



Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

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

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

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NOTICE

NOTICE is hereby given that the 59th Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held on Wednesday, the 30th June, 2021 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, 2021, 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, 2021, 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 ₹ 5.00 on Equity Shares for the financial year 2020-21.
- To appoint a Director in place of Mrs. Vijaylaxmi Poddar (DIN: 00160484), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

- Re-appointment of Mr. Arvind Poddar, as Chairman & Managing Director of the Company:**

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and subject to such other consents, approvals and permissions, if any needed, and pursuant to the recommendation of the Nomination and Remuneration Committee ("the Committee of the Board"), consent of the Company be and is hereby accorded for re-appointment of Mr. Arvind Poddar as Chairman & Managing Director of the Company (DIN: 00089984), for a period of five years on expiry of his present term of office, i.e. with effect from 1st August, 2021, subject to sub regulation (1B) of Regulation 17 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is effective from 1st April, 2022 as amended from time to time.

RESOLVED FURTHER THAT pursuant to the said Regulation (1B) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arvind Poddar will be re-designated as Managing Director w.e.f. 1st April, 2022, till the completion of his term up to 31st July, 2026. However, if the implementation of said Regulation 17(1B) be modified or extended by SEBI, then Mr. Arvind Poddar would be continue to be designated as Chairman & Managing Director till such date as may be extended or modified by SEBI.

RESOLVED FURTHER THAT the terms and conditions of re-appointment including remuneration shall be as set out in the Statement annexed to this Notice with powers to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of said re-appointment and / or remuneration as it may deem fit, including minimum remuneration (in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Mr. Arvind Poddar, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013, or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 due to Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, the 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 AGM.
- The relevant 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 Directors for seeking re-appointment and his/her brief profile forms part of this Notice.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 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.
- 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.18.
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgment of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited ("KFinTech") for assistance in this regard.
- 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 – KFinTech in case the shares are held by them in physical form.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrar - KFinTech in case the shares are held by them in physical form. We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.bkt-tires.com. Members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to the Company's Registrar - KFinTech in case the shares are held in physical form.
10. 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.
11. 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 23rd June, 2021 at Company's email id: shares@bkt-tires.com.
12. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPFA Rules) as amended from time to time, the Company has transferred the unpaid / unclaimed dividends declared up to financial year 2012-13, 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 also on website of the Ministry of Corporate Affairs.
13. 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 2020-21, 2,530 Equity shares of ₹ 2.00 each were transferred within 30 days of due date of transfer i.e., 29th October, 2020 to the IEPF Account after following the prescribed procedure. 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.
14. Unclaimed / Unpaid Dividend for financial year 2013-14, will fall due for transfer to IEPF on 20th October, 2021. Those members who have so far not encashed their dividend warrants from the financial year 2013-14, are requested to contact the Company or Company's Registrar – KFinTech at the earliest.
15. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 59th AGM along with the Annual Report for year 2020-21 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 2020-21 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 www.nseindia.com respectively, and on the website of Company's Registrar KFinTech: <https://evoting.kfintech.com/>.
16. 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., 21st June, 2021, 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.

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 (i) 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),

17. 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.
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 20 th June, 2021, 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 20 th June, 2021.

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 20th June, 2021

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, 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.
4.	Category I and II Alternate Investment Fund.	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961.
5.	<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).
6.	National Pension Scheme	NIL	No TDS/ withholding tax as per section 197A (1E) of Income Tax Act, 1961.
7.	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

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
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 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) 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 20th June, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/ deduction received after 20th June, 2021 shall not be considered. Formats of Form 15G / Form 15H can be downloaded from the link <https://ris.kfintech.com/form15>.
 - (iii) 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.
 - (iv) 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.
 - (v) 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 20th June, 2021.
- (vi) 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.

B. Non-Resident Shareholders:

The table below shows the withholding tax on dividend payment to non-resident shareholders who submit, on or before June 20, 2021, 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 beneficial	<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"> Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. Form 10F filled & duly signed Self-declaration for non-existence of permanent establishment/ fixed base in India <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>

18. 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 59th 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 Private 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 Sunday, the 27th June, 2021 (9:00 a.m.) and ends on Tuesday, the 29th June, 2021 (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 23rd June, 2021) 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 59th 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.

Pursuant to abovesaid SEBI Circular, Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, we are providing links to e-voting Service Providers i.e. https://evoting.kfintech.com, so that the user can visit the e-voting service providers' website directly.

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

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 Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

xi. Login method for e-voting and joining virtual meeting other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode as under:

- (i) Members whose email ids are registered with the Company/ DPs will receive an email from KFinTech informing them of their User ID and Password. Once a Member receives the email, he or she will need to go through the following steps to complete the e-voting process:
- a. Launch internet browser by typing <https://evoting.kfintech.com> in the address bar.
 - b. Enter the login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting your vote. If required, please visit <https://evoting.kfintech.com> or contact toll free number 1800-309-4001 for your existing Password.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach Password change Menu wherein you are required to mandatorily change your 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 (0-9) and a special character (@,#,\$,etc.).

- The system will prompt you to change your Password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your Password in case you have forgotten your Password. It is strongly recommended that you do not share your Password with any other person and that you take utmost care to keep your Password confidential.
- e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the E-voting Event Number for Balkrishna Industries Limited.
 - g. 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, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. If you do not want to cast your vote, select "ABSTAIN".
 - h. Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
 - i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
 - k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: gbbbabuji@yahoo.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the abovementioned documents should be in the naming format "Corporate Name_EVENT NO."
 - m. In case of any query pertaining to e-voting, please visit 'Help & FAQ's section' available at KFinTech's website <https://evoting.kfintech.com>.
 - n. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
 - o. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd June, 2021, may obtain the User ID and Password in the manner as mentioned below:
 - If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS: MYEPWD <space> E-voting Event Number + Folio No. or DP ID and Client ID to 9212993399. Example for NSDL: MYEPWD <SPACE> IN12345612345678 Example for CDSL:MYEPWD <SPACE> 1402345612345678 Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a new Password.
 - You may call Company's Registrar KFinTech on toll free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m.) for any help.
 - You may also send an e-mail request to inward.ris@kfintech.com.

- (II) Members whose email IDs are not registered with the Company/DP have to follow below procedure to get their email address registered and to obtain the Annual report, Notice of AGM and e-voting instructions:
- a. Members holding shares in dematerialized form are requested to provide Depository Participant ID ("DPID") and Client ID ("CLID") (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) to KFinTech on inward.ris@kfintech.com.
 - b. Members holding shares in physical form are requested to provide Folio No., Name of member, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) by email to KFinTech on inward.ris@kfintech.com.
 - c. After due verification, KFinTech will forward your login credentials to your registered email address.
 - d. You are then requested to follow the remote e-voting instructions given in the Notice.
- B. In case of members opting for e-voting on the day of the AGM:
- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - ii. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.
 - iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - iv. In case of any assistance during the AGM, members can contact Mr. Ganesh Patro (Senior Manager) at 040-67161627 / 040-67162222
19. Instructions for members for attending the AGM through VC/OAVM are as under:
- I. Members will be able to attend the AGM through VC/OAVM provided by KFinTech by accessing the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the members' login by using the remote e-voting credentials. The link for e-AGM will be available in members' login where the EVENT and the name of the company can be selected.
 - II. 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.
 - III. 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.
 - IV. Members will be allowed to attend the AGM through VC/OAVM on first come first served basis.
 - V. Members are encouraged to join the AGM through laptops with any internet browsers for better experience.
- 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 on Sunday, the 27th June, 2021 at 9.00 a.m. and close on Monday, the 28th June, 2021 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 on Sunday, the 27th June, 2021 at 9.00 a.m. and close on Monday, the 28th June, 2021 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. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
 - XI. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
 - XII. Members who need assistance before or during the AGM, can contact Mr. Ganesh Patro (Senior Manager) at 040-67161627 / 040-67162222.
20. 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.
 21. 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.
 22. 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., 30th June, 2021.

By order of Board of Directors
For Balkrishna Industries Limited

Vipul Shah
Director & Company Secretary
DIN: 05199526

Place : Mumbai
Dated : 14th May, 2021

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

Mr. Arvind Poddar was appointed as Chairman & Managing Director of the Company for a period of Five years with effect from 1st August, 2016 to 31st July, 2021. The business of the Company has grown substantially well under his leadership. Considering the vast experience and expertise the Board of Directors of the Company ("Board") at its meeting held on 14th May, 2021, on recommendation of Nomination and Remuneration Committee re-appointed Mr. Arvind Poddar as Chairman & Managing Director, for a period of further five (5) years on expiry of his present term of office, i.e. with effect from 1st August, 2021, subject to sub regulation (1B) of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is effective from 1st April, 2022 as amended from time to time. Pursuant to the said Regulation, Mr. Arvind Poddar will be re-designated as Managing Director w.e.f. 1st April, 2022, till the conclusion of his term. However, if the said SEBI Listing Regulation 17(1B) is modified or extended for implementation by SEBI, then Mr. Arvind Poddar would continue to be designated as Chairman & Managing Director till such date as may be extended or modified by SEBI, on the terms and conditions including remuneration, subject to requisite approval of Members of the Company.

Mr. Arvind Poddar, aged 63 years is Chairman & Managing Director of the Company. He was conferred with 'Transformational Leader Award' (Mid Cap Category) at the 6th Asia Business Responsibility Summit. With his rich experience in the Tire Industry he took the Company from "Made in India" to international markets and laid the foundation of the Company as it is known today. Mr. Arvind Poddar was also inducted in the 2018 Tire Industry Hall of Fame instituted by the Tire Industry Association (TIA). This honor was conferred to him at an award ceremony held in USA. TIA's Hall of Fame award is the highest honor to any individual in the entire tire industry can achieve. Induction into the Hall of Fame was the highest honor from TIA and it is conferred to deserving leaders in the Tire Industry. His dynamic leadership skills and foresight has helped the company to maintain its growth in the industry.

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Arvind Poddar are as under:

A. Salary:

Basic Salary: ₹ 25,00,000 p.m. with such increments as may be approved by the Board of Directors from time to time.

B. Perquisites, Allowances and other benefits:

Mr. Arvind Poddar shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for gas, electricity, water, furnishings & repairs, society charges, servant salary, property tax, medical reimbursement, leave travel concession for himself and his family, club fee, medical/accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed between Board of Directors and Mr. Arvind Poddar.

C. Remuneration based on Net Profits:

In addition to the salary, perquisites and allowances as set out above, Mr. Arvind Poddar shall be entitled to receive remuneration based on Net profits of the Company ("Commission") as per Section 198 of the Companies Act 2013, as may be determined by the Board of the Company at the end of each financial year. The aggregate annual remuneration including Salary, perquisites, and Commission shall not to exceed 2.50% of the net profits of the Company.

D. Reimbursement of Expenses:

Expenses incurred for travelling, entertainment, boarding and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication facilities expenses at residence shall be reimbursed at actuals and not considered as perquisites. Other expenses, as may be borne by the Company for providing security, if any, to Shri Arvind Poddar and his family members, shall not be considered as perquisites and accordingly, not be included for the purpose of computation of the overall ceiling of remuneration.

The above perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment

thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The following perquisites shall not be included in the computation of the ceiling on remuneration specified above: The Company's contribution to Provident Fund, Superannuation Fund and /or Annuity Fund, to the extent these singly or put together are not taxable under Income Tax law, gratuity payable (which shall not exceed one half month's salary for each completed year of Service) and earned leave with full pay or encashment of leave, as per Rules of the Company or as may be agreed between Board of Directors and Mr. Arvind Poddar, and to the extent not taxable under Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

E. General:

- The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.
- The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- The Managing Director shall adhere to the Company's Code of Conduct for Board Members and Senior Management Executives.
- The office of Managing Director may be terminated by the Company or by him by giving the other 1 (one) month prior notice in writing.
- The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Arvind Poddar under Section 190 of the Act.

Minimum remuneration

Notwithstanding anything to the contrary contained herein, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Managing Director shall be paid remuneration by way of salary, perquisites and allowances as specified above subject to compliance specified in Schedule V of the Act or any amendment thereto.

As required under Regulation 36 of the SEBI Listing Regulations and/or Secretarial Standard on General Meetings ("SS-2"), issued by Institute of Companies Secretaries of India his brief profile and other requisite details is furnished and forms a part of this Notice.

