken by its CSR division, BKT Foundation.

Company's CSR vision

BKT considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the BKT group in providing school education for the under privileged and needy; and funding various hospitals for free medical services to the poor and needy.

The CSR vision of the Company is "Promotion of Education, Health and Rural Development".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development by promoting quality education and healthcare for all vulnerable sections of society.

BKT has developed CSR policy (which will be made available on the website of the Company) in order to achieve its CSR vision which is in consonance with the requirements of the Companies Act, 2013.

2.0 CSR Initiative of the Company**Need for Education in the current scenario**

Children and youth are the future of the nation. For an emerging and developing country like India, development of underprivileged children and youth holds the key to the progress of the nation itself.

Further, Education plays an important role in development of an individual's career. It is both the means as well as the end to a better life: the means because it empowers an individual to earn his/her livelihood and the end because it increases one's awareness on a range of issues – from healthcare to appropriate social behaviour to understanding one's rights – and in the process help him/her evolve as a better citizen.

Education is the most effective tool which helps children and youth to build a strong foundation; enabling them to free themselves from the vicious cycle of ignorance, poverty and diseases.

Considering the above, the Company had decided to focus on education to underprivileged students.

What BKT proposes to do for Education?

Education has been one of the core agenda of the CSR initiative of BKT. BKT intends to sponsor the education of the needy and underprivileged children and students by providing merit-based scholarships. The Company also intends to undertake activities to improve the facilities at the schools, colleges or universities. Providing support to under construction schools, colleges or universities, providing / sponsoring drinking water facility or sanitisation facilities in the schools, colleges or universities assistance in providing training programmes to the teachers, etc.

It has been observed that till date, the quality of education even in best schools is sub-standard and there are limited opportunities for children. Education has been a top priority for various Governments since Independence, but little has changed in terms of quality outcomes for the 'have-nots'. The issue has been the lack of a 'total systems approach' that holistically connects the various components that drive learning in the classroom. Therefore, the Company intends to endeavor to work in the direction of providing quality education in India so that the youth in India can live a better future.

Self-Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for promotion of education by itself or should it partner with an NGO. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an NGO / Implementation Partner.

In order to achieve its CSR vision of Promotion of Education and in alignment with its CSR Policy, the Company has identified and decided to partner with Mukhtangan Education Trust (hereinafter referred to as 'the Foundation') for providing quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators of the Sayani Road School, Gokhale Road South MPS, Dadar (West) in the city of Mumbai, Maharashtra.

Why the Company wants to support Mukhtangan Education Trust

Before finalising on Mukhtangan Education Trust as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criterias viz. Identity and Image, Capability and Competence of the Foundation, Management, Transparency, Financial Capability, etc.

The summary of the conclusion drawn from the due diligence of Mukhtangan Education Trust is as under-

- **Identity and Image**

Mukhtangan Education Trust is a registered public charitable trust established in the year 2003 at Mumbai with the purpose to deliver quality education to the underserved communities of Mumbai.

Over the last 19 years Mukhtangan has evolved into a Hub and Spokes model of a Teacher Education Centre and 7 English-medium Mumbai Municipal schools from Preschool to Grade 10, set up and run by us with our unique design, all located in Mumbai's G South ward where they offer child-friendly education to over 3,700 children from underserved communities.

- **Capability and Competence**

In 2003 Mukhtangan started its education initiative by training 7 community women as teachers to teach 25 preschool children from their own community. Since then community members, especially parents, are involved very actively in our program. They enthusiastically participate in all Mukhtangan events, parent-teacher-meetings (PTMs) adding upto 8 to 10 times a year and stand with us as one of our strongest pillars.

Their larger goal has always been to help educational practitioners in schools and teacher education colleges to provide opportunities for all their students to learn more meaningfully, while at the same time we want to help the larger system see that it is the educational practitioners themselves, who can bring about this change. They are expanding the MERC pedagogical resources and learnings to rural and tribal communities through outreach partnerships.

Researchers from local as well as international universities research and advocate their program and its practices.

The Mukhtangan model has been proving to be an opportunity for all our educational practitioners to become, not just school or teacher educators, but rather "field level facilitators" of this larger goal.

- **Management**

Muktangan is run by Trustees lead by Sunil Mehta, Elizabeth Mehta, Vijaya Chauhan, Farida Bhatena and Ashok Shah.

It also has a strong advisory board comprising of Sean Sovak, Shalini Randery, Rajan Mehra, Maithili Parekh, Vivek Asrani, Donald Lobo and Rajesh Gupta.

Its executive team is lead by Dymphena Das and Keshav Satose.

- **Transparency**

The management of the Foundation has agreed to provide fund utilisation report as regards the utilisation of the project and also annual report on the said project.

Over the years, GuideStar India has consistently awarded Muktangan the Platinum Seal (Champion Level), the highest certification for transparency & public accountability.

- **Financial Capability**

The Foundation has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G.

Considering the above, the CSR Committee had recommended the Board to support Muktangan Education Trust for providing quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators of the Sayani Road School, Gokhale Road South MPS, Dadar (West) in the city of Mumbai, Maharashtra.

Track Record of Muktangan Education Trust

- The Foundation is active since last 14 years in the area of providing education.
- Muktangan has evolved into a Hub and Spokes model of a Teacher Education Centre (hub) and 7 English medium Municipal schools Pre-School to Grade 10 (spokes) with its unique design, all located in Mumbai's G-South ward where they offer child-friendly education to over 3,700 children from underserved communities.
- To date, Muktangan has provided livelihoods and vocational development to 800+ community members (mostly women) who have been trained in our pre-service teacher education center, 600 of whom are employed as teachers and teacher educators in their schools.
- Since all their students and teachers come from the same socio-economic background, they share a deep bonding with each other.
- Collectively, the community model is recognized as the "Muktangan Educational and Resource Centre" (MERC).
- Muktangan is now actively engaged in teacher education and schooling and is widely recognized for sharing its learnings to government, academic institutions and researchers.
- Through outreach initiatives and partnerships with local and state government, NGOs, academic institutions both local and international, they have reached out to 72,000+ children and 5,000+ teachers and teacher educators across India.

Implementation of Muktangan Project by the Company

The Company will make contribution of ₹ 1.33 crore towards the Project to the Foundation to provide quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators of the Sayani Road School, Gokhale Road South MPS, Dadar (West) in the city of Mumbai, Maharashtra.

The Company will ensure that the funds are utilized for the furtherance of the stated objective of the Project. The representatives / Directors / employees of the Company apart from receiving progress reports from the Foundation and reviewing the same, may also visit the premises of the Project and inspect the progress of the Project and also to give their suggestions / inputs for betterment of the Project.

Impact Assessment of the Muktangan Education Trust

With the current project, for the provision of quality, holistic, inclusive education to the students and in-service teacher education to the teachers and teacher educators. The education will be provided to 495 students & support to 68 in-service teachers ranging from pre-school to Grade 10 of Sayani Road School, Gokhale Road South MPS, Dadar (West).

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2023

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

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

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

Based on my verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company, which were provided to me electronically and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2023 (hereinafter referred to as "audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share based Employee benefits and Sweat Equity) Regulations, 2021; -- Not applicable to the Company since it has no Employee Stock Option Scheme / Employee Stock Purchase Scheme;
 - (e) The Securities and Exchange Board of India ((Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable to the Company
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; -- Not applicable to the Company during the year under review;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- Not applicable to the Company since it has not bought back any securities during the year under review;
 - (I) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

I further report that, during the period under review, the Members of the Company, at the 60th Annual General Meeting held on 7th July, 2022, have appointed M/s. Jayantilal Thakkar & Co., Chartered Accountants (Registration No. 104133W), as Statutory Auditors of the Company in place of retiring Auditors M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W), for a term of 5 (five) consecutive years from the conclusion of the 60th Annual General Meeting till the conclusion of the 65th Annual General Meeting.

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

G.B.B. Babuji
Company Secretary in Whole-time Practice
 Membership No. FCS-1182
 C P No. 8131
 PR No 1353/2021
 UDIN F001182E000394652

Place : Navi Mumbai,
 Date : 27th May, 2023

'Annexure A'

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

My Secretarial Audit Report for the financial year ended 31st March, 2023 of even date is to be read along with this letter.

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

G.B.B. Babuji
Company Secretary in Whole-time Practice
 Membership No. FCS-1182
 C P No. 8131
 PR No 1353/2021
 UDIN F001182E000394652

Place : Navi Mumbai,
 Date : 27th May, 2023

ANNEXURE – IV

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

A. CONSERVATION OF ENERGY:

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

As a responsible organization, your Company has been constantly taking measures for the conservation and optimal utilization of energy in all areas of operations at the Company's Plants and effective usage of sources/ equipment used for generation. Within the Company, there are continuous efforts towards improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy & CO2 emissions while maximizing production volumes, Following are initiatives taken at different factory locations are as detailed below:

- The Company has installed Variable Frequency Drive (VFDs) on Mills.
- Incorporation of BLDS fans in place of conventional fans.
- Axial flow fans in place of Centrifugal fans in air Handling Units.
- Introduction of pad insulation to replace glass wool insulation at selected places.
- Waste Heat Recovery at Several locations

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

The Company installed New 66TPH Tail Gas Boiler for complete utilization of Off Gas generated from Carbon Black Plant.

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

Installation of 'Solar Power Plant' 1 MW each at Bhuj and Chopanki Plant & 'Two Captive Power Plant' at Bhuj (approx. 40 MW / per day capacity)

- The Company has received Excellent award in 36th National convention on quality concept-22, Aurangabad (Maharashtra)
- The Company has received Winner of Gold in 21st chapter convention on quality concept, Chapter UDAIPUR (Rajasthan)

B. TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption:

Continuous efforts were being made towards technology absorption by following methods:

- Noltec Carbon conveying system is installed in Tire Plant . It consists of carbon transportation from Carbon plant to Tire plant with mobile silos. This carbon is automatically conveyed to dedicated Storage Silos. Carbon from storage silos is then automatically transferred to Mixer day bins. There are mistake proofing techniques like RFID to ensure correct carbon loading.
- Crez Republic make Robotic Auto Painting machine installed. This machine works on dedicated software and recipe based.
- Inner Liner stitcher developed on 4 Drum, 2 Drum, Giant & Super Giant tire building machines.
- Development of Rubber Tracks - New equipment imported, installed and started manufacturing Rubber Tracks New process was stabilized. New compounds were developed for 3 types of rubber tracks.

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

- 1) With the Power Management System, we are able to manage various load demand arise from tire and Carbon Plant in real time, By this implementation, we have increased power generation from Turbine Set.
- 2) Rubber tracks required for harvesting machines were imported earlier. Now this product is available in India to customers. We can export other two types – Agri Tracks and construction Tracks.

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

- (a) the details of technology imported; Not applicable.
- (b) the year of import;. Not applicable.
- (c) whether the technology been fully absorbed; Not applicable.
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable.

(iv) the expenditure incurred on Research and Development: ₹ 6,231 Lakhs

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

- a. Foreign Exchange Outgo : ₹ 4,78,428
- b. Foreign Exchange earned (FOB Basis) : ₹ 6,81,652

For and on behalf of the Board of Directors

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place : Mumbai,

Dated: 27th May, 2023

ANNEXURE – V

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

- (I) Ratio of the remuneration of each Whole Time Directors to the median remuneration of the employees of the Company for the financial year 2022-23, the percentage increase in remuneration of each Key Managerial Personnel (KMP) against the performance of the Company as under:

Sr. No.	Name of the Director/KMP	Designation	Ratio of the remuneration of each Whole Time Director to the median remuneration of the employees of the Company	Percentage change in remuneration
1	Mr. Arvind Poddar	Chairman & Managing Director	629	(15%)
2	Mr. Rajiv Poddar	Joint Managing Director	611	(16%)
3	Mr. Vipul Shah	Director & Company Secretary	14	12%
4	Mr. Madhusudan Bajaj	Sr. President (Commercial) & CFO	33	11%

- (II) The percentage increase in median remuneration of employees in the financial year 2022-23 is 10%.
- (III) There were 3,472 permanent employees as on 31st March, 2023.
- (IV) Average percentage increase already made in the salaries of employees was 11% other than the managerial personnel in the last financial year and its comparison with the percentage increase/(decrease) in the managerial remuneration is (15%).
- (V) It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.
- (VI) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration (Sitting Fees) of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

For and on behalf of the Board of Directors

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place : Mumbai,

Dated : 27th May, 2023

ANNEXURE - VI

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

We, Balkrishna Industries Limited ('BKT' or the 'Company') takes pleasure to present first BRSR for FY 2022-23 which includes financial and non-financial disclosures as mandated by Securities and Exchange Board of India (SEBI). The report provides all our stakeholders with a comprehensive view of the Company's performance and impact on the economy, environment and society by demonstrating our commitment towards sustainable growth. Our report strives for greater transparency in order to better serve the interests of our investors and other stakeholders associate with us. It also exemplifies our strategy and approach to create and capture value for our stakeholders by utilizing the opportunities and mitigating external risks.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L99999MH1961PLC012185
2. Name of the Listed Entity	Balkrishna Industries Limited
3. Year of incorporation	1961
4. Registered office address	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431136 – Maharashtra
5. Corporate address	BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India
6. E-mail	shares@bkt-tires.com
7. Telephone	+91 22 66663800
8. Website	www.bkt-tires.com
9. Financial year for which reporting is being done	1 st April, 2022 to 31 st March, 2023
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital	₹ 3,866 Lakhs
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Vipul Shah Director and Company Secretary +91 22 6666 3800 shares@bkt-tires.com
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this report are on a standalone basis and pertain to Balkrishna Industries Limited. All operational plants and Corporate Office in India are part of the report.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY 2022-23)
1	Manufacturing of Tires	BKT is one of the world's leading manufacturers of "Off-Highway tires". It has the widest product range with more than 3,200 SKU's (Stock Keeping Units). BKT has made its mark in the specialty segments like Agricultural, Mining, Forestry, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply and radial construction.	94%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Manufacturing of rubber Tires	22119	94%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	9*	1	10
International	Nil	3	3

* Includes 5 tire manufacturing plants, Carbon Black Plant, Mould Plant, Drum Plant and Wind Mill.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	We have PAN India presence
International (No. of Countries)	160+ Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of exports is around 79% of total turnover.

c. A brief on types of customers

Agriculture and farming industries make up a majority of our clientele and account for approximately 60% of our revenue. The remaining customer base consists of Mining, Forestry, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply and radial construction. We serve domestic as well as international customers. Majority of our exports are to Europe and USA.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,612	2,569	98.35%	43	1.65%
2.	Other than Permanent (E)	45	45	100%	0	0%
3.	Total employees (D + E)	2,657	2,614	98.38%	43	1.62%
WORKERS						
4.	Permanent (F)	860	860	100%	0	0%
5.	Other than Permanent (G)	5,963	5,963	100%	0	0%
6.	Total workers (F + G)	6,823	6,823	100%	0	0%

b. Differently-abled Employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	5	5	100%	0	0%
6.	Total differently abled workers (F + G)	5	5	100%	0	0%

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel *	1	0	0%

* Other than Board of Directors - Senior President - Commercial and CFO

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.02%	9.64%	13.95%	7.25%	13.11%	7.34%	6.89%	9.68%	6.93%
Permanent Workers	3.61%	0%	3.61%	3.60%	0%	3.60%	1.91%	0%	1.91%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	BKT Tyres Limited	Subsidiary	100%	No
2	BKT EXIM US, INC	Subsidiary	100%	
3	BKT EUROPE S.R.L.	Subsidiary	100%	
4	BKT USA INC	Subsidiary	100%	
5	BKT Tires (CANADA) INC	Subsidiary	100%	
6	BKT Tires INC	Step down Subsidiary of Balkrishna Industries Limited	100%	

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes. The Company has an elaborate CSR policy under which the prime focus is Education, Healthcare and Rural Development.
- (ii) Turnover (in ₹) - 9,811 crore
- (iii) Net worth (in ₹) – 7,589 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	#	0	0	NA	0	0	NA
Investors (other than shareholders) *	Yes https://www.bkt-tires.com/www/us/investor-contacts	0	0	NA	0	0	NA
Shareholders	Yes https://www.bkt-tires.com/www/us/investor-contacts	29	0	NA	5	0	NA
Employees and Workers	Yes, https://www.bkt-tires.com/downloads/14263/11780/Employee_Welfare_Policy.pdf	0	0	NA	0	0	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes. https://www.bkt-tires.com/downloads/14267/11784/Customer_Relationship_Policy.pdf	0	0	NA	0	0	NA
Customers	Yes.	5,991	6	**	4,549	6	**

The Company regularly engages with local communities

* We have considered Non-convertible Debentures' holders as Investors other than Shareholders

** These complaints are in process of resolution

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product and Technology	Opportunity	As a tire manufacturing company, product and technology are at the core of our work and operations. Improving the product portfolio using innovative technologies would help us in achieving our sustainability targets, provide better solutions to customers while delivering high quality products in the market. This is an opportunity for the Company to excel in the industry and be a leader in the sector.	-	Positive implication.
2	Ethics and Compliance	Risk	The Company expects all its employees to adhere to the Code of Conduct Policy of BKT and Ethical behaviour. The Company follows zero tolerance for any non-compliance in this regard.	BKT has a very stringent Code of Conduct Policy which ensures ethical behaviour and compliance with applicable laws and regulations. The said policy provides for framework for employees and other stakeholders to ensure that business is governed only by ethical practices. The Policy is accessible on the Company's Website https://www.bkt-tires.com/downloads/14268/11785/Code_of_Conduct_Policy.pdf	Negative implication
3	Health and Safety	Risk	Managing safety and health is on top priority at BKT. Risk Assessment is a continuous process followed by measures to effectively control them to ensure safety and good health of people at work.	To mitigate the risk, we strictly follow the rules and procedures laid down by our stringent health and safety management systems. We regularly conduct trainings to create awareness on safe working conditions.	Negative implication
4	Employee Wellbeing	Opportunity	The Company considers its employees as part of its family. The Company takes keen interest to understand their concerns and expectations for their wellbeing.	-	Positive implication

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

PRINCIPLE 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
PRINCIPLE 2	Businesses should provide goods and services in a manner that is sustainable and safe.
PRINCIPLE 3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
PRINCIPLE 4	Businesses should respect the interests of and be responsive to all its stakeholders.
PRINCIPLE 5	Businesses should respect and promote human rights.
PRINCIPLE 6	Businesses should respect and make efforts to protect and restore the environment.
PRINCIPLE 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
PRINCIPLE 8	Businesses should promote inclusive growth and equitable development.
PRINCIPLE 9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes. We have appropriate policies in place that covers all the NGRBC principles and its core elements.								
b. Has the policy been approved by the Board? (Yes/No)	Yes. All the mandatory polices have been approved by our Board.								
c. Web Link of the Policies, if available	https://www.bkt-tires.com/en/investors-desk .								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. We have translated the policies into procedures as per their applicability.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, Our Business Responsibility Policy extends to our value chain partners which includes code of conduct, transparency, ethical behavior and accountability for the value chain partners.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	As a part of Quality Management, BKT has adopted ISO 17025, ISO 9001, Registration, Evaluation, Authorization and Restriction of Chemicals ('REACH') compliance, European Tire and Rim Technical Organization ('ETRTO') standards and Department of Transport ('DOT') regulations. We adhere to Kaizen principle throughout our strategy. We are ISO 14001 and ISO 45001 certified organization. We have various policies in place such as code of conduct, labour and human rights policy, diversity and inclusion policy. Our CSR policy is in accordance with the Companies Act, 2013.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have identified the areas to reduce our GHG emissions, wastages and water consumption, and have defined the targets which are being monitored and reviewed on regular basis.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have started monitoring our performance on specified areas mentioned above from this year and our performance shall be reported next year onwards.								

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

The Company is publishing the first BRSR report for FY 2022 - 23 which has helped to showcase that we give first priority to human and environmental resources. To demonstrate our commitment to these principles, we launched our latest sustainability campaign titled as 'Leaf. Our Energy'. This conveys a clear message, there is no future without the breeze of sustainability. Diverse and inclusive work environment across business and the remarkable growth of the Company over the last six decades is a testimony to the quality of our people, products, long-term relationships with our stakeholders getting our brand global recognition. Quality, innovation and strong leadership has laid a foundation to build a long-term business plan. The Company has proclaimed sustainability as one of its core foundations and ensure that a supportive and robust Governance structure is in place to efficiently disseminate sustainable procedures and practices. We sincerely express our gratitude to our loyal customers, tenacious employees, directors, management, leadership team, investors, partners, vendors, distributors and shareholders for their unflinching support.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	The Business Responsibility and Sustainability Committee is responsible for implementation and oversight. The composition of the Committee is as under: <ul style="list-style-type: none"> Pannkaj Ghadiali (DIN 00003462) - Chairman Sandeep Junnarkar (DIN 00003534) – Member Arvind Poddar (DIN 00089984) – Member Rajiv Poddar (DIN 00160758) – Member 								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, we have set up a specific 'Business Responsibility and Sustainability Committee' of the Board.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	We have various policies in place which covers all 9 principles. The performance against these policies is reviewed annually by the BRSR committee.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Compliance review of statutory requirements is done by BRSR committee at regular intervals and it has not come across any non-compliance.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No. We have not conducted any assessments/evaluations of the workings of our policies by external agencies for FY 2022-23.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable as all the NGRBC principles are covered in our policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable

Essential Indicators
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programme held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programme
Board of Directors	5	At each meeting of the Board and other committees, members also deliberate on the key integrity matters that help to reflect focus on key strategies. The members also discuss various sustainability initiatives of the Company and impact thereof.	100%
Key Managerial Personnel*	5		100%
Employees other than BoD and KMPs	1,145	Awareness initiated by way of periodical internal communication, training programs and gatherings which covers broadly all applicable principles.	96%
Workers	852		88%

* Other than Board of Directors - Senior President - Commercial and CFO

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil	
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, we do have an Anti-Bribery and Anti-Corruption Policy which is accessible on Company's Website https://www.bkt-tires.com/downloads/14269/11786/Antibribery_and_Anticorruption_Policy.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2022-23	FY 2021-22
Directors	None	
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No such issue has been faced by the Company.

Leadership Indicators

1. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have processes in place to avoid / manage conflict of interests involving members of the Board. Refer our Code of Conduct for Board Members and Senior Management Executives.

The Policy on Ethics, Transparency and Accountability is accessible on the Company's Website https://www.bkt-tires.com/downloads/14262/11791/Ethics_Transparency_and_Accountability_Policy.pdf.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	The Company has R&D facilities at Bhuj and Chopanki having manpower of around 35 people with common objective to contribute towards better efficiency in operations and Sustainability initiatives. The Company has common team working in these R&D facilities and hence no separate allocation of cost is done for the purpose of this disclosure.		
Capex	3.53%	1.41%	Installation of equipment for reduction of coal and diesel consumption, recycling of water, energy saving etc.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?

Yes. We procure material from global vendors and local partners near to our plants which are selected after considering the various sustainability parameters. During the year, 4% of the total procurement were sourced directly from MSMEs/ small producers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We recognize the importance of recycling in environmental protection and have processes in place to recycle waste generated. Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) are implemented at all production sites which reduces water consumption. Further, the waste water is recycled and utilized in horticulture surrounding our locations and water treatment is monitored and maintained on a regular basis. The polythene used in various processes are sold to authorized resellers and reprocessed into plastic granules.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility is applicable to our activities and we have taken necessary steps for collection and management of plastic waste. The waste collection plan submitted to Central Pollution Control Board is in line with the Extended Producer Responsibility.

Leadership Indicators

1. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Crumb powder, Reclaimed rubber, rubberized friction compound	0.45%	0.51%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains
Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,569	2,569	100%	2,569	100%	NA	NA	0	0%	0	0%
Female	43	43	100%	43	100%	43	100%	NA	NA	0	0%
Total	2,612	2,612	100%	2,612	100%	43	100%	0	0%	0	0%
Other than Permanent employees											
Male	45	45	100%	45	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	45	45	100%	45	100%	0	0%	0	0%	0	0%

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	860	501*	58%	860	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	860	501	58%	860	100%	0	0%	0	0%	0	0%
* Majority of the remaining workers are provided 24*7 Medical care											
Other than Permanent workers **											
Male	5,963	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	5,963	0	0%	0	0%	0	0%	0	0%	0	0%

** Any matter in relation to health or accident for other than permanent workers is managed through 24*7 Medical care at locations.

2. Details of retirement benefits.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI (As per Act)	100%	100%	Y	100%	100%	Y
Others – please specify						

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, we have made necessary arrangements at our premises to ensure appropriate accessibility for the differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. We have Diversity and Inclusion policy in place and it includes equal opportunity under the Rights of Persons with Disabilities Act, 2016 and the same is accessible on the Company's Website https://www.bkt-tires.com/downloads//14265/11782/Diversity_Inclusion_Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. We have a mechanism in place to receive and redress grievances of employees and workers. At BKT, we strive to provide a safe and secure environment to all the employees and workers.
Other than Permanent Workers	
Permanent Employees	We adhere to an open-door policy as part of our open and transparent culture. Therefore, any employee can voice their issues to their functional leaders or heads. Workers can also directly approach the respective person in charge for any concerns.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2,612	0	0%	2,674	0	0%
Male	2,569	0	0%	2,635	0	0%
Female	43	0	0%	39	0	0%
Total Permanent Workers	860	235	27%	941	252	27%
Male	860	235	27%	941	252	27%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2,569	2,569	100%	2,569	100%	2,635	2,635	100%	2,635	100%
Female	43	43	100%	43	100%	39	39	100%	39	100%
Total	2,612	2,612	100%	2,612	100%	2,674	2,674	100%	2,674	100%
Workers										
Male	860	860	100%	860	100%	941	941	100%	941	100%
Female	0	0	0	0	0	0	0	100%	0	100%
Total	860	860	100%	860	100%	941	941	100%	941	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,569	2,569	100%	2,635	2,635	100%
Female	43	43	100%	39	39	100%
Total	2,612	2,612	100%	2,674	2,674	100%
Workers						
Male	860	860	100%	941	941	100%
Female	0	0	0%	0	0	0%
Total	860	860	100%	941	941	100%

10. Health and safety management system:
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, all our workplaces confirm to the health and safety management system, which covers the workers and employees under our health and safety management processes and protocols. We also ascertain that the employees and workers at the plant site receive the necessary trainings on a regular basis. The Health, Environment and Safety policy that applies to the entire organization and each day begins with a safety review. The Health, Environment and Safety Policy is accessible on the Company's Website https://www.bkt-tires.com/downloads/14264/11781/EHS_Policy.pdf. The senior management has taken a pro-safety stance and setup the safety committee at respective plants which oversees the administration of the entire process and these committees comprise senior management representatives, as well as workers. The safety committees assist the management in achieving safety objectives of prevention, zero work related safety incidents and zero occupational illness. Following systems are in place to promote safe working environment:

- Work permit system
- Regular Safety and Fire Drills
- External and internal Safety Audits, 5s Audits
- Public address system for emergency
- Emergency siren and lights throughout plant
- Fire Hydrant, portable fire extinguishers systems and fire tender
- Safety committees
- Safety Patrols
- Annual Medical Health check-up for all employees
- Safety and Health training awareness programs
- New employee safety orientation
- Accessibility to Occupational health centers across all plants of the Company

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

All the plants of the entity have safety committees which identifies work-related hazards and assesses risk on periodic basis. Any identification of work-related hazard or risk is appropriately addressed as part of the process. Further, the Bhuj plant has also undertaken Hazard Identification and Risk Assessment to detect any work-related risks under ISO 45001.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Our health and safety management system includes processes for workers and employees to report any hazards at work. Any such reporting is done to safety committee for timely and necessary strategic steps to limit any such exposure to health-related hazards.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services?

Yes, we conduct periodic health checkups for employees and workers. In addition, we have tied up with local multi-specialty Hospitals to deal with patients needing specialized care.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.63	2.22
Total recordable work-related injuries	Employees	0	0
	Workers	21	26
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

There is a strong emphasis on establishing a safe workplace with an adaptable and efficient workforce at BKT.