Mr. Arvind Poddar is interested in the resolution as set out in Notice. Mrs. Vijaylaxmi Poddar and Mr. Rajiv Poddar, being related to Mr. Arvind Poddar may be deemed to be interested in the said resolution. The other relatives of Mr. Arvind Poddar may be deemed to be interested in the said resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of other Directors or Key Managerial Personnel of the Company or their relatives, are in, any way concerned or interested, financially or otherwise, in this resolution."

In terms of notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Resolution is required. The overall Remuneration payable to Mr. Arvind Poddar shall not be exceeding 2.50% of the net profit of the company being member of promoter and promoter group and the overall remuneration payable to more than one such director shall not be exceeding 5% of the net profit of the Company.

The Board commends the Ordinary Resolution set out in this Notice for approval by the Members of the Company.

By order of Board of Directors
For Balkrishna Industries Limited

Vipul Shah
Director & Company Secretary
DIN: 05199526

Place : Mumbai
Dated : 14th May, 2021

PARTICULARS OF THE DIRECTORS SEEKING 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. Arvind Poddar	Mrs. Vijaylaxmi Poddar
DIN	00089984	00160484
Qualification	B.Com	B.Com
Date of Birth (Age)	7 th November, 1957(63 years)	2 nd December, 1960 (60 years)
Date of appointment on the Board	31 st January, 2004	30 th May, 2012
Experience and Expertise	He is an industrialist having varied experience of over 31 years, in textile / tire industry.	She is an industrialist having varied experience of over 28 years, in textile / tire industry.
No. of Meetings of the Board attended during the year	6 out of 6	6 out of 6
List of Directorship/ Membership / Chairmanship of Committees of other Board	Directorship: <ul style="list-style-type: none"> ● MPP Trading Private Limited ● Trendline Commercials Private Limited Membership/Chairmanship of Committees of Other Board: NIL	Directorship: <ul style="list-style-type: none"> ● Clothing Culture Private Limited ● MPP Trading Private Limited ● Trendline Commercials Private Limited ● Poddar Brothers and Investment Private Limited Membership/Chairmanship of Committees of Other Board: NIL
No. of shares held in the Company	1000 shares	1000 shares
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	He is husband of Mrs. Vijaylaxmi Poddar and father of Mr. Rajiv Poddar. He is not related to any other director or Key Managerial Personnel of the Company.	She is wife of Mr. Arvind Poddar and Mother of Mr. Rajiv Poddar. She is not related to any other director or Key Managerial Personnel of the Company.
Terms & Conditions of appointment / re-appointment	The terms and conditions of appointment / re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time.	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 2020-21	₹ 3742 Lakhs	₹ 2.95 Lakhs



59TH

ANNUAL REPORT

**BALKRISHNA
INDUSTRIES
LIMITED**

2020-21





Lord Ganesha

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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. N.G. THAKRAR & 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
State Bank of India
Kotak Mahindra Bank
IndusInd Bank Limited
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited

PLANTS:

Tire Manufacturing :

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

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

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

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

Carbon Black Manufacturing:

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

Wind Farm :

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

Mould Unit :

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

REGISTRAR AND SHARE TRANSFER AGENT:

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

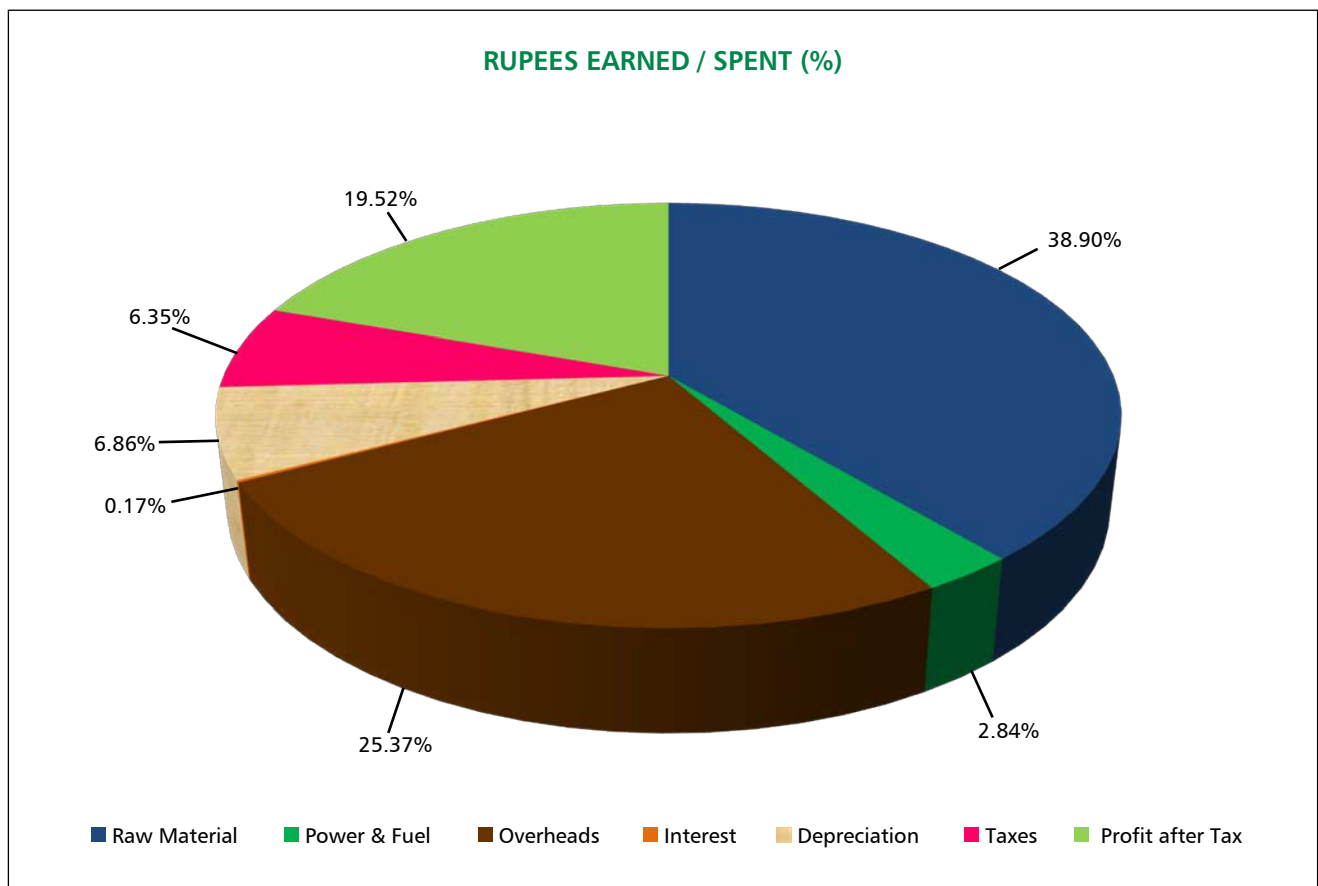
FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ In Lakhs)

Particulars	Ind AS				
	2021	2020	2019	2018	2017
Year ended 31st March					
Revenue From Operations	5,75,792	4,78,249	5,24,450	4,46,446	3,78,466
Other Income	16,145	24,877	21,421	33,621	24,961
Total Income	5,91,937	5,03,126	5,45,871	4,80,067	4,03,427
PBIDT	1,94,696	1,49,812	1,52,535	1,44,289	1,38,154
PBDT	1,93,714	1,49,085	1,51,556	1,42,983	1,36,010
Depreciation	40,615	36,801	33,255	31,134	30,383
PBT	1,53,099	1,12,284	1,18,301	1,11,849	1,05,627
Taxes	37,561	17,786	40,101	37,924	34,069
PAT	1,15,538	94,498	78,200	73,925	71,558
Dividend	*850%	1000%	400%	400%	400%
Earning per Share of ₹ 2 each	59.77	48.88	40.45	**38.24	**37.02

*The Board has declared and paid 1st Interim Dividend of ₹ 3.00 per equity share, 2nd Interim Dividend of ₹ 4.00 per equity share and 3rd Interim Dividend of ₹ 5.00 per equity share, aggregating to ₹ 12.00 per equity shares and recommended Final Dividend of ₹ 5.00 per equity share for the financial year 2020-21, subject to approval of Shareholders in the ensuing Annual General Meeting.

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



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 59th Annual Report of Balkrishna Industries Limited (the "Company") along with the audited Financial Statements for the financial year ended 31st March, 2021. The consolidated performance of the Company and its subsidiaries for the year ended 31st March, 2021 has been referred to wherever required.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 st March, 2021	31 st March, 2020	31 st March, 2021	31 st March, 2020
Revenue from Operations	5,75,792	4,78,249	5,78,319	4,81,124
Other Income	16,145	24,877	17,216	25,078
Total Income	5,91,937	5,03,126	5,95,535	5,06,202
Gross Profit	1,93,714	1,49,085	1,97,122	1,51,313
Less: Depreciation	40,615	36,801	41,630	37,361
Profit before tax	1,53,099	1,12,284	1,55,492	1,13,952
Less: Provision for tax				
Current Tax	36,916	29,230	37,904	29,431
Deferred Tax	645	(11,444)	645	(11,444)
Profit after Tax	1,15,538	94,498	1,17,753	95,965

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

The key product range of your Company is Specialty Tires commonly known as "Off Highway Tires" which caters to Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and All-Terrain Vehicle (ATVs) Tires. The Company's Carbon Black Product which is mainly used for captive and partly sold in Market has been well accepted in terms of quality.

The Tire segment is highly technical & capital intensive and known as "large varieties low volume segment" where any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers worldwide. Apart from this, it needs to service its clients pre & post sales. While the sub segment (agriculture) is largely known as non-cyclical in nature, the other sub segment (industrial, construction and mining) is generally considered as cyclical and the performance of it is largely linked to overall economic outlook of the world. The market for Company's range of tires is mainly Europe, America, Australasia and India.

Considering that several European countries and USA has a very strong vaccination program, the economy seems to opening up and despite the second wave of Covid-19 in India, the outlook is optimistic.

3. OPERATIONS AND STATE OF AFFAIRS:

Standalone: During the year under consideration on Standalone basis, your Company achieved Revenue from Operations of ₹ 5,75,792 Lakhs as against ₹ 4,78,249 Lakhs during the previous financial year, an increase of 20.39%. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,94,696 Lakhs from ₹ 1,49,812 Lakhs during the previous financial year, an increase of 29.96% and Net profit has increased to ₹ 1,15,538 Lakhs from ₹ 94,498 Lakhs during the previous financial year, an increase of 22.27%. The revenue from exports was more than 78%.

Consolidated: During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 5,78,319 Lakhs as against ₹ 4,81,124 Lakhs during the previous financial year, an increase of 20.20%. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,98,260 Lakhs from ₹ 1,52,203 Lakhs during the previous financial year, an increase of 30.26% and Net profit has increased to ₹ 1,17,753 Lakhs from ₹ 95,965 Lakhs during the previous financial year, an increase of 22.70%.

4. EXPORT HOUSE STATUS:

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

5. PROJECTS AND EXPANSION:

During FY 2020-21, the Board of Directors of your Company at its meeting held on 8th February, 2021 had approved following New Projects:

- **Brown Field Tire Project:** Considering the overall increase in the demand of products, your Company has commenced set up of Brownfield and Debottlenecking project along with addition of balancing and ancillary equipment at Company's plant located at Bhuj. The implementation of said project will result in increased achievable tire production capacity by 50,000 MTPA and the said project is expected to be completed by H2FY23. The estimated Capex cost of the project is up to ₹ 800 crores.

- Enhancement of Carbon Black capacities and setting up a Captive Power Plant: Considering the overall demand / supply outlook as well as internal demand of Carbon Black, your Company has embarked to enhance the installed capacity of carbon black from an achievable capacity 1,15,000 MTPA to 2,00,000 MTPA including 30,000 MTPA of high value of advanced carbon black material.

The increase in production would obviate an increased power requirement. To meet the additional power requirement, the Company proposes to set up an additional power plant of 20 MW by tapping flue gas, a by-product from the carbon black plant which will provide the required additional power at lower cost. The capex of the increased capacity of carbon black and co-gen power plant will be ₹ 650 crores and is expected to be completed by H1FY23.

- Modernization, Automation and Technology Upgradation: The Board has approved an estimated capex of ₹ 450 crores for modernization, automation and technology upgradation of certain existing equipment and installation of automated material handling systems. Capex is being undertaken at existing facilities at Company Plants located at Rajasthan and Bhuj leading to further improvement in quality and efficiency. The said project is expected to be completed by H1FY23.