- A safe working environment is critical and is reinforced via ongoing learning of technical operations, machine handling, fire prevention and general workplace safety.
- Each department conducts regular fire safety exercises and fast sessions to educate employees/workers and prevent any incidents. All plants are well equipped with fire hydrant systems that are backed by a variety of fire engines.
- Safety trainings are provided to all employees and workers at regular interval.
- Internal trainers are always available to coach and advise each employee.
- At regular intervals we also conduct health surveys and intensive medical check-up programs.

13. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Not Applicable	0	0	Not Applicable
Health and Safety	0	0		0	0	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% - All our plants and offices have been internally assessed for health and safety practices and working conditions.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

No corrective action required to be taken in absence of significant safety – related incidents, including significant Risks / Concerns identified in Internal assessment for Health and Safety practices and Working conditions.

Leadership Indicators

1. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

All the value chain partners of BKT abide to the respective contracts during the onboarding process. We ensure that statutory dues deducted and deposited along with the bills by value chain partners. Evidence regarding actual transfer of dues is collected and timely payment of dues is ensured. This aspect is verified on a sample basis by our Internal Auditor and if any lapse is identified, the same is addressed immediately.

2. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	1	0	0

3. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	We acknowledge that our value chain partners are separate legal entities, yet their business practices and actions may have an influence on or reflect on our business. While we do not assess our value chain partners on health, safety and working conditions, but we conduct regular audit and analyze our buying practices and internal policies to ensure that our value chain partners are complying with applicable laws, regulations and industry standards.
Working conditions	

4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable as mentioned in Question no. 3 above

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We identify and nurture long-term partnerships with our stakeholders. Our approach to stakeholder identification and interaction is based on the concepts of materiality, comprehensiveness and effective evaluation. Our strategy comprises identifying important stakeholders who are directly or indirectly impacted by business activity or who influence company decisions. The Stakeholder Relationship Policy is accessible on Company's Website https://www.bkt-tires.com/downloads/14259/11776/Stakeholder_Relationship_Policy.pdf

Based on our assessment, we have identified following stakeholders as our critical stakeholders:

1. Communities / NGOs
2. Customers
3. Employees and workers
4. Government Agencies, Industry Organizations and Educational Institutions
5. Shareholders and Investors
6. Suppliers and Vendors

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities / NGO's	Yes	<ol style="list-style-type: none"> 1. Project Meetings 2. Community interactions with NGOs 3. Grievance mechanisms 4. Print Media 5. Rural relief activities 6. Gram Panchayat meetings 	Need-based engagement	We work with non-governmental organizations (NGOs) to carry out CSR projects. We think it is critical to build connections with communities and NGOs in order to comprehend their needs and goals and properly align our project ideas.
Customers	No	<ol style="list-style-type: none"> 1. Engagement sessions, Meetings and Workshops (Virtual and/or Face-to-face) 2. By Appointment and membership of industry organizations 	Regular engagement	We are greatly impacted by our customer's feedback, decisions and choices. It is vital to interact with them on a regular basis and learn about their requirements, goals and current trends.
Employees and Workers	No	<ol style="list-style-type: none"> 1. Face-to-face meetings 2. Engagement sessions 3. Rewards and recognition 4. Team building workshops 5. Learning and Development 6. Grievance redressal mechanism 7. Festivities and Celebrations 	Regular engagement	They contribute significantly to the development and expansion of a strong and adaptable business. Their collective knowledge and experience are crucial for the business's fundamental functions, product innovation, design and profitability.
Government Agencies, Industry Organizations and Educational Institutions	No	<ol style="list-style-type: none"> 1. Website and portals 2. Industry meets, Seminars 3. Education – Conclaves and Campus Hiring 4. Official / Site visits 5. Events and Sponsorships 	Need-based engagement	We engage with Government Agencies and Industry Organizations as and when any approval / permission or assistance regarding applicability or clarification of statutes is required or to discuss industry leading policies. To attract talent and resources from diverse background, we engage with educational institutions.
Shareholders and Investors	No	<ol style="list-style-type: none"> 1. Annual general shareholders meeting 2. Quarterly Financial result declaration 3. Media Release, Investors Call and email 4. One to One physical meet and phone call 	Need-based engagement	We engage with them to communicate performance of the Company as well as to resolve their grievance, if any.
Suppliers and Vendors	No	<ol style="list-style-type: none"> 1. E-mails, phone calls and plant visits. 	Regular engagement	We engage with our suppliers to ensure quality, business continuity and confirmation on supplier code of conduct.

Principle 5: Businesses should respect and promote human rights
Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2,612	2,612	100%	2,674	2,674	100%
Other than permanent	45	45	100%	15	15	100%
Total employees	2,657	2,657	100%	2,689	2,689	100%
Workers						
Permanent	860	860	100%	941	941	100%
Other than permanent	5,963	5,963	100%	3,077	3,077	100%
Total workers	6,823	6,823	100%	4,018	4,018	100%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No.(B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	2,612	0	0%	2,612	100%	2,635	0	0%	2,635	100%
Female	43	0	0%	43	100%	39	0	0%	39	100%
Other than permanent										
Male	45	0	0%	45	100%	15	0	0%	15	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	860	0	0%	860	100%	941	0	0%	941	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than permanent										
Male	5,963	0	0%	5,963	100%	3,077	0	0%	3,077	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	6	47,36,681	2	5,50,000
Key Managerial Personnel	1	2,05,16,068	0	0
Employees other than BoD and KMP	2,565	7,00,056	43	6,24,000
Workers	860	3,05,887	0	NA

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has a focal point responsible for addressing human rights impacts. The focal point who works with Plant Heads & HR Heads of all Units as well as Head Office to handle human rights effects or challenges caused or contributed to/by the business. They all are in charge for responding to any issues or complaints voiced by internal or external stakeholders in this regard.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

A Human Rights Policy has been laid out that applies to all employees, suppliers, contractors and other stakeholders that prohibits all kinds of human rights violations. Our organization has stringent mechanisms in place to monitor human rights abuses. The Human Rights Policy is accessible on Company's Website https://www.bkt-tires.com/downloads/14260/11777/Labour_Human_Rights_Policy_.pdf

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We understand the importance of a hostile-free environment for enabling our employees to work efficiently. We are committed to protecting the rights of all our employees and workers and provide them with a work environment free of physical, verbal, or mental abuse. We also have "zero tolerance" for harassment based on race, color, religion, sex, sexual orientation, gender identity or expression, pregnancy, age, national origin, disability, sexual harassment and/or other actions that might promote an objectionable or work intimidating environment, including unwanted or unsolicited sexual approaches. We have formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of receiving and redressing complaints and have formed a committee to supervise its smooth functioning. The policy also ensures that there are no adverse consequences to the complainant in discrimination and harassment cases. As a matter of policy, we keep the complainant's name anonymous.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Human rights requirements form part of our business agreements and contracts whenever we deal with value chain partners.

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. All our plants and offices have internally been assessed on child labour, forced / involuntary labour, sexual harassment, discrimination at workplace and wages. We have not come across any significant risks / concerns based on internal assessment.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We did not have any cases of human rights grievances / complaints across our sites and operations during the year and therefore believe that the existing systems are working well and does not require any interference.

2. Details of the scope and coverage of any Human rights due-diligence conducted

HR Heads of all Units handle all human rights effects or challenges caused or contributed to by the business. They all are in charge for responding to any issues or complaints with due-diligence.

3. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	We acknowledge that our value chain partners are separate legal entities, yet their business practices and actions may have an influence on or reflect on our business. While we do not assess our value chain partners on said parameters, but we conduct regular audit and analyze our buying practices and internal policies to ensure that our value chain partners are complying with applicable laws, regulations and industry standards.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

4. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 3 above.

Not applicable as mentioned in Question no. 3 above.

Principle 6: Businesses should respect and make efforts to protect and restore the environment
Essential Indicators
1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (in Giga Joules)	FY 2022-23	FY 2021-22
Total electricity consumption (A)	5,60,603	5,30,912
Total fuel consumption (B)	56,54,631	49,14,383
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	62,15,234	54,45,295
Energy intensity per rupee of turnover in lakhs (Total energy consumption in GJ / turnover in rupees in lakhs)	6.34	6.59
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

We do not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	10,33,620	8,23,234
(ii) Groundwater	3,37,072	4,07,358
(iii) Third party water (Municipal water supplies)	95,429	48,546
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater for Bhuj and Chopanki; Packaged drinking water for Head Office)	1,914	22,903
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	14,68,035	13,02,041
Total volume of water consumption (in kilolitres)	14,68,035	13,02,041
Water intensity per rupee of turnover in lakhs (Water consumed in KL / turnover in Lakh Rupees)	1.50	1.58
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have Zero Liquid Discharge at our Bhuj plant.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/nm3	61.64	52.90
SOx	mg/nm3	112.39	91.52
Particulate matter (PM)	mg/nm3	41.20	31.48
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – Ozone Depleting Substances (HCFC – 22, R-22 or CO)	Tonnes	1.27	1.23

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,08,201.87	4,41,601.10
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,34,772	1,27,457
Total Scope 1 and Scope 2 emissions per rupee of turnover in lakhs (MTCO ₂ e / Turnover in lakh Rupees)	Metric tonnes of CO ₂ equivalent	0.66	0.69
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

7. Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.

Yes, all our plants are implementing various projects to reduce greenhouse gas emissions. We are constantly monitoring green energy production processes and outcomes, as well as the diligent implementation of emission reduction programs. Our aim has been to deploy wind and solar energy sources and to continually undertake multiple initiatives at facilities to reduce emissions. Emissions are reduced in a variety of ways at our plants through process innovation. Throughout our plants, we use the Kaizen philosophy (constant improvement). The following are some of the initiatives at our facilities

- At Chopanki and Bhiwadi, replacement of coal fired boilers with Gas fired boilers.
- We have created a green belt covering an area of approximately 4 lakh square meters in and around our largest facility in Bhuj thus expanding our greening project and have planted trees, bushes and grass in and around our Bhuj plant. This also resulted in many endangered species finding refuge in the vast ecosystem we established. There are 57,895 trees in total inside the Bhuj plant area and 43,059 trees outside the premises.
- Our diverse plant projects and green technology solutions decrease energy emissions leading to a reduction of carbon footprint.
- Use of Noltec carbon conveying system and foldable containers has resulted in reduction of plastic jumbo bags.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	3,113.80	3,116.79
E-waste (B)	115.79	106.43
Bio-medical waste (C)	0.03	0.03
Construction and demolition waste (D)	0	0
Battery waste (E)	12.91	1.59
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	511.05	433.67
Other Non-hazardous waste generated (H). Please specify, if any.		
Other Waste - Non-Process waste	27,919.53	19,110.42
Process waste	1,704.50	2,024.57
Total (A+B + C + D + E + F + G + H)	33,377.61	24,793.50

Parameter	FY 2022-23	FY 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	33,231.59	24,718.57
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	33,231.59	24,718.57
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.03	0.03
(ii) Landfilling	145.99	74.90
(iii) Other disposal operations	0	0
Total	146.02	74.93

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our philosophy is “no waste leaving the premises.” Our aim is to evaluate all elements of our value chain and implement risk mitigation strategies as needed. At our plants, we identify and categorize the waste into two streams for effective segregation and disposal: hazardous waste and non-hazardous waste. There are separate storage areas for hazardous and non-hazardous waste. A procedure for handling hazardous and nonhazardous waste is in place to ensure effective monitoring and disposal. Further, to decrease waste, we have used a variety of measures such as selling non-hazardous garbage to a vendor for proper disposal and transporting our products in what our industry jargon refers to as “naked condition” which is a useful technique to minimize waste during the transit stage. Based on the principles of circular economy, the utilization of recycled rubber considerably improves our environmental performance. Rubberized friction fabric is recycled for making specific types of products.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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We do not have any operational sites that fall under the ecological sensitive zones as stated by government authorities.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Carbon Black Plant	S.O. 980 (E) dated 02.03.2021 of MoEF&CC, GoI	29 July 2022	No	Yes	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

We are compliant with the applicable environmental laws / regulations / guidelines in India pertaining to our operations.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	27,438	26,686
Total fuel consumption (B)	737	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	28,175	26,686
From non-renewable sources		
Total electricity consumption (D)	5,33,165	5,04,226
Total fuel consumption (E)	56,53,894	49,14,383
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	61,87,059	54,18,609

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	297.02*	276.00*
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	297.02	276.00

* To Local Municipal Corporation

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Bhiwadi, Bhuj, Chopanki and Waluj plants are located in over exploited and semi-critical category of water stress area as per Central Ground Water Board (CGWB).
- (ii) Nature of operations: Tire Manufacturing
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	10,33,620	8,23,234
(ii) Groundwater	3,37,072	4,07,358
(iii) Third party water	91,532	44,670
(iv) Seawater / desalinated water	0	0
(v) Others	1,735	22,785
Total volume of water withdrawal (in kilolitres)	14,63,959	12,98,047
Total volume of water consumption (in kilolitres)	14,63,959	12,98,047
Water intensity per rupee of turnover in lakhs (Water consumed in KL / turnover In Lakhs)	1.49	1.57
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited has carried out external independent assurance for the above disclosure.

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	Metric tonnes of CO ₂ equivalent	Currently, we do not track our scope 3 emissions.	
Total Scope 3 emissions per rupee of turnover	-		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Captive Power Plant - Installation of Continuous Emission Monitoring System ('CEMS')	Installation of online CEMS at all fuel boilers stack for monitoring emission parameter within limit as per norms.	Effective monitoring of emission
2.	Heat recovery from boiler flue gas	Heat recovery through condensing economiser in gas boiler and reduce flue gas outlet temperature.	Reduction of Natural gas consumption
3.	Reduction in Gas Boiler fuel consumption.	Increasing feed water temperature and intake air temperature in Gas Boiler and found Steam Vs Fuel ratio: 13 Kg/Standard Cubic Meter to 14.3 Kg/Standard Cubic Meter.	Reduction of Natural gas consumption
4.	Renewable energy generation through wind power plant (1.25 MW X 4 Nos.-5 MW) at Jaisalmer.	Through wind power plant (4 Nos. X 1.25 MW-5 MW) at Jaisalmer.	Reduction in GHG emission of Co2
5.	Energy conservation by replacing with energy efficient motors	By replacing IE-1 type motor with IE-3 type energy efficient motors.	Reduction in GHG emission of Co2
6.	Replacing centrifugal air blowers in air washers	EC+ type air blowers were provided in air washers in place of centrifugal air blowers.	Reduction in GHG emission of Co2
7.	Replacement of fluorescent T-5 type 2 X 36 W and 2 X 28 W fittings with LED fittings	Conventional fluorescent type T-5 type fitting replaced with LED lights.	Reduction in GHG emission of Co2

7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Our Supplier Manual, in conjunction with established criteria, vendor screening and precise quality control, ensures exceptional outcomes in terms of quality, efficiency and sustainability. Currently we have not come across any adverse impact on environment arising from the value chain partners of the entity.

8. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We currently do not assess our value chain partners on the environmental impacts. However, our due diligence process and procedures ensure that no such adverse impacts are caused due to our value chain activities across all our locations and operating sites.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers / associations.**
We are a member of 9 trade and industry chambers / associations.
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	All India Rubber Industries Association (AIRIA)	National
2	Bombay Chamber of Commerce (BCC)	National
3	Chemical and Allied Export Promotion Council of India (CAPEXIL)	National
4	Federation of Indian Export Organization (FIEO)	National
5	IMA Chief Human Resource Officer Forum (CHRO)	National
6	The European Tire and Rim Technical Organization (ETRTO)	International
7	The Tire and Rim Association (T and RA)	International
8	Bhiwadi Manufacturers Association (BMA)	National
9	Chambers of Marathwada Industries and Agriculture (CMIA)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

The Company has not received any adverse orders from regulatory authorities during the year related to any anti-competitive conduct.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not applicable as no such assessment has been done. However, the Company has conducted CSR impact assessment by independent external agency which is part of this annual report.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not applicable.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company does not have specific grievance redressal mechanism, but the Company regularly engages with local communities and addresses their grievances, if any.

The Inclusive Growth and Equitable Development Policy is accessible on the Company's Website https://www.bkt-tires.com/downloads/14261/11778/Inclusive_Growth_and_Equitable_Development_Policy.pdf

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	4%	4%
Sourced directly from within the district and neighboring districts	1.74%	1.55%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
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Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
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We have not undertaken any CSR projects that fall under the list of aspirational districts.

- 3.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

We do not have formal mechanism to track this information.

- (b) From which marginalized /vulnerable groups do you procure?

We do not have formal mechanism to track this information.

- (c) What percentage of total procurement (by value) does it constitute?

We do not have formal mechanism to track this information.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
We do not have any intellectual properties based on traditional knowledge.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
We do not have any intellectual properties based on traditional knowledge.		

6. Details of beneficiaries of CSR Projects:

We have total of 21 CSR projects out of which top 3 CSR projects basis spent are listed below:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) – We are partnering with BAVP for expansion of the hospital infrastructure. The Trust has undertaken to build an additional floor (3 rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.	This infrastructure project is currently under development	
2 (a).	The Akshaya Patra Foundation -Mid day Meals – Partnering for serving Mid-day meals to children in various school at Bhuj (Gujarat)	23,000	100%
2 (b).	The Akshaya Patra Foundation - Kitchen Capex- Partnering for Capex in Bhuj Kitchen for providing 50 Big Crates, 100 Crates with holes, 10 Slotted Angle Raks, 6 Vehicle- Mahindra Bolero, 100 Small Meal distribution vessels, 8 Roti Collecting Tray, 2 Hand Pallet Trucks, 1 Atta Kneading Machine, 30 KW Goldi make Solar panel for Solar Roof Top and 1 Auto Rikshaw at Bhuj (Gujarat). Also providing Atta Kneading Machine-75 Kg per batch capacity.7.5 HP Motor, Reverse and Forward Movement and Jet Pressure Pump IPC C23 plus Water Jet pressure Pump with Accessories (Roto brush M22 and IPC Fixed Brushed M22, etc.), miscellaneous kitchen items, including vessels.	50,000	100%
3	Muktangen Education- Contribution for the provision of quality, holistic, inclusive education to students and in-service teacher in Gokhale Road South Mumbai Public School	495 students 68 teachers	100%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We believe that prompt customer service is critical to establish trust with our customers and maintaining a strong customer service reputation. We have a robust mechanism in place to receive and incorporate suggestions to assure an excellent customer experience. We conduct customer assessment surveys and document customer feedback. We are committed to keeping our customers informed throughout the grievance resolution process and in providing regular updates on the status of their complaints and the actions taken to address their complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	94%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	Not applicable as we do not deliver essential services					
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other- Product related	5,991	6	*	4,549	6	*

* Pending complaints are in process of resolution.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	There were no instances of voluntary / forced product recalls on account of safety	
Forced recalls	issues in the FY 2022-23.	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. -

Our company has a strong system in place to prevent unauthorized access to our IT systems and servers, thereby protecting our IT assets. We recognize that our customers and stakeholders place their trust in us to protect their personal and sensitive data. We have implemented a comprehensive set of policies and practices that govern our information security and data protection activities to ensure cyber security and data privacy. These policies and practices are reviewed and updated on a regular basis to ensure that they reflect the most recent industry standards and best practices.

The Cyber Security and Data Privacy Policy is accessible on the Company's Website https://www.bkt-tires.com/downloads/14266/11783/Cyber_Security_and_Data_Privacy_Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

We understand the significance of protecting privacy, cyber security and the requirement for appropriate controls while collecting, transferring, storing and processing personal data. We anticipate that all information will be handled properly and responsibly in accordance with the applicable laws. At BKT, we have robust systems in place to deal with any issues relating to cyber security. Our IT team investigates the incident, if any, and takes appropriate corrective actions.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Our product information is available on our websites. We also organize and participate in various events to spread the word about our products. Our website can be accessed at <https://www.bkt-tires.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

We periodically organize various events to educate our consumers about the safe and responsible usage of our products. Each tire is provided with safety warning plate containing inflation pressure and load / speed index duly engraved on side wall of tire. We also share SOPs with our customers for safe and responsible usage of tire.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

Not applicable. We do not provide essential services.

4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, we display all relevant product information in accordance with the highest legal standards mandated by the national and state laws. Further, we also display additional product information which enables customer to use our final product more efficiently.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) -

Yes, we conduct customer satisfaction surveys on a regular basis and the results are presented during management review meeting.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

CORPORATE GOVERNANCE REPORT

Corporate governance is a critical aspect of promoting fairness, transparency, accountability, commitment to values, and ethical business conduct. It encompasses a set of rules, processes, and laws that govern the operation, regulation, and control of businesses. The ultimate goal of corporate governance is to consider the interests of all stakeholders involved in the business, including shareholders, customers, suppliers, government regulators, and management.

By ensuring transparency, corporate governance contributes to strong and balanced economic development. It also safeguards the interests of both majority and minority shareholders, promoting fairness and equity. Furthermore, corporate governance plays a crucial role in managing operational risks and ensuring the sustainability of a corporation. It influences the establishment and achievement of the company's objectives, the monitoring and assessment of risks, and the optimization of performance.

While corporate governance extends beyond corporate law, its primary objective is not solely to meet legal requirements. It emphasizes the commitment of the board of directors to manage the company in a transparent manner, incorporating ethics to maximize long-term shareholder value. Corporate governance acts as a structure and framework that governs corporate direction and performance.

The board of directors holds a dominant role in corporate governance, as it is responsible for enhancing shareholders' value and protecting the interests of other stakeholders. By improving corporate performance and accountability, the board ensures the long-term success and sustainability of the company.

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

Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour of ethical and transparent business operations. Balkrishna Industries Limited has over the years followed best practices of Corporate Governance by adhering to practices of trusteeship, transparency and accountability. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a Global leader while upholding the core values of Quality, Trust, Leadership and Excellence. The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. In addition to compliance with regulatory requirements, Balkrishna Industries Limited endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

The Company is in compliance with the requirements stipulated under various Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013 ("the Act") as amended from time to time as applicable, with regard to Corporate Governance.

GOVERNANCE STRUCTURE

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

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

2. COMPOSITION OF THE BOARD OF DIRECTORS:

- i. As on 31st March, 2023, the Company has Eight Directors. Out of the Eight Directors, Three are Executive Directors and Five (more than 62%) are Non- Executive Directors of which Four (50%) are Independent Directors including one - woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds Directorships in more than seven listed entities during the year 1st April, 2022 to 31st March, 2023. Also no Independent Director serves as an Independent Director in more than seven listed entities, and Whole-time Director, Managing Director and Joint Managing Director of the Company doesn't serve as an Independent Director in any listed entity.

Further none of them is a member of more than ten committees or chairman of more than five committees across all the Public Companies in which they are Director.

- iii. Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of the Independent Directors is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board has confirmed that all the Independent Directors of the Company meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.
- iv. During the financial year 2022-23 the Board of Directors met Five times i.e. 13th May, 2022, 4th August, 2022, 14th November, 2022, 11th February, 2023 and 18th March, 2023. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards on the Meeting of Board of Directors issued by The Institute of Company Secretaries of India.
- The necessary quorum was present for all the meetings.
- v. In case of business exigencies, the Board's approval is taken through circular resolution/s.
- The circular resolution/s are noted at the subsequent Board Meeting.
- vi. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2022-23 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Category of Director	Board Meetings Attended	Whether attended last Annual General Meeting	No. of Directorships held in other public companies as on 31 st March, 2023	No. of Committee positions held in other public companies as on 31 st March, 2023	
					Member	Chairman
Mr. Arvind Poddar DIN: 00089984	Chairman & Managing Director	5/5	Present	-	-	-
Mr. Rajiv Poddar DIN: 00160758	Joint Managing Director	5/5	Present	-	-	-
Mrs. Vijaylaxmi Poddar DIN: 00160484	Non-Executive Non-Independent Director	5/5	Present	-	-	-
Mr. Vipul Shah DIN: 05199526	Director & Company Secretary	5/5	Present	-	-	-
• Mr. Pannkaj Ghadiali DIN: 00003462	Non-Executive Independent Director	5/5	Present	1	1	-
Mrs. Shruti Shah DIN: 08337714	Non-Executive Independent Director	5/5	Present	3	1	-
Mr. Rajendra Hingwala DIN: 00160602	Non-Executive Independent Director	5/5	Present	2	-	2
Mr. Sandeep Junnarkar DIN: 00003534	Non-Executive Independent Director	4/5	Present	2	2	-

- Mr. Pannkaj Ghadiali has been reappointed for a second term of five years from 8th November, 2022 to 7th November, 2027 which was approved by the Members at its 60th Annual General Meeting held on 7th July, 2022.

Name of the Director	Directorship in Other Listed Entity and Category of Directorship	
	Names of the Listed Entities	Category of Directorship
Mr. Pannkaj Ghadiali	• Goldiam International Limited	Non-Executive Independent Director
Mrs. Shruti Shah	• Kalyani Steels Limited • Kalyani Investment Company Limited • Jai Corp Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
Mr. Rajendra Hingwala	• DEN Network Limited	Non-Executive Independent Director
Mr. Sandeep Junnarkar	• Reliance Industrial Infrastructure Limited	Non-Executive Independent Director

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

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

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

KEY SKILLS, EXPERTISE AND COMPETENCE

Name of Director	Global Business	Leadership	Sales and Marketing	Financial	Technology	Governance	Understanding of industry and operations
Mr. Arvind Poddar	√	√	√	√	√	√	√
Mr. Rajiv Poddar	√	√	√	√	√	√	√
Mrs. Vijaylaxmi Poddar	√	√	√	√	-	√	√
Mr. Vipul Shah	√	√	-	√	-	√	√
Mr. Pannkaj Ghadiali	√	√	-	√	√	√	-
Mrs. Shruti Shah	-	-	-	√	-	√	-
Mr. Rajendra Hingwala	-	√	-	√	-	√	-
Mr. Sandeep Junnarkar	-	-	-	-	-	√	-

Information placed before the Board

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

Post Meeting Mechanism

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

Board Support

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

Compliance with the Code of Conduct

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

The Chairman & Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2022-23.

Prohibition of Insider Trading

The Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons ("the Code") is applicable to Promoters and Promoter's Group, Key Managerial Personnel, all Directors and such Designated Persons including Connected

Persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Vipul Shah is the Compliance Officer for monitoring adherence to the said Regulations. During the financial year under review, there has been due compliance with the said code.

This above mentioned Code is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk>

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

Shares held by Non – Executive Director as on 31st March, 2023:

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

The Company has not issued any convertible instruments.

ix. Disclosure of relationship between Directors inter-se:

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

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

x. Familiarization program for Independent Directors:

The Company has a Familiarisation programme for its Independent Directors. At the time of appointing New Non- Executive Director, a formal letter of appointment is given to them, which inter alia explains their role, function, duties and responsibilities in the Company. Executive Directors provide an overview of Company's business operations to New Non-Executive Directors. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Further on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiary's business and operations, industry, strategy, finance and other relevant matters.

At each meeting of the Board and other committees, members also deliberate on the key integrity matters that help to reflect focus on key strategies. The members also discuss various sustainability initiatives of the Company and impact thereof.

The details of the familiarisation programme for Directors is available on the Company's website, viz. <https://www.bkt-tires.com/en/investors-desk>.

3. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV to the Act and Regulation 25(3) & (4) of the Listing Regulations, the Company's Independent Directors meeting for the Financial Year 2022-23 was held on 18th March, 2023 inter alia to:

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

All Independent Directors were present at the meeting. Mr. Pannkaj Ghadiali was unanimously elected as the Chairman of the said meeting of Independent Directors.

4. COMMITTEES OF THE BOARD:

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

I. AUDIT COMMITTEE:

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

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

- To review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
- To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- To Evaluate internal financial controls and risk management systems;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process.

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

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

The Committee met four times during the financial year 2022-23. The meetings were held on 13th May, 2022, 4th August, 2022, 14th November, 2022 and 11th February, 2023. The maximum gap between two meetings was less than one hundred and twenty days.

COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	4/4
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	3/4

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

Mr. Pannkaj Ghadiali, Chairman of the Audit committee, attended the Annual General Meeting of the Company held on 7th July, 2022.

II. NOMINATION AND REMUNERATION COMMITTEE:

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

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

1. Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the directors, Key Managerial Personnel and senior management personnel;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Discuss on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
5. Recommend to Board all remuneration in whatever form payable to Senior Management.

The committee met two times during the financial year 2022-23. The meetings were held on 13th May, 2022 and 18th March, 2023.

COMPOSITION AND MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	2/2
Mrs. Shruti Shah	Non - Executive Independent Director	Member	2/2
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	2/2
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	2/2

Mr. Pannkaj Ghadiali, the Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on 7th July, 2022.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board read with relevant provisions of Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of Independent Directors and the Board as a whole. Separate Independent Directors meeting for the Financial Year 2022-23 was held on 18th March, 2023.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated in their meeting held on 18th March, 2023. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

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

REMUNERATION OF DIRECTORS;

a) Remuneration Policy:

The Remuneration Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company. The remuneration policy is in consonance with the existing industry practice. The Nomination and Remuneration Policy is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk>.

b) Remuneration to Non-Executive Directors:

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

Name of the Director	Sitting Fees (₹ In Lakhs)	Terms of Appointment
Mrs. Vijaylaxmi Poddar	3.50	Retire by Rotation
Mr. Pannkaj Ghadiali	7.25	The second term of appointment is for five consecutive years from 8 th November, 2022 to 7 th November, 2027 as approved by the members in the 60 th Annual General Meeting held on 7 th July, 2022.
Mrs. Shruti Shah	7.50	The term of appointment is for five consecutive years from 8 th February, 2019 to 7 th February, 2024 as approved by the members in 57 th Annual General Meeting held on 13 th July, 2019.
Mr. Rajendra Hingwala	5.50	The term of appointment is for five consecutive years from 28 th March, 2019 to 27 th March, 2024 as approved by the members in 57 th Annual General Meeting held on 13 th July, 2019.
Mr. Sandeep Junnarkar	5.50	The term of appointment is for five consecutive years from 28 th March, 2019 to 27 th March, 2024 as approved by the members in 57 th Annual General Meeting held on 13 th July, 2019.
TOTAL	29.25	

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

The remuneration of Directors (Executive and Non-Executive)/ Key Managerial Personnel/ Senior Management Personnel was governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders (Directors - Executive and Non-Executive) of the Company. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

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

The details of the remuneration of Directors for the year ended 31st March, 2023 are given below:

(₹ In Lakhs)

Name of the Director	Salary	Perquisites & allowances #	Commission	Total	Service Contract
Mr. Arvind Poddar	300.00	253.89	3300.00	3853.89	1 st August, 2021 to 31 st July, 2026
Mr. Rajiv Poddar	240.00	201.69	3300.00	3741.69	22 nd January, 2019 to 21 st January, 2024
Mr. Vipul Shah	35.52	51.96	-	87.48	11 th February, 2022 to 10 th February, 2027
TOTAL	575.52	507.54	6600.00	7683.06	

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

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

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Committee met four times during the financial year 2022-23. The meetings were held on 12th May, 2022, 4th August, 2022, 14th November, 2022 and 11th February, 2023.

COMPOSITION AND MEETINGS OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	3/4
Mr. Vipul Shah	Director & Company Secretary	Member	4/4

Mr. Pannkaj Ghadiali, the Chairman of the Stakeholders' Relationship Committee, attended the Annual General Meeting of the Company held on 7th July, 2022.

During the year, 29 complaints were received which were resolved within stipulated time. There were no complaints pending as on 31st March, 2023.

As at 31st March 2023, there was no Share Transfer pending for Registration for more than 15 days.

COMPLIANCE OFFICER:

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

IV. OTHER COMMITTEES OF THE BOARD:

a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

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

The Committee met four times during the financial year 2022-23. The meetings were held on 12th May, 2022, 4th August, 2022, 14th November, 2022 and 11th February, 2023.

COMPOSITION AND MEETINGS OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mrs. Vijaylaxmi Poddar	Non-Executive Non-Independent Director	Chairperson	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Rajiv Poddar	Joint Managing Director	Member	4/4
Mr. Vipul Shah	Director & Company Secretary	Member	4/4

b. Business Responsibility and Sustainability Committee

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

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

- To frame Business Responsibility & Sustainability Reporting Policies and its review from time to time;
- To ensure Business Responsibility & Sustainability Report is prepared as required by Regulation 34(2)(f) of the Listing Regulations;
- To ensure effective implementation and monitoring of Business Responsibility & Sustainability Reporting activities. The committee met annually during the financial year 2022-23 on 12th May, 2022.

COMPOSITION AND MEETING OF THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	1/1
Mr. Arvind Poddar	Chairman & Managing Director	Member	1/1
Mr. Rajiv Poddar	Joint Managing Director	Member	1/1
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	1/1

c. FINANCE COMMITTEE

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

- To do all acts, deeds related to Forex Related Transactions of the Company (including Derivative Transaction);
- To open, operate, give instructions for operating, closing or any other instructions in relation to any of the Bank Account(s), including EEFC Accounts, of the Company and to authorise other officials of the Company to operate and give instructions for operating the Bank Account/s of the Company and consequently add / delete/ modify the list of such authorised signatories;
- To avail Internet Banking Facility / Online Banking Facility (Including third party payment rights) / view right or access facility from any of the Bank for existing Bank Accounts or New Bank Accounts to be opened in the name of the Company;
- To invest the surplus funds of the company as and when available not exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more;

The committee met eight times during the financial year 2022-23. The meetings were held on 8th April, 2022, 21st May, 2022, 13th June, 2022, 20th July, 2022, 5th August, 2022, 22nd September, 2022, 22nd October, 2022 and 17th December, 2022.

COMPOSITION AND MEETINGS OF THE COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Arvind Poddar	Chairman & Managing Director	Chairman	8/8
Mr. Rajiv Poddar	Joint Managing Director	Member	8/8
Mr. Vipul Shah	Director & Company Secretary	Member	8/8

Mr. Madhusudan Bajaj - Sr. President and Chief Financial Officer is the permanent invitee to the meeting.

d. RISK MANAGEMENT COMMITTEE

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

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Board also approved "Risk Management Report" at its Board meeting held on 18th March, 2023, as recommended by the Committee.

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

The committee met two times during the financial year 2022-23. The meetings were held on 24th September, 2022 & 18th March, 2023.

COMPOSITION OF THE COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	2/2
Mr. Arvind Poddar	Chairman & Managing Director	Member	2/2
Mr. Vipul Shah	Director & Company Secretary	Member	2/2

5. GENERAL BODY MEETING:

a. Details of the last three Annual General Meetings:

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

Year	Location	Date	Time	Special Resolution Passed
2019-2020 58 th AGM	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	12 th August, 2020	11.00 AM	No Special Resolutions were passed in the meeting.
2020-2021 59 th AGM	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	30 th June, 2021	11.00 AM	No Special Resolutions were passed in the meeting.
2021-2022 60 th AGM	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	7 th July, 2022	11.00 AM	Two Special Resolutions were passed in the meeting.

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

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

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

There is no immediate proposal for passing any resolution through postal ballot.

6. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results of the Company are published in Business Standard and Lokmat. The results are also displayed on the Company's website <https://www.bkt-tires.com/en/investors-desk>. Detailed Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website and are sent to the Stock Exchanges for dissemination. Audio recordings and Transcript of conference call with Investors/Analysts conducted for discussion of results are simultaneously uploaded on the Stock Exchanges and Company's website. A Directors' Report & Management Discussion and Analysis Report is a part of the Company's Annual Report.

7. GENERAL SHAREHOLDER INFORMATION:

a. ANNUAL GENERAL MEETING:

Date	Saturday, the 22 nd July, 2023
Time	11:00 a.m.
Venue	Annual General Meeting through Video Conferencing/other Audio Visual Means (VC/OAVM facility) Deemed Venue for the meeting : Registered Office B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431 136, Maharashtra

b. FINANCIAL YEAR: commencing from 1st April and ending on 31st March. Financial Calendar:

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

Sr. No.	Particulars of Quarter	Tentative Dates
1	First Quarter Results	On or before 14 th August, 2023
2	Second Quarter & Half Yearly Results	On or before 14 th November, 2023
3	Third Quarter & Nine-months Results	On or before 14 th February, 2024
4	Fourth Quarter & Annual Results	On or before 30 th May, 2024.

c. DIVIDEND PAYMENT DATE:

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

Interim Dividend	Dividend Payment date	₹ Per Equity Share
1 st Interim Dividend	26 th August, 2022	4/-
2 nd Interim Dividend	5 th December, 2022	4/-
3 rd Interim Dividend	1 st March, 2023	4/-

The Board of Directors at their Meeting held on 27th May, 2023 has recommended final dividend of ₹ 4/- per equity share for financial year 2022-23, subject to the approval from Shareholders. The dividend if declared at the Annual General Meeting shall be paid on or after 22nd July, 2023 but within the statutory time limit, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 11th July, 2023, and in respect of the shares held in dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Unclaimed Dividend/ Shares

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

 Details of Unclaimed dividend as on 31st March, 2023 and due date of transfer is as follows:

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
Interim Dividend*	2015-2016*	9 th March, 2016	15 th April, 2023*
1 st Interim Dividend	2016-2017	10 th September, 2016	17 th October, 2023
2 nd Interim Dividend	2016-2017	30 th November, 2016	06 th January, 2024
3 rd Interim Dividend	2016-2017	10 th February, 2017	19 th March, 2024
Final Dividend	2016-2017	9 th September, 2017	14 th October, 2024
1 st Interim Dividend	2017-2018	29 th July, 2017	02 nd September, 2024
2 nd Interim Dividend	2017-2018	8 th November, 2017	13 th December, 2024
3 rd Interim Dividend	2017-2018	14 th February, 2018	21 st March, 2025
Final Dividend	2017-2018	14 th July, 2018	21 st August, 2025
1 st Interim Dividend	2018-2019	11 th August, 2018	18 th September, 2025
2 nd Interim Dividend	2018-2019	5 th November, 2018	9 th December, 2025
3 rd Interim Dividend	2018-2019	8 th February, 2019	15 th March, 2026
Final Dividend	2018-2019	13 th July 2019	12 th August 2026
1 st Interim Dividend	2019-2020	10 th August, 2019	14 th September, 2026
2 nd Interim Dividend	2019-2020	14 th November, 2019	18 th December, 2026
3 rd Interim Dividend	2019-2020	14 th February, 2020	20 th March, 2027
1 st Interim Dividend	2020-2021	13 th August, 2020	16 th September, 2027
2 nd Interim Dividend	2020-2021	6 th November, 2020	9 th December, 2027
3 rd Interim Dividend	2020-2021	8 th February, 2021	14 th March, 2028
Final Dividend	2020-2021	30 th June, 2021	1 st August, 2028

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
1 st Interim Dividend	2021-2022	6 th August, 2021	6 th September, 2028
2 nd Interim Dividend	2021-2022	11 th November, 2021	12 th December, 2028
3 rd Interim Dividend	2021-2022	14 th February, 2022	17 th March, 2029
Final Dividend	2021-2022	7 th July, 2022	11 th August, 2029
1 st Interim Dividend	2022-2023	4 th August, 2022	5 th September, 2029
2 nd Interim Dividend	2022-2023	14 th November, 2022	20 th December, 2029
3 rd Interim Dividend	2022-2023	11 th February, 2023	19 th March 2030

* With respect to Interim Dividend 2015-16 the Company has transferred Unclaimed Dividend and Shares to 'Investor Education and Protection Fund' within the stipulated time.

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

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

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

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

During the year under review, the Company has transferred Unclaimed Dividend and Shares to 'Investor Education and Protection Fund' on 23rd August, 2022 and 15th September, 2022 respectively.

Nodal Officer

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

d. COMPANY'S SHARES ARE LISTED ON:

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Limited 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
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Annual listing fee as applicable for the year 2022-23 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

e. STOCK CODES/SYMBOL:

BSE: 502355 (Equity) NSE: BALKRISIND (Equity)

BSE: 973556 (Debt)

ISIN No.: INE787D01026 (Equity)

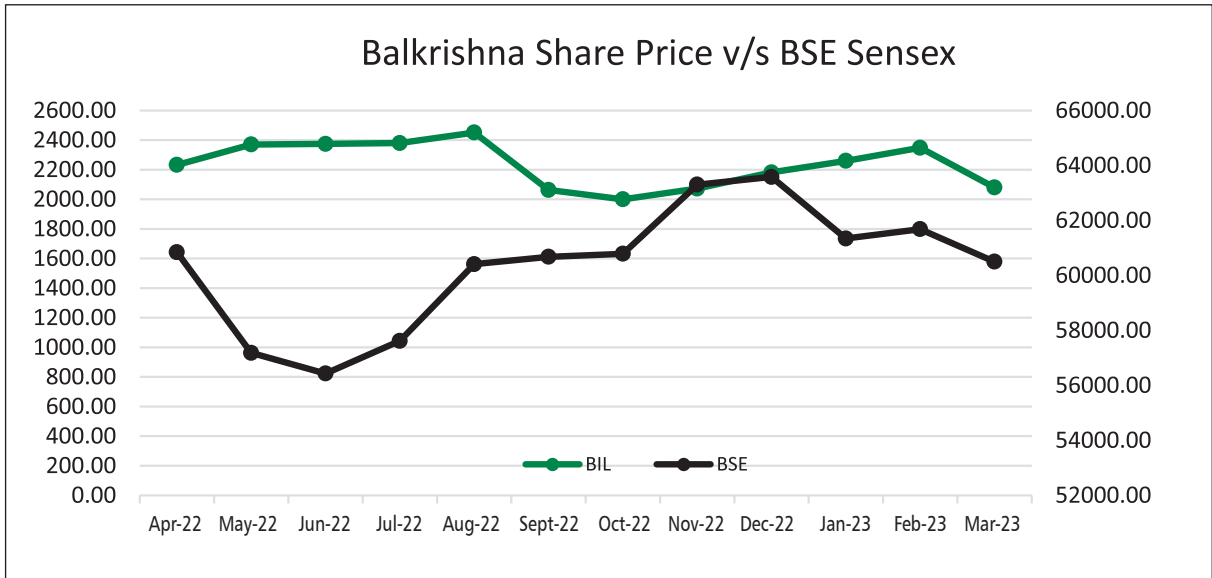
ISIN No.: INE787D08021 (Debt)

f. MARKET PRICE DATA (In ₹):

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April 2022	2232.70	2017.50	2231.85	2016.00
May 2022	2370.35	1881.55	2370.40	1880.50
June 2022	2374.40	2025.00	2375.00	2053.35
July 2022	2380.00	2109.00	2365.00	2109.50
August 2022	2451.00	1965.35	2450.00	1975.00
September 2022	2063.40	1825.05	2064.95	1825.00
October 2022	2000.00	1862.50	2003.80	1862.00
November 2022	2072.40	1801.00	2073.80	1796.30
December 2022	2182.00	2030.00	2182.50	2030.00
January 2023	2259.60	2100.00	2260.00	2100.05
February 2023	2347.85	1975.00	2350.00	1974.05
March 2023	2079.55	1912.30	2079.45	1908.90

{Source: www.bseindia.com & www.nseindia.com}

g. Performance of the share price of the Company in comparison to the BSE Sensex:



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

Not Applicable

i. REGISTRAR AND SHARE TRANSFER AGENT:

Name and Address : KFin Technologies Limited
(Unit: Balkrishna Industries Limited)
Selenium Tower B, Plot No. 31-32 Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana

Toll free No: 1- 800-309-4001

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person:

Mr. Ganesh Chandra Patro
Assistant Vice President
Contact Number- 040- 6716 1630

Mumbai address (for shareholder services):

24 B, Raja Bahadur Mansion, Ground Floor, 6, Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai - 400 001
Phone: +91 022 66235454

j. SHARE TRANSFER SYSTEM:

The shares of the Company can be transferred / traded only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Share transfer request is processed within stipulated time, subject to documents being valid and complete in all respects. The company has delegated the authority to Share Transfer Agent. All documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Share Transfer Agent directly.

A summary of transfer/ transmission of securities of the Company so approved by the Company Secretary is placed at Quarterly Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges under Regulation 40(10).

k. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2023:

Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares	% Shareholding
1 - 500	143517	97.76	4222582	2.18
501 - 1000	1215	0.83	895950	0.46
1001 - 2000	739	0.50	1095281	0.57
2001 - 3000	298	0.20	773524	0.40
3001 - 4000	161	0.11	573980	0.30
4001 - 5000	121	0.08	557519	0.29
5001 - 10000	292	0.20	2076010	1.07
10001 & Above	461	0.32	183122344	94.73
TOTAL:	146804	100.00	193317190	100.00

Categories of Shareholding as on 31st March, 2023:

Categories of Shareholders	No. of Shares	% of Total Shares
Promoter and Promoter Group (A)	112690200	58.29
Public Shareholding (B)		
Mutual Funds/UTI	21977377	11.37
Financial Institutions/Banks	346556	0.18
Bodies Corporate	1604819	0.83
Individuals	13967935	7.23
Any Other		
NRI's	673189	0.35
Trust	209893	0.11
Foreign Portfolio Investor	24022045	12.43
Clearing Members	122637	0.06
Alternative Investment Fund	435059	0.23
IEPF	448854	0.23
Qualified Institutional Buyer	16479637	8.52
H U F	337194	0.17
NBFCs Registered with RBI	1795	0.00
Total Public Shareholding (B)	80626990	41.71
Total Shareholding (A+B)	193317190	100.00

l. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories. As on 31st March, 2023, 99.71% of Company's shares were dematerialized.

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

Not Applicable.

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

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

o. **PLANT LOCATIONS:**

Tire Manufacturing:	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra) F 19/20, Gut no 62, 65, 66, Waluj MIDC, Village Wadgaon Kolhati, Aurangabad 431 136 (Maharashtra) SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019 Dist: Alwar (Rajasthan) A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, Dist: Alwar (Rajasthan) Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Carbon Black Manufacturing:	Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Mould Manufacturing:	C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203, Dist: Thane (Maharashtra)
Drum Manufacturing :	Plot No. TS-1, MIDC Phase II, Opp. Don Bosco School, Manpada Road, Sagaon, Dombivli (E) 421204 (Maharashtra)
Wind farm:	Village Soda Mada, Tehsil: Fatehgarh 345 027, Dist: Jaisalmer (Rajasthan)

p. **ADDRESS FOR CORRESPONDENCE: BALKRISHNA INDUSTRIES LIMITED.**

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

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

During the last financial year 2021-2022 Company has issued 5000 Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹ 10 Lakh each aggregating to ₹ 500 Crores, In respect of that the Company has obtained updated credit rating as mentioned below :

Credit Rating Agency	Care Ratings Limited
Credit Rating	CARE AA; Positive(Double A; Outlook:Positive)

r. **DEBENTURE TRUSTEE :**

AXIS TRUSTEE SERVICES LIMITED

The Ruby, 2nd Floor, SW, 29 Senapati
Bapat Marg, Dadar west, Mumbai – 400028
Website: www.axistrustee.in

8. OTHER DISCLOSURES:

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2022-23 were on arm's length basis. During the year, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the Policy on materiality of related party transactions and dealing with related party transactions. The policy on materiality of related party transactions has been displayed on the Company's website <https://www.bkt-tires.com/en/investors-desk>.

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

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

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

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

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

c. Vigil Mechanism/ Whistle Blower Policy:

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

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

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

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

e. Subsidiary Companies:

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

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

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

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

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

Not Applicable

h. Cyber Security:

The Company has adopted Cyber Security and Data Privacy Policy. The Company recognizes that in today's fast growing digital world, one must be equally conscious of cyber threats. The Company has a robust system to prevent any intrusion into their IT systems and servers thereby protecting the IT assets of the Company.

i. Insurance:

The Company has taken Directors' and Officers' Liability Insurance Policy for all the Independent Directors of the Company. It is intended to maintain such insurance cover for the entire period of re-appointment, subject to the terms of such policy is renewed from time to time.

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

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

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

Particulars	₹ in Lakhs
Fees for audit and related services paid to M/s. JAYANTILAL THAKKAR & CO. and to entities of the network of which the auditor is a part	139
Other fees paid to M/s. JAYANTILAL THAKKAR & CO. and to entities of the network of which the auditor is a part	3
Total	142

- I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

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

- m Annual Secretarial Compliance report:

Company has obtained Annual Secretarial Compliance report from G.B.B Babuji, Practicing Company Secretary of the Company.

9. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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

10. ACCOUNTING TREATMENT:

Disclosure of accounting treatment different from accounting standards: None

11. DISCRETIONARY REQUIREMENTS:

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

12. COMPLIANCE WITH GOVERNANCE FRAMEWORK:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations. The Company also has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

This Corporate Governance Report of the Company for the year 2022-23 is in compliance with the requirements of Corporate Governance under Regulation 27(2) of Listing Regulation

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 27th May, 2023

ARVIND PODDAR
Chairman & Managing Director
DIN: 00089984

COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS

To,
The Members of
Balkrishna Industries Limited

I, Arvind Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare as required under Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with Balkrishna Industries Limited Code of Conduct of Board of Directors and senior management for the year ended 31st March, 2023.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 27th May, 2023

ARVIND PODDAR
Chairman & Managing Director
DIN: 00089984

CEO / CFO CERTIFICATION

We the undersigned to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Balkrishna Industries Limited

ARVIND PODDAR
Chairman & Managing Director

Place : Mumbai,
Dated : 27th May, 2023

For Balkrishna Industries Limited

MADHUSUDAN BAJAJ
Sr. President (Commercial) and CFO

INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

To the Members of
BALKRISHNA INDUSTRIES LIMITED

1. The Corporate Governance Report prepared by Balkrishna Industries Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2023. This report is required by the Company for annual submission to the Stock exchange.

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

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2023, referred to in paragraph 4 above.

Other matters and restriction on use

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

VIRAL A. MERCHANT
Partner

Membership No. 116279

UDIN: 23116279BGWHRN7231

PLACE: Mumbai
DATE: 27th May, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Balkrishna Industries Limited having CIN L99999MH1961PLC012185 and having Registered Office at B-66, Waluj Industrial Area, Waluj, Aurangabad 431136, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company	Date of cessation during the year
1.	SHRI ARVIND PODDAR	00089984	31/01/2004	--
2.	SHRI RAJIV PODDAR	00160758	22/01/2009	--
3.	SHRI VIPUL SHAH	05199526	11/02/2012	--
4.	SMT. VIJAYLAXMI PODDAR	00160484	30/05/2012	--
5.	SHRI PANNKAJ CHIMANLAL GHADIALI	00003462	08/11/2017	--
6.	SMT. SHRUTI ANUP SHAH	08337714	08/02/2019	--
7.	SHRI SANDEEP JUNNARKAR	00003534	28/03/2019	--
8.	SHRI RAJENDRA DWARKADAS HINGWALA	00160602	28/03/2019	--

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

G.B.B. Babuji
Practicing Company Secretary
FCS No.1182, CP No.8131
PR 1353/2021
UDIN F001182E000354051

Place: Navi Mumbai
Date: 23rd May, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of

BALKRISHNA INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Balkrishna Industries Limited (the Company), which comprise the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Description of Key Audit Matters

The key audit matters	How our audit addressed the matter
<p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2023, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various locations of the Company was ₹ 1,93,576 lakhs in the current year as set out in Note No.2. Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Standalone Financial Statements are considered to be adequate.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTER

The comparative financial information of the Company for the year ended 31st March, 2022, prepared in accordance with Ind AS, included in the standalone financial statements have been audited by the predecessor auditors. The report of the predecessor auditors on these comparative financial information dated 13th May, 2022 expressed an unmodified opinion.