The total planned Capex up to ₹ 1,900 Crores will be funded by Internal Accruals and Debt, if required.

- Bhuj Plant: Expansion of mixing facility and enhancing the warehousing capacity has been completed and setting up of ultra large sized all steel OTR Radial Tire Plant is completed and undergoing final trial run.
- Waluj Plant: The Green Field Tire project was progressing as per schedule, however due to COVID-19, the work was temporarily shut from 25th March, 2020 to 20th April, 2020. Thereafter the project work resumed gradually after the lockdown was lifted. Considering the present uncertain situation, this project is expected to be completed by 30th September, 2021.
- Greenfield Tire Plant in US: The Board had given its approval for setting up a Green Field Tire Project of 20,000 MTPA capacity in USA with an estimated capital outlay up to USD 100 million through its wholly owned US subsidiary company. After reviewing various aspects of the project in the backdrop of challenging economic and business environment, the Board of the Directors at their meeting held on 8th February, 2021 decided to shelve the project.

6. DIVIDEND:

You are aware of the consistent track record of dividend payment by your Company for the last over three decades. In keeping with this trend, the Board of Directors are pleased to recommend a Final Dividend of ₹ 5 per equity shares for the financial year 2020-21 after paying 3 interim dividends during the year aggregating to ₹ 12 per equity share. The total dividend for the financial year 2020-21 aggregates to ₹ 17 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 30th June, 2021. The final dividend once approved by Shareholders will be paid within the stipulated time subject to deduction of tax at source. The Record Date for the purpose of payment of final dividend will be 21st June, 2021.

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 Company website at: <https://www.bkt-tires.com/en/investors-desk>.

7. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2021 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 convertible instruments.

8. RESERVES:

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

9. OUTLOOK FOR THE FINANCIAL YEAR 2021-22:

The vaccination drive across the globe is a silver lining in the dark cloud despite Covid-19 and gives us strong reasons to see light at the end of the tunnel. As tire industry's fortunes are closely linked to economic growth, the outlook is positive in the near to medium term. Overall demand in replacement as well as OEM tires across the globe including India is encouraging for all segments following recovery in economic activity which will drive volumes up in the coming fiscal year. The long-term prospects of the company are good and promising as your Company continues to explore all the avenues to ensure growth of its business which includes deeper penetration into new and existing markets. With the continuous expansion of its product range, your Company is proud to say that it has more than 2700 SKUs.

10. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, there are no material changes and commitments affecting the financial position of your Company which have occurred between the close of the financial year of the Company on 31st March, 2021 to which the Financial Statements relate and up to the date of this report, except a delay in completion of expansion at Waluj, as stated earlier.

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.

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 also 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 an Ultra Large size all-steel OTR Radial tire plant and have further added such capacities by setting up a Brown field tire plant at Bhuj to produce Ultra large size all steel OTR Radial Tires besides other categories of tires. Your Company is proud to be the first Company in India to set up such a plant. Your Company is continuously expanding its base into various sub-segments like agricultural, industrial, construction, mining, winter and solid tires under both technologies – Bias as well as Radials.

The COVID-19 issue has led to a situation where most of the countries are thinking to reshuffle their sourcing plan / strategy. It may open up lot of opportunities for India including our Company.

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 volumes and capacity utilisation. Volatile exchange rate and Price Competition are also a threat. A new threat has emerged out of second wave of COVID-19 which may change the manner and pattern of the business and also may intensify the various threats to which we are already exposed to. It may increase the operating cost of running the business.

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

There is no significant change (i.e. 25% or more) in any of the financial ratios viz., Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt-Equity Ratio, Operating Profit Margin, Net Profit Margin and Return on Investment.

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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 also has reasonable assurance on authorizing, 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 had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures (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.

The management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2021.

Your Company has appointed M/s KPMG to assess the effectiveness of internal financial controls of the Company. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee 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, 2021, the Company's internal financial controls were adequate and operating effectively.

14. HUMAN RESOURCES:

With a vibrant team of 2,861 employees as on 31st March, 2021, your Company believes that employees are instrumental in its progress. In Company, they work towards its goal of building the 3s of the organization i.e., sustainable, smarter and safer. Your Company believes in a culture of inclusion, trust, skill development, empowerment and development for its employees. Your Company continues to invest significantly in building a culture of coaching and mentoring and further aims to make coaching, mentoring and communication ability the foundation of its leadership style which further helps the Company and its workforce to keep pace with the changing world. Your Company believes the fact that your organization is only as good as its employees. Your Company considers its human resources as its biggest asset and believes in People at the heart of its Human resource strategy which set the Company apart from Company's peers. Your Company believes that employees continuously strive to make the organization as inclusive as possible. Your Company has established an organization structure that is agile and focused on delivering business

results. With regular communication and sustained efforts, it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company endeavours to provide employees with all the support, resources and incentives. Your Company ensures that young talent is nurtured and mentored consistently, that rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees and seeks to ensure that Company's values and principles are understood by all and are the reference point in all matters. Employee relations continue to be cordial.

COVID-19 has created a lot of challenges on the Human Resources front; both in the staff category as well as in workmen category. Your Company has implemented strict Covid-19 protocols, regular testing and in-house medical centre to take care against Covid infections of its employees and their family members. To take care of serious infections, your Company has also added state-of-the-art ICU/HDU unit to its medical centre.

15. SUBSIDIARY COMPANIES:

Thristha Synthetics Limited, a wholly owned subsidiary of your Company, incorporated in year 2013, has voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off. During the year under review, Ministry of Corporate Affairs vide its order dated 21st September, 2020 had struck off the name of the Company from its Register of Companies and hence said Company ceases to exist.

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, 2015. 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/en/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, 2021, 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, 2021 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2021;
- (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/en/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 living for the less privileged. The funds on CSR projects / activities are spent very carefully to ensure that the desired objectives are achieved.

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, 2021 are given separately in the Corporate Governance Report.

During the year under review, the Company was required to spend ₹ 2,232 lakhs. The Company had identified various CSR projects having a total commitment of ₹ 2,232 lakhs and had spent an amount of ₹ 1,812 Lakhs till March, 2021. In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021") effective from 22nd January, 2021, the Company's CSR Committee at its meeting held on 8th February 2021 had revised / identified Ongoing Project up to ₹ 420 lakhs. Hence, the balance unspent amount of ₹ 420 lakhs out of ₹ 2,232 lakhs have been identified as Ongoing project which would be spent by the Company within stipulated time. The Company has deposited ₹ 420 lacs in a separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021 for the CSR identified projects.

In line with Company's objective under its CSR policy to support the society at a large, the Company has distributed cooked food and food grains in various part of India to the people affected by lockdown due to COVID-19. The Company has also distributed PPE kits and masks to various hospitals in Mumbai and other part of India.

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

19. RISKS RELATED TO BUSINESS:

Risk is an integral and unavoidable component of business. In today's challenging and competitive environment, mitigating risks is imperative. 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. 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. 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 modernization.

Fluctuation in Raw Material prices:

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 foresee an increase in cost which will be set off by an increase in prices over a period of time.

The second wave of COVID-19 across the globe has disrupted the entire supply chain which has led to higher delivery time coupled with increase in logistic cost. The company is continuously developing alternative sources of raw material as well as their supply chain to ensure timely delivery of goods at a minimal cost.

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.

COVID-19 including the second wave has led to lockdown across the globe which may adversely impact the demand to some extent. The Company believes that due to the vaccination drive across the world, the disruption in demand if any, may be temporary in nature and do not foresee any long-term challenges in demand.

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 big challenge.

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.

COVID-19 led to migration of labour from various industrial zones to their home towns; this may create a situation of shortage of labour which may impact the operations of the Company adversely. Despite this and as mentioned earlier, your Company does not foresee any major challenge as it has taken good care of all its staff members as well as workers during the period of lockdown and continues to do so regularly ensuring smooth and seamless operations of the Company.

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. COVID-19 has further intensified this risk. However, the Company is able to manage the said risk by good HR practices and rewarding its employees handsomely.

Currency Fluctuation:

The Company revenues are mainly generated 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. COVID-19 issue has created imbalance in the economies of various countries including India and therefore we could be exposed to wider risk due to currency fluctuation.

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

RISK MANAGEMENT AND MITIGATION:

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

The Company's Board of Directors has overall responsibility for the establishment and overseeing of the Company risk management framework. Pursuant to Regulation 21 of Listing Regulations, 2015, Risk Management Committee was constituted comprising of Mr. Pannkaj Ghadiali, an Independent Director as Chairman of the Committee, Mr. Arvind Poddar, Mr. Rajiv Poddar, Mr. Vipul Shah, Directors of the Company and Mr. Madhusudan Bajaj, KMP 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 pre-determined levels. The Company has framed an Enterprise Risk Management Policy (the "Policy") to realize 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:

- Enable organizational sustainability taking cognizance of the impact of its products, services & operations on society and the environment.
- Reduce potential gaps in achieving company's objectives.
- Align and integrate existing risk management practices in the organization.
- Build confidence of investment community and stakeholders.
- Enhance Corporate Governance.
- 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:

Following the resignation of Mr. Basant Bansal as the CFO of your Company w.e.f. 28th August, 2020, Mr. Madhusudan Bajaj was given additional charge as CFO with immediate effect and was thereafter appointed and re-designated as President (Commercial) & CFO at the Board Meeting of the Company held on 24th September 2020. Your directors would like to place on records their appreciation for the services rendered by Mr. Bansal during his tenure with the Company.

As recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of Mr. Arvind Poddar as Chairman and Managing Director of the Company for a term of five years w.e.f. 1st August, 2022, subject to approval of members of the Company and also subject to sub regulation (1B) of Regulation 17 of Listing Regulations, 2015 which is proposed to be effective from 1st April, 2022 as amended from time to time.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Vijaylaxmi Poddar, Director of the Company, retires by rotation at the ensuing AGM and being eligible offers herself for re-appointment.

The Board recommends both the re-appointments.

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

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

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SEBI. The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, 2015 and accordingly, the Report on Corporate Governance forms 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 also remuneration of other employees including Senior Management employees who have the capacity and ability to lead the Company towards achieving sustainable development. The extract of Nomination and Remuneration Policy is provided in the Corporate Governance Report and forms part of Board's Report.

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

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

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise and experience particularly in Tire / Carbon 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:

Annual evaluation of Board, its performance, Committees and individual Directors pursuant to applicable provisions of the Act and applicable regulations of Listing Regulations, 2015, were carried out.

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

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

The Securities and Exchange Board of India (SEBI) vide circular SEBI /HO /CFD /CMD/ CIR/ 2017/004 dated 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, excluding the Independent Director being evaluated. A meeting of the Independent Director for the FY 2020-21, with Mr. Pannkaj Ghadiali as the Chairman, was held on 26th March 2021, 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:

Pursuant to Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company at its AGM held on 9th September, 2017 had approved the appointment of M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W) as the Statutory Auditors for a period of five years. Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every AGM, is not required. The Auditors have confirmed that they are not disqualified from continuing as 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. R T D & Associates, Chartered Accountants as Internal Auditors for a period of 1 (One) year for Financial Year 2020-21 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 2020-21 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. Mr. G.B.B Babuji, has also conducted the Annual Secretarial Compliance pursuant to Listing Regulations, 2015. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith marked as **Annexure – III**.

Cost Auditor:

In terms of Section 148 of the Companies Act, 2013 read with Rule 5 of Companies (Cost Records and Audit) Rules, 2014, ("Cost Records Rules") as amended from time to time, the Company maintained its Cost Records on regular basis in such manner which 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 78% 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 2020-21.

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.

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 Listing Regulations, 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/en/investors-desk>.

ii. Audit Committee:

During the year under review, Mr. Sandeep Junnarkar, Independent Director was appointed as member of Audit Committee w.e.f. 24th September, 2020. Hence consequent to appointment of Mr. Sandeep Junnarkar, the Audit Committee was re-constituted and comprised of the following Directors as on 31st March, 2021 viz. Mr. Pannkaj Ghadiali, an Independent Director as Chairman, Mr. Rajendra Hingwala, Mr. Sandeep Junnarkar & Mrs. Shruti Shah, Independent Directors and Mr. Rajiv Poddar, Joint Managing Director. All the recommendations made by the Audit Committee have been accepted by the Board.

iii. Number of Board Meetings:

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

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

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

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

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

vi. Annual Return:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copy of the Annual Return 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/en/investors-desk>.

vii. 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.