Our opinion on the Statement is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including

foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
As stated in Note No. 50 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

VIRAL A. MERCHANT
PARTNER

MEMBERSHIP NO. 116279
UDIN: 23116279BGWHRL9494

PLACE: Mumbai
DATE: 27th May, 2023

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2023, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, physical verification of these Property, Plant and Equipment is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate, and discrepancies (which is less than 10% in the aggregate for each class of inventory) 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.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a banks on the basis of security of current assets; the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company has made investments, provided guarantee to its wholly owned subsidiaries and granted unsecured loans to employees during the year, in respect of which:
 - (a) The Company has not provided any loans(other than loan to employees) or advances in the nature of loans during the year, however during the year, the Company has given guarantee to its wholly owned subsidiaries as under
 - Aggregate amount of guarantee given during the year ₹ 2,688 lakhs
 - Aggregate amount of guarantee outstanding at the balance sheet date ₹ 9,172 lakhs
 - (b) In our opinion, the investments made, guarantee given and the terms and conditions of loans to employees, during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans to employees granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
 - (d) In respect of loans to employees granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan to employees granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2023 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Duty of Customs, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Sales Tax Act	Sales Tax (Including Interest and Penalty)	3	2004-2005	High Court
		61	2011-2012	Tribunal
		298	2012-2015 & 2017-2018	Commissioner (Appeals)
		8	2013-2014	Assessing Authority
Customs Act	Custom Duty (Including Interest and Penalty)	4,945	2012-2014	Supreme Court
		68	2012-2016	CESTAT
		100	2021-2023	High Court
Income Tax Act	Income Tax	1,348	2015-16, 2019-2021	Commissioner (Appeals)
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	4,703	2007-2014	High Court
		51	2013-2014	Revisional Authority
		83	2015-2020	Commissioner Appeals

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub Section 5 of Section 135 of the Act. This matter has been disclosed in Notes 28B to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub Section (6) of Section 135 of Companies Act. This matter has been disclosed in Note 28B to the financial statements.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

VIRAL A. MERCHANT
PARTNER

MEMBERSHIP NO. 116279
UDIN: 23116279BGWHL9494

PLACE: Mumbai
DATE: 27th May, 2023

Annexure - B to the Independent Auditors' Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

VIRAL A. MERCHANT
PARTNER

MEMBERSHIP NO. 116279
UDIN: 23116279BGWHL9494

PLACE: Mumbai
DATE: 27th May, 2023

Standalone Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	5,27,814	3,90,641
(b) Capital Work-in-Progress	2A	1,39,160	1,25,840
(c) Investment Property	3	7,076	7,934
(d) Intangible Assets	4	23	26
(e) Right of use assets	4A	4	9
(f) Financial Assets			
i) Investments	5	1,26,269	1,21,274
ii) Other Financial Assets	6	9,371	8,283
(g) Non-Current Tax Assets (Net)	7	-	796
(h) Other Non-Current Assets	8	28,819	50,617
TOTAL NON CURRENT ASSETS		8,38,536	7,05,420
2 CURRENT ASSETS			
(a) Inventories	9	1,59,235	1,63,940
(b) Financial Assets			
i) Investments	10	77,460	68,453
ii) Trade Receivables	11	1,25,354	1,09,768
iii) Cash and Cash Equivalents	12	3,075	2,945
iv) Other Bank Balances	13	703	580
v) Loans	14	379	341
vi) Other Financial Assets	15	5,133	6,571
(c) Other Current Assets	16	17,358	27,691
TOTAL CURRENT ASSETS		3,88,697	3,80,289
TOTAL ASSETS		12,27,233	10,85,709
II EQUITY AND LIABILITIES			
EQUITY			
(a) Share Capital	17	3,866	3,866
(b) Other Equity	18	7,55,048	6,88,589
TOTAL EQUITY		7,58,914	6,92,455
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	19	1,03,809	50,079
ii) Lease Liabilities	19A	-	4
iii) Other Financial Liabilities	20	6,365	43
(b) Provisions	21	2,645	2,395
(c) Deferred Tax Liabilities (Net)	22	24,129	25,091
(d) Other Non-Current Liabilities	23	6,259	3,081
TOTAL NON CURRENT LIABILITIES		1,43,207	80,693
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	24	2,21,584	1,94,179
ii) Lease Liabilities	24A	4	5
iii) Trade Payables			
Total outstanding due of Micro and Small Enterprise	25	2,169	1,638
Total outstanding due of creditors Other than Micro and Small Enterprise	25	46,486	79,115
iv) Other Financial Liabilities	26	21,817	12,039
(b) Other Current Liabilities	27	32,531	25,138
(c) Provisions	28	426	447
(d) Current Tax Liabilities (Net)	28A	95	-
TOTAL CURRENT LIABILITIES		3,25,112	3,12,561
TOTAL EQUITY AND LIABILITIES		12,27,233	10,85,709

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached
 For JAYANTILAL THAKKAR & CO.
 Chartered Accountants
 (Firm Reg. no.104133W)

VIRAL A. MERCHANT
 Partner
 Membership No.116279
 Mumbai,
 Dated: 27th May, 2023

MADHUSUDAN BAJAJ
 Sr. President (Commercial) & CFO

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: 27th May, 2023

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31st March, 2023	Year Ended 31st March, 2022
I Revenue From Operations	29	9,81,052	8,26,671
II Other Income	30	33,779	43,060
III Total Income (I+II)		10,14,831	8,69,731
IV Expenses :			
Cost of Materials Consumed	31	4,80,419	3,95,776
Purchases of Stock-in-Trade	32	10,438	7,612
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	4,719	(25,533)
Employee Benefits Expense	34	40,416	38,043
Finance Cost	35	4,564	786
Depreciation and Amortisation Expense	36	55,663	44,377
Other Expenses	37	2,73,496	2,13,223
Total Expenses		8,69,715	6,74,284
V Profit Before Tax (III-IV)		1,45,116	1,95,447
VI Tax Expenses			
Current tax		34,457	45,746
Short/(Excess) provision of earlier years		225	6,154
Deferred tax		2,563	2,478
Total Tax Expenses		37,245	54,378
VII Profit After Tax (V-VI)		1,07,871	1,41,069
VIII Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		(34)	271
ii) Income Tax		8	(68)
2 i) Items that will be reclassified to profit or loss :			
The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		(13,973)	8,718
ii) Income Tax		3,516	(2,194)
Total Other Comprehensive Income (1+2)		(10,483)	6,727
IX Total Comprehensive Income (VII+VIII)		97,388	1,47,796
X Earnings per equity share:			
Basic and Diluted	42	55.80	72.97

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. no.104133W)

VIRAL A. MERCHANT
Partner
Membership No.116279
Mumbai,
Dated: 27th May, 2023

MADHUSUDAN BAJAJ
Sr. President (Commercial) & CFO

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: 27th May, 2023

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance at the 1st April 2021	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March 2022	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March 2023	19,33,17,190	3,866

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Statement of other comprehensive Income		Total other equity
	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	
Balance at the 1st April 2021	4,00,000	1,97,123	(1,659)	1,391	5,96,855
Total Comprehensive					
Profit for the year	-	1,41,069	-	-	1,41,069
Other comprehensive income for the year	-	-	203	6,524	6,727
Transactions with owners of the company					
Interim Dividend on Equity Shares	-	(46,396)	-	-	(46,396)
Dividend on Equity Shares	-	(9,666)	-	-	(9,666)
Transferred to General Reserve	-	(40,000)	-	-	(40,000)
Transferred from Retained Earnings	40,000	-	-	-	40,000
Balance as at 31st March 2022	4,40,000	2,42,130	(1,456)	7,915	6,88,589
Total Comprehensive					
Profit for the year	-	1,07,871	-	-	1,07,871
Other comprehensive income for the year	-	-	(25)	(10,457)	(10,482)
Transactions with owners of the company					
Interim Dividend on Equity Shares	-	(23,198)	-	-	(23,198)
Dividend on Equity Shares	-	(7,732)	-	-	(7,732)
Transferred to General Reserve	-	(40,000)	-	-	(40,000)
Transferred from Retained Earnings	40,000	-	-	-	40,000
Balance as at 31st March 2023	4,80,000	2,79,071	(1,481)	(2,542)	7,55,048

 As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
 Chartered Accountants
 (Firm Reg. no.104133W)

VIRAL A. MERCHANT
 Partner
 Membership No.116279
 Mumbai,
 Dated: 27th May, 2023

MADHUSUDAN BAJAJ
 Sr. President (Commercial) & CFO

 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: 27th May, 2023

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,45,116	1,95,447
Adjustment for :		
Depreciation and Amortisation	55,663	44,377
Withdrawal of Provision of Doubtful Loan	(210)	(75)
Investment written off	72	-
Net mark to market (Gain)/Loss on investments	1,762	(9,951)
Income from Investments	(8,609)	(3,165)
Finance Cost	4,564	786
Interest Income including on investments	(3,641)	(4,149)
(Profit) /Loss on Sale of Property, Plant and equipment	(179)	(115)
Property, Plant and equipment Discarded	470	2
Unrealised Foreign Exchange differences (Gain)/Loss	8,849	(3,912)
Actuarial gains/(losses) reclassified to OCI	(34)	271
Export Incentive on account of EPCG (Benefit)/Utilised	(4,169)	(3,203)
	54,538	20,866
Operating profit before working capital changes	1,99,654	2,16,313
Adjustment for:		
Trade and other receivables	(4,258)	(36,785)
Other Financial Assets	(123)	1,442
Inventories	4,705	(73,014)
Trade payables	(24,754)	25,895
	(24,430)	(82,462)
Cash generated from operations	1,75,224	1,33,851
Direct taxes paid	(33,791)	(45,724)
Net cash from Operating Activities	1,41,433	88,127
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and equipment	(1,75,140)	(1,58,730)
Sale of Property, Plant and equipment	1,020	711
Purchase of Investments	(19,830)	(2,66,722)
Sale of Investments	10,998	2,31,559
Inter Corporate Loan Refund Received	210	75
Interest received	3,794	4,148
Income/Dividend Received on Investments	1,742	84
Net cash used in Investing Activities	(1,77,204)	(1,88,875)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of Short Term Borrowings (Net)	32,272	(9,316)
Proceeds from Long Term Borrowings	3,92,126	3,33,508
Repayment of Long Term Borrowings	(3,53,617)	(1,67,097)
Dividend paid (including tax thereon)	(30,909)	(56,033)
Lease Liability paid	(6)	(11)
Finance Cost paid	(3,962)	(774)
Net Cash from Financing Activities	35,904	1,00,277
Net Increase/(Decrease) in cash and cash equivalent	133	(471)
Exchange difference on cash and cash equivalent	(3)	9
Cash and cash equivalent as at the beginning of the year	2,945	3,407
Cash and cash equivalent as at the end of the year	3,075	2,945

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

(Firm Reg. no.104133W)

VIRAL A. MERCHANT

Partner

Membership No.116279

Mumbai,

Dated: 27th May, 2023

MADHUSUDAN BAJAJ

Sr. President (Commercial) & CFO

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: 27th May, 2023

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March, 2023

1 (A) General information

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

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

(B) Significant Accounting policies

(a) Basis of preparation

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

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(c) Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contract with Customers.

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

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

Sale of goods

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

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

Export Benefits

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

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

Dividend income

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

Interest income

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

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

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

The cost of an item of PPE comprises:

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Leasehold land are amortised over the lease period.

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

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

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

Investment properties generally have a useful life of 30 years for factory building and 60 years for other than factory building.

(f) Intangible assets

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

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

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

(g) Impairment of non-financial assets

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

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

(h) Borrowing cost

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

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

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

(i) Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(j) Income Tax

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

i. Current tax

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

Current tax assets and liabilities are offset only if:

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

ii. Deferred tax

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

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

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

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

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

(k) Cash and cash equivalents

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

(l) Inventories

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

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

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

(m) Research and development

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

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(n) Financial instruments

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

i. Financial assets

Classification

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

Initial recognition and measurement

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

Debt instruments

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

Equity instruments

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

Derecognition

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

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

ii. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit and loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)**Offsetting of financial instruments**

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

Derivative financial instruments

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

iii. Hedge accounting

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

(o) Employee benefits**i. Short term employee benefits**

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

ii. Defined contribution plans

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

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

iii. Defined benefit plans

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

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(p) Provisions , Contingent Liabilities and Contingent Assets

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Where an inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the year end and wherever practicable, an estimate of their financial effect.

(q) Earnings per share (EPS)

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

(r) Current vs non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(s) Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized.

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

- **Recognition and measurement of defined benefit obligations**
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.
- **Provisions and contingent liabilities**
The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.
- **Measurement of fair values**
The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(t) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(u) **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1 st April 2022	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31 st March 2023	Total upto 1 st April 2022	*For the Year	Deductions During the year	Total upto 31 st March 2023	As At 31 st March 2023
Tangible assets									
(a) Land									
Freehold	7,059	707	-	7,766	-	-	-	-	7,766
Leasehold	1,744	-	-	1,744	163	22	-	185	1,559
(b) Buildings	1,52,564	17,110	-	1,69,674	25,706	5,633	-	31,339	1,38,335
(c) Plant and Equipment	4,31,478	1,63,014	2,836	5,91,656	1,97,693	45,281	2,276	2,40,698	3,50,958
(d) Furniture and Fixtures	8,639	835	136	9,338	4,472	833	135	5,170	4,168
(e) Vehicles	3,284	1,218	163	4,339	1,621	411	127	1,905	2,434
(f) Office Equipment	1,221	674	15	1,880	894	137	15	1,016	864
(g) Others:									
Electric Installations	24,001	9,092	70	33,023	10,336	2,831	70	13,097	19,926
Air Conditioners	1,431	390	9	1,812	1,073	159	9	1,223	589
Computer	2,370	536	25	2,881	1,192	498	24	1,666	1,215
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,33,791	1,93,576	3,254	8,24,113	2,43,150	55,805	2,656	2,96,299	5,27,814

* Including Depreciation capitalised ₹ 303 Lakhs

PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1 st April 2021	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31 st March 2022	Balance As at 1 st April 2021	*For the Year	Deductions During the year	Balance As at 31 st March 2022	As At 31 st March 2022
Tangible Assets:									
(a) Land									
Freehold	7,059	-	-	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	134	29	-	163	1,581
(b) Buildings	1,11,345	41,221	2	1,52,564	21,529	4,177	#0	25,706	1,26,858
(c) Plant and Equipment	3,72,407	59,271	200	4,31,478	1,61,255	36,616	178	1,97,693	2,33,785
(d) Furniture and Fixtures	7,280	1,365	6	8,639	3,758	719	5	4,472	4,167
(e) Vehicles	2,663	735	114	3,284	1,399	308	86	1,621	1,663
(f) Office Equipment	1,017	208	4	1,221	778	120	4	894	327
(g) Others:									
Electric Installations	17,296	6,739	34	24,001	8,346	2,024	34	10,336	13,665
Air Conditioners	1,219	214	2	1,431	929	146	2	1,073	358
Computer	1,670	706	6	2,370	867	331	6	1,192	1,178
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,23,700	1,10,459	368	6,33,791	1,98,995	44,470	315	2,43,150	3,90,641

* Including Depreciation capitalised ₹ 304 Lakhs.

₹ 22,236

NOTE NO. 2A CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	1,15,638	18,481	2,204	2,837	1,39,160
Project temporarily suspended	-	-	-	-	-
Total	1,15,638	18,481	2,204	2,837	1,39,160

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2022 (₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	90,739	25,823	6,862	2,416	1,25,840
Project temporarily suspended	-	-	-	-	-
Total	90,739	25,823	6,862	2,416	1,25,840

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2023 (₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2022	Additions During the year	Deductions During the year	Balance As at 31st March 2023	Balance As at 1st April 2022	For the Year	Deductions During the year	Balance As at 31st March 2023	As At 31st March 2023
Buildings	8,804	-	792	8,012	870	144	78	936	7,076
TOTAL INVESTMENT PROPERTY	8,804	-	792	8,012	870	144	78	936	7,076

INVESTMENT PROPERTY AS AT 31ST MARCH 2022 (₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2021	Additions During the year	Deductions During the year	Balance As at 31st March 2022	Balance As at 1st April 2021	For the Year	Deductions During the year	Balance As at 31st March 2022	As At 31st March 2022
Buildings	9,372	-	568	8,804	733	160	23	870	7,934
TOTAL INVESTMENT PROPERTY	9,372	-	568	8,804	733	160	23	870	7,934

i). Amounts recognised in profit and loss for investment properties (₹ In Lakhs)

Particulars	Year ended 31st March,2023	Year ended 31st March,2022
Rental income derived from investment properties	293	714
Direct operating expenses (including repair and maintenance) generating rental income	(35)	(90)
Direct operating expenses (including repair and maintenance) not generating rental income	(37)	(27)

ii) Fair value (₹ In Lakhs)

Particulars	Year ended 31st March,2023	Year ended 31st March,2022
Investment properties	23,915	24,865

Estimation of fair value

The company obtains independent valuations for its investment properties from an independent valuer. The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2023 (₹ In Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2022	Additions During the year	Deductions During the year	Balance As at 31st March 2023	Balance As at 1st April 2022	For the Year	Deductions During the year	Balance As at 31st March 2023	As At 31st March 2023
Computer software	614	9	6	617	590	10	6	594	23
Trademark	10	-	-	10	8	2	-	10	#0
TOTAL INTANGIBLE	624	9	6	627	598	12	6	604	23

₹ 53,179

INTANGIBLE ASSETS AS AT 31ST MARCH 2022 (₹ In Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2021	Additions During the year	Deductions During the year	Balance As at 31st March 2022	Balance As at 1st April 2021	For the Year	Deductions During the year	Balance As at 31st March 2022	As At 31st March 2022
Computer software	602	12	-	614	550	40	-	590	24
Trademark	10	-	-	10	6	2	-	8	2
TOTAL INTANGIBLE	612	12	-	624	556	42	-	598	26

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO. 4A - RIGHT OF USE ASSETS

The Company has lease contracts for vehicle in its operation. The Companies obligation under its leases is secured by the lessor title to the lease assets. The Company is restricted from assigning and sub leasing the lease assets. The lease contract does not include extension and termination options and variable lease payments. The effective rate of interest for lease liabilities is 8.70%.

Set out below are the carrying amounts of rights-of-use assets recognised and the movement during the period: (₹ in Lakhs)

Particulars	Vehicle
As at 1st April, 2021	18
Addition/(Deduction)- Net	-
Less: Depreciation expenses	9
As at 1st April, 2022	9
Addition/(Deduction)- Net	-
Less: Depreciation expenses	5
As at 31st March, 2023	4

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	9	19
Addition/ (Deduction)- Net	-	-
Accretion of Interest	1	1
Less: Payments	6	11
Closing Balance	4	9
Current	4	5
Non-Current	-	4

The following are the amounts recognised in profit and loss :

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation expenses of right of use assets	5	9
Interest expenses on lease liabilities	1	1
Expenses relating to short term lease and low value leased (included in other expenses)	513	462
Total amount recognised in profit and loss	519	472

The Company had total cash outflow for lease of ₹ 519 lakhs in 31st March, 2023 (Previous Year ₹ 473 lakhs)

NOTE NO.5 INVESTMENTS (NON CURRENT)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
A Investments at Cost				
(Fully paid up Shares)				
Unquoted				
a) Equity Investment in 100 % Subsidiaries Companies				
BKT Tyres Ltd. of ₹ 10 each	50,000	5	50,000	5
BKT EUROPE S.R.L.	-	13	-	13
BKT USA INC	1,000	1	1,000	1
BKT Tires (Canada) Inc	5,000	3	5,000	3
BKT Exim US Inc.	6,000	37	6,000	37
b) Equity Investment in other Companies				
National Stock Exchange of India Limited of ₹ 1 each	1,84,000	3,310	1,12,500	1,308
BDR Pharmaceuticals International Pvt. Limited of ₹ 10 each	725	993	-	-
Care Health Insurance Limited of ₹ 10 each	4,78,795	1,015	4,65,116	1,000
		5,377		2,367
c) Investment in Preference Shares				
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
0.001% Series C Compulsorily Convertible Non Cumulative Preference Shares of Vay Network Services Pvt Limited of ₹ 2 each	11,190	94	11,190	94
0.0001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Newspace Research & Technology Pvt Limited Limited of ₹ 10 each	22,51,250	1,123	1,42,857	500

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
0.01% Series B Compulsorily Convertible Non Cumulative Preference Shares of Bombinate Technologies Pvt Limited Limited of ₹ 100 each	602	500	602	500
0.01% Series A Compulsorily Convertible Non Cumulative Preference Shares of Altigreen Propulsion Labs Pvt Limited of ₹ 100 each	1,356	200	1,356	200
0.001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Globalbees Brands Pvt Limited of ₹ 5 each	104	528	104	528
Non convertible non cumulative redeemable preference shares Music Broad cast of ₹ 10 each	30,000	30	-	-
		4,475		3,822
B Investment carried at amortised cost				
Unquoted				
a) Investment in Preference Shares				
(Fully paid up Shares)				
Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of ₹ 10 each	-	-	11,14,223	72
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,006	2,00,000	2,011
		2,006		2,083
Quoted				
b) Investment in Tax Free Bonds				
7.35 % NABARD Tax Free Bonds of ₹ 1000 each	50,099	501	50,099	501
7.07 % NABARD Tax Free Bonds of ₹ 10,00,000 each	550	5,090	1,330	13,597
7.39% HUDCO Tax Free Bond of ₹ 1,000 each	-	-	2,50,000	2,567
7.14 % NHAI Tax Free Bond of ₹ 1,000 each	2,85,698	2,884	2,85,698	2,894
7.36% IIFC Tax Free Bond of ₹ 1,000 each	4,00,000	4,144	5,00,000	5,217
7.35 % IRFC Tax Free Bonds of ₹ 1,000 each	-	-	58,783	588
		12,619		25,364
c) Investment in Perpetual Bonds				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	-	-	100	1,015
8.50 % SBI Perpetual Bond of ₹ 10,00,000 each	200	2,000	200	2,000
8.75 % SBI Perpetual Bond of ₹ 10,00,000 each	290	2,912	290	2,920
7.55 % SBI Perpetual Bond of ₹ 1,00,00,000 each	5	495	-	-
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,998	700	6,997
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,483	450	4,475
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,800	480	4,801
8.15 % BOB Perpetual Bond of ₹ 10,00,000 each	50	502	-	-
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	-	-	20	205
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	503	50	503
		22,693		22,916
C Investment carried at fair value through Profit and Loss				
a) Investment in Non Convertible Debenture/Market Linked Debenture				
Avendes Finance Pvt Ltd of ₹ 10,00,000 each	-	-	110	1,165
L&T Infra Debt fund Ltd. of ₹ 10,00,000 each	-	-	251	3,125
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	-	-	200	2,173
Shriram Finance Ltd. of ₹ 10,00,000 each	50	519	-	-
MAS Financial Services Limited of ₹ 10,00,000 each	100	1,018	50	524
S K Fincorp Limited of ₹ 1,00,000 each	-	-	1,500	1,661
S K Fincorp Limited of ₹ 5,00,000 each	-	-	200	1,109
S K Fincorp Limited of ₹ 10,00,000 each	150	1,613	-	-
Muthooth Fincorp Limited of ₹ 10,00,000 each	-	-	3,500	3,779
Tata Cleantech Capital Limited of ₹ 10,00,000 each	100	1,012	-	-

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
L&T Finance Limited of ₹ 10,00,000 each	250	2,498	-	-
Motilal Oswal Finvest Limited of ₹ 10,00,000 each	100	1,021	-	-
IIFL Wealth Prime Limited of ₹ 1,00,000 each	500	500	-	-
		8,181		13,536
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹ 10 each	3,67,27,003	5,772	3,67,27,003	7,486
IIFL India Private Equity Fund Series 1A of ₹ 10 each	46,03,432	440	46,03,432	473
IIFL Special Opportunities Fund Series 8 of ₹ 10 each	46,24,798	557	46,24,798	592
IIFL Special Opportunities Fund of Fund 1 of ₹ 10 each	90,27,646	1,140	90,27,646	1,143
IIFL Special Opportunities Fund Series 10 of ₹ 10 each	49,66,529	526	17,50,000	175
BPEA Credit India Fund III of ₹ 100 each	7,27,500	738	5,10,000	514
Chirate Ventures India Fund IV of ₹ 1,00,000 each	750	1,165	615	941
TVS Shriram Growth Fund 3 of ₹ 1000 each	1,14,513	1,760	88,639	1,270
Inflexor Technology Fund of ₹ 1,00,000 each	196	204	175	164
Blume Venture Fund IX of ₹ 100 each	5,00,000	1,033	5,00,000	776
Blume Venture Fund IV of ₹ 100 each	1,50,000	175	1,00,000	100
Xponintia Opportunities Fund of ₹ 1,00,000 each	399	598	399	500
Aventus Future Leader Fund II of ₹ 1,00,000 each	298	288	113	112
Multiple Pvt Equity Fund III of ₹ 100 each	3,58,435	451	1,71,837	189
Sixth Sense India Opportunity III of ₹ 1,000 each	1,70,000	1,860	1,10,000	1,140
3One4 Capital - Fund III of ₹ 1,00,000 each	1,500	1,392	1,500	642
Trifecta Venture Debt Fund III of ₹ 100 each	13,48,200	1,418	8,88,200	963
Sageone - Flagship Growth 2 Fund of ₹ 1,000 each	97,836	861	50,032	506
White Oak India Equity Fund V of ₹ 10 each	99,46,812	928	49,87,481	510
Alchemy Leaders Of Tomorrow Fund of ₹ 100 each	9,26,916	866	4,61,268	499
Aventus Structure Credit Fund II of ₹ 1,00,000 each	906	906	300	300
Innoven Capital India Fund of ₹ 100 each	7,00,000	726	-	-
Fireside Venture Investment Fund III of ₹ 1,00,000 each	60	60	-	-
ASK Golden Decade Fund of ₹ 100 each	1,46,028	1,410	-	-
Alpha Alternative MSAR LLP of ₹ 100 each	9,99,950	1,022	-	-
Alteria Capital Fund II of ₹ 100 each	20,00,000	2,051	12,00,000	1,271
		28,347		20,266
c) Investment in Mutual fund				
Quoted:				
Edelweiss Bharat Bond FOF April 2032 of ₹ 10 each	2,96,92,960	3,106	-	-
Edelweiss CRISIL IBX 50:50 Gilt Plus SDL April 2037 Index Fund of ₹ 10 each	4,15,29,107	4,349	-	-
Bharat Bond ETF April 2030 of ₹ 1,000 each	10,00,000	12,535	10,00,000	12,058
Bharat Bond ETF April 2031 of ₹ 1,000 each	17,50,233	19,533	17,50,233	18,862
Bharat Bond ETF April 2033 of ₹ 1,000 each	2,99,985	3,048	-	-
		42,571		30,920
Total Non Current Investments		1,26,269		1,21,274
Aggregate amount of quoted investments and market value thereof		86,064		92,737
Aggregate amount of unquoted investments.		40,205		28,537

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO. 6 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
Derivative Assets		6,926		6,123
Security Deposits		1,901		1,870
Bank deposits more than 12 month maturity				
In Margin		544		290
In Fixed Deposit (Current Year ₹ 5,097; Previous Year - ₹ 5,097)		0		0
		9,371		8,283

NOTE NO. 7 NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
Advance Payments of Taxes and Tax deducted at source(Net of Provisions)		-		796
		-		796

NOTE NO.8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
(a) Capital Advances		28,516		50,407
(b) Others loans and advances				
VAT/Service Tax Receivable		108		153
Prepaid expenses		195		57
		28,819		50,617

NOTE NO.9 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
(At lower of Cost and Net Realisable Value)				
(a) Raw materials		85,371		91,011
(b) Work-in-Progress		15,230		16,202
(c) Finished Goods		42,446		46,567
(d) Stock-in-Trade		1,411		1,037
(e) Stores and Spares		13,266		7,323
(f) Others -Packing Materials and Fuel		1,511		1,800
		1,59,235		1,63,940

NOTE NO.10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
A. Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture /Market Linked Debentures				
Muthoot Fincorp Limited of ₹ 1,00,000 each	-	-	100	1,002
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	-	-	50	552
Edelweiss Assets Reconstruction co. Ltd. of ₹ 1,00,000 each	-	-	1,486	2,185
Five Star Business Finance Ltd. of ₹ 10,00,000 each	-	-	100	1,113
Avenues Finance Pvt Ltd of ₹ 10,00,000 each	250	2,899	-	-
Shriram Finance Ltd. of ₹ 10,00,000 each	293	3,364	-	-
Svatantra Microfin Pvt Limited of ₹ 4,37,500 each	200	874	-	-
REC Limited of ₹ 10,00,000 each	353	4,037	-	-
Fullerton India Credit Company Limited of ₹ 10,00,000 each	197	2,165	-	-
Tata International Limited of ₹ 10,00,000 each	100	1,003	-	-
MAS Financial Ltd. of ₹ 1,00,000 each	150	1,616	-	-
		15,958		4,852

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
b) Investment in Equity instruments				
Music Broadcast Ltd. of ₹ 1 each	2,00,000	22	10,20,000	263
MindSpace Business Park REIT of ₹ 10 each	2,52,800	827	2,52,800	876
Nation Highways Infra Trust InvIT of ₹ 101 each	10,00,000	1,097	10,00,000	1,090
India Infrastructure Trust InvIT	10,00,000	920	10,00,000	980
Power Grid InvIT of ₹ 100 each	9,96,100	1,220	9,96,100	1,334
		4,086		4,543
c) In Mutual Fund				
HDFC Fixed Maturity Plan Series 39/44 Direct-Growth of ₹ 10 each	-	-	5,00,00,000	6,215
ICICI Prudential Mutual Fund ETF ICICI Nifty 50 of ₹ 10 each	1,78,544	337	-	-
Nippon India Mutual Fund ETF Nifty Bees of ₹ 1 each	57,62,412	10,940	54,79,412	10,349
Nippon India Mutual Fund ETF Bank Bees of ₹ 1 each	-	-	4,24,810	1,553
Nippon India Mutual Fund ETF Silver Bees of ₹ 10 each	17,951	13	17,951	12
Nippon India Mutual Fund ETF Gold Bees of ₹ 1 each	50,56,531	2,582	50,31,581	2,220
Motilal Oswal Mutual Fund Nasdaq 100 ETF of ₹ 1 each	18,14,445	1,894	21,90,644	2,546
Unquoted				
Aditya Birla Sun Life Liquid Fund of ₹ 100 each	2,79,030	1,013	4,37,535	1,501
Aditya Birla Sun Life Arbitrage Fund of ₹ 10 each	20,94,040	503	-	-
Axis Liquid Fund of ₹ 1,000 each	72,261	1,807	-	-
Motilal Oswal Nasdaq fund of fund 100 ETF of ₹ 10 each	2,96,141	66	2,96,141	69
HDFC Liquid Fund of ₹ 1,000 each	34,129	1,510	-	-
ICICI Prudential Liquid Fund of ₹ 100 each	3,00,315	1,001	-	-
ICICI Prudential Gilt Fund of ₹ 10 each	6,37,519	579	6,37,519	545
ICICI Prudential Saving Fund of ₹ 100 each	1,09,030	504	-	-
SBI Magnum Gilt Fund Long Term Plan of ₹ 1,000 each	2,66,96,984	15,422	3,40,15,713	18,503
SBI Magnum Liquid Fund of ₹ 1,000 each	14,390	507	-	-
SBI Magnum Income Fund of ₹ 10 each	19,56,921	1,237	19,56,921	1,176
UTI Liquid Fund of ₹ 1,000 each	29,857	1,102	-	-
Tata Arbitrage Fund of ₹ 10 each	39,70,419	503	-	-
Mirae Assets Cash Management Fund of ₹ 1,000 each	21,050	500	-	-
Invesco Arbitrage Fund of ₹ 10 each	17,43,495	505	-	-
Sundaram Liquid Fund of ₹ 1,000 each	35,306	702	-	-
Nippon India Nivesh Lakshya Fund of ₹ 10 each	8,66,67,201	12,982	8,66,67,201	12,359
		56,209		57,048
B. Investment carried at amortised cost				
a) Investment in Tax Free Bond				
7.19% IRFC Tax Free Bonds of ₹ 10,00,000 each	-	-	200	2,010
				2,010
b) Investment in Perpetual Bond				
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	20	201	-	-
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,006	-	-
		1,207		
		77,460		68,453
Aggregate amount of quoted investments and Market value thereof		37,017		34,299
Aggregate amount of Unquoted investments		40,443		34,154

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivable Considered good - Secured	22,094	11,165
Trade receivable Considered good - Unsecured #	1,03,260	98,603
	1,25,354	1,09,768

Includes Receivable from Related parties (Refer Note no.43)

NOTE NO.12 CASH AND CASH EQUIVALENTS:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	3,043	2,921
Cash on hand	32	24
	3,075	2,945

NOTE NO.13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend	316	295
Margin Money (Including Fixed Deposit)#	387	285
	703	580

(Held against guarantee and other commitments)

NOTE NO.14 LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,292	1,502
Loans receivable - Credit impaired	-	-
	1,292	1,502
Less: Provision for loans which have significant increase in credit risk	1,292	1,502
	-	-
Loans and advances to employees (considered good)	379	341
	379	341

NOTE NO.15 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Derivative Assets	3,472	4,656
Interest accrued on Investments	1,356	1,521
Interest accrued on Deposits and Loans	56	44
Dividend/Income accrued on Investments	153	292
Security Deposit	96	58
	5,133	6,571

NOTE NO.16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Payment to Suppliers	6,071	7,930
GST/Excise/Sales Tax/Custom Duty etc. Receivables	10,008	18,845
Prepaid Expenses	1,279	916
	17,358	27,691

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.17 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised :		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	9,100	9,100
Issued Subscribed and paid up:		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	3,866	3,866

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Reconciliation of number of Equity shares outstanding at the beginning and end of the year :

Equity Share :	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount (₹ In Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	19,33,17,190	3,866
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

Shareholder's holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.71	5,35,77,010	27.71

Shares held by the promoters and promoters groups at the end of the year

Sr no	Name	No of shares	% of total shares	% Change during the year
1	Arvind M Poddar	1,000	0.00	-
2	Vijaylaxmi A Poddar	1,000	0.00	-
3	Rajiv A Poddar	5,35,77,010	27.71	-
4	Khushboo R Poddar	75,93,000	3.93	-
5	Shyamlata S Poddar	1,000	0.00	-
6	Rishab Poddar	27,90,180	1.44	-
7	TMP Enterprises LLP	4,93,360	0.26	-
8	VKP Enterprises LLP	4,82,32,880	24.95	-
9	RAP Enterprises LLP	250	0.00	-
10	AKP Enterprises LLP	250	0.00	-
11	Balgopal Holding & Traders Ltd	100	0.00	-
12	Poddar Brothers Investment Pvt Ltd	100	0.00	-
13	S P Investrade (India) Limited	70	0.00	-
	Total	11,26,90,200	58.29	

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.18 OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
a. Other Reserve (General Reserve)		
Opening Balance	4,40,000	4,00,000
Add: Transferred from Profit and Loss account	40,000	40,000
Closing Balance	4,80,000	4,40,000
b. Retained Earnings		
Opening Balance	2,42,130	1,97,123
Add: Net Profit for the current year	1,07,871	1,41,069
Less: Interim Dividend	23,198	46,396
Less: Dividend on equity shares	7,732	9,666
Less: Transfer to General Reserve	40,000	40,000
Closing Balance	2,79,071	2,42,130
c. Remeasurements of the net defined benefit plans		
Opening Balance	(1,456)	(1,659)
Movement during the year	(25)	203
Closing Balance	(1,481)	(1,456)
d. Effective portion of cash flow hedges		
Opening Balance	7,915	1,391
Movement during the year	(10,457)	6,524
Closing Balance	(2,542)	7,915
	7,55,048	6,88,589

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

Retained earnings

Retained earnings includes the Company's cumulative earnings and losses respectively

Remeasurements of the net defined benefit Plans

Remeasurements of defined benefit liability comprises actuarial gains and losses and return on plan assets (excluding interest income)

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedge item affects profit/(loss) i.e., when the designated sale occurs.

NOTE NO.19 BORROWINGS (NON CURRENT)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Unsecured - At amortised cost		
Non Convertible Debentures	50,000	50,000
Allotment of 5,000 rated, listed, unsecured, redeemable, non-convertible debentures of a face value of ₹ 10,00,000. The Interest rate coupon for the debenture is fixed @5.67% per annum for the entire tenure and will be payable semi-annually. In order to leverage the interest rate scenario and Euro receivable of the Company, the Company has swapped the Debentures liability to Euro fixed liability whereby the effective coupon for the Company will be 0.055% per annum. The repayment schedule will be in three installment i.e ₹ 17,500 lakhs in April 2024, ₹ 17,500 lakhs in October 2024 and ₹ 15,000 lakhs in April 2025.		
Deferred Payment Liabilities	44	79
(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)		
Secured - At amortised cost		
External Commercial Borrowing (Secured)	53,765	-
External Commercial Borrowing of EURO 60 Million from SMBC (Singapore), the same is secured by first charge by way of hypothecation on all the movable assets of tire plant of Bhuj, Gujarat. Rate of interest is 3 Months Euribor plus spread of 0.52%. The repayment is starting from December 2025 in six quarterly equal installments of euro 10 million each.		
	1,03,809	50,079

NOTE NO.19A LEASE LIABILITIES

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	-	4
	-	4

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.20 OTHER FINANCIAL LIABILITIES (NON CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Distributors/Dealers Deposit	1	1	
Derivative Liability (Mark to Market)	6,364	42	
	6,365	43	
NOTE NO.21 PROVISIONS (NON CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Provision for employee benefits			
Gratuity	2,211	1,971	
Leave Encashment	434	424	
	2,645	2,395	
NOTE NO.22 DEFERRED TAX LIABILITIES (NET)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Net Deferred tax liabilities	24,129	25,091	
	24,129	25,091	
NOTE NO.23 OTHER NON CURRENT LIABILITIES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Deferred Income (Export Incentive)	6,259	3,081	
	6,259	3,081	
NOTE NO.24 BORROWINGS (CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Secured			
From Banks	-	12,521	
Unsecured			
From Banks	2,21,549	1,81,612	
From Others			
Current maturity of long term debt	35	46	
	2,21,584	1,94,179	
(Refer Note No. 48 for details of securities provided and repayment terms of above loans)			
NOTE NO.24A LEASE LIABILITIES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Lease Liabilities	4	5	
	4	5	
NOTE NO.25 TRADE PAYABLES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Trade Payables (including Acceptances) due to:			
Total outstanding due of Micro and Small Enterprise	2,169	1,638	
Total outstanding due of creditors Other than Micro and Small Enterprise	46,486	79,115	
(Refer Note No. 44 for Micro and Small Enterprise)	48,655	80,753	
NOTE NO.26 OTHER FINANCIAL LIABILITIES (CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Interest accrued but not due	275	11	
Unpaid Dividend	316	295	
Other Payable (capital creditors)	13,795	11,571	
Derivative liabilities	7,431	162	
	21,817	12,039	
NOTE NO.27 OTHER CURRENT LIABILITIES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Income received in advance	5,435	6,018	
Security Deposit	5,128	4,767	
Statutory dues	21,968	14,353	
	32,531	25,138	

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.28 PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Leave encashment	426	447
	426	447

NOTE NO.28A CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income Tax Liabilities (Net)	95	-
	95	-

NOTE NO.29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sale of Products	9,69,712	8,18,056
Other Operating Revenue:		
Export Incentives	7,067	6,074
Scrap Sales	3,383	2,128
Others	890	413
	11,340	8,615
Total Revenue from Operations	9,81,052	8,26,671
DISAGGREGATION OF REVENUE		
Revenue based on Geography		
Export	7,64,138	6,85,890
Domestic #	2,16,914	1,40,781
Total Revenue from operations	9,81,052	8,26,671
# (Including export incentive on account of MEIS license)		
Reconciliation of Revenue from operations with contract price		
Contract Price	9,94,700	8,38,769
Less:		
Sales returns	829	496
Sales Incentives and Bonus	10,268	9,366
Others	2,551	2,236
	13,648	12,098
Total Revenue from operations	9,81,052	8,26,671

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Company provides performance warranty for its products. The amount of liability towards such warranty is not material.

NOTE NO.30 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest Income on:		
Non Current Investments	3,518	3,776
Current Investments	26	53
Deposits/Loans and Advances/Income tax refund	97	320
	3,641	4,149
Net gain on foreign currency transaction and translation	22,428	24,585
Income from Non current Investment	1,199	998
Dividend Income on investments	404	376
Net gain on sale of Non Current Investments	6,500	1,136
Net mark to market gain/(loss) on investments	(1,762)	9,951
Net gain on sale of Current Investments	505	655
Profit on sale of Property Plant and Equipment	179	115
Withdrawal of Provision of Doubtful Loan	210	75
Other non-operating income	475	1,020
	33,779	43,060

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.31 COST OF MATERIAL CONSUMED		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Raw Material Consumed	4,80,419	3,95,776	
	4,80,419	3,95,776	

NOTE NO.32 PURCHASE OF STOCK IN TRADE		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Purchase of Traded Goods	10,438	7,612	
	10,438	7,612	

NOTE NO.33 CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Opening Stock :			
Work-in-Progress	16,202	9,168	
Stock in Trade	1,037	1,044	
Finished Goods	46,567	28,061	
	63,806	38,273	
Less :			
Closing Stock :			
Work-in-Progress	15,230	16,202	
Stock in Trade	1,411	1,037	
Finished Goods	42,446	46,567	
	59,087	63,806	
Net (Increase)/Decrease in Inventories	4,719	(25,533)	

NOTE NO.34 EMPLOYEE BENEFIT EXPENSES		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Salaries and wages	37,322	35,014	
Contribution to provident and other funds	2,204	2,045	
Staff welfare expenses	890	984	
	40,416	38,043	

NOTE NO.35 FINANCE COST*		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Interest expenses	4,015	714	
Other borrowing cost	210	71	
Exchange difference regarded as an adjustment to borrowing cost	338	-	
Interest on Lease Liability	1	1	
	4,564	786	

* Net of borrowing cost capitalised during the current year ₹ 2,031 Lakhs. The rate used to determine the amount of borrowing cost eligible for capitalisation was 9%.

NOTE NO.36 DEPRECIATION AND AMORTISATION EXPENSE		(₹ in Lakhs)	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Depreciation and amortisation	55,658	44,368	
Depreciation of Right-of-use assets	5	9	
	55,663	44,377	

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.37 OTHER EXPENSES:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Consumption of stores and spare parts	22,981	20,465
Packing material consumed	2,088	1,688
Power and fuel(Net)	33,917	27,481
Freight and forwarding	1,09,738	86,722
Labour/Job Charges	19,987	17,629
Water charges	939	803
Repairs and Maintenance to Plant & Machinery	1,712	3,486
Repairs and Maintenance to Building	4,519	2,217
Repairs and Maintenance to Others	1,306	797
Insurance Charges	2,666	2,269
Rates and Taxes excluding taxes on income	10,018	7,178
Rent	513	462
Legal and Professional charges	3,849	2,540
Advertisement, Publicity, Sales Promotion and Marketing Service expenses	49,758	32,976
Commission	521	271
Travelling Expenses	2,590	1,012
Directors Meeting Fees	29	34
Property plant and equipment Discarded	470	2
Interest to Others	28	20
Contribution towards CSR expenses	2,878	2,909
Investment written off	72	-
Miscellaneous expenses	2,917	2,262
	2,73,496	2,13,223

NOTE NO.38
i) Tax Reconciliation
(a) The Income tax expense consists of the followings:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Current income tax	34,457	45,746
Short/(Excess) provision of earlier year	225	6,154
Deferred tax expense	2,563	2,478
Tax expense for the year	37,245	54,378

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	(34)	8	(26)	271	(68)	203
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	(13,973)	3,516	(10,457)	8,718	(2,194)	6,524
	(14,007)	3,524	(10,483)	8,989	(2,262)	6,727

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows:

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax	1,45,116	1,95,447
Indian statutory income tax rate (%)	25.168%	25.168%
Expected income tax expenses	36,523	49,190
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(371)	(483)
Deduction under Income Tax Act.	(103)	(80)
Impact of differential tax rate	(831)	(1,205)
Permanent differences	1,618	774
Investment Written off	18	-
Others- Allowance, Income tax of earlier year, Revision in tax rate etc.	391	6,182
Total Income Tax expenses	37,246	54,378
Effective Tax Rate	25.666%	27.822%

ii) **Deferred Tax Disclosure**(a) **Movement in deferred tax balances**

(₹ in Lakhs)

Particulars				As at 31st March, 2023
	Net balance as at 1st April, 2022	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets/ (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(17,731)	(1,819)	-	(19,550)
Investments	(3,203)	309	-	(2,894)
Employee benefits	845	49	8	902
Cash Flow Hedge	(2,662)	-	3,516	854
Provision for Doubtful Advances	379	(52)	-	327
Others (Net)	(2,719)	(1,049)	-	(3,768)
Deferred tax assets/(liabilities)	(25,091)	(2,562)	3,524	(24,129)

(₹ in Lakhs)

Particulars				As at 31st March, 2022
	Net balance as at 1st April, 2021	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(17,563)	(168)	-	(17,731)
Investments	(1,698)	(1,505)	-	(3,203)
Employee benefits	883	30	(68)	845
Cash Flow Hedge	(468)	-	(2,194)	(2,662)
Provision for Doubtful Advances	398	(19)	-	379
Others (Net)	(1,902)	(817)	-	(2,719)
Deferred tax assets/(liabilities)	(20,350)	(2,479)	(2,262)	(25,091)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.39 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	As at 31st March, 2023							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Cash and cash equivalents (Including other bank balances)	-	-	3,778	3,778	-	-	-	-
Mutual Fund	98,780	-	-	98,780	58,337	40,443	-	98,780
Debentures	24,139	-	-	24,139	24,139	-	-	24,139
Equities	4,086	-	-	4,086	4,086	-	-	4,086
Loans	-	-	379	379	-	-	-	-
Trade receivables	-	-	1,25,354	1,25,354	-	-	-	-
Other financial assets	-	-	2,109	2,109	-	-	-	-
Foreign exchange forward contracts	-	10,398	-	10,398	-	10,398	-	10,398
preference shares and bonds	-	-	38,525	38,525	-	-	-	-
Alternate Investment Fund	28,347	-	-	28,347	-	28,347	-	28,347
Security deposit	-	-	1,997	1,997	-	-	-	-
TOTAL	1,55,352	10,398	1,72,142	3,37,892	86,562	79,188	-	1,65,750
Financial Liabilities:								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	1,03,844	1,03,844	-	-	-	-
Other financial liabilities	-	-	14,391	14,391	-	-	-	-
Short term borrowings	-	-	2,21,549	2,21,549	-	-	-	-
Trade payables	-	-	48,655	48,655	-	-	-	-
Foreign exchange forward contracts	-	13,795	-	13,795	-	13,795	-	13,795
TOTAL	-	13,795	3,88,439	4,02,234	-	13,795	-	13,795

(₹ in Lakhs)

Particulars	As at 31st March, 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Cash and cash equivalents (Including other bank balances)	-	-	3,525	3,525	-	-	-	-
Mutual Fund	87,968	-	-	87,968	53,814	34,154	-	87,968
Debentures	18,388	-	-	18,388	18,388	-	-	18,388
Equities	4,543	-	-	4,543	4,543	-	-	4,543
Loans	-	-	341	341	-	-	-	-
Trade receivables	-	-	1,09,768	1,09,768	-	-	-	-
Other financial assets	-	-	2,147	2,147	-	-	-	-
Foreign exchange forward contracts	-	10,779	-	10,779	-	10,779	-	10,779
preference shares and bonds	-	-	52,373	52,373	-	-	-	-
Alternate Investment Fund	20,266	-	-	20,266	-	20,266	-	20,266
Security deposit	-	-	1,928	1,928	-	-	-	-
TOTAL	1,31,165	10,779	1,70,082	3,12,026	76,745	65,199	-	1,41,944
Financial Liabilities:								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	50,079	50,079	-	-	-	-
Other financial liabilities	-	-	11,887	11,887	-	-	-	-
Short term borrowings	-	-	1,94,179	1,94,179	-	-	-	-
Trade payables	-	-	80,753	80,753	-	-	-	-
Foreign exchange forward contracts	-	204	-	204	-	204	-	204
TOTAL	-	204	3,36,898	3,37,102	-	204	-	204

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level: 2			
Forward contracts	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level: 1 and Level: 2			
Mutual Fund and Alternate Investment Fund	Net Asset value	Not applicable	Not applicable

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Around 78% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

Impairment

Provision for doubtful debts movement	(₹ in Lakhs)
Balance as at 1st April, 2021	-
Impairment loss recognised	19
Amounts written off	19
Balance as at 31st March, 2022	-
Impairment loss recognised	2
Amounts written off	2
Balance as at 31st March, 2023	-

Concentration of credit risk

At 31st March 2023, the carrying amount of the Company's most significant customer is ₹ 50,931 lakhs (Previous Year: ₹ 26,332 lakhs)

Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Company had made the provision for doubtful loans in earlier years of ₹ 1,650 lakhs. Up to 31st March, 2023 the Company had recovered ₹ 358 lakhs against this doubtful loan and as such the provision for such doubtful loan is reduced to ₹ 1,292 lakhs as on 31st March 2023. The Company has no collateral in respect of said loan.

Investment in debentures and preference shares

The Company does not perceive any risk as these are issued by reputed financial institution.

Investment in mutual funds and bonds

The investment in mutual funds and Government bonds are entered into with credit worthy fund houses, Government of India and financial institution. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The Company does not expect any losses from non-performance by these counter-parties.

Derivatives

The derivatives are entered into with the banks, with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the company's policy. Investment in surplus funds are made mainly in Bonds and mutual funds with good returns and within approved credit ratings.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

As at 31st March, 2023, the Company had working capital of ₹ 63,584 lakhs, including cash and cash equivalents of ₹ 3,075 lakhs and highly marketable current investments of ₹ 77,460 lakhs.

As at 31st March, 2022, the Company had working capital of ₹ 67,728 lakhs, including cash and cash equivalents of ₹ 2,945 lakhs and highly marketable current investments of ₹ 68,453 lakhs.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities

* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(₹ in Lakhs)

As at 31st March,2023	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non Current						
Unsecured Long term loans and borrowings	1,03,844	1,03,844	35	35,044	68,765	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	-	-	-	-	-	-
Unsecured Short term loans and borrowings	2,21,549	2,21,549	2,21,549	-	-	-
Trade payables	48,655	48,655	48,655	-	-	-
Other payable (Capital creditors)	13,795	13,795	13,795	-	-	-
Unpaid Dividend	316	316	316	-	-	-
Interest accrued but not due	275	275	275	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	9,172	9,172	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	6,364	6,364	-	2,101	4,263	-
Current						
Foreign exchange forward contract	7,431	7,431	7,431	-	-	-

(₹ in Lakhs)

As at 31st March,2022	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current						
Unsecured Long term loans and borrowings	50,125	50,125	45	35	50,045	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	12,521	12,521	12,521	-	-	-
Unsecured Short term loans and borrowings	1,81,612	1,81,612	1,81,612	-	-	-
Trade payables	80,753	80,753	80,753	-	-	-
Other payable (Capital creditors)	11,571	11,571	11,571	-	-	-
Unpaid Dividend	295	295	295	-	-	-
Interest accrued but not due	11	11	11	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	8,873	8,873	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	42	42	-	40	2	-
Current						
Foreign exchange forward contract	162	162	162	-	-	-

* Guarantees issued by the company on behalf of subsidiaries are with respect to borrowings raised by the respective entities. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiaries have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (₹). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of forecast sales over the forthcoming financial years in advance. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The Company, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March 2023:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	381 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	306 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	222 million	Sell
Hedges of highly probable forecasted purchases transactions	Forward contract	USD	INR	36 million	Buy
Cross currency swap	Currency swap	INR	EUR	57 million	*
Derivative	Derivative	EUR	USD	57 million	Buy

Following is the derivative financial instruments to hedge the foreign exchange rate risk at of 31st March 2022:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	284 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	162 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	170 million	Sell
Cross currency swap	Currency swap	INR	EUR	57 million	*

* NCD liability of ₹ 500 Crores has been swapped to Euro - equivalent to 57 million Euros

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	62,211	40,463	-	62,700	39,691	-
Cash and Cash Equivalents	1,287	932	7	439	2,034	8
Total (A)	63,498	41,395	7	63,139	41,725	8
Financial liabilities (B)						
Secured Loans	53,765	-	-	11,005	1,516	-
Unsecured Loans	2,47,621	-	-	2,17,407	-	-
Interest on loans	275	-	-	11	-	-
Trade payables	2,726	2,657	582	1,160	7,201	238
Other - Capital Creditor	1,323	5,000	-	1,784	2,367	-
Total (B)	3,05,710	7,657	582	2,31,367	11,085	238
Net statement of financial position exposure (A-B)	(2,42,212)	33,738	(575)	(1,68,228)	30,640	(230)

Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the Balance Sheet date.

(₹ in Lakhs)

31st March, 2023	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(4,844)	4,844
USD	3%	1,012	(1,012)
Others	10%	(57)	57

(₹ in Lakhs)

31st March, 2022	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(3,365)	3,365
USD	3%	919	(919)
Others	10%	(23)	23

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 48 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets	37,450	50,865
Financial liabilities	(2,30,330)	(2,35,928)
	(1,92,880)	(1,85,063)
Variable-rate instruments		
Financial liabilities	(94,984)	(8,205)
	(94,984)	(8,205)

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

Interest rate sensitivity - fixed rate instruments

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2023		
Variable-rate instruments	(950)	950
sensitivity (net)	(950)	950
As at 31st March 2022		
Variable-rate instruments	(82)	82
sensitivity (net)	(82)	82

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March, 2023 and 31st March, 2022. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2023						
Financial assets						
Derivative financial instruments	10,398	-	10,398	10,398	-	10,398
Total	10,398	-	10,398	10,398	-	10,398
Financial liabilities						
Derivative financial instruments	13,795	-	13,795	13,795	-	13,795
Total	13,795	-	13,795	13,795	-	13,795
As at 31st March, 2022						
Financial assets						
Derivative financial instruments	10,779	-	10,779	10,779	-	10,779
Total	10,779	-	10,779	10,779	-	10,779
Financial liabilities						
Derivative financial instruments	204	-	204	204	-	204
Total	204	-	204	204	-	204

NOTE NO.40 HEDGE ACCOUNTING

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the forthcoming financial years in advance. The company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The Company applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The company has formally designated and documented hedge relationship from 1 April 2016.

a. Disclosure of effects of hedge accounting on financial position

As at 31st March, 2023

Sr No	Type of risk/hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at 31st March, 2023

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets (₹ in Lakhs)	Derivative Financial Instruments - Liabilities (₹ in Lakhs)	Line item in Balance Sheet position where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	381 Million USD 528 Million EUR	6,719	13,710	Nil	FY 2023-24 to FY 2027-28	1 USD = ₹ 87.7421 & 1 EUR = ₹ 94.4661
Cross Currency swap	57 Million EUR	1,082	-	Nil	FY 2024-25 to FY 2025-26	1 EUR = ₹ 87.0235
Derivative	57 Million EUR	2,596	-	Nil	FY 2024-25 to FY 2025-26	1 EUR = 1 USD
Foreign exchange forward contracts	36 Million USD	-	85	Nil	FY 2024-25 to FY 2025-26	1 USD = ₹ 84.9235

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

Particulars	Change in fair value for the year	Change in fair value for the year recognized in OCI (₹ in Lakhs)	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2022-23	(14,798)	Nil	Not applicable	Nil	Not applicable
Cross Currency swap	FY 2022-23	(1,686)	Nil	Not applicable	Nil	Not applicable
Derivative	FY 2022-23	2,596	Nil	Not applicable	Nil	Not applicable
Foreign exchange forward contracts	FY 2022-23	(85)	Nil	Not applicable	Nil	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Lakhs)

Particulars	Movement in Cash flow hedge reserve	
	As at 31st March, 2023	As at 31st March, 2022
Opening balance	7,915	1,391
Effective portion of changes in fair value:		
Foreign currency risk	(13,973)	8,718
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	3,516	(2,194)
Closing balance	(2,542)	7,915

NOTE NO.41 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising interest-bearing loans and borrowings less cash and cash equivalents and current investments.

The Company's net debt to equity ratio was as follows.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current Borrowings		
Current Borrowings	2,21,584	1,94,179
Current maturity of long term debt	(35)	(46)
Gross Debt	2,21,549	1,94,133
Less - Cash and Cash Equivalents	3,075	2,945
Less - Current Investments	77,460	68,453
Net debt	1,41,014	1,22,735
Total equity	7,58,914	6,92,455
Add/(Less) : Hedging reserve	2,542	(7,915)
Equity	7,61,456	6,84,540
Net debt to Equity ratio	0.19	0.18

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.42 EARNING PER SHARE (EPS)

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit attributable to equity holders (₹ in lakhs)	1,07,871	1,41,069
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	55.80	72.97

NOTE NO.43 RELATED PARTY DISCLOSURES *

I) Related Party Relationships

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Madhusudan Bajaj - Sr. President (Commercial) & CFO.

b) Relatives of Key Management Personnel :

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Vijaya Bajaj

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Pvt. Ltd. The company has following subsidiary companies:

Name of subsidiary companies	% of Holding
BKT Tyres Limited	100% holding of Balkrishna Industries Limited
BKT EUROPE S.R.L.	100% holding of Balkrishna Industries Limited
BKT USA INC.	100% holding of Balkrishna Industries Limited
BKT EXIM US, INC.	100% holding of Balkrishna Industries Limited
BKT TIRES (CANADA) INC.	100% holding of Balkrishna Industries Limited
Step down Subsidiary	
BKT TIRES, INC.	100% holding of BKT EXIM US, INC.