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

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

ix. Business Responsibility Report:

As mandated by Regulations - 34(2)(f) of Listing Regulations, 2015, Business Responsibility Report, of the Company for the year ended 31st March, 2021, describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure - VI**.

x. 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.

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

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place : Mumbai

Dated : 14th May, 2021

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. 01 st April, 2020 to 31 st March, 2021.				
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	(0.71)	568.96	253.01	904.41	179.43
6	Total Assets	4.75	5594.92	10448.01	1039.41	242.47
7	Total Liabilities	0.46	4989.37	10221.79	134.29	60.36
8	Investment	NIL	NIL	NIL	NIL	NIL
9	Turnover (include other income)	NIL	8897.33	24097.89	3558.46	951.15
10	Profit Before Taxation	(0.48)	217.36	1051.60	185.60	82.79
11	Provision for Taxation	NIL	60.71	63.02	42.36	11.58
12	Profit/(Loss) After Taxation	(0.48)	156.65	988.58	143.24	71.21
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 = ₹ 86.099; 1 US \$ = ₹ 73.5047; 1 CAD = ₹ 58.0641

- Part B** of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2021.
- Thristha Synthetics Limited, a wholly owned subsidiary of your Company, incorporated in year 2013, had voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs, for striking off its name from the records of ROC after meeting / discharging all the necessary requirements for striking off. During the year under review, Ministry of Corporate Affairs vide its order dated 21st September, 2020 accepted the application and have struck off the name of the Company from its Register of Companies. The said Company since ceases to exist.

For and on behalf of the Board of Directors

Place : Mumbai, **MADHUSUDAN BAJAJ**
 Dated : 14th May, 2021 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 2020-21

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

- 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, will promote 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 Program 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.

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		Not Applicable	

6. Average net profit of the company as per section 135(5) ₹ 1115,90,40,663
7. (a) Two percent of average net profit of the Company as per section 135 (5) ₹ 22,31,80,813
 (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years. NIL
 (c) Amount required to be set off for the financial year, NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 22,31,80,813
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.
18,11,98,365	4,20,00,000	23-04-2021 & 28-04-2021	Not Applicable		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
1	Funding for new 550-bedded State of Art Cancer Centre	Healthcare	Yes	Maharashtra	Mumbai	2 Years	10,00,00,000	-	4,20,00,000	No	Tata Memorial Centre	CSR00001287
	Total						10,00,00,000	-	4,20,00,000			

(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 implementing agency.	
				State.	District.			Name.	CSR registration number.
1	In the area of education, infrastructure support	Education/ Rural Development	Yes	Gujarat	Kutch	1,24,92,461	Yes	Self	
2	Covid Care Support	Healthcare	Yes	Maharashtra, Gujarat, Rajasthan	Mumbai, Auranganad, Kutch, Alwar, Jaipur	5,86,73,940	Yes	Self	
3	Providing scholarships to Veer Naris / War Widows, distributing wheel chairs and other medical equipment's for disabled soldiers / families.	Healthcare	Yes	Uttar Pradesh	Lucknow	11,00,000	No	11 Gorkha Rifle Welfare Association,	
4	Renovation, restructuring and expansion of the OPD infrastructure	Healthcare	Yes	Maharashtra	Mumbai	7,87,00,000	No	Tata Memorial Centre, Mumbai	
5	Providing nutrition supplements	Healthcare	Yes	Maharashtra	Mumbai	1,00,000	No	Annam, Mumbai	
6	Children's Palliative Care for children suffering from cancer	Healthcare	Yes	Maharashtra	Aurangabad	10,00,000	No	Tata Memorial Centre, Mumbai	
7	Covid Care Support	Healthcare	Yes	Gujarat	Kutch, Ahmedabad	40,00,000	No	The Akshay Patra Foundation, Bangalore	
8	Support to patients' medications and for some basic research activities in rheumatic disease	Healthcare	Yes	Maharashtra	Mumbai	21,00,000	No	Swasthya Vidhya Foundation, Mumbai	
9	Provided desktop, printer, Tables, Fixed computer chairs and other accessories	Education	Yes	Maharashtra	Kolhapur	9,86,250	No	Gram Vikas Shikshan Mandal, Kolhapur	
10	Sponsored One five bed container Acute Care Unit	Healthcare	Yes	Maharashtra	Mumbai	50,29,020	No	Kabra Charitable Trust, Mumbai	
11	Capacity building of teachers for holistic integrated teacher and school education.	Education	Yes	Maharashtra	Mumbai	1,00,00,000	No	Muktangan Education Trust, Mumbai	
12	Contribution for aid to children from low socio-economic families who suffer from major, life-threatening illnesses	Healthcare	Yes	Maharashtra	Mumbai	5,00,000	No	Healing Touch Mumbai	
13	Provided Medical equipment - Machines- Fetal Monitor /CTG Machine Model- FM 14000 with Twins Probes	Healthcare	Yes	Maharashtra	Mumbai	3,10,203	No	R N Cooper Hospital, Mumbai	
14	Contribution for undertaking the up gradation of the Centralized Kitchen involving a capex for construction / acquisition of Solar Roof Top, Solid Waste Management System, PNG Gas Pipeline, Drill machine for concrete, Vessel washing / cleaning machine, all in one computer, etc.	Healthcare	Yes	Gujarat	Kutch	61,75,000	No	The Akshay Patra Foundation, Bangalore	
15	Medical Expenses	Healthcare	Yes	Maharashtra	Aurangabad	31,491	Yes	Self	
TOTAL						18,11,98,365			

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- (d) Amount spent in Administrative Overheads - NIL
 (e) Amount spent on Impact Assessment, if applicable - NIL
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 22,31,98,365
 (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)	Not Applicable
(ii)	Total amount spent for the Financial Year	Not Applicable
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

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.
Not Applicable								

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 (in ₹)	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	08/07/20, 17/10/20, 08/02/21, 30/03/21	7,87,00,000	Tata Memorial Centre, Mumbai	Renovation, restructuring and expansion of the OPD infrastructure.
2	28/08/20 & 09/09/20	9,86,250	Gram Vikas Shikshan Mandal, Kolhapur	25 Nos desktop, 1 printer, 25 Tables, 25 Fixed computer chairs and other accessories given to Gram Vikas Shikshan Mandal, hebbai Jalalyal, Tal. Gandhiganj, Kolhapur.
3	06/10/20 & 19/10/20	50,29,020	Kabra Charitable Trust, Mumbai	1 (One) five bed container Acute Care Unit.
4	02/02/21, 20/03/21	3,10,203	R N Cooper Hospital, Mumbai	2 Machines- Fetal Monitor /CTG Machine Model- FM 14000 with Twins Probes
5	03/02/21	61,75,000	The Akshay Patra Foundation, Bangalore	Upgradation of the Centralized Kitchen involving a capex for construction / acquisition of Solar Roof Top, Solid Waste Management System, PNG Gas Pipeline, Drill machine for concrete, Vessel washing / cleaning machine, all in once computer etc.
Total		9,12,00,473		

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).

The Company has identified the project with the Implementation Partner- Tata Memorial Center (TMC)- i.e., building of a 500-bed State of Art Cancer Centre on the Haffkine land gifted by the Government of India and Maharashtra. While the project is identified, the actual outflow of the CSR spend will take place in FY 2021-22 since the major work will commence in FY 2021-22. The Company has transferred the earmarked amount for the current year amounting to ₹ 420 Lakhs to the Unspent CSR account under section 135(6) of the Companies Act, 2013.

Place : Mumbai,
Dated : 14th May, 2021

RAJIV PODDAR
Joint Managing Director

VIJAYLAXMI PODDAR
Chairperson of CSR Committee

ANNEXURE II(i) to CSR Report Impact Assessment Report

1.0 Background

Company's CSR vision

The Company considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the Company 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.

The Company 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 Company proposes to do for Healthcare?

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. Further, the Company also supports renovation, development of infrastructure facilities at various hospitals.

Tata Memorial Center (TMC) is an autonomous body owned, funded and under the administrative control of the Department of Atomic Energy, Government of India, which was established in the year 1941. It is governed by a Governing Council chaired by the Chairman, Atomic Energy Commission and Secretary, Government of India. It is a national super specialty cancer centre for the prevention, treatment, education and research in Cancer and is recognized as one of the leading cancer centres in world.

TMC caters to about 75,000 new patients annually in its flagship Tata Memorial Hospital in Mumbai. TMC performs over 10,000 major surgeries, 6,500 radiation therapies and more than 150,000 chemotherapy sessions in a year. The Outpatient's Department (OPD) of TMH is always bustling with patients and their attendants.

On a regular day, the number of patients visiting the general OPD is approximately 3,000 each accompanied by at least one or more attendants. This results into prolonged waiting times. Also, the flow of patients to be admitted also has been increasing day by day.

To address the above challenge, TMC has undertaken to build a 500-bed State of Art Cancer Centre on the Haffkine land gifted by the Government of India and Maharashtra. This will involve infrastructure development of 16 storey modern day building with an area of 11.5 lakh square feet.

As a step in the direction, under the instant project, the Company intends to partner with TMC for expansion of the infrastructure and building of the 500-bed State of Art Cancer Center.

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

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 Tata Memorial Centre for **expansion of the infrastructure and building of the 500-bed State of Art Cancer Center** so that treatment for cancer can be provided to needy people.

Why the Company wants to support Tata Memorial Centre

Before finalising on the Hospital 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 Hospital, Management, etc.

The summary of the conclusion drawn from the due diligence of Tata Memorial Centre is as under-

- **Identity and Image**

The Tata Memorial Centre is the national comprehensive cancer centre for the prevention, treatment, education and research in Cancer and is recognized as one of the leading cancer centers in India as well as in world.

The Tata Memorial Hospital was initially commissioned by the Sir Dorabji Tata Trust on 28th February 1941 as a center with enduring value and a mission for concern for the Indian people. The Ministry of Health took over the Tata Memorial Hospital in 1957 and transferred the administrative control of the Tata Memorial Hospital to the Department of Atomic Energy in 1962. The Tata Memorial Hospital and Cancer Research Institute merged as the two arms of the Tata Memorial Centre (TMC) in 1966 provides service, education & research in Cancer.

- **Capability and Competence**

The Tata Memorial Hospital, part of the TMC provides has 21 departments providing medical services in various areas such as Anesthesia, Biochemistry, Cancer Cytogenetic, Cytopathology, Medical, Preventive and Radiation Oncology, Palliative medicine, Dental diseases, Digestive Diseases, etc. having state of art equipment in every Department. TMC currently has 200 Doctors, 300 nurses and 200 Scientific Officers.

Patients visit the clinics annually from all over India and from neighbouring countries. Nearly 60% of these cancer patients receive primary care at the Hospital of which over 70% are treated free of any charges. The Hospital has expanded from a 80 bed Hospital covering an area of 15,363 sq. meters to a 629-beds spread over 53,890 sq. meters. Nearly 18500 minor operations, 11500 major operations and 200 laser surgeries are performed annually.

TMC has established strategies for early diagnosis, treatment management, rehabilitation, pain relief and terminal care in a comprehensive and multidisciplinary approach for a total cancer care programme.

- **Management**

TMC is augmented by Government support. The Governing council of TMC have seven members consisting of people associated from Department of Atomic Energy, Sir Dorabji Trust, etc. with Mr. K.N. Vyas- the Chairman, AEC and Secretary of Department of Atomic Energy as the Chairman of Governing Council.

- **Transparency**

TMC has international collaborations for teaching and training with WHO, UICC, and IAEA.

- **Financial Capability**

TMC has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 35(1) (ii) and section 80G of the Income Tax Act, 1961.

Considering the above, the CSR Committee has recommended the Board to support TMC for **expansion of the infrastructure and building of the 500-bed State of Art Cancer Center** in order to ensure day to day functioning of services.

Track Record of TMC

- TMC is the national comprehensive cancer centre for the prevention, treatment, education and research in Cancer and is recognized as one of the leading cancer centers in India as well as in world.
- Presently, TMC has state-of-the-art equipment in every Department including the latest Spiral CT Scanners, Gamma Cameras, Ultrasound, Microscopes, Linear Accelerators, Simulators, Bone Marrow Transplantation facilities, ICU for critical care of patients, updated Operation Theatres, sophisticated Blood Bank facilities and laboratories.
- International collaborations for teaching and training with WHO, UICC, and IAEA have brought recognition to the Centre, its 200 Doctors, 300 nurses and 200 Scientific Officers.

Implementation of TMC Project by the Company

The Company will make contribution towards the Project of ₹ 1,000 Lakhs (₹ 420 Lakhs for the FY 2020-21 and ₹ 580 Lakhs in FY 2021-22) to TMC which will be used to identify and purchase four equipments for facilitating surgery to all the needy people.

The Company will ensure that the funds are utilized for the **building of the 500-bed State of Art Cancer Center**.

Impact Assessment of the TMC

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

The new building will be able to cater to 4,000 OPD patients at a given point in time. The annual patient load is projected to increase to 100,000 and admission to 40,000 by 2030. Each year more than 500,000 patients will attend the hospital and by the end of 2030 with an annual increase of 9 percent, the number of cancer patients will be more than 1 million.

ANNEXURE-III**Form No. MR-3****SECRETARIAL AUDIT REPORT for the financial year ended 31st March, 2021**

[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, in view of the restrictions imposed by the Government to control the second wave of the Covid-19 virus pandemic, 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, 2021 (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, 2021, 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) Regulations, 2014; -- *Not applicable to the Company since it has no Employee Stock Option Scheme / Employee Stock Purchase Scheme;*
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- *Not applicable to the Company since it has not issued any debt securities during the year under review;*
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - *Not applicable to the Company*
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- *Not applicable to the Company during the year under review;*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- *Not applicable to the Company since it has not bought back any securities during the year under review;*
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

I further report that

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

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

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

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

This Report is to be read with 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
UDIN F001182C000307686

Place : Navi Mumbai,
Date : 14th May, 2021

'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, 2021 of even date is to be read along with this letter.

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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.

Date : 14th May, 2021
Place : Navi Mumbai

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

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:

- 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 as details below:
 - Conversion of boiler fuel from petcoke to steam coal and from furnace oil to Light Diesel oil (LDO) to control the emission.
 - Installation of VFD at various mills, pumps and fans, conversion of mixer motors from DC to AC, Waste heat recovery at various locations.
 - PNG fired boiler commissioned in place of coal fired boilers.
 - Installation of new energy efficient pump with reduced rating in place of old conventional pumps (7 Nos.).
 - 4 X 24 W-96 W FTL street light fitting replaced with 60W LED fitting.
 - Installed VFD's in WTP high pressure pumps which is saving nearly 1000 KWH of power per day.
 - Have completed a project on energy conservation in HVAC system by replacing the existing centrifugal fan of one AHU (capacity 19000CFM) with EC fan (IE5 motor).
- the steps taken by the Company for utilizing alternate source of energy:
 - 1 MW rooftop solar power plant is set up to use renewable energy at Chopanki Plant and Bhuj Plant.
 - Installed solar panels of 1000 KW which is utilizing solar energy to generate Power during day time at Bhuj Plant.
 - Utilization of Wind energy as alternate source by generating approximately is 50 Lakhs Kwh in FY 2020-21 at Bhiwadi Plant.
- the capital investment on energy conservation equipment's:
 - The Company had made investment in PNG fired boiler and Energy efficient pumps, installed 30kw VFD for Uzermakina press power pack, Flap press Start/stop on pre-set frequency through VFD, LED lights of 20 Watt fixed in TTC lab in place of CFL lights.

B. TECHNOLOGY ABSORPTION:

- the efforts made towards technology absorption:
 - Continuous efforts were being towards technology absorption by working on substitute to rubber, various machineries are being procured with latest technology & process with mistake proof technique.
- the benefits derived like product improvement, cost reduction, product development or import substitution:
 - Consistency in quality, Process and Product development.
 - Reduced claim losses due to enhanced product quality.
 - Increase in sales volume.
 - Customer satisfaction & organizational growth.
 - Error proofing and no manual intervention.
 - Product fire safety and packing efficiency improved by 15%.
 - Instant stock position of oil in DCS.
 - Reduced dependency on outside suppliers.
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL
 - The details of technology imported: Not applicable.
 - The year of import: Not applicable.
 - Whether the technology been fully absorbed: Not applicable.
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable.
- The Expenditure incurred on Research and Development: ₹ 3,202 Lakhs

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

- Foreign Exchange Outgo : 2,14,192
- Foreign Exchange earned (FOB Basis) : 4,24,869

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 14th May, 2021

ARVIND PODDAR
Chairman & Managing Director

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 2020-21, 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 / KMP to the median remuneration of the employees of the Company	Percentage increase in remuneration
1	Mr. Arvind Poddar	Chairman & Managing Director	623	35%
2	Mr. Rajiv Poddar	Joint Managing Director	621	35%
3	Mr. Vipul Shah	Director & Company Secretary	12	4%
4	Mr. Madhusudan Bajaj \$ (w.e.f. 28/08/2020)	President (Commercial) & CFO	NA	NA
5	Mr. Basant Bansal # (Up to 28/08/2020)	Director (Finance)	NA	NA

Note :

Mr. Basant Bansal was ceased to be Director (Finance) w.e.f. 28th August, 2020. His % increase in remuneration has not been calculated as he has worked only for part of the year.

\$ Mr. Madhusudan Bajaj was given additional charge as CFO with immediate effect and was there after appointed and re-designated as President (Commercial) & CFO at the Board Meeting of the Company held on 24th September 2020. His % increase in remuneration has not been calculated as he has worked only for part of the year.

- (II) The percentage increase in median remuneration of employees in the financial year 2020-21 is 9%.
 (III) There were 2,861 employees as on 31st March, 2021.
 (IV) Average percentage increase already made in the salaries of employees was 9% other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration is 34%.
 (V) It is hereby affirmed that remuneration paid 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

Place : Mumbai
 Date : 14th May, 2021

ARVIND PODDAR
 Chairman & Managing Director

ANNEXURE VI

BUSINESS RESPONSIBILITY REPORT

Introduction

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, this Business Responsibility Report of the Company for the financial year 2020-21 forms part of the Annual Report.

This Business Responsibility Report (BRR) of the Company is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business as notified by the Ministry of Corporate Affairs (MCA), Government of India.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L99999MH1961PLC012185
2. Name of the Company	Balkrishna Industries Ltd.
3. Registered address	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431136 – Maharashtra.
4. Website	www.bkt-tires.com
5. E-mail id	shares@bkt-tires.com
6. Financial Year reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code – 22119 – Manufacture of rubber tyres and tubes NIC Code - 1920- Manufacture of Carbon Black
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company manufactures rubber tyres, tubes and Carbon Black.

9. Number of locations where business activity is undertaken by the Company i. Number of International Locations (provide details of major 5) ii. Number of National Locations	Company's International Locations are at USA, Canada & Italy. Corporate office at Mumbai + Four Tire manufacturing locations (Two in Rajasthan, One in Gujarat & One in Maharashtra). In addition to this One Mould unit in Maharashtra, One Carbon Black unit in Gujarat and One Wind Power unit in Rajasthan for Captive use.
10. Markets served by the Company	The Company sell its products all over India as well as over 130 countries (including India) worldwide through its distributor network

Section B: Financial Details of the Company

1. Paid up Capital (₹)	₹ 3,866 Lakhs
2. Total Turnover (₹)	₹ 5,75,792 Lakhs
3. Total profit after taxes (₹)	₹ 1,15,538 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<p>i. Total Obligation for CSR Expenditure during the financial year 2020-21 is ₹ 2,232 Lakhs, which constitute 2% of the average net profits of the last three financial years.</p> <p>ii. Out of total Obligation ₹ 1,812 Lakhs was spent during the financial year 2020-21.</p> <p>iii. The balance unspent amount of ₹ 420 Lakhs shall be spent on the ongoing projects which may stretch upto stipulated time. The Company has deposited ₹ 420 lacs in separate Bank account opened with Scheduled Bank in Compliance with Company (Corporate Social Responsibility Policy) Rules 2021.</p>
5. List of activities in which expenditure in 4 above has been incurred:-	On Healthcare, Education and Rural Development

Section C: Other Details

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

Section D: BR Information**1. Details of Director/Directors responsible for BR****a) Details of the Director/Directors responsible for implementation of the BR policy/policies**

Name	DIN Number	Designation
Mr. Pannkaj Ghadiali	00003462	Chairman of BR Committee, Independent Director
Mr. Sandeep Junnarkar	00003534	Member
Mr. Arvind Poddar	00089984	Member
Mr. Rajiv Poddar	00160758	Member

b) Details of the BR head

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

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)
a) Details of Compliance

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

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

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

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

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

3. Governance related to BR

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

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

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

Yes, the Company publishes BRR annually. The weblink for viewing the report is <https://www.bkt-tires.com/en/investors-desk>.

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

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

No, the policy relating to ethics, bribery and corruption covers all employees and business associates. The Company believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower and Vigil Mechanism Policy enables stakeholders, including Directors and employees to freely communicate their concerns about illegal or unethical practices, actual or suspected fraud and to report genuine concerns and grievances. Also, there is a well-defined Supplier Code of Conduct which clearly lays down our expectations in line with the organization's principles and ethical values.

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

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

Principle 2: Sustainable products and services.

- 1 List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.
The Company makes a constant effort to incorporate social and environmental concerns while developing products by removing SOHS (substance of high concern) from the compound. All products manufactured are designed to protect environment/social concern. The Company has obtained REACH SVHC (Substance of very high concern) compliance certificate for all the products manufactured.
- 2 For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.
- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
The Company is focused on optimizing resource utilization in the manufacturing of products thereby resulting in reduction for consumption of resources in a sustainable manner. The reduction in resource consumption is mentioned below:

Parameter	FY 2018-19	FY 2019-20	FY 2020-21
Raw Material (kg /100 kg production)	101.32	101.23	100.93
Energy (KWHr/ MT of production)	951	974	953
Water (KL/ MT of production)	4.30	4.30	3.90

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Yes. The Company use energy & water during manufacturing of tires. However, efforts are made to reduce the consumption by different ways.
- 3 Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?
Yes, the Company has established a detailed process for procurement of materials in collaborating with suppliers and vendors. Majority of the business involves product exports and it is crucial to meet the international quality requirements. Regular audits are conducted at the suppliers' facilities to verify compliance to ISO 9001 and ISO 14001 certification. If the supplier does not meet the expectations, then they are suggested measures for improving performance. Carbon is a major raw material and now approximately 70% of this requirement is met from within our plants.
- 4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
Yes, the sourcing of goods from local and small vendors is conducted whenever feasible. All consumables and few essential spare parts are procured from local vendors in respective plants. In order to enable vendors to meet quality norms and standards, they are subjected to regular audits. Some of the parameters that the suppliers are assessed on are quality manuals, appropriate documentation, testing procedures, operation controls, packaging standards, labeling, internal quality audits, environment management among others. During these audits and vendor meets, they are made aware of our business practices and the Company makes suitable recommendations to them.
- 5 Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?
Yes, the Company understands the role of recycling in protecting the environment and have mechanisms in place to recycle the waste generated. Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) are installed at all the manufacturing facilities which decreases the dependency on the raw water or ground water, further helping in cost savings. The wastewater is recycled and used in horticulture around our sites and regular monitoring and maintenance of water treatment is also carried out.
The Company also undertakes reuse of materials in our process. The reclaimed rubber is sent for further processing as per technical specifications. In order to minimize the process waste like work-away at extruders, 3-roll calendar, mixing, on-line recycling is practiced at our facilities. Strict adherence to the waste disposal norms is followed and the reject product and spent oil is sent to the PCB approved vendors. The polythene used for covering the green tires & carcasses are sold to authorized re-sellers from where this polythene is re-used for making plastic granules.