II Related Party Transactions \$

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials	-	30	-	-	11	-
Rent received	-	72	-	-	66	-
Recovery of Expenses Other related Party ₹ 1,994 (Previous Year 38,495)	-	0	-	-	0	-
Rent paid	372	-	-	372	-	-
Maintenance Expenses	14	-	-	14	-	-
Vehicle Hiring Charges	-	-	-	3	-	-
Remuneration	28	-	-	28	-	-
Meeting Fees	4	-	-	4	-	-
Marketing Service Expenses	-	-	34,703	-	-	24,045
Guarantee Commission Received	-	-	52	-	-	54
Sale of goods/Materials	-	-	37,052	-	-	20,769
Guarantee given to Bank on behalf of subsidiary	-	-	9,172	-	-	8,873
Finance charges recover against Guarantee Commission	-	-	8	-	-	8
Development Charges Paid (R&D)	-	-	-	-	-	13

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Outstanding Balances								
Remuneration payable	6,607	8,000	1	1	-	-	-	-
Trade Receivables	-	-	-	-	17,753	6,686	-	-
Trade Payables	-	-	-	-	698	440	-	-

III Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Remuneration	7,888	9,258
Recovery of Expenses ₹ 3,712	0	25

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials						
Clothing Culture Pvt. Ltd	-	30	-	-	11	-
Rent received						
Clothing Culture Pvt. Ltd	-	72	-	-	66	-
Recovery of Expenses						
Clothing Culture Pvt. Ltd -Other related Party ₹ 1,994 (Previous Year ₹ 38,495)	-	0	-	-	0	-
Rent Paid						
Mrs. Pooja Dhoot	167	-	-	167	-	-
Mrs. Khushboo Poddar	205	-	-	205	-	-
Maintenance Expenses						
Mrs. Pooja Dhoot	6	-	-	6	-	-
Mrs. Khushboo Poddar	8	-	-	8	-	-
Vehicle Hiring Charges						
Mrs. Vijaya Bajaj	-	-	-	3	-	-
Meeting Fees						
Mrs. Vijaylaxmi Poddar	4	-	-	4	-	-
Remuneration						
Mrs. Khushboo Poddar	28	-	-	28	-	-
Marketing Service Expenses						
BKT EUROPE S.R.L.	-	-	27,118	-	-	17,989
BKT(USA)INC	-	-	5,443	-	-	4,071
BKT TIRES (CANADA) INC.	-	-	1,374	-	-	1,236
BKT TIRES INC.	-	-	769	-	-	749
Sales of Goods/ Materials						
BKT EUROPE S.R.L.	-	-	13,990	-	-	8,339
BKT TIRES INC.	-	-	23,062	-	-	12,430
Guarantee Commission Received						
BKT EUROPE S.R.L.	-	-	27	-	-	31
BKT EXIM US, INC	-	-	25	-	-	23
Guarantee given to Bank on behalf of subsidiaries						
BKT EUROPE S.R.L.	-	-	5,143	-	-	5,917
BKT EXIM US, INC	-	-	4,029	-	-	2,956
Finance charges recover against Guarantee Commission						
BKT EUROPE S.R.L.	-	-	3	-	-	3
BKT EXIM US, INC	-	-	5	-	-	5
Development Charges Paid						

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
BKT Europe S.R.L	-	-	-	-	-	13

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Remuneration payable**								
Mr. Arvind M Poddar	3,300	4,000	-	-	-	-	-	-
Mr. Rajiv A Poddar	3,300	4,000	-	-	-	-	-	-
Mr. Vipul Shah	3	5	-	-	-	-	-	-
Mr. Madhusudan Bajaj	4	2	-	-	-	-	-	-
Mrs. Khushboo Poddar	-	-	1	1	-	-	-	-
Trade Receivables								
BKT EUROPE S.R.L.	-	-	-	-	9,621	4,330	-	-
BKT TIRES INC.	-	-	-	-	8,097	2,324	-	-
BKT EXIM US, INC	-	-	-	-	35	32	-	-
Trade Payables								
BKT(USA)INC	-	-	-	-	584	330	-	-
BKT TIRES (CANADA) INC.	-	-	-	-	114	110	-	-

Key management personnel compensation***

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Remuneration		
Mr. Arvind M Poddar	3,854	4,554
Mr. Rajiv A Poddar	3,742	4,442
Mr. Vipul Shah	87	78
Mr. Madhusudhan Bajaj	205	184
Recovery of Expenses		
Mr. Arvind M Poddar	-	9
Mr. Rajiv A Poddar-₹ 3,712	0	16

**Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

*** Excluding Provision for gratuity and leave encashment

Terms and conditions of transactions with related parties

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

\$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

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

NOTE NO.44 TRADE PAYABLE AGEING AS AT 31ST MARCH,2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	2,164	5	-	-	2,169
Others	40,993	4,185	156	498	45,832
Dispute due MSME	-	-	-	-	-
Dispute due Others	1	-	-	653	654

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
TRADE PAYABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,618	-	-	-	1,618
Others	77,658	238	33	93	78,022
Dispute due MSME	20	-	-	-	20
Dispute due Others	8	30	1	1,054	1,093

As at 31st March, 2023, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	2,169	1,638
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006"	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

NOTE NO.45 EMPLOYEE BENEFIT OBLIGATIONS
(A) Defined Contribution Plan

The Company has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered by appropriate authorities. The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The liability of the Company on the exempt Provident Fund is restricted to the interest shortfall if any.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	81	81
Employees' Provident fund	1,402	1,251

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
	Gratuity (Funded plan)	Gratuity (Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	7,034	6,473
Amount recognised in profit and loss		
Current service cost	580	555
Interest cost	508	445
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Demographic assumptions	-	3
Financial assumptions	(162)	(295)
Experience adjustment	210	34
Other		
Benefits paid	(389)	(181)
Closing defined benefit obligation	7,781	7,034
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	5,063	4,415
Amount recognised in profit and loss		
Interest income	365	305
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	14	12
Other		
Contributions by employer	517	512
Benefits paid	(389)	(181)
Closing fair value of plan assets	5,570	5,063
Actual return on Plan Assets	379	318
(iii) Plan assets comprise the following		
Insurance fund (100%)	Unquoted 5,570	Unquoted 5,063
(iv) Principal actuarial assumptions used		
Discount rate	%	%
Rate of employee turnover	7.48	7.27
Future Salary growth rate	8.50	8.50
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	7,781	7,034
Fair value of plan assets as at year end	5,570	5,063
Net (asset) / liability recognised as at year end	2,211	1,971
Recognised under :		
Long term provisions	2,211	1,971
	2,211	1,971

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(696)	828	(652)	780
Employee turnover (1% movement) - Gratuity	(45)	51	(59)	68
Future salary growth (1% movement) - Gratuity	649	(618)	636	(593)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2023					
Defined benefit obligations (Gratuity)	530	414	2,177	2,758	5,879
Total	530	414	2,177	2,758	5,879

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2022					
Defined benefit obligations (Gratuity)	345	415	1,896	2,550	5,206
Total	345	415	1,896	2,550	5,206

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March 2023 based on actuarial valuation using the projected accrued benefit method is ₹ 10.82 lakhs (31st March, 2022 : ₹ 0.06 lakhs).

NOTE NO.46 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Contingent Liabilities		
a) Claims against the Company not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	12,507	13,272
Disputed income tax demands	1,348	1,268
Others (Municipal, Gram panchayat tax, Electricity Duty etc.)	823	676
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	8,045	5,060
c) Corporate Guarantee given by the Company:		
To the President of India through commissioner of Custom	62,498	87,098
To Bank against loan taken by subsidiary	6,484	6,335
d) Standby Letter of Credit issued by Company's banker for loan taken by subsidiary	2,688	2,539
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	56,271	96,570

NOTE NO.47 PAYMENT TO AUDITORS *

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Auditor		
Audit Fees	55	38
Limited Review	4	4
Tax Audit	13	-
Transfer Pricing	3	-
	75	42
Income tax matters	7	-
Company Law Matters	12	-
Other Services		
Consolidation & Corporate Governance	7	3
Other Certification etc.	38	3
	45	6
Total	139	48

Due to rotation of auditors in the current year, services related to Tax audit fees and other services provided by the new auditors are considered above in current year disclosures. However the new auditors had provided such services in the previous year aggregating to ₹ 102 Lakhs.

*Excluding GST

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.48 NATURE OF SECURITY IN RESPECT OF SECURED LOAN:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Working Capital Loans from Banks Repayable on Demand:		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets and further secured by first charge by way of hypothecation on all the present and future movable PPEs of the Company.	-	12,521
Secured by first charge by way of hypothecation on all the movable assets of tire plant of Bhuj, Gujarat	53,765	-

NOTE NO.49 TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Sr no	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1	Undisputed Trade Receivable - Consider Good	1,14,636	10,589	129	-	-	1,25,354
2	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4	Disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5	Disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6	Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Sr no	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1	Undisputed Trade Receivable - Consider Good	1,09,341	420	7	-	-	1,09,768
2	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4	Disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5	Disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6	Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

NOTE NO.50 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has recommended a further final dividend of ₹ 4 (200%) per equity share of ₹ 2 each.

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.51 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

(₹ in Lakhs)

Sr. No	Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
1	Amount required to be spent by the Company during the year	2,889	2,478
2	Opening Shortfall/(Surplus) (if any)	(11)	
3	Amount of expenditure incurred on		
	i) Construction/acquisition of any assets	2,026	1,727
	ii) On purpose of other than (i) above	852	762
4	Shortfall/(Surplus) at the end of the year (₹ 6,617)	(0)	(11)
5	Total of Previous year shortfall	-	-
6	Reason for shortfall	-	
7	Nature of CSR activities	Healthcare, Education and Rural development	
8	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-	-

NOTE NO.52 RATIOS

Sr No.	Particulars	Numerator	Denominator	Year Ended		%	Remarks for variance more than 25%
				31st March 2023	31st March 2022		
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.20	1.22	(1.73)	
2	Debt-Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.43	0.35	21.55	
3	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	285.23	384.78	(25.87)	There has been Profit Margin decrease
4	Return on Equity (ROE) (%)	Net Profits after taxes	Average Shareholder's Equity	14.86	21.82	(31.87)	There has been Profit Margin decrease
5	Inventory Turnover (In times)	Cost of goods sold	Average Inventories	10.77	10.14	6.19	
6	Trade receivables Turnover (In times)	Net Sales	Average Trade Receivables	8.25	8.95	(7.85)	
7	Trade Payables Turnover Ratio (In times)	Total Purchase	Avg Trade Payables	12.39	9.05	36.93	There has been Increase in Total Purchase
8	Net capital turnover ratio (In times)	Net Sales	Working Capital	14.77	12.63	16.91	
9	Operating Margin (%)	Operating Profit	Net Sales	11.95	18.72	(36.17)	There has been Profit Margin decrease
10	Net profit ratio (%)	Net Profit	Net Sales	11.12	17.24	(35.49)	There has been Profit Margin decrease
11	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	13.50	20.41	(33.83)	There has been Profit Margin decrease
12	Return on investment (%)	Income generated from investments	Average Investments	5.47	10.25	(46.69)	There has been decrease in cash flow during the year
13	Interest coverage ratio (In times)	Earnings before interest and taxes (EBIT)	Finance Cost	32.80	217.63	(84.93)	There has been Profit Margin decrease & increase in finance cost

Notes to the Standalone Financial Statements For the year ended 31st March, 2023 (Contd.)**NOTE NO.53 OTHER STATUTORY INFORMATIONS:**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) All the title deeds of immovable properties are in the name of Company.
- viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

NOTE NO.54

The code of Social Security, 2020 (code) relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

NOTE NO.55

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

NOTES FORMING THE PART OF FINANCIAL STATEMENTS

As per our report of even date attached		For and on behalf of the Board of Directors	
For JAYANTILAL THAKKAR & CO.		ARVIND PODDAR	Chairman & Managing Director
Chartered Accountants		RAJIV PODDAR	Joint Managing Director
(Firm Reg. no.104133W)		VIPUL SHAH	Director & Company Secretary
VIRAL A. MERCHANT	MADHUSUDAN BAJAJ		
Partner	Sr. President (Commercial) & CFO		
Membership No.116279			
Mumbai,		Mumbai,	
Dated: 27 th May, 2023		Dated: 27 th May, 2023	

Independent Auditors' Report

To the Members of

BALKRISHNA INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Balkrishna Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Description of Key Audit Matters

The key audit matters	How our audit addressed the matter
<p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2023, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various factories of the Company was ₹ 1,94,608 lakhs in the current year as set out in Note No.2. Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Consolidated Financial Statements are considered to be adequate.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

AS PART OF AN AUDIT IN ACCORDANCE WITH SAS, WE EXERCISE PROFESSIONAL JUDGMENT AND MAINTAIN PROFESSIONAL SKEPTICISM THROUGHOUT THE AUDIT. WE ALSO:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

- (a) We did not audit the financial statements of the 5 foreign subsidiaries, whose financial results include total assets of (before consolidation adjustments) ₹ 21,685 lakhs, total revenue of (before consolidation adjustments) ₹ 47,804 lakhs, total net profit after tax of (before consolidation adjustments) ₹ 1,900 lakhs, total comprehensive income of (before consolidation adjustments) ₹ 1,016 lakhs and net cash outflows of (before consolidation adjustments) ₹ 438 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) The comparative financial information of the Group for the year ended 31st March, 2022, prepared in accordance with Ind AS, included in this consolidated financial statements have been audited, by the predecessor auditors. The report of the predecessor auditors on these comparative financial information dated 13th May, 2022 expressed an unmodified opinion.

Our opinion on the Statement is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company and its subsidiary which is incorporated in India, as on 31st March, 2023 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

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

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

- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2023 on the consolidated financial position of the Group.
- ii. the Company and its subsidiary company incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts to the Investor Education and

Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2023.

- iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in Note No. 53 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. 1st April, 2023 to the Holding Company and its subsidiary which is incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

2. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

VIRAL A. MERCHANT
PARTNER
MEMBERSHIP NO. 116279
UDIN: 23116279BGWHRM4715

PLACE: Mumbai
DATE: 27th May, 2023

Annexure - A to the Independent Auditors' Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") and its subsidiary company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, incorporated in India, have, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 104133W)

VIRAL A. MERCHANT
PARTNER
MEMBERSHIP NO. 116279
UDIN: 23116279BGWHRM4715

PLACE: Mumbai
DATE: 27th May, 2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	5,30,727	3,93,906
(b) Capital Work-in-Progress	2A	1,39,160	1,25,840
(c) Investment Property	3	7,076	7,934
(d) Intangible Assets	4	128	90
(e) Right of use assets	4A	474	9
(f) Financial Assets			
i) Investments	5	1,26,211	1,21,215
ii) Other Financial Assets	6	9,376	8,288
(g) Non-Current Tax Assets (Net)	7	-	581
(h) Other Non-Current Assets	8	28,819	50,617
TOTAL NON-CURRENT ASSETS		8,41,971	7,08,480
2 CURRENT ASSETS			
(a) Inventories	9	1,66,737	1,67,209
(b) Financial Assets			
i) Investments	10	77,460	68,453
ii) Trade Receivables	11	1,11,527	1,09,615
iii) Cash and Cash Equivalents	12	6,930	4,591
iv) Other Bank Balances	13	703	580
v) Loans	14	380	352
vi) Other Financial Assets	15	5,133	6,571
(c) Other Current Assets	16	23,925	32,047
TOTAL CURRENT ASSETS		3,92,795	3,89,418
TOTAL ASSETS		12,34,766	10,97,898
II EQUITY AND LIABILITIES			
EQUITY			
(a) Share Capital	17	3,866	3,866
(b) Other Equity	18	7,51,827	6,89,435
TOTAL EQUITY		7,55,693	6,93,301
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	19	1,03,809	50,104
ii) Lease Liabilities	19A	474	4
iii) Other Financial Liabilities	20	6,365	43
(b) Provisions	21	3,054	2,712
(c) Deferred Tax Liabilities (Net)	22	24,185	25,090
(d) Other Non-Current Liabilities	23	6,259	3,081
TOTAL NON-CURRENT LIABILITIES		1,44,146	81,034
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	24	2,30,366	2,02,746
ii) Lease Liabilities	24A	4	5
iii) Trade Payable			
Total outstanding due of Micro and Small Enterprise	25	2,169	1,638
Total outstanding due of creditors Other than Micro and Small Enterprise	25	47,045	81,288
iv) Other Financial Liabilities	26	21,817	12,039
(b) Other Current Liabilities	27	32,855	25,400
(c) Provisions	28	426	447
(d) Current Tax Liabilities (Net)	28A	245	-
TOTAL CURRENT LIABILITIES		3,34,927	3,23,563
TOTAL EQUITY AND LIABILITIES		12,34,766	10,97,898

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

(Firm Reg. no.104133W)

VIRAL A. MERCHANT

Partner

Membership No.116279

Mumbai,

 Dated: 27th May, 2023

MADHUSUDAN BAJAJ

Sr. President (Commercial) & CFO

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: 27th May, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
I Revenue From Operations	29	9,75,953	8,29,512
II Other Income	30	34,653	43,792
III Total Income (I+II)		10,10,606	8,73,304
IV Expenses :			
Cost of Materials Consumed	31	4,80,419	3,95,788
Purchases of Stock-in-Trade	32	10,625	7,753
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	487	(25,757)
Employee Benefits Expense	34	45,943	43,007
Finance Cost	35	4,804	915
Depreciation and Amortisation Expense	36	57,081	45,537
Other Expenses	37	2,67,768	2,07,846
Total Expenses		8,67,127	6,75,089
V Profit Before Tax (III-IV)		1,43,479	1,98,215
VI Tax Expense:			
Current tax		34,922	46,045
Short/(Excess) provision of earlier years		225	6,154
Deferred tax		2,592	2,478
Total Tax Expenses		37,739	54,677
VII Profit After Tax (V-VI)		1,05,740	1,43,538
VIII Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		(34)	271
ii) Income Tax		8	(68)
2 i) Items that will be reclassified to profit or loss :			
The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		(13,973)	8,718
ii) Income Tax		3,516	(2,194)
iii) Exchange differences on translation of financial statements of foreign operation		(1,935)	(884)
Total Other Comprehensive Income (1+2)		(12,418)	5,843
IX Total Comprehensive Income (VII +VIII)		93,322	1,49,381
X Earnings per equity share:			
Basic and Diluted	42	54.70	74.25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. no.104133W)

VIRAL A. MERCHANT
Partner
Membership No.116279
Mumbai,
Dated: 27th May, 2023

MADHUSUDAN BAJAJ
Sr. President (Commercial) & CFO

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: 27th May, 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at 1st April 2021	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March 2022	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March 2023	19,33,17,190	3,866

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Statement of other comprehensive Income			
	Capital Reserve	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	Foreign Currency translation reserve	Total other equity
Balance as at 1st April 2021	34	4,00,000	1,98,753	(1,659)	1,391	(2,403)	5,96,116
Total Comprehensive							
Profit for the year	-	-	1,43,538	-	-	-	1,43,538
Other comprehensive income for the year	-	-	-	203	6,524	-	6,727
Transactions with owners of the company							
Interim Dividend on Equity Shares	-	-	(46,396)	-	-	-	(46,396)
Dividend on Equity Shares	-	-	(9,666)	-	-	-	(9,666)
Transferred to General Reserve	-	-	(40,000)	-	-	-	(40,000)
Transferred from Retained Earnings	-	40,000	-	-	-	-	40,000
Foreign currency translation reserve	-	-	-	-	-	(884)	(884)
Balance as at 31st March 2022	34	4,40,000	2,46,229	(1,456)	7,915	(3,287)	6,89,435
Total Comprehensive							
Profit for the year	-	-	1,05,740	-	-	-	1,05,740
Other comprehensive income for the year	-	-	-	(25)	(10,457)	-	(10,482)
Transactions with owners of the company							
Interim Dividend on Equity Shares	-	-	(23,198)	-	-	-	(23,198)
Dividend on Equity Shares	-	-	(7,733)	-	-	-	(7,733)
Transferred to General Reserve	-	-	(40,000)	-	-	-	(40,000)
Transferred from Retained Earnings	-	40,000	-	-	-	-	40,000
Foreign currency translation reserve	-	-	-	-	-	(1,935)	(1,935)
Balance as at 31st March 2023	34	4,80,000	2,81,038	(1,481)	(2,542)	(5,222)	7,51,827

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

(Firm Reg. no.104133W)

VIRAL A. MERCHANT

Partner

Membership No.116279

Mumbai,

Dated: 27th May, 2023

MADHUSUDAN BAJAJ

Sr. President (Commercial) & CFO

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: 27th May, 2023

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,43,479	1,98,215
Adjustment for :		
Depreciation and Amortisation	57,081	45,537
Withdrawal of Provision of Doubtful Loan	(210)	(75)
Investment written off	72	-
Net mark to market (Gain)/Loss on investments	1,762	(9,951)
Income from Investments	(8,609)	(3,165)
Finance Cost	4,804	915
Interest Income including on investments	(3,643)	(4,150)
Lease liability	4	-
(Profit) /Loss on Sale of Property, Plant and equipment	(179)	(115)
Property, Plant and equipment Discarded	470	2
Unrealised Foreign Exchange differences (Gain)/Loss	6,913	(4,796)
Actuarial gains/(losses) reclassified to OCI	(34)	271
Export Incentive on account of EPCG (Benefit)/Utilised	(4,169)	(3,203)
	54,262	21,270
Operating profit before working capital changes	1,97,741	2,19,485
Adjustment for:		
Trade and other receivables	14,315	(35,094)
Other Financial Assets	(123)	1,442
Inventories	472	(73,237)
Trade payables	(33,315)	23,999
	(18,651)	(82,890)
Cash generated from operations	1,79,090	1,36,595
Direct taxes paid	(34,293)	(45,791)
Net cash from Operating Activities	1,44,797	90,804
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and equipment	(1,76,247)	(1,59,529)
Sale of Property, Plant and equipment	1,022	635
Purchase of Investments	(19,830)	(2,66,722)
Sale of Investments	10,998	2,31,559
Inter Corporate Loan Refund Received	210	75
Interest received	3,796	4,149
Income Received on Investments	1,742	84
Net cash used in Investing Activities	(1,78,309)	(1,89,749)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds /(Repayment) from Short Term Borrowings (Net)	32,462	(9,316)
Proceeds from Long Term Borrowings	3,92,126	3,33,509
Repayment of Long Term Borrowings	(3,53,617)	(1,69,210)
Dividend paid (including tax thereon)	(30,909)	(56,033)
Lease Liability paid	(6)	(11)
Finance cost paid	(4,202)	(903)
Net Cash from Financing Activities	35,854	98,036
Net increase in cash and cash equivalent	2,342	(909)
Exchange difference on cash and cash equivalent	(3)	8
Cash and cash equivalent as at the beginning of the year	4,591	5,492
Cash and cash equivalent as at the end of the year	6,930	4,591

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
(Firm Reg. no.104133W)

VIRAL A. MERCHANT
Partner
Membership No.116279
Mumbai,
Dated: 27th May, 2023

MADHUSUDAN BAJAJ
Sr. President (Commercial) & CFO

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: 27th May, 2023

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March, 2023

1 (A) General information

Balkrishna Industries Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at Waluj MIDC, Aurangabad, Maharashtra, India.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

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

(B) Significant Accounting policies

(a) Basis of preparation

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

(b) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Name of the Subsidiary Company	Country of Incorporation
Direct Subsidiaries	
BKT Tyres Limited	India
BKT EUROPE S.R.L.	Italy
BKT TIRES (CANADA) INC.	Canada
BKT USA INC.	USA
BKT EXIM US, INC.	USA
Indirect Subsidiary	
BKT TIRES INC.	USA

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

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

(d) Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contract with Customers.

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

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

Sale of goods

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

Export Benefits

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

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

Dividend income

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

Interest income

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

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

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

The cost of an item of PPE comprises:

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

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

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

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)**ii. Subsequent expenditure**

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

iii. Depreciation

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

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

Leasehold land are amortised over the lease period.

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

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

(f) Investment properties

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

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

Investment properties generally have a useful life of 30 years for factory building and 60 years for other than factory building.

(g) Intangible assets

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

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

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

(h) Impairment of non-financial assets

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

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

(i) Borrowing cost

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

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

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(j) Lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(k) Income Tax

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

i. Current tax

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

Current tax assets and liabilities are offset only if:

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

ii. Deferred tax

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

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

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

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

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

(l) Cash and cash equivalents

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

(m) Inventories

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

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

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

(n) Research and development

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

(o) Financial instruments

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

i. Financial assets

Classification

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

Initial recognition and measurement

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

Debt instruments

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

Equity instruments

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

Derecognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
 - The rights to receive cash flows from the asset have expired, or
 - The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

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

ii. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit and loss

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

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

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

Loans and borrowings

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

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

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

Derecognition

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

Offsetting of financial instruments

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

Derivative financial instruments

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

iii. Hedge accounting

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

(p) Employee benefits

i. Short term employee benefits

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

ii. Defined contribution plans

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

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

iii. Defined benefit plans

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

(q) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Where an inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the year end and wherever practicable, an estimate of their financial effect.

(r) Earnings per share (EPS)

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

(s) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(t) Key estimates and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be capitalized.

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

- Provisions and contingent liabilities

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(u) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortization)				(Net Block)
	Balance As at 1st April 2022	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2023	Total upto 1st April 2022	*For the Year	Deductions During the year	Total upto 31st March 2023	As At 31st March 2023
Tangible assets									
(a) Land									
Freehold	7,059	707	-	7,766	-	-	-	-	7,766
Leasehold	1,744	-	-	1,744	163	22	-	185	1,559
(b) Buildings	1,52,564	17,110	-	1,69,674	25,706	5,633	-	31,339	1,38,335
(c) Plant and Equipment	4,31,478	1,63,014	2,836	5,91,656	1,97,693	45,281	2,276	2,40,698	3,50,958
(d) Furniture and Fixtures	9,362	866	136	10,092	4,656	930	135	5,451	4,641
(e) Vehicles	3,285	1,218	163	4,340	1,621	411	127	1,905	2,435
(f) Office Equipment	2,582	702	19	3,265	1,390	361	19	1,732	1,533
(g) Others:									
Electric Installations	24,000	9,092	70	33,022	10,336	2,831	70	13,097	19,925
Air Conditioners	1,431	390	9	1,812	1,073	159	9	1,223	589
Computer	2,383	536	25	2,894	1,202	499	24	1,677	1,217
Lease hold improvement	3,897	973	-	4,870	2,039	1062	-	3,101	1,769
TOTAL PROPERTY, PLANT AND EQUIPMENT	6,39,785	1,94,608	3,258	8,31,135	2,45,879	57,189	2,660	3,00,408	5,30,727

* Including Depreciation capitalised ₹ 303 Lakhs

PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortization)				(Net Block)
	Balance As at 1st April 2021	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March 2022	As at 1st April 2021	*For the Year	Deductions During the year	Total upto 31st March 2022	As At 31st March 2022
Tangible assets									
(a) Land									
Freehold	7,059	-	-	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	134	29	-	163	1,581
(b) Buildings	1,11,345	41,221	2	1,52,564	21,529	4,177	#0	25,706	1,26,858
(c) Plant and Equipment	3,72,407	59,271	200	4,31,478	1,61,255	36,616	178	1,97,693	2,33,785
(d) Furniture and Fixtures	7,837	1,531	6	9,362	3,865	796	5	4,656	4,706
(e) Vehicles	2,664	735	114	3,285	1,399	308	86	1,621	1,664
(f) Office Equipment	2,312	274	4	2,582	1,089	305	4	1,390	1,192
(g) Others:									
Electric Installations	17,295	6,739	34	24,000	8,346	2,024	34	10,336	13,664
Air Conditioners	1,219	214	2	1,431	929	146	2	1,073	358
Computer	1,683	706	6	2,383	876	332	6	1,202	1,181
Lease hold improvement	3,320	577	-	3,897	1,164	875	-	2,039	1,858
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,28,885	1,11,268	368	6,39,785	2,00,586	45,608	315	2,45,879	3,93,906

* Including Depreciation capitalised ₹ 304 Lakhs

#22,236

NOTE NO. 2A CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	1,15,638	18,481	2,204	2,837	1,39,160
Project temporarily suspended	-	-	-	-	-
Total	1,15,638	18,481	2,204	2,837	1,39,160

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	90,739	25,823	6,862	2,416	1,25,840
Project temporarily suspended	-	-	-	-	-
Total	90,739	25,823	6,862	2,416	1,25,840

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2022	Additions During the year	Deductions During the year	Balance As at 31st March 2023	Balance As at 1st April 2022	For the Year	Deductions During the year	Balance As at 31st March 2023	As At 31st March 2023
Buildings	8,804	-	792	8,012	870	144	78	936	7,076
TOTAL INVESTMENT PROPERTY	8,804	-	792	8,012	870	144	78	936	7,076

INVESTMENT PROPERTY AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2021	Additions During the year	Deductions During the year	Balance As at 31st March 2022	Balance As at 1st April 2021	For the Year	Deductions During the year	Balance As at 31st March 2022	As At 31st March 2022
Buildings	9,372	-	568	8,804	733	160	23	870	7,934
TOTAL INVESTMENT PROPERTY	9,372	-	568	8,804	733	160	23	870	7,934

i). Amounts recognised in profit and loss for investment properties

(₹ In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Rental income derived from investment properties	293	714
Direct operating expenses (including repair and maintenance) generating rental income	(35)	(90)
Direct operating expenses (including repair and maintenance) not generating rental income	(37)	(27)

ii) Fair value

(₹ In Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Investment properties	23,915	24,865

Estimation of fair value

The company obtains independent valuations for its investment properties from an independent valuer.

The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2023

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2022	Additions During the year	Deductions During the year	Balance As at 31st March 2023	Balance As at 1st April 2022	For the Year	Deductions During the year	Balance As at 31st March 2023	As At 31st March 2023
Computer software	707	84	6	785	619	44	6	657	128
Trademark	10	-	-	10	8	2	-	10	#0
TOTAL INTANGIBLE	717	84	6	795	627	46	6	667	128

₹ 53,179

INTANGIBLE ASSETS AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April 2021	Additions During the year	Deductions During the year	Balance As at 31st March 2022	Balance As at 1st April 2021	For the Year	Deductions During the year	Balance As at 31st March 2022	As At 31st March 2022
Computer software	629	78	-	707	557	62	-	619	88
Trademark	10	-	-	10	6	2	-	8	2
TOTAL INTANGIBLE	639	78	-	717	563	64	-	627	90

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO. 4A - RIGHT OF USE ASSETS

The Company has lease contracts for various item of buildings and vehicles in its operation. The Companies obligation under it leases are secured by the lessor title to the lease assets. Generally the Company is restricted from assigning and sub leasing the lease assets. There are no major lease contracts that include extension and termination options and variable lease payments. The effective rate of interest for lease liabilities is 8.70%.

Set out below are the carrying amounts of rights-of-use assets recognised and the movement during the period: (₹ in Lakhs)

Particulars	Leasehold Building	Vehicle	Total
As at 1st April, 2021	-	18	18
Addition	-	-	-
Less: Depreciation expenses	-	9	9
As at 1st April, 2022	-	9	9
Addition/(Deduction) - Net	470	-	470
Less: Depreciation expenses	-	5	5
As at 31st March, 2023	470	4	474

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	9	19
Addition/(Deduction) - Net	470	-
Accretion of Interest	5	1
Less: Payments	6	11
Closing Balance	478	9
Current	4	5
Non-Current	474	4

The following are the amounts recognised in profit and loss :

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation expenses of right of use assets	5	9
Interest expenses on lease liabilities	1	1
Expenses relating to short term lease and low value leased (included in other expenses)	1,115	985
Total amount recognised in profit and loss	1,121	995

The Company had total cash outflow for lease of ₹ 1,121 lakhs in 31st March, 2023 (Previous Year ₹ 996 lakhs)

NOTE NO.5 INVESTMENTS (NON CURRENT)

Particulars	(₹ in Lakhs)			
	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
A. Investments at Cost				
Unquoted				
(a) Investment in Equity Shares				
(Fully paid up Shares)				
National Stock Exchange of India Limited of ₹ 1 each	1,84,000	3,310	1,12,500	1,308
BDR Pharmaceuticals International Pvt. Limited of ₹ 10 each	725	993	-	-
Care Health Insurance Limited of ₹ 10 each	4,78,795	1,015	4,65,116	1,000
		5,318		2,308
(b) Investment in Preference Shares				
0.001% Series C Compulsorily Convertible Non Cumulative Preference Shares of Vay Network Services Pvt Limited of ₹ 2 each	11,190	94	11,190	94
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
0.0001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Newspace Research & Technology Pvt Limited Limited of ₹ 10 each	22,51,250	1,123	1,42,857	500
0.01% Series B Compulsorily Convertible Non Cumulative Preference Shares of Bombinate Technologies Pvt Limited Limited of ₹ 100 each	602	500	602	500
0.01% Series A Compulsorily Convertible Non Cumulative Preference Shares of Altigreen Propulsion Labs Pvt Limited of ₹ 100 each	1,356	200	1,356	200

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
0.001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Globalbees Brands Pvt Limited of ₹ 5 each	104	528	104	528
Non convertible non cumulative redeemable preference shares Music Broad cast of ₹ 10 each	30,000	30	-	-
		4,475		3,822
B. Investment carried at amortised cost				
Unquoted				
a) Investment in Preference Shares				
(Fully paid up Shares)				
Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of ₹ 10 each	-	-	11,14,223	72
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,006	2,00,000	2,011
		2,006		2,083
Quoted				
b) Investment in Tax Free Bonds				
7.35 % NABARD Tax Free Bonds of ₹ 1,000 each	50,099	501	50,099	501
7.07 % NABARD Tax Free Bonds of ₹ 10,00,000 each	550	5,090	1,330	13,597
7.39% HUDCO Tax Free Bond of ₹ 1,000 each	-	-	2,50,000	2,567
7.14 % NHAI Tax Free Bond of ₹ 1,000 each	2,85,698	2,884	2,85,698	2,894
7.36% IIFC Tax Free Bond of ₹ 1,000 each	4,00,000	4,144	5,00,000	5,217
7.35 % IRFC Tax Free Bonds of ₹ 1,000 each	-	-	58,783	588
		12,619		25,364
c) Investment in Perpetual Bonds				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	-	-	100	1,015
8.50 % SBI Perpetual Bond of ₹ 10,00,000 each	200	2,000	200	2,000
8.75 % SBI Perpetual Bond of ₹ 10,00,000 each	290	2,912	290	2,920
7.55 % SBI Perpetual Bond of ₹ 1,00,00,000 each	5	495	-	-
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,998	700	6,997
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,483	450	4,475
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,800	480	4,801
8.15 % BOB Perpetual Bond of ₹ 10,00,000 each	50	502	-	-
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	-	-	20	205
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	503	50	503
		22,693		22,916
C. Investment carried at fair value through Profit and Loss				
a) Investment in Non Convertible Debenture /Market Linked Debentures				
Avenues Finance Pvt Ltd of ₹ 10,00,000 each	-	-	110	1,165
L&T Infra Debt fund Ltd. of ₹ 10,00,000 each	-	-	251	3,125
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	-	-	200	2,173
Shriram Finance Ltd. of ₹ 10,00,000 each	50	519	-	-
MAS Financial Services Limited of ₹ 10,00,000 each	100	1,018	50	524
S K Fincorp Limited of ₹ 1,00,000 each	-	-	1,500	1,661
S K Fincorp Limited of ₹ 5,00,000 each	-	-	200	1,109
S K Fincorp Limited of ₹ 10,00,000 each	150	1,613	-	-
Muthooth Fincorp Limited of ₹ 10,00,000 each	-	-	3,500	3,779
Tata Cleantech Capital Limited of ₹ 10,00,000 each	100	1,012	-	-
L&T Finance Limited of ₹ 10,00,000 each	250	2,498	-	-
Motilal Oswal Finvest Limited of ₹ 10,00,000 each	100	1,021	-	-
IIFL Wealth Prime Limited of ₹ 1,00,000 each	500	500	-	-
		8,181		13,536

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹ 10 each	3,67,27,003	5,772	3,67,27,003	7,486
IIFL India Private Equity Fund Series 1A of ₹ 10 each	46,03,432	440	46,03,432	473
IIFL Special Opportunities Fund Series 8 of ₹ 10 each	46,24,798	557	46,24,798	592
IIFL Special Opportunities Fund of Fund 1 of ₹ 10 each	90,27,646	1,141	90,27,646	1,143
IIFL Special Opportunities Fund Series 10 of ₹ 10 each	49,66,529	526	17,50,000	175
BPEA Credit India Fund III of ₹ 100 each	7,27,500	738	5,10,000	514
Chirate Ventures India Fund IV of ₹ 1,00,000 each	750	1,165	615	941
TVS Shriram Growth Fund 3 of ₹ 1,000 each	1,14,513	1,760	88,639	1,270
Inflexor Technology Fund of ₹ 1,00,000 each	196	204	175	164
Blume Venture Fund IX of ₹ 100 each	5,00,000	1,033	5,00,000	776
Blume Venture Fund IV of ₹ 100 each	1,50,000	175	1,00,000	100
Xponintia Opportunities Fund of ₹ 1,00,000 each	399	598	399	500
Avendus Future Leader Fund II of ₹ 1,00,000 each	298	288	113	112
Multiple Pvt Equity Fund III of ₹ 100 each	3,58,435	451	1,71,837	189
Sixth Sense India Opportunity III of ₹ 1,000 each	1,70,000	1,860	1,10,000	1,140
3One4 Capital - Fund III of ₹ 1,00,000 each	1,500	1,392	1,500	642
Trifecta Venture Debt Fund III of ₹ 100 each	13,48,200	1,418	8,88,200	963
Sageone - Flagship Growth 2 Fund ₹ 1,000 each	97,836	861	50,032	506
White Oak India Equity Fund V ₹ 10 each	99,46,812	928	49,87,481	510
Alchemy Leaders Of Tomorrow Fund ₹ 100 each	9,26,916	866	4,61,268	499
Avendus Structure Credit Fund II of ₹ 1,00,000 each	906	906	300	300
Innoven Capital India Fund of ₹ 100 each	7,00,000	726	-	-
Fireside Venture Investment Fund III of ₹ 1,00,000 each	60	60	-	-
ASK Golden Decade Fund of ₹ 100 each	1,46,028	1,410	-	-
Alpha Alternative MSAR LLP of ₹ 100 each	9,99,950	1,022	-	-
Alteria Capital Fund II of ₹ 100 each	20,00,000	2,051	12,00,000	1,271
		28,348		20,266
c) Investment in Mutual fund				
Quoted:				
Edelweiss Bharat Bond FOF April 2032 of ₹ 10 each	2,96,92,960	3,106	-	-
Edelweiss CRISIL IBX 50:50 Gilt Plus SDL April 2037 Index Fund of ₹ 10 each	4,15,29,107	4,349	-	-
Bharat Bond ETF April 2030 of ₹ 1,000 each	10,00,000	12,535	10,00,000	12,058
Bharat Bond ETF April 2031 of ₹ 1,000 each	17,50,233	19,533	17,50,233	18,862
Bharat Bond ETF April 2033 of ₹ 1,000 each	2,99,985	3,048	-	-
		42,571		30,920
Total of Non Current Investments		1,26,211		1,21,215
Aggregate amount of quoted investments and market value thereof		86,064		92,736
Aggregate amount of unquoted investments.		40,147		28,479

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO. 6 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
Derivative Assets		6,926		6,124
Security Deposits		1,906		1,874
Bank deposits more than 12 months maturity				
In Margin		544		290
In Fixed Deposit (Current Year ₹ 5,097; Previous Year ₹ 5,097)		0		0
		9,376		8,288

NOTE NO.7 NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)		-		581
		-		581

NOTE NO.8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
(a) Capital Advances		28,516		50,407
(b) Others loans and advances				
VAT/Service Tax Receivable		108		153
Prepaid expense		195		57
		28,819		50,617

NOTE NO.9 INVENTORIES :

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
(At lower of Cost and Net Realisable Value)				
(a) Raw materials		85,371		91,011
(b) Work-in-Progress		15,230		16,202
(c) Finished Goods		42,446		46,567
(d) Stock-in-Trade		8,912		4,306
(e) Stores and Spares		13,266		7,323
(f) Others -Packing Materials and Fuel		1,512		1,800
		1,66,737		1,67,209

NOTE NO.10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
A. Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture /Market Linked Debentures				
Muthoot Fincorp Limited of ₹ 1,00,000 each	-	-	100	1,002
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	-	-	50	552
Edelweiss Assets Reconstruction co. Ltd. of ₹ 1,00,000 each	-	-	1,486	2,185
Five Star Business Finance Ltd. of ₹ 10,00,000 each	-	-	100	1,113
Avenues Finance Pvt Ltd of ₹ 10,00,000 each	250	2,899	-	-
Shriram Finance Ltd. of ₹ 10,00,000 each	293	3,364	-	-
Svatantra Microfin Pvt Limited of ₹ 4,37,500 each	200	874	-	-
REC Limited of ₹ 10,00,000 each	353	4,037	-	-
Fullerton India Credit Company Limited of ₹ 10,00,000 each	197	2,165	-	-
Tata International Limited of ₹ 10,00,000 each	100	1,003	-	-
MAS Financial Ltd. of ₹ 1,00,000 each	150	1,616	-	-
		15,958		4,852
b) Investment in Equity instruments				
Music Broadcast Ltd. of ₹ 1 each	2,00,000	22	10,20,000	263
MindSpace Business Park REIT of ₹ 10 each	2,52,800	827	2,52,800	876
Nation Highways Infra Trust INVIT of ₹ 101 each	10,00,000	1,097	10,00,000	1,090

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units	Amount	Units	Amount
India Infrastructure Trust InvIT	10,00,000	920	10,00,000	980
Power Grid InvIT of ₹ 100 each	9,96,100	1,220	9,96,100	1,334
		4,086		4,543
c) In Mutual Fund				
HDFC Fixed Maturity Plan Series 39/44 Direct-Growth of ₹ 10 each	-	-	5,00,00,000	6,215
ICICI Prudential Mutual Fund ETF ICICI Nifty 50 of ₹ 10 each	1,78,544	337	-	-
Nippon India Mutual Fund ETF Nifty Bees of ₹ 1 each	57,62,412	10,940	54,79,412	10,349
Nippon India Mutual Fund ETF Bank Bees of ₹ 1 each	-	-	4,24,810	1,553
Nippon India Mutual Fund ETF Silver Bees of ₹ 10 each	17,951	13	17,951	12
Nippon India Mutual Fund ETF Gold Bees of ₹ 1 each	50,56,531	2,582	50,31,581	2,220
Motilal Oswal Mutual Fund Nasdaq 100 ETF of ₹ 1 each	18,14,445	1,894	21,90,644	2,546
Unquoted				
Aditya Birla Sun Life Liquid Fund of ₹ 100 each	2,79,030	1,013	4,37,535	1,501
Aditya Birla Sun Life Arbitrage Fund of ₹ 10 each	20,94,040	503	-	-
Axis Liquid Fund of ₹ 1,000 each	72,261	1,807	-	-
Motilal Oswal Nasdaq fund of fund 100 ETF of ₹ 10 each	2,96,141	66	2,96,141	69
HDFC Liquid Fund of ₹ 1,000 each	34,129	1,510	-	-
ICICI Prudential Liquid Fund of ₹ 100 each	3,00,315	1,001	-	-
ICICI Prudential Gilt Fund of ₹ 10 each	6,37,519	579	6,37,519	545
ICICI Prudential Saving Fund of ₹ 100 each	1,09,030	504	-	-
SBI Magnum Gilt Fund Long Term Plan of ₹ 1,000 each	2,66,96,984	15,422	3,40,15,713	18,503
SBI Magnum Liquid Fund of ₹ 1,000 each	14,390	507	-	-
SBI Magnum Income Fund of ₹ 10 each	19,56,921	1,237	19,56,921	1,176
UTI Liquid Fund of ₹ 1,000 each	29,857	1,102	-	-
Tata Arbitrage Fund of ₹ 10 each	39,70,419	503	-	-
Mirae Assets Cash Management Fund of ₹ 1,000 each	21,050	500	-	-
Invesco Arbitrage Fund of ₹ 10 each	17,43,495	505	-	-
Sundaram Liquid Fund of ₹ 1,000 each	35,306	702	-	-
Nippon India Nivesh Lakshya Fund of ₹ 10 each	8,66,67,201	12,982	8,66,67,201	12,359
		56,209		57,048
B. Investment carried at amortised cost				
a) Investment in Tax Free Bond				
7.19% IRFC Tax Free Bonds of ₹ 10,00,000 each	-	-	200	2,010
				2,010
b) Investment in Perpetual Bond				
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	20	201	-	-
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,006	-	-
		1,207		-
Total Current Investments		77,460		68,453
Aggregate amount of quoted investments and Market value thereof		37,017		34,299
Aggregate amount of Unquoted investments		40,443		34,154

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivable Considered good - Secured	22,094	11,165
Trade receivable Considered good - Unsecured	89,433	98,450
	1,11,527	1,09,615

NOTE NO.12 CASH AND CASH EQUIVALENTS:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks	6,547	4,566
Cash on hand	33	25
Remittance in transit	350	-
	6,930	4,591

NOTE NO.13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend	316	295
Margin Money (Including Fixed Deposit)#	387	285
	703	580

#(Held against guarantee and other commitments)

NOTE NO.14 LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,292	1,502
Loans receivable - Credit impaired	-	-
	1,292	1,502
Less: Provision for loans which have significant increase in credit risk	1,292	1,502
	-	-
Loans and advances to employees (considered good)	380	352
	380	352

NOTE NO.15 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Derivative Assets	3,472	4,656
Interest accrued on Investments	1,356	1,521
Interest accrued on Deposits and Loans	56	44
Dividend/Income accrued on Investments	153	292
Security Deposit	96	58
	5,133	6,571

NOTE NO.16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Payment to Suppliers	6,467	8,344
GST/Excise/Sales Tax/Custom Duty etc. Receivables	15,477	21,827
Prepaid Expenses	1,981	1,876
	23,925	32,047

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.17 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised :		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	9,100	9,100
Issued Subscribed and fully paid up:		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	3,866	3,866

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Reconciliation of number of Equity shares outstanding at the beginning and end of the year :

Equity Share :	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount (₹ In Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	19,33,17,190	3,866
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

Shareholder's holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.71	5,35,77,010	27.71

Shares held by the promoters and promoters group at the end of the year

Sr no	Name	No of shares	% of total shares	% Change during the year
1	Arvind M Poddar	1,000	0.00	-
2	Vijaylaxmi A Poddar	1,000	0.00	-
3	Rajiv A Poddar	5,35,77,010	27.71	-
4	Khushboo R Poddar	75,93,000	3.93	-
5	Shyam lata S Poddar	1,000	0.00	-
6	Rishab Poddar	27,90,180	1.44	-
7	TMP Enterprises LLP	4,93,360	0.26	-
8	VKP Enterprises LLP	4,82,32,880	24.95	-
9	RAP Enterprises LLP	250	0.00	-
10	AKP Enterprises LLP	250	0.00	-
11	Balgopal Holding & Traders Ltd	100	0.00	-
12	Poddar Brothers Investment Pvt Ltd	100	0.00	-
13	S P Investrade (India) Limited	70	0.00	-
	Total	11,26,90,200	58.29	

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a. Capital Reserve		
Opening Balance	34	34
Add: Movement during the year	-	-
Closing Balance	34	34
b. Other Reserve (General Reserve)		
Opening Balance	4,40,000	4,00,000
Add: Transferred from Profit and Loss account	40,000	40,000
Closing Balance	4,80,000	4,40,000
c. Retained earnings		
Opening Balance	2,46,229	1,98,753
Add: Net Profit for the current year	1,05,740	1,43,538
Less: Interim Dividend	23,198	46,396
Less: Dividend on equity shares	7,733	9,666
Less: Transfer to General Reserve	40,000	40,000
Closing Balance	2,81,038	2,46,229
Other Comprehensive Income (OCI) :		
d. Remeasurements of the net defined benefit plans		
Opening Balance	(1,456)	(1,659)
Movement during the year	(25)	203
Closing Balance	(1,481)	(1,456)
e. Effective portion of cash flow hedges		
Opening Balance	7,915	1,391
Movement during the year	(10,457)	6,524
Closing Balance	(2,542)	7,915
f. Foreign Currency translation reserve		
Opening Balance	(3,287)	(2,403)
Movement during the year	(1,935)	(884)
Closing Balance	(5,222)	(3,287)
	7,51,827	6,89,435

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

Retained earnings

Retained earnings includes the Company's cumulative earnings and losses respectively

Remeasurements of the net defined benefit Plans

Remeasurements of defined benefit liability comprises actuarial gains and losses and return on plan assets (excluding interest income)

Cash flow hedging reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedge item affects profit/(loss) i.e., when the designated sale occurs.

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than INR is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

NOTE NO.19 BORROWINGS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured - At amortised cost		
Non Convertible Debentures	50,000	50,000
Allotment of 5,000 rated, listed, unsecured, redeemable, non-convertible debentures of a face value of ₹ 10,00,000. The Interest rate coupon for the debenture is fixed @5.67% per annum for the entire tenure and will be payable semi-annually. In order to leverage the interest rate scenario and Euro receivable of the Company, the Company has swapped the Debentures liability to Euro fixed liability whereby the effective coupon for the Company will be 0.055% per annum. The repayment schedule will be in three installment i.e ₹ 17,500 lakhs in April 2024, ₹ 17,500 lakhs in October 2024 and ₹ 15,000 lakhs in April 2025.		

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.19 BORROWINGS (NON CURRENT)		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
From Others	-	25	
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)	44	79	
Secured - At amortised cost			
External Commercial Borrowing (Secured) External Commercial Borrowing of EURO 60 Million from SMBC (Singapore), the same is secured by first charge by way of hypothecation on all the movable assets of tire plant of Bhuj, Gujarat. Rate of interest is 3 Months Euribor plus spread of 0.52%. The repayment is starting from December 2025 in six quarterly equal installments of euro 10 million each.	53,765	-	
	1,03,809	50,104	
NOTE NO.19A LEASE LIABILITIES		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Lease Liabilities	474	4	
	474	4	
NOTE NO.20 OTHER FINANCIAL LIABILITIES (NON CURRENT)		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Distributors/Dealers Deposit	1	1	
Derivative Liability (Mark to Market)	6,364	42	
	6,365	43	
NOTE NO.21 PROVISIONS (NON CURRENT)		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Provision for employee benefits			
Gratuity	2,211	1,971	
Leave Encashment	434	424	
Others	409	317	
	3,054	2,712	
NOTE NO.22 DEFERRED TAX LIABILITIES (NET)		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Net Deferred tax liabilities	24,185	25,090	
	24,185	25,090	
NOTE NO.23 OTHER NON CURRENT LIABILITIES		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Deferred Income (Export Incentive)	6,259	3,081	
	6,259	3,081	
NOTE NO.24 BORROWINGS (CURRENT)		(₹ in Lakhs)	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Secured			
From Banks	8,758	21,088	
Unsecured			
From Banks	2,21,573	1,81,612	
From Others			
Current maturity of long term debt	35	46	
	2,30,366	2,02,746	

(Refer Note No. 48 for details of securities provided and repayment terms of above loans)

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.24A LEASE LIABILITIES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Lease Liabilities	4	5	
	4	5	

NOTE NO.25 TRADE PAYABLES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Trade Payables (including Acceptances) due to:			
Total outstanding due of Micro and Small Enterprise	2,169	1,638	
Total outstanding due of creditors Other than Micro and Small Enterprise	47,045	81,288	
	49,214	82,926	

(Refer Note No. 44 for Micro and Small Enterprise)

NOTE NO.26 OTHER FINANCIAL LIABILITIES (CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Interest accrued but not due	275	11	
Unpaid Dividend	316	295	
Other Payable (capital creditors)	13,795	11,571	
Derivative liabilities	7,431	162	
	21,817	12,039	

NOTE NO.27 OTHER CURRENT LIABILITIES			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Income received in advance	5,435	6,018	
Security Deposit	5,128	4,767	
Statutory dues	22,292	14,615	
	32,855	25,400	

NOTE NO.28 PROVISIONS (CURRENT)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Provision for employee benefits			
Leave encashment	426	447	
	426	447	

NOTE NO.28A CURRENT TAX LIABILITIES (NET)			(₹ in Lakhs)
Particulars	As at 31st March, 2023	As at 31st March, 2022	
Income Tax Liabilities (Net)	245	-	
	245	-	

NOTE NO.29 REVENUE FROM OPERATIONS			(₹ in Lakhs)
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022	
Sale of Products	9,64,616	8,20,897	
Other Operating Revenue:			
Export Incentives	7,068	6,074	
Scrap Sales	3,383	2,128	
Others	886	413	
	11,337	8,615	
Total Revenue from Operations	9,75,953	8,29,512	
DISAGGREGATION OF REVENUE			
Revenue based on Geography			
Export	7,59,039	6,88,731	
Domestic #	2,16,914	1,40,781	
Total Revenue from operations	9,75,953	8,29,512	
# (Including export incentive on account of MEIS license)			

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Reconciliation of Revenue from operations with contract price		
Contract Price	9,92,124	8,43,773
Less:		
Sales returns	860	532
Sales Incentives and Bonus	12,236	11,055
Others	3,075	2,674
	16,171	14,261
Total Revenue from operations	9,75,953	8,29,512

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Group provides performance warranty for its products. The amount of liability towards such warranty is not material.