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

- 1 Please indicate the Total number of employees - 2,861
- 2 Please indicate the Total number of employees hired on temporary/contractual/casual basis - 6,360
- 3 Please indicate the Number of permanent women employees - 32
- 4 Please indicate the Number of permanent employees with disabilities - NIL
- 5 Do you have an employee association that is recognized by management?
Yes, there is an employee association in place at the Plant in Aurangabad, Maharashtra.
- 6 What percentage of your permanent employees is members of this recognized employee association?
53% of the permanent employees at the Aurangabad Plants are members of this recognized employee association.
- 7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

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

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

- 1 Has the company mapped its internal and external stakeholders?
Yes, The Company has identified and mapped all its key internal and external stakeholders and same are listed below:
Internal Stakeholder: Employees, Board of Directors
External Stakeholder: Suppliers, Distributors, Vendors, Customers, Communities, Investors and Government Regulators.
- 2 Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?
Yes, the Company has in collaboration with its Implementation Partners undertaken various initiatives in the area of education, healthcare and rural development for the disadvantaged, vulnerable and marginalized stakeholders.
- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.
Yes, the Company engages with the disadvantaged, vulnerable and marginalized stakeholders on a regular basis.
The Company has taken various community initiative programs, supported Covid-19 relief activities, supported education of the needy students by providing scholarships, mid-day meals, etc.
The Company has also contributed for capacity building of teachers for holistic integrated teacher and school education. The education was provided to around 310 students ranging from standard 1 to 4 at Globe Mill Passage Municipal Primary school, Mumbai.
The Company has supported various hospitals towards the renovation, restructuring and expansion of the infrastructure.

Principle 5: Businesses should respect and promote human rights.

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
Our Company respects and values employees and actively works to develop a culture, which respects and supports human rights at the workplace as well as outside the organization. A Human Rights Policy has been developed which is applicable to all employees, suppliers, vendors and relevant stakeholders. It discourages practices that are in violation of human rights. The Supplier Code of Conduct also lays down parameters to ensure protection of human rights across the value chain.
- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
There have been no complaints with regards to human rights violations in the past financial year. The Company have stringent mechanisms to monitor human right violations, company's policy like Whistle-Blower and Prevention of Sexual Harassment provides a channel to stakeholders to communicate any human right violation. The Company strives to provide a safe and worry-free environment to all employees and business associates.

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

- 1 Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company lays high importance to sustainability and is committed to a greener future for our business and society. An Environment policy has been developed to implement sustainable business practices across operations. This policy is applicable to employees, suppliers, business associates and other relevant stakeholders. In addition to this, our value chain partners are encouraged to adopt Environment Management Systems thus promoting environmental responsibility.
- 2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?
The company was the first tire company to adhere to REACH compliance environmental requirement of European union.
The Company is focused on improving environmental practices and performance to mitigate climate change. Several initiatives have been undertaken towards reducing the environmental footprint at the manufacturing sites. The Use of low Sulphur alternate fuel for steam generate and Condensate Recovery system in Boiler for energy generation are some measures to improve our performance.
Treatment of wastewater from our plants is closely monitored and all our plants are certified zero liquid discharge facilities. There has also been extensive plantation programs of around 1 lakh trees at the Bhuj site.
- 3 Does the company identify and assess potential environmental risks?
The Company identifies the risks that can impact the business operations and affect the Company's future growth. All plants identify environmental risks through ISO 14001 certifications that helps in developing mitigation strategies and take appropriate actions.
- 4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof.
Yes, the Company has installed a wind farm which is connected to State Electricity Grid to the west of Jaisalmer, Rajasthan. This wind farm has 4 wind turbine generators with a total capacity of 5 MW. The power generated by the turbines will be provided to the Jaipur Vidyut Vitaran Nigam Limited (JVVNL) as per the 20-year Wheeling and Banking agreement.
- 5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.
Yes, Apart from Item no. 4 above the Company undertakes measures to reduce energy consumption through vigilant energy management and adoption of renewable technologies. Some of the initiatives carried out are mentioned below:
 - Installation of 1 MW rooftop solar panels at Bhuj and Chopanki respectively.
 - Use of VFDs in major motors to reduce energy consumption
 - Audits to correct air leakage at compressor plant
 - 100% recycling of wastewater from sites
 - 33% of land at Bhuj plant converted into a green belt.
 - The company has installed Gas fired boiler at Bhiwadi & Chopanki through which the Emissions have further reduced substantially.
- 6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes. All the emissions generated as a result of our business activities are within the limits prescribed by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).

- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There is no pending show cause notices received from CPCB or SPCB as on 31st March, 2021.

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

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

The Company is a member of the following institutions:

- All India Rubber Industries Association (AIRIA)
- Bombay Chamber of Commerce (BCC)
- Chemical and Allied Export Promotion Council of India (CAPEXIL)
- Federation of Indian Export Organization (FIEO)

- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

The Company foresee the above association as a medium for betterment, improvement and advancement of the sectors for protection of industry area of interest with a long term sustainability goal. During this year we had no occasion to approach these organizations for any assistance / representation.

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

- 1 Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has various programmes in the area of education, healthcare and rural development in pursuit of the CSR Policy.

- 2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The various projects are undertaken in the area towards education, infrastructure support, health care which includes Covid Relief activities and helped underprivileged children and women by providing nutrition supplements etc. In-house projects are conducted as well as collaboration with NGOs, foundations, educational institutes, hospitals and various other external agencies for different projects depending on their ground presence, relevant experience and organizational strength. Some of the NGOs, foundations and other partners for our CSR programs are mentioned below:

- Tata Memorial Centre, Mumbai, ● The Akshay Patra Foundation, Bangalore, ● Swasthya Vidhya Foundation, Mumbai, ● Gram Vikas Shikshan Mandal, Kolhapur, ● Kabra Charitable Trust, Mumbai, ● Muktangan Education Trust, Mumbai, ● R N Cooper Hospital, Mumbai

- 3 Have you done any impact assessment of your initiative?

Yes, the Company has done impact assessment of the projects to understand the benefit of the overall society as a whole. Report on Impact Assessment forms part of Annual Report under Annexure II(i).

- 4 What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

The Company has undertaken various community initiative programs in Bhuj (near its factory) towards education, infrastructure development etc.

It has supported Covid-19 relief activities by contributing towards Bed sheets, PPE Kits, Mask, Food Grains, Hand Gloves, Head Gear and Protective Face shield, food packets, distributed in various hospitals and needy persons.

It has supported education of the needy students by providing scholarships, mid-day meals etc. It has also contributed for capacity building of teachers for holistic integrated teacher and school education. The education was provided to around 310 students ranging from standard 1 to 4 at Globe Mill Passage Municipal Primary school, Mumbai.

It has supported various hospitals (like Tata Memorial Centre etc) towards the renovation, restructuring and expansion of the infrastructure.

The Total amount spent for community development project for financial year 2020-21 is ₹ 1,812 Lakhs.

- 5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company CSR initiatives are rolled out directly or in partnership with nonprofit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful. In case of partnership with nonprofit organisations, the Company not only monitors the progress of the project but also obtains Fund Utilisation Report to ensure that the funds are effectively utilised for the benefit of the community.

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

The Company has a customer-centric approach which is regulated by sound accountability, governance structure and process in each of our commercial ventures. We aim to enhance our earning power and create value for our stakeholders.

- 1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Five consumer complaints are pending, as on end of 31st March, 2021.

- 2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

Yes, the Company displays all the relevant information on the product in the highest mandated standards by law of land. For awareness, transparency and safety, barcodes are applied for each product for authenticity and better tracing to avoid counterfeiting of product.

- 3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

NIL, to ensure transparent working methodology we have designed policies and developed a working culture towards ethical practices. The Company does not have any cases pending or filed cases against us for unfair trade practices, irresponsible advertising and anti-competitive behavior.

- 4 Did your company carry out any consumer survey/ consumer satisfaction trends?

No, there was no such survey carried out.

CORPORATE GOVERNANCE REPORT

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business, it also can be presented as the combination of rules, processes or laws by which businesses are operated, regulated or controlled. The term encompasses the internal and external factors that affect the interests of a Company's stakeholders, including shareholders, customers, suppliers, government regulators and management. Corporate Governance ensures transparency which ensures strong and balance economic development. This also ensures that the interest of all shareholders (Majority as well as Minority shareholder) are safeguarded. Corporate Governance affects the operational risk and, hence, sustainability of a corporation. It influences how the objectives of the Company are set and achieved, how risk is monitored & assessed and how performance is optimized.

Core fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. Corporate Governance extends beyond corporate law. Its fundamental objective is not mere fulfillment of the requirements of the law but in ensuring commitment of the Board in managing the Company in transparent manner by involving ethics for maximizing long-term shareholder value. It is a structure and the associations which governs corporate direction and performance. The Board of Directors have dominant role in Corporate Governance. It ensures to enhance shareholders' value and protect the interests of other stakeholders by improving the Corporate performance and accountability.

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 behavior 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 organization, 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 endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and Companies Act, 2013 ("the Act") as applicable, with regard to Corporate Governance.

GOVERNANCE STRUCTURE

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

- a. Board of Directors: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- b. Committees of the Board: The Board of Directors has constituted various Board'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, 2021, 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, 2020 to 31st March, 2021. 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 2020-21 the Board of Directors met Six times i.e. 20th June, 2020; 13th August, 2020; 24th September, 2020; 6th November, 2020; 8th February, 2021 and 26th March, 2021. 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 2020-21 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, 2021 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, 2021	No. of Committee positions held in other public companies as on 31 st March, 2021	
					Member	Chairman
Mr. Arvind Poddar DIN: 00089984	Chairman & Managing Director	6/6	Present	-	-	-
Mr. Rajiv Poddar DIN: 00160758	Joint Managing Director	6/6	Present	-	-	-
Mrs. Vijaylaxmi Poddar DIN: 00160484	Non-Executive Non-Independent Director	6/6	Present	-	-	-
Mr. Vipul Shah DIN: 05199526	Director & Company Secretary	6/6	Present	-	-	-
Mr. Pannkaj Ghadiali DIN: 00003462	Non-Executive Independent Director	6/6	Present	#1	1	-
Mrs. Shruti Shah DIN: 08337714	Non-Executive Independent Director	6/6	Present	#3	-	-
Mr. Rajendra Hingwala DIN: 00160602	Non-Executive Independent Director	6/6	Present	#2	-	-
Mr. Sandeep Junnarkar DIN: 00003534	Non-Executive Independent Director	6/6	Present	#2	2	-

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

Name of the Director	Directorship in Other Listed Entity and Category of Directorship	
	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 summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess:

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 organizations, 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 has adopted the Code of Conduct for Directors and Senior Management Personnel. The said Code has been communicated to the Directors and the Senior Management Personnel. The Code has also been posted on the Company's website 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 2020-21.

Prohibition of Insider Trading

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

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

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

The Code is applicable to Promoters and Promoter's Group, Key Managerial Personnel, all Directors and such Designated Persons including Connected Persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Vipul Shah is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also adopted revised 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, w.e.f. 1st April, 2019. This 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, 2021:

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 Familiarization program 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. The details of the familiarization program 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 2020-21 was held on 26th March, 2021 inter alia to:

1. Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. 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 Committee, Finance Committee and Risk Management Committee. Each of the said Committees has been mandated to operate within a given framework.

I. AUDIT COMMITTEE:

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

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

1. To review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
2. To recommend appointment, remuneration and terms of appointment of auditors of the Company;
3. To Evaluate internal financial controls and risk management systems;
4. 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 five times during the financial year 2020-21. The meetings were held on 20th June, 2020; 13th August, 2020; 24th September, 2020; 6th November, 2020 and 8th February, 2021. The maximum gap between two meetings was less than one hundred and twenty days.

COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE:

The Committee was reconstituted on 24th September, 2020 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	5/5
Mrs. Shruti Shah	Non - Executive Independent Director	Member	5/5
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	5/5
Mr. Rajiv Poddar	Joint Managing Director	Member	5/5
Mr. Sandeep Junnarkar*	Non - Executive Independent Director	Member	2/2

* Mr. Sandeep Junnarkar was appointed as a member of the Committee w.e.f from 24th September, 2020.

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. President (Commercial) and CFO, Senior Deputy General Manager (Accounts), Senior Deputy General Manager (Finance), 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 12th August, 2020.

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 five times during the financial year 2020-21. The meetings were held on 20th June, 2020; 24th September, 2020; 6th November, 2020 and 8th February, 2021 and 26th March, 2021.

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	5/5
Mrs. Shruti Shah	Non - Executive Independent Director	Member	5/5
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	5/5
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	5/5

Mr. Pannkaj Ghadiali, the Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on 12th August, 2020.