NOTE NO.30 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest Income on:		
Non Current Investments	3,518	3,776
Current Investments	26	53
Deposits/Loans and Advances/Income tax refund	99	321
	3,643	4,150
Net gain on foreign currency transaction and translation	22,420	24,579
Income from Non current Investment	1,199	998
Dividend Income on investments	404	376
Net gain on sale of Non Current Investments	6,500	1,136
Net gain on sale of Current Investments	505	655
Net mark to market gain/(loss) on investments	(1,762)	9,951
Profit on sale of Property Plant and Equipment	179	115
Withdrawal of Provision of Doubtful Loan	210	75
Other non-operating income	1,355	1,757
	34,653	43,792

NOTE NO.31 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Raw Material Consumed	4,80,419	3,95,788
	4,80,419	3,95,788

NOTE NO.32 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Purchase of Traded Goods	10,625	7,753
	10,625	7,753

NOTE NO.33 CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Opening Stock :		
Work-in-Progress	16,202	9,168
Stock in Trade	4,306	4,089
Finished Goods	46,567	28,061
	67,075	41,318
Less :		
Closing Stock :		
Work-in-Progress	15,230	16,202
Stock in Trade	8,912	4,306
Finished Goods	42,446	46,567
	66,588	67,075
Net (Increase)/Decrease in Inventories	487	(25,757)

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
NOTE NO.34 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Salaries and wages	42,103	39,285
Contribution to provident and other funds	2,733	2,512
Staff welfare expenses	1,107	1,210
	45,943	43,007

NOTE NO.35 FINANCE COST*

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Interest expenses	4,244	824
Other borrowing cost	221	90
Exchange difference regarded as an adjustment to borrowing cost	338	-
Interest on Lease Liability	1	1
	4,804	915

*Net of borrowing cost capitalised during the current year ₹ 2,031 Lakhs. The rate used to determine the amount of borrowing cost eligible for capitalisation was 9%

NOTE NO.36 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Depreciation and amortisation	57,076	45,528
Depreciation of Right-of-use assets	5	9
	57,081	45,537

NOTE NO.37 OTHER EXPENSES:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Consumption of stores and spare parts	22,981	20,465
Packing material consumed	2,088	1,687
Power and fuel(Net)	33,917	27,481
Freight and forwarding	1,11,304	88,087
Labour/Job Charges	19,987	17,629
Water charges	939	803
Repairs and Maintenance to Plant & Machinery	1,712	3,486
Repairs and Maintenance to Building	4,519	2,217
Repairs and Maintenance to Others	1,383	881
Insurance Charges	2,715	2,332
Rates and Taxes excluding taxes on income	10,070	7,216
Rent	1,115	985
Legal and Professional charges	4,509	2,976
Advertisement, Publicity, Sales Promotion and Marketing Service expenses	39,118	23,851
Commission	521	271
Travelling Expenses	3,690	1,631
Directors Meeting Fees	29	34
Property plant and equipment Discarded	470	2
Interest to Others	28	20
Contribution towards CSR expenses	2,878	2,909
Investment written off	72	-
Miscellaneous expenses	3,723	2,883
	2,67,768	2,07,846

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.38

i) Tax Reconciliation

(a) The Income tax expense consists of the following:

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Current income tax	34,922	46,045
Short/(Excess) provision of earlier year	225	6,154
Deferred tax expense	2,592	2,478
Tax expense for the year	37,739	54,677

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	(34)	8	(26)	271	(68)	203
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow hedges	(13,973)	3,516	(10,457)	8,718	(2,194)	6,524
c) Exchange difference on translation	(1,935)	-	(1,935)	(884)	-	(884)
	(15,942)	3,525	(12,418)	8,105	(2,262)	5,843

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit before tax	1,43,479	1,98,215
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expenses	36,111	49,887
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(371)	(483)
Deduction under Income Tax Act.	(103)	(80)
Impact of differential tax rate	75	(1,603)
Permanent differences	1,618	774
Investment Written off	18	-
Others - Allowances, Income tax of earlier years	391	6,182
Total Income tax expenses	37,739	54,677
Effective Tax Rate	26.303%	27.585%

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
ii) Deferred Tax Disclosure
(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2023			Net Deferred tax assets / (liabilities)
	Net balance as at 1st April, 2022	Recognised in profit or loss	Recognised in OCI	
Deferred tax assets / (liabilities)				
Property, plant and equipment	(17,730)	(1,876)	-	(19,606)
Investments	(3,203)	309	-	(2,894)
Employee benefits	845	49	8	902
Cash Flow Hedge	(2,662)	-	3,516	854
Provision for Doubtful Advances	379	(52)	-	327
Others (Net)	(2,719)	(1,049)	-	(3,768)
Deferred tax assets/ (liabilities)	(25,090)	(2,619)	3,524	(24,185)

(b) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022			Net Deferred tax assets / (liabilities)
	Net balance as at 1st April, 2021	Recognised in profit or loss	Recognised in OCI	
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(17,563)	(167)	-	(17,730)
Investments	(1,698)	(1,505)	-	(3,203)
Employee benefits	883	30	(68)	845
Cash flow hedge	(468)	-	(2,194)	(2,662)
Provision for Doubtful Advances	398	(19)	-	379
Others (Net)	(1,902)	(817)	-	(2,719)
Deferred tax assets/ (liabilities)	(20,350)	(2,478)	(2,262)	(25,090)

The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTE NO.39 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	As at 31st March, 2023							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and cash equivalents (Including other bank balances)	-	-	7,633	7,633	-	-	-	-
Mutual Fund	98,780	-	-	98,780	58,337	40,443	-	98,780
Debentures	24,139	-	-	24,139	24,139	-	-	24,139

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2023							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Equities	4,086	-	-	4,086	4,086	-	-	4,086
Loans	-	-	380	380	-	-	-	-
Trade receivables	-	-	1,11,527	1,11,527	-	-	-	-
Other financial assets	-	-	2,109	2,109	-	-	-	-
Foreign exchange forward contracts	-	10,398	-	10,398	-	10,398	-	10,398
Preference shares and bonds	-	-	38,525	38,525	-	-	-	-
Alternate Investment Fund	28,347	-	-	28,347	-	28,347	-	28,347
Security deposit	-	-	2,002	2,002	-	-	-	-
TOTAL	1,55,352	10,398	1,62,176	3,27,926	86,562	79,188	-	1,65,750
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	1,03,844	1,03,844	-	-	-	-
Other financial liabilities	-	-	14,865	14,865	-	-	-	-
Short term borrowings	-	-	2,30,331	2,30,331	-	-	-	-
Trade payables	-	-	49,214	49,214	-	-	-	-
Foreign exchange forward contracts	-	13,795	-	13,795	-	13,795	-	13,795
TOTAL	-	13,795	3,98,254	4,12,049	-	13,795	-	13,795

(₹ in Lakhs)

Particulars	As at 31st March, 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Cash and cash equivalents (Including other bank balances)	-	-	5,171	5,171	-	-	-	-
Mutual Fund	87,968	-	-	87,968	53,814	34,154	-	87,968
Debentures	18,388	-	-	18,388	18,388	-	-	18,388
Equities	4,543	-	-	4,543	4,543	-	-	4,543
Loans	-	-	352	352	-	-	-	-
Trade receivables	-	-	1,09,615	1,09,615	-	-	-	-
Other financial assets	-	-	2,147	2,147	-	-	-	-
Foreign exchange forward contracts	-	10,779	-	10,779	-	10,779	-	10,779
Preference shares and bonds	-	-	52,373	52,373	-	-	-	-
Alternate Investment Fund	20,266	-	-	20,266	-	20,266	-	20,266
Security deposit	-	-	1,928	1,928	-	-	-	-
TOTAL	1,31,165	10,779	1,71,586	3,13,530	76,745	65,199	-	1,41,944
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	50,104	50,104	-	-	-	-
Other financial liabilities	-	-	11,887	11,887	-	-	-	-
Short term borrowings	-	-	2,02,746	2,02,746	-	-	-	-
Trade payables	-	-	82,926	82,926	-	-	-	-
Foreign exchange forward contracts	-	204	-	204	-	204	-	204
TOTAL	-	204	3,47,663	3,47,867	-	204	-	204

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

Level 1: Level 1 Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 2:			
Forward contracts	Market valuation techniques The group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level 1 and Level 2:			
Mutual Fund/Debentures/ Bonds and Alternate Investment Fund	Net Asset Value	Not applicable	Not applicable

C. Financial risk management

The group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Around 78% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Group's credit risk in this respect.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required for credit risk wherever credit is extended to customers.

Impairment

Provision for doubtful debts movement	(₹ in Lakhs)
Balance as at 1st April, 2021	-
Impairment loss recognised	19
Amounts written off	19
Balance as at 31st March, 2022	-
Impairment loss recognised	2
Amounts written off	2
Balance as at 31st March, 2023	-

Concentration of credit risk

At 31st March 2023, the carrying amount of the Group's most significant customers is ₹ 30,559 lakhs (31st March 2022: ₹ 26,332 lakhs)

Loan to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Group had made the provision for doubtful loans in earlier years of ₹ 1,650 lakhs up to 31st March, 2023 the Group had recovered ₹ 358 lakhs against this doubtful loan and as such the provision for such doubtful loan is reduced to ₹ 1,292 lakhs as on 31st March 2023. The group has no collateral in respect of said loan.

Investment in debentures and preference share

The group does not perceive any risk as these are issued by reputed financial institution.

Investment in mutual funds and bonds

The investment in mutual funds, Government bonds are entered into with credit worthy fund houses, Government of India and financial institution. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The Group does not expect any losses from non-performance by these counter-parties.

Derivatives

The derivatives are entered into with bank counterparties with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made mainly in Bonds and mutual funds with good returns and within approved credit ratings.

iii. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation.

The group has obtained fund and non-fund based working capital lines from various banks. The group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31st March, 2023, the group had working capital of ₹ 57,868 lakhs, including cash and cash equivalents of ₹ 6,930 lakhs and highly marketable current investments of ₹ 77,460 lakhs.

As of 31st March, 2022, the group had working capital of ₹ 65,855 lakhs, including cash and cash equivalents of ₹ 4,591 lakhs and highly marketable current investment of ₹ 68,453 lakhs.

Exposure to liquidity risk

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities

* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

As at 31st March,2023	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non Current						
Unsecured Long term loans and borrowings	1,03,844	1,03,844	35	35,044	68,765	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	8,758	8,758	8,758	-	-	-
Unsecured Short term loans and borrowings	2,21,573	2,21,573	2,21,573	-	-	-
Trade payables	49,214	49,214	49,214	-	-	-
Other payable (Capital creditors)	13,795	13,795	13,795	-	-	-
Unpaid Dividend	316	316	316	-	-	-
Interest accrued but not due	275	275	275	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	6,364	6,364	-	2,101	4,263	-
Current						
Foreign exchange forward contract	7,431	7,431	7,431	-	-	-

(₹ in Lakhs)

As at 31st March,2022	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current						
Unsecured Long term loans and borrowings	50,150	50,150	45	60	50,045	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	21,088	21,088	21,088	-	-	-
Unsecured Short term loans and borrowings	1,81,612	1,81,612	1,81,612	-	-	-
Trade payables	82,926	82,926	82,926	-	-	-
Other payable (Capital creditors)	11,571	11,571	11,571	-	-	-
Unpaid Dividend	295	295	295	-	-	-
Interest accrued but not due	11	11	11	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	42	42	-	40	2	-
Current						
Foreign exchange forward contract	162	162	162	-	-	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a) Currency risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the group. The functional currency of the group is Indian Rupees (₹). The currencies in which these transactions are primarily denominated are EURO and USD.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

At any point in time, the group generally hedges its estimated foreign currency exposure in respect of forecast sales over the forthcoming financial years in advance. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The group, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2023:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	381 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	306 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	222 million	Sell
Hedges of highly probable forecasted purchases transactions	Forward contract	USD	INR	36 million	Buy
Cross currency swap	Currency swap	INR	EUR	57 million	*
Derivative	Derivative	EUR	USD	57 million	Buy

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2022:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	284 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	162 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	170 million	Sell
Cross currency swap	Currency swap	INR	EUR	57 million	*

* NCD liability of ₹ 500 crores has been swapped to Euro - equivalent to 57 million Euros

Exposure to currency risk

The summary quantitative data about the group's exposure to currency risk as reported to the management of the group is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	68,901	43,590	114	65,901	43,355	110
Cash and cash equivalent	3,683	2,199	196	1,213	2,826	85
Security Deposits	5	-	-	5	-	-
Loans	-	-	1	-	-	11
Total A	72,589	45,789	311	67,119	46,181	206
Financial liabilities (B)						
Secured Loans	58,494	4,029	-	16,616	4,472	-
Unsecured Loans	2,47,621	-	24	2,17,407	-	24
Interest on loans	275	-	-	11	-	-
Trade payables	18,482	11,180	619	7,915	9,698	286
Other - Capital Creditors	1,323	5,000	-	1,784	2,367	-
Total B	3,26,195	20,209	643	2,43,733	16,537	310
Net statement of financial position exposure (A-B)	(2,53,606)	25,580	(332)	(1,76,614)	29,644	(104)

Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the balance sheet date.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

31st March, 2023	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(5,072)	5,072
USD	3%	767	(767)
Others	10%	(33)	33

(₹ in Lakhs)

31st March, 2022	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(3,532)	3,532
USD	3%	889	(889)
Others	10%	(10)	10

(Note: The impact is indicated on the profit/(loss) and equity before tax basis)

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the Group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 48 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets	37,450	50,865
Financial liabilities	(2,30,330)	(2,35,928)
	(1,92,880)	(1,85,063)
Variable-rate instruments		
Financial liabilities	(1,03,742)	(16,772)
	(1,03,742)	(16,772)

Interest rate sensitivity - fixed rate instruments

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2023		
Variable-rate instruments	(1,037)	1,037
Sensitivity (net)	(1,037)	1,037
As at 31st March, 2022		
Variable-rate instruments	(168)	168
Sensitivity (net)	(168)	168

(Note: The impact is indicated on the profit/(loss) before tax basis)

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March 2023 and 31st March 2022. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2023						
Financial assets						
Derivative financial instruments	10,398	-	10,398	10,398	-	10,398
Total	10,398	-	10,398	10,398	-	10,398
Financial liabilities						
Derivative financial instruments	13,795	-	13,795	13,795	-	13,795
Total	13,795	-	13,795	13,795	-	13,795
As at 31st March, 2022						
Financial assets						
Derivative financial instruments	10,779	-	10,779	10,779	-	10,779
Total	10,779	-	10,779	10,779	-	10,779
Financial liabilities						
Derivative financial instruments	204	-	204	204	-	204
Total	204	-	204	204	-	204

NOTE NO.40 HEDGE ACCOUNTING

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the forthcoming financial years in advance. The group uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The group applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

The group has formally designated and documented hedge relationship from 1st April 2016.

a) Disclosure of effects of hedge accounting on financial position

As at 31st March, 2023

Sr No	Type of risk/hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Group enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at 31 March, 2023

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets (₹ in Lakhs)	Derivative Financial Instruments - Liabilities (₹ in Lakhs)	Line item in Balance Sheet position where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	381 Million USD 528 Million EUR	6,719	13,710	Nil	FY 2023-24 to FY 2027-28	1 USD = ₹ 87.7421 & 1 EUR = ₹ 94.4661
Foreign exchange forward contracts	57 Million EUR	1,082	-	Nil	FY 2024-25 to FY 2025-26	1 EUR = ₹ 87.0235
Foreign exchange forward contracts	57 Million EUR	2,596	-	Nil	FY 2024-25 to FY 2025-26	1 EUR = 1 USD
Foreign exchange forward contracts	36 Million USD	-	85	Nil	FY 2024-25 to FY 2025-26	1 USD = ₹ 84.9235

Particulars	Change in fair value for the year	Change in fair value for the year recognized in OCI (₹ in Lakhs)	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2022-23	(14,798)	Nil	Not applicable	Nil	Not applicable
Cross Currency swap	FY 2022-23	(1,686)	Nil	Not applicable	Nil	Not applicable
Derivative	FY 2022-23	2,596	Nil	Not applicable	Nil	Not applicable
Foreign exchange forward contracts	FY 2022-23	(85)	Nil	Not applicable	Nil	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Lakhs)

Particulars	Movement in Cash flow hedge reserve	
	As at 31st March, 2023	As at 31st March, 2022
Opening balance	7,915	1,391
Effective portion of changes in fair value:		
Foreign currency risk	(13,973)	8,718
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	3,516	(2,194)
Closing balance	(2,542)	7,915

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO. 41 CAPITAL MANAGEMENT

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The group monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising interest-bearing loans and borrowings less cash and cash equivalents and current investments.

The group's net debt to equity ratio was as follows.

Particulars	₹ in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Current Borrowings	2,30,366	2,02,746
Current maturity of long term debt	(35)	(46)
Gross Debt	2,30,331	2,02,700
Less - Cash and Cash Equivalents	6,930	4,591
Less - Current Investments	77,460	68,453
Net debt	1,45,941	1,29,656
Total equity	7,55,693	6,93,301
Add/(Less) : Hedging reserve	2,542	(7,915)
Equity	7,58,235	6,85,386
Net debt to Equity ratio	0.19	0.19

NOTE NO.42 EARNING PER SHARE (EPS):

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the group by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit attributable to equity holders (₹ in lakhs)	1,05,740	1,43,538
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	54.70	74.25

NOTE NO.43 RELATED PARTY DISCLOSURES *

(Where transactions have taken place)

I Related Party Relationships

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Madhusudan Bajaj- Sr. President (Commercial) & CFO.

b) Relatives of Key Management Personnel :

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Vijaya Bajaj

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Pvt. Ltd.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
II Related Party Transactions \$

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials	-	30	-	11
Rent received	-	72	-	66
Recovery of Expenses Other related Party ₹ 1,994 (Previous Year ₹ 38,495)	-	0	-	0
Rent Paid	372	-	372	-
Maintenance Expenses	14	-	14	-
Vehicle Hiring Charges	-	-	3	-
Remuneration	28	-	28	-
Meeting fees	4	-	4	-

(₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of (KMP)	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Outstanding Balances				
Remuneration payable	6,607	8,000	1	1

III Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Remuneration	7,888	9,258
Recovery of Expenses (₹ 3,712)	0	25

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials				
Clothing Culture Ltd	-	30	-	11
Rent received				
Clothing Culture Ltd	-	72	-	66
Recovery of Expenses				
Clothing Culture Pvt. Ltd -Other related Party ₹ 1,994 (Previous Year ₹ 38,495)	-	0	-	0
Rent Paid				
Mrs. Pooja Dhoot	167	-	167	-
Mrs. Khushboo Poddar	205	-	205	-
Maintenance Expenses				
Mrs. Pooja Dhoot	6	-	6	-
Mrs. Khushboo Poddar	8	-	8	-
Vehicle hiring Charges				
Mrs Vijaya Bajaj	-	-	3	-
Meeting Fees				
Mrs. Vijaylaxmi Poddar	4	-	4	-
Remuneration				
Mrs. Khushboo Poddar	28	-	28	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Other related Party	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Outstanding Balances						
Remuneration payable**						
Mr. Arvind M Poddar	3,300	4,000	-	-	-	-
Mr. Rajiv A Poddar	3,300	4,000	-	-	-	-
Mr. Vipul Shah	3	5	-	-	-	-
Mr. Madhusudan Bajaj	4	2				
Mrs. Khushboo Poddar	-	-	1	1	-	-

Key management personnel compensation***

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Remuneration		
Mr. Arvind M Poddar	3,854	4,554
Mr. Rajiv A Poddar	3,742	4,442
Mr. Vipul Shah	87	78
Mr. Madhusudhan Bajaj	205	184
Recovery of Expenses		
Mr. Arvind M Poddar	-	9
Mr. Rajiv A Poddar-₹ 3,712	0	16

**Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

*** Excluding Provision for gratuity and leave encashment

Terms and conditions of transactions with related parties

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

\$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

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

NOTE NO.44 TRADE PAYABLE AGEING AS AT 31ST MARCH,2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	2,164	5	-	-	2,169
Others	41,552	4,185	156	498	46,391
Dispute due MSME	-	-	-	-	-
Dispute due Others	1	-	-	653	654

TRADE PAYABLE AGEING AS AT 31ST MARCH,2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,618	-	-	-	1,618
Others	79,831	238	33	93	80,195
Dispute due MSME	20	-	-	-	20
Dispute due Others	8	30	1	1,054	1,093

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

As at 31st March, 2023, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	2,169	1,638
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) "The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006"	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

NOTE NO.45 EMPLOYEE BENEFIT OBLIGATIONS
(A) Defined Contribution Plan

The group has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered by appropriate authorities. The group's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the group has no further obligation beyond making the contributions. The liability of the Group on the exempt Provident Fund is restricted to the interest shortfall if any.

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	81	81
Employees' Provident fund	1,402	1,251

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the group.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2023. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	7,034	6,473
Amount recognised in profit and loss		
Current service cost	580	555
Interest cost	508	445

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Gratuity		Gratuity	
	(Funded plan)		(Funded plan)	
Amount recognised in other comprehensive income				
Actuarial loss / (gain) arising from:				
Demographic assumptions		-		3
Financial assumptions		(162)		(295)
Experience adjustment		210		34
Other				
Benefits paid		(389)		(181)
Closing defined benefit obligation		7,781		7,034
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets		5,063		4,415
Amount recognised in profit and loss				
Interest income		365		305
Amount recognised in other comprehensive income				
Actuarial gain / (loss)				
Return on Plan Assets, Excluding Interest Income		14		12
Other				
Contributions by employer		517		512
Benefits paid		(389)		(181)
Closing fair value of plan assets		5,570		5,063
Actual return on Plan Assets		379		318
(iii) Plan assets comprise the following				
		Unquoted		Unquoted
Insurance fund (100%)		5,570		5,063
(iv) Principal actuarial assumptions used		%		%
Discount rate		7.48		7.27
Rate of employee turnover		For Service 4 years and below 10 % p.a. & for Service 5 years and above 2%p.a		For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate		8.50		8.50
(v) Amount recognised in the Balance Sheet				
Present value of obligations as at year end		7,781		7,034
Fair value of plan assets as at year end		5,570		5,063
Net (asset) / liability recognised as at year end		2,211		1,971
Recognised under :				
Long term provisions		2,211		1,971
		2,211		1,971

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(696)	828	(652)	780
Employee turnover (1% movement) - Gratuity	(45)	51	(59)	68
Future salary growth (1% movement) - Gratuity	649	(618)	636	(593)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

 (vii) Expected future cash flows (₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March, 2023					
Defined benefit obligations (Gratuity)	530	414	2,177	2,758	5,879
Total	530	414	2,177	2,758	5,879
(₹ in Lakhs)					
Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March, 2022					
Defined benefit obligations (Gratuity)	345	415	1,896	2,550	5,206
Total	345	415	1,896	2,550	5,206

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March 2023 based on actuarial valuation using the projected accrued benefit method is ₹ 10.82 lakhs (31st March, 2022 : ₹ 0.06 lakhs).

NOTE NO.46 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Contingent Liabilities		
a) Claims against the group not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	12,507	13,272
Disputed income tax demands	1,348	1,268
Others (Municipal, Gram panchayat tax, Electricity Duty etc.)	823	676
b) Guarantees given by the group's bankers on behalf of the group against the group's Indemnity	8,045	5,060
c) Corporate Guarantee given by the group:		
To the President of India through commissioner of Custom	62,498	87,098
d) Standby letter of credit issued by Group's banker for loan taken by step-down Subsidiary	414	305
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	56,271	96,570

NOTE NO.47 PAYMENT TO AUDITORS *

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Auditor		
Audit Fees	100	77
Limited Review	4	4
Tax Audit	13	-
Transfer Pricing	3	-
	120	81
Income tax matters	9	2
Company Law Matters	12	-
Other Services		
Consolidation & Corporate Governance	7	3
Other Certification etc.	62	17
	69	20
Total	210	103

Due to rotation of auditors of the Holding Company in the current year, services related to Tax audit fees and other services provided by the new auditors are considered above in current year disclosures. However the new auditors had provided such services in the previous year aggregating to ₹ 102 Lakhs.

*Excluding GST

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.48 NATURE OF SECURITY IN RESPECT OF SECURED LOAN:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) At Parent Company:		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	-	12,521
b) Secured by first charge by way of hypothecation on all the movable assets of tire plant of Bhuj, Gujarat	53,765	-
c) At subsidiary Companies:		
Secured by first charge by way of security agreement of all the assets of BKT EXIM US,INC (including its subsidiary) and further Guarantee by BKT Tire Inc and the Parent Company.	4,029	2,956
Secured by Guarantee of the Parent Company.	4,729	5,611

NOTE NO.49 TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2023

(₹ in Lakhs)

Sr no	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1	Undisputed Trade Receivable - Consider Good	1,07,902	3,496	129	-	-	1,11,527
2	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4	Disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5	Disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6	Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Sr no	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1	Undisputed Trade Receivable - Consider Good	1,09,188	420	7	-	-	1,09,615
2	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4	Disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5	Disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6	Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

NOTE NO.50 SEGMENT REPORTING

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the group has only one reportable segment as follows:

- Manufacture and sale of tyres

The Managing Director of the group acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by operating segments.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)
B. Geographic information

The geographic information analyses the group's revenue and non-current assets by the group's country of domicile and other countries.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the group derives revenues		
Revenue from the Country of Domicile- India	2,16,914	1,40,781
Revenue from foreign countries		
Europe	4,44,106	4,28,273
North America	1,95,262	1,39,107
Others	1,19,671	1,21,351
Total	9,75,953	8,29,512

C. Information about major customer

Revenue from major customer of the group was ₹ 83,466 lakhs as on 31st March 2023 (₹ 90,249 lakhs as on 31st March, 2022)

D. Segment Assets

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
In India	7,02,892	5,75,058
Outside India	3,018	3,329
Total	7,05,910	5,78,387

NOTE NO.51

Additional information as required by paragraph 2 of Division 2 of schedule III to the companies Act 2013 - 'General instruction for the preparation of consolidated financial statement' Division 2 of Schedule III

31st March, 2023

(₹ in Lakhs)

Name of the entities in the Group	Net Assets, i.e. Total Assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other comprehensive income	Amount (₹)	As % of Total comprehensive income	Amount (₹)
Parent	100.42%	7,58,914	102.01%	1,07,871	84.41%	(10,483)	104.35%	97,388
Subsidiaries								
Foreign								
1. BKT USA INC	0.18%	1,345	0.35%	365	0.79%	(98)	0.29%	267
2. BKT EXIM US, INC	0.13%	961	1.07%	1,127	7.83%	(972)	0.17%	155
3. BKT TIRES (CANADA) INC	0.04%	276	0.07%	76	0.24%	(30)	0.05%	46
4. BKT EUROPE S.R.L.	0.22%	1,657	1.54%	1,632	6.73%	(835)	0.85%	797
Indian								
5. BKT Tyres Ltd.	0.00%	3	0.00%	(0)	-	-	0.00%	(0)
Elimination	-0.99%	(7,463)	-5.04%	(5,331)	-	-	-5.71%	(5,331)
Total	100.00%	7,55,693	100.00%	1,05,740	100.00%	(12,418)	100.00%	93,322

31st March, 2022

(₹ in Lakhs)

Name of the entities in the Group	Net Assets, i.e. Total Assets minus total liabilities		Share in Profit and loss		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other comprehensive income	Amount (₹)	As % of Total comprehensive income	Amount (₹)
Parent	99.88%	6,92,455	98.28%	1,41,069	115.13%	6,727	98.94%	1,47,796
Subsidiaries								
Foreign								
1. BKT USA INC	0.16%	1,077	0.15%	212	-0.67%	(39)	0.12%	172
2. BKT EXIM US, INC	0.12%	806	0.37%	527	-5.59%	(327)	0.13%	200
3. BKT TIRES (CANADA) INC	0.03%	231	0.05%	67	-0.30%	(18)	0.03%	49
4. BKT EUROPE S.R.L.	0.12%	860	0.76%	1,094	-8.56%	(500)	0.40%	594
Indian								
5. BKT Tyres Ltd.	0.00%	4	0.00%	(1)	-	-	0.00%	(1)
Elimination	-0.31%	(2,132)	0.40%	570	-	-	0.38%	570
Total	100.00%	6,93,301	100.00%	1,43,538	100.00%	5,843	100.00%	1,49,381

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.52 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

(₹ in Lakhs)

Sr. No	Particulars	Year ended 31st	Year ended 31st
		March,2023	March,2022
1	Amount required to be spent by the Company during the year	2,889	2,478
2	Opening Shortfall/(Surplus) (if any)	(11)	-
3	Amount of expenditure incurred on	-	-
	i) Construction/acquisition of any assets	2,026	1,727
	ii) On purpose of other than (i) above	852	762
4	Shortfall/(Surplus) at the end of the year (₹ 6,617)	(0)	(11)
5	Reason for shortfall	-	-
6	Nature of CSR activities	Healthcare, Education and Rural development	
7	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-	-

NOTE NO.53 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has recommended a further final dividend of ₹ 4 (200%) per equity share of ₹ 2 each.

NOTE NO.54 RATIOS

Sr No.	Particulars	Numerator	Denominator	Year Ended		%	Remarks for variance more than 25%
				31st March 2023	31st March 2022		
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.17	1.20	(2.56)	-
2	Debt-Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.44	0.36	21.25	
3	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	140.90	188.67	(25.32)	There has been Profit Margin decrease
4	Return on Equity (ROE) (%)	Net Profits after taxes	Average Shareholder's Equity	14.59	22.20	(34.25)	There has been Profit Margin decrease
5	Inventory Turnover (In times)	Cost of goods sold	Average Inventories	9.84	9.55	3.05	
6	Trade receivables Turnover (In times)	Net Sales	Average Trade Receivables	8.72	8.88	(1.71)	
7	Trade Payables Turnover Ratio (In times)	Total Purchase	Avg Trade Payables	12.13	8.78	38.18	There has been Increase in Total Purchase
8	Net capital turnover ratio (In times)	Net Sales	Working Capital	15.59	13.28	17.40	
9	Operating Margin (%)	Operating Profit	Net Sales	11.78	18.92	(37.95)	There has been Profit Margin decrease
10	Net profit ratio (%)	Net Profit	Net Sales	10.96	17.49	(37.31)	There has been Profit Margin decrease
11	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	13.32	20.50	(35.05)	There has been Profit Margin decrease
12	Return on investment (%)	Income generated from investments	Average Investments	5.47	10.25	(46.69)	There has been decrease in cash flow during the year
13	Interest coverage ratio (In times)	Earnings before interest and taxes (EBIT)	Finance Cost	30.87	217.63	(85.82)	There has been Profit Margin decrease & increase in finance cost

Notes to the Consolidated Financial Statements For the year ended 31st March, 2023 (Contd.)

NOTE NO.55 OTHER STATUTORY INFORMATIONS:

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) All the title deeds of immovable properties are in the name of Company.
- viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

NOTE NO.56

The code of Social Security, 2020 (code) relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

NOTE NO.57

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

NOTES FORMING THE PART OF FINANCIAL STATEMENTS

As per our report of even date attached	For and on behalf of the Board of Directors	
For JAYANTILAL THAKKAR & CO.	ARVIND PODDAR	Chairman & Managing Director
Chartered Accountants		
(Firm Reg. no.104133W)	RAJIV PODDAR	Joint Managing Director
VIRAL A. MERCHANT	MADHUSUDAN BAJAJ	VIPUL SHAH
Partner	Sr. President (Commercial) & CFO	Director & Company Secretary
Membership No.116279		
Mumbai,		Mumbai,
Dated: 27 th May, 2023		Dated: 27 th May, 2023

BKT
GROWING TOGETHER

**AB BKT KE
SANG MUSKURAYEGA INDIA**



OFFICIAL TIRE PARTNER





Balkrishna Industries Limited

CIN: L99999MH1961PLC012185

Registered office: B-66, Waluj Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra, India

Corporate office: BKT HOUSE, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India

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