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 2020-21 was held on 26th March, 2021.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated in their meeting held on 26th March, 2021. 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	2.95	Eligible to Retire by Rotation
Mr. Pannkaj Ghadiali	6.45	The term of appointment is for five consecutive years from 8 th November, 2017 to 7 th November, 2022 as approved by the members in the 56 th Annual General Meeting held on 14 th July, 2018.
Mrs. Shruti Shah	6.95	The term of appointment is for five consecutive years from 08 th February, 2019 to 07 th February, 2024 as approved by the members in 57 th Annual General Meeting held on 13 th July, 2019.
Mr. Rajendra Hingwala	5.55	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	5.60	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	27.50	

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, 2021 are given below:

(₹ In Lakhs)

Name of the Director	Salary	Perquisites & allowances #	Commission	Total	Service Contract
Mr. Arvind Poddar	300.00	241.52	3,200.00	3741.52	1 st August, 2016 to 31 st July, 2021
Mr. Rajiv Poddar	240.00	191.70	3,300.00	3731.70	22 nd January, 2019 to 21 st January, 2024
Mr. Vipul Shah	29.52	41.40	-	70.92	11 th February, 2017 to 10 th February, 2022
TOTAL	569.52	474.62	6,500.00	7,544.14	

#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 2020-21. The meetings were held on 18th June, 2020; 13th August, 2020; 6th November, 2020 and 8th February, 2021.

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	4/4
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 12th August, 2020.

During the year, 16 complaints were received which were resolved within stipulated time. There were no complaints pending as on 31st March, 2021.

As at 31st March 2021, 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 2020-21. The meetings were held on 18th June, 2020; 13th August, 2020; 6th November, 2020 and 8th February, 2021.

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 COMMITTEE

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

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

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

The committee met annually during the financial year 2020-21 on 18th June, 2020.

COMPOSITION AND MEETING OF THE BUSINESS RESPONSIBILITY 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 was revised at the Board meeting held on 8th February, 2021, inter alia consists;

1. To do all acts, deeds related to Forex Related Transactions of the Company (including Derivative Transaction);
2. To open, operate, give instructions for operating, closing or any other instructions in relation to the any of the Bank Account(s), including EEFC Accounts, of the Company and to authorize 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 authorized signatories;
3. To avail Internet Banking Facility / Online Bank 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;
4. 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 six times during the financial year 2020-21. The meetings were held on 13th August, 2020; 24th September, 2020; 11th December, 2020; 4th January, 2021; 8th February, 2021; 26th March, 2021.

COMPOSITION AND MEETINGS OF THE COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Arvind Poddar	Chairman & Managing Director	Chairman	6/6
Mr. Rajiv Poddar	Joint Managing Director	Member	6/6
Mr. Vipul Shah	Director & Company Secretary	Member	6/6

Mr. Madhusudan Bajaj – President (Commercial) and CFO, is a permanent invitee to the Finance Committee Meetings w.e.f. 24th September, 2020.

d. RISK MANAGEMENT COMMITTEE

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

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Board has also approved amended Enterprise Risk Management policy in their meeting held on 20th June, 2020 as recommended by the Committee. The said policy is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk>. The Board also approved "Risk Management Report" for the year ended 31st March, 2021 as received from KPMG, consultant of the Company at its Board meeting held on 14th May, 2021, 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 on 12th May, 2021.

COMPOSITION OF THE COMMITTEE:

The Committee was reconstituted on 24th September, 2020 as below:

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. Vipul Shah	Director & Company Secretary	Member	1/1
Mr. Madhusudan Bajaj**	President (Commercial) and CFO	Member	1/1
Mr. Basant Bansal*	Director (Finance) – KMP	Member	NA

*Mr. Basant Bansal ceased to be the member of this committee consequent to his resignation from the Director (Finance) with effect from 28th August, 2020.

**Mr. Madhusudan Bajaj was appointed as a member of the Committee w.e.f 24th September, 2020.

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
2017-2018 56 th AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	14 th July, 2018	11.30 A.M	No Special Resolutions were passed in the meeting.
2018-2019 57 th AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	13 th July, 2019	10.00 A.M	No Special Resolutions were passed in the meeting.
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.

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 proposals 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 Sakal. 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. 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	30 th June, 2021
Time	11:00 A.M
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5 th May, 2020 read with circulars dated 8 th April, 2020, 13 th April, 2020 & 13 th January, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM

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, 2021
2	Second Quarter & Half Yearly Results	On or before 14 th November, 2021
3	Third Quarter & Nine-months Results	On or before 14 th February, 2022
4	Fourth Quarter & Annual Results	On or before 30 th May, 2022.

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	31 st August, 2020	₹ 3.00
2 nd Interim Dividend	25 th November, 2020	₹ 4.00
3 rd Interim Dividend	24 th February, 2021	₹ 5.00

The Board of Directors at their Meeting held on 14th May, 2021 has recommended final dividend of ₹ 5.00 per equity share for financial year 2020-21, subject to the approval from shareholders. The dividend if declared at the Annual General Meeting shall be paid on or after 30th June, 2021 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., 21st June, 2021, 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, 2021 and due date of transfer is as follows:

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
Final Dividend	2013-2014	13 th September, 2014	20 th October, 2021
Final Dividend	2014-2015	11 th July, 2015	17 th August, 2022
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	09 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	08 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

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 12th November, 2020 and 28th November, 2020 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 2020-21 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

e. STOCK CODES/SYMBOL:

BSE: 502355 NSE: BALKRISIND

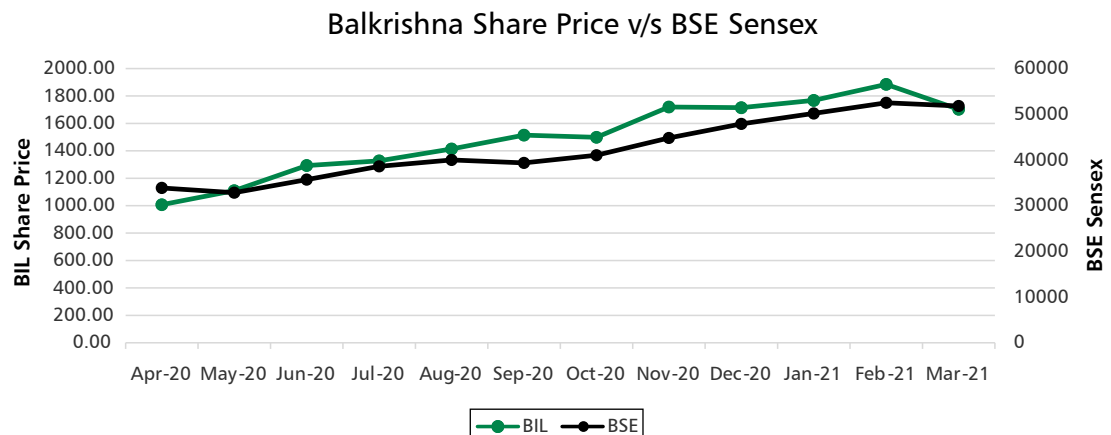
ISIN No.: INE787D01026

f. MARKET PRICE DATA (In ₹):

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April-20	1007.30	739.05	1006.90	738.50
May-20	1110.00	869.00	1110.05	868.30
June-20	1293.15	1080.00	1293.00	1082.00
July-20	1327.00	1230.00	1327.00	1230.00
August-20	1414.00	1295.85	1415.00	1295.55
September-20	1514.70	1237.35	1514.70	1237.50
October-20	1499.00	1316.00	1500.00	1315.00
November-20	1720.00	1307.05	1701.45	1306.30
December-20	1715.00	1515.35	1720.00	1515.50
January-21	1768.10	1575.00	1767.70	1580.00
February-21	1885.00	1516.80	1875.00	1516.65
March-21	1703.00	1532.00	1704.00	1530.05

{Source: www.bseindia.com & www.nseindia.com}

g. Performance of the share price of the Company in comparison to the BSE Sensex:



{Source: www.bseindia.com}

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 Private Limited (Unit: Balkrishna Industries Limited) Selenium Tower B, Plot No. 31-32 Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032	Mumbai address (for shareholder services): B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg, Behind BSE Ltd, Fort, Mumbai - 400 023 Phone: +91 022 66235454
Toll free No.	1- 800-309-4001	
E-mail:	einward.ris@kfintech.com	
Website:	www.kfintech.com	

Contact Person

Mr. Ananda Moolya,
Deputy Manager - RIS Corporate Registry
Email: ananda.moolya@kfintech.com

j. SHARE TRANSFER SYSTEM:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized mode, for which 31st March, 2021 is fixed as cut-off date for re-lodgment of transfer requests as per SEBI Circular SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September, 2020, except in case of request received for transmission or transposition of securities. 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 Registrar directly. A summary of transfer/transmission of securities of the Company so approved by the Company Secretary is placed at Quarterly Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of 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, 2021:

Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
1 - 500	92841	96.33	3389645	1.75
501 - 1000	1240	1.29	937787	0.49
1001 - 2000	776	0.81	1161866	0.60
2001 - 3000	349	0.36	908041	0.47
3001 - 4000	151	0.16	535829	0.28
4001 - 5000	139	0.14	640750	0.33
5001 - 10000	312	0.32	2250170	1.16
10001 and Above	565	0.59	183493102	94.92
TOTAL:	96373	100.00	193317190	100.00

Categories of Shareholding as on 31st March, 2021:

Categories of Shareholders	No. of Shares	% of Total Shares
Promoter and Promoter Group (A)	112696020	58.30
Public Shareholding Group (B)		
Mutual Funds/UTI	28212823	14.59
Financial Institutions/Banks	550	0.00
Bodies Corporate	2001566	1.04
Individuals	14071505	7.28
Any Other		
NRI's	715210	0.37
Trust	25585	0.01
Foreign Portfolio Investor	27845430	14.40
Clearing Members	294392	0.15
Alternative Investment Fund	175201	0.09
IEPF	500395	0.26
Qualified Institutional Buyer	6778513	3.51
Total Public Shareholding Group (B)	80621170	41.70
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, 2021, 99.58% 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:

Tyre Manufacturing:	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra) SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019 Dist: Alwar (Rajasthan) A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, Dist: Alwar (Rajasthan) Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Carbon Black Manufacturing:	Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Wind farm:	Village Soda Mada, Tehsil: Fatehgarh 345 027, Dist: Jaisalmer (Rajasthan)
Mould Unit:	C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203, Dist: Thane (Maharashtra)

The Calendaring Plant which was located at SP4-886, RIICO Industrial Area, Pathredi, Bhiwadi - 301 707, Dist: Alwar (Rajasthan), the Company has shifted the Calendaring machine to its Aurangabad Plant and the said location is now used as warehouse.

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.**

Not Applicable

8. OTHER DISCLOSURES:

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2020-21 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.

Thristha Synthetics Limited, the wholly owned subsidiary of the Company, incorporated in year 2013, had voluntarily made an application with the Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs for striking off its name from the records of ROC after meeting / discharging all the necessary requirements on 21st August, 2018. During the year under review, Ministry of Corporate Affairs vide its order dated 21st September, 2020 had struck off the name of the Company from its Register of Companies and hence said Company was dissolved.

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

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

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

Not Applicable

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

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

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

Particulars	₹ in Lakhs
Fees for audit and related services paid to M/s. N.G. Thakrar & Co. and to entities of the network of which the auditor is a part	36.00
Other fees paid to M/s. N.G. Thakrar & Co. and to entities of the network of which the auditor is a part	10.10
Total	46.10

- j. 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

- k. 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.

This Corporate Governance Report of the Company for the year 2020-21 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

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place : Mumbai

Dated : 14th May, 2021

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, 2021.

For and on behalf of the Board of Directors

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place : Mumbai

Dated : 14th May, 2021

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, 2021 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:
- significant changes, if any, in internal control over financial reporting during the year;
 - 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
 - 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 : 14th May, 2021

For Balkrishna Industries Limited

MADHUSUDAN BAJAJ
President (Commercial) and CFO

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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) of regulation 46(2) and para C and D 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, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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 Regulation.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
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 limit 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 March 31, 2021, referred to in paragraph 1 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 N. G. THAKRAR & CO.
CHARTERED ACCOUNTANTS
(FIRM REG. NO. 110907W)

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABV5430

Place : Mumbai
Date : 14th May, 2021

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, 2021, 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, 2021, 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

Capitalisation of property, plant and equipment	Principal Audit Procedures
<p>During the year ended 31st March, 2021, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various factories of the Company was ₹ 46,617 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>	<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>

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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, 2021 on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABT2270

PLACE: Mumbai
DATE: 14th May, 2021

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, 2021 we report that:

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of these fixed assets is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2021 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	2004-05	High Court
		61	2011-12	Tribunal
		301	1996-97, 2012-2015 & 2017-18	Commissioner (Appeals)
		7	2013-14	Assessing Authority
Customs Act	Custom Duty (Including Interest and Penalty)	6,036	2012-2014	Supreme Court
		2,612	2012-2016	CESTAT
		543	2012-13	Assessing Authority
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	3,549	2007-2013	High Court
		96	2006-2009 & 2012-2017	CESTAT
		165	2003-2009 & 2015-16	Assessing Authority

- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank. Further as per the records of the Company, during the year there were no loans or borrowings from any financial institution, government or debenture holders.

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

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABT2270

PLACE: Mumbai
DATE: 14th May, 2021

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, 2021 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, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABT2270

PLACE: Mumbai
DATE: 14th May, 2021

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2	3,24,705		3,18,913
(b) Capital Work-in-Progress	2	85,552		58,556
(c) Investment Property	3	8,639		8,571
(d) Intangible Assets	4	56		126
(e) Right of use assets	4A	18		97
(f) Financial Assets				
i) Investments	5	1,02,621		71,197
ii) Other Financial Assets	6	1,478		1,287
(g) Income tax Assets (Net)	7	6,971		9,009
(h) Other Non-Current Assets	8	34,836		17,666
TOTAL NON CURRENT ASSETS			5,64,876	4,85,422
2 CURRENT ASSETS				
(a) Inventories	9	90,927		58,035
(b) Financial Assets				
i) Investments	10	39,203		35,112
ii) Trade Receivables	11	73,013		64,924
iii) Cash and Cash Equivalents	12	3,407		2,324
iv) Other Bank Balances	13	2,305		2,226
v) Loans	14	417		433
vi) Other Financial Assets	15	3,466		1,415
(c) Other Current Assets	16	26,402		23,233
TOTAL CURRENT ASSETS			2,39,140	1,87,702
TOTAL ASSETS			8,04,016	6,73,124
II EQUITY AND LIABILITIES				
EQUITY				
(a) Share Capital	17	3,866		3,866
(b) Other Equity	18	5,96,855		4,98,944
TOTAL EQUITY			6,00,721	5,02,810
LIABILITIES				
1 NON- CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	19	125		179
ii) Lease Liabilities	19A	10		21
iii) Other Financial Liabilities	20	1		1
(b) Provisions	21	2,482		2,354
(c) Deferred Tax Liabilities (Net)	22	20,350		17,831
(d) Other Non-Current Liabilities	23	3,255		3,421
TOTAL NON CURENT LIABILITIES			26,223	23,807
2 CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	24	89,210		85,942
ii) Lease Liabilities	24A	9		80
iii) Trade Payables				
Total outstanding due of Micro and Small Enterprise	25	1,606		761
Total outstanding due of creditors Other than Micro and Small Enterprise	25	61,739		35,339
iv) Other Financial Liabilities	26	7,462		16,423
(b) Other Current Liabilities	27	16,535		7,541
(c) Provisions	28	511		421
TOTAL CURRENT LIABILITIES			1,77,072	1,46,507
TOTAL EQUITY AND LIABILITIES			8,04,016	6,73,124

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 TO 53

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

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

RAJIV PODDAR Joint Managing Director

NATWAR THAKRAR
 Partner
 Membership No.036213
 Mumbai,
 Dated: 14th May, 2021

MADHUSUDAN BAJAJ
 President (Commercial) & CFO

VIPUL SHAH Director & Company Secretary

Mumbai,
 Dated: 14th May, 2021

STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
I Revenue From Operations	29	5,75,792	4,78,249
II Other Income	30	16,145	24,877
III Total Income (I+II)		<u>5,91,937</u>	<u>5,03,126</u>
IV Expenses :			
Cost of Materials Consumed	31	2,37,946	2,02,321
Purchases of Stock-in-Trade	32	7,219	5,477
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(14,883)	4,881
Employee Benefits Expense	34	32,594	28,582
Finance Cost	35	982	727
Depreciation and Amortisation Expense	36	40,615	36,801
Other Expenses	37	1,34,365	1,12,053
Total Expenses		<u>4,38,838</u>	<u>3,90,842</u>
V Profit Before Tax (III-IV)		1,53,099	1,12,284
VI Tax Expenses			
Current tax		37,100	29,230
Short/(Excess) provision of earlier years		(184)	-
Deferred tax		645	(11,444)
Total Tax Expenses		<u>37,561</u>	<u>17,786</u>
VII Profit After Tax (V-VI)		1,15,538	94,498
VIII Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		(39)	(639)
ii) Income Tax		10	10
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		7,483	(10,925)
ii) Income Tax		(1,883)	3,267
Total Other Comprehensive Income (1+2)		5,571	(8,287)
IX Total Comprehensive Income (VII+VIII)		<u>1,21,109</u>	<u>86,211</u>
X Earnings per equity share:			
Basic and Diluted	42	59.77	48.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 to 53

As per our report of even date attached

For N.G. THAKRAR & CO.
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 14th May, 2021

MADHUSUDAN BAJAJ
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: 14th May, 2021

STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance at the 1st April, 2019	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2020	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2021	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, 2019	3,30,000	1,31,557	(1,001)	3,449	4,64,005
Total Comprehensive					
Profit for the year	-	94,498	-	-	94,498
Other comprehensive income for the year	-	-	(629)	(7,658)	(8,287)
Transactions with owners of the company					
Interim Dividend on Equity Shares	-	(38,663)	-	-	(38,663)
Interim Dividend Distribution Tax	-	(7,947)	-	-	(7,947)
Dividend on Equity Shares	-	(3,866)	-	-	(3,866)
Dividend Distribution Tax	-	(795)	-	-	(795)
Transferred to General Reserve	-	(30,000)	-	-	(30,000)
Transferred from Retained Earnings	30,000	-	-	-	30,000
Balance as at 31st March, 2020	3,60,000	1,44,783	(1,630)	(4,209)	4,98,944
Total Comprehensive					
Profit for the year	-	1,15,538	-	-	1,15,538
Other comprehensive income for the year	-	-	(29)	5,600	5,571
Transactions with owners of the company					
Interim Dividend on Equity Shares	-	(23,198)	-	-	(23,198)
Transferred to General Reserve	-	(40,000)	-	-	(40,000)
Transferred from Retained Earnings	40,000	-	-	-	40,000
Balance as at 31st March, 2021	4,00,000	1,97,123	(1,659)	1,391	5,96,855

As per our report of even date attached

For N.G. THAKRAR & CO.
Chartered Accountants

(Firm Reg. no.110907W)

NATWAR THAKRAR

Partner

Membership No.036213

Mumbai,

 Dated: 14th May, 2021

MADHUSUDAN BAJAJ

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: 14th May, 2021

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021		Year Ended 31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		1,53,099		1,12,284
Adjustment for :				
Depreciation and Amortisation	40,615		36,801	
Provision/(withdrawal) of Doubtful advances	-		(73)	
Net mark to market loss/(gain) on investments	(4,662)		11,721	
Income from Investments	(2,269)		(18,684)	
Finance Cost	982		727	
Interest Income including on investments	(4,031)		(2,243)	
Loss/(Profit) on Sale of Property, Plant and equipment	60		(27)	
Property, Plant and equipment Discarded	1		80	
Unrealised Foreign Exchange differences (gain)/loss	(1,804)		46	
Actuarial gains/(losses) reclassified to OCI	(39)		(639)	
Export Incentive on account of EPCG (Benefit)/Utilised	(3,036)		(986)	
Retiring Gratuity	666		1,145	
Leave Encashment	243		7	
		26,726		27,875
Operating profit before working capital changes		1,79,825		1,40,159
Adjustment for:				
Trade and other receivables	(11,210)		(670)	
Other Financial Assets	(79)		(281)	
Inventories	(32,892)		13,266	
Trade payables	36,227		(6,595)	
		(7,954)		5,720
Cash generated from operations		1,71,871		1,45,879
Direct taxes paid		(34,878)		(28,603)
Gratuity paid		(564)		(598)
Leave Encashment paid		(126)		(286)
Net cash from Operating Activities		1,36,303		1,16,392
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and equipment	(91,134)		(76,218)	
Sale of Property, Plant and equipment	305		105	
Purchase of Investments	(1,66,360)		(2,30,436)	
Sale of Investments	1,37,454		2,38,994	
Inter Corporate Loan Refund Received	-		73	
Interest received	3,506		1,540	
Dividend Received on Investments	375		356	
Net cash used in Investing Activities		(1,15,854)		(65,586)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds/(Repayment) of Short Term Borrowings (Net)	(13,529)		23,933	
Proceeds from Long Term Borrowings	60,468		46,453	
Repayment of Long Term Borrowings	(42,144)		(70,381)	
Dividend paid (including tax thereon)	(23,157)		(51,255)	
Lease Liability paid	(80)		(130)	
Finance Cost paid	(979)		(714)	
Net Cash from Financing Activities		(19,421)		(52,094)
Net Increase/(Decrease) in cash and cash equivalent		1,028		(1,288)
Exchange difference on cash and cash equivalent		55		(3)
Cash and cash equivalent as at the beginning of the year		2,324		3,615
Cash and cash equivalent as at the end of the year		3,407		2,324

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

As per our report of even date attached

For N.G. THAKRAR & CO.

Chartered Accountants

(Firm Reg. no.110907W)

NATWAR THAKRAR

Partner

Membership No.036213

Mumbai,

Dated: 14th May, 2021

MADHUSUDAN BAJAJ

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: 14th May, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 (A) General information

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

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

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

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

Sale of goods

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

Export Benefits

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

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

Dividend income

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

Interest income

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

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

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

The cost of an item of PPE comprises:

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

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

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

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

ii. Subsequent expenditure

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

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 transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

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

(f) Intangible assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are 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.

(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.

(j) Income Tax

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

i. Current tax

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

Current tax assets and liabilities are offset only if:

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

ii. Deferred tax

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

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

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

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

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

(k) Cash and cash equivalents

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

(l) Inventories

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

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

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

(m) Research and development

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

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments

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

Equity instruments

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

De-recognition

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

Impairment of financial assets

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

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

ii. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit and loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/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.

Offsetting of financial instruments

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

Derivative financial instruments

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

iii. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and

where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting. Cumulative gain or loss on the hedging instrument recognised in shareholders' funds is transferred to statement of profit and loss when the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the statement of profit and loss.

(o) Employee benefits

i. Short term employee benefits

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

ii. Defined contribution plans

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

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

iii. Defined benefit plans

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

(p) Provisions , Contingent Liabilities and Contingent Assets

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. 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.

- 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.

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH, 2021 (₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)			(Net Block)		
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	*For the Year	Deductions During the year	Balance As at 31st March, 2021	As at 31st March, 2020
Property, Plant and Equipment									
Tangible assets									
(a) Land									
Freehold	6,500	560	1	7,059	-	-	-	7,059	6,500
Leasehold	1,744	-	-	1,744	112	22	-	1,610	1,632
(b) Buildings	1,05,370	6,043	68	1,11,345	17,642	3,893	6	21,529	87,728
(c) Plant and Equipment	3,36,062	36,753	408	3,72,407	1,28,099	33,387	231	1,61,255	2,07,963
(d) Furniture and Fixtures	6,863	417	-	7,280	3,040	718	-	3,758	3,823
(e) Vehicles	2,425	311	73	2,663	1,155	302	58	1,399	1,270
(f) Office Equipment	980	37	-	1,017	643	135	-	778	337
(g) Others:									
Electric Installations	15,441	1,855	-	17,296	6,588	1,758	-	8,346	8,853
Air Conditioners	1,121	98	-	1,219	753	176	-	929	368
Computer	1,127	543	-	1,670	688	179	-	867	439
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,77,633	46,617	550	5,23,700	1,58,720	40,570	295	1,98,995	3,18,913
CAPITAL WORK IN PROGRESS									85,552

* Including Depreciation capitalised ₹ 260 Lakhs

PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH, 2020 (₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)			(Net Block)		
	Balance As at 1st April, 2019	Additions During the year	Deductions During the year	Balance As at 31st March, 2020	Balance As at 1st April, 2019	*For the Year	Deductions During the year	Balance As at 31st March, 2020	As at 31st March, 2020
Property, Plant and Equipment									
Tangible Assets:									
(a) Land									
Freehold	3,804	2,696	-	6,500	-	-	-	-	6,500
Leasehold	1,744	-	-	1,744	89	23	-	112	1,632
(b) Buildings	96,230	9,223	83	1,05,370	13,846	3,805	9	17,642	87,728
(c) Plant and Equipment	2,67,674	68,624	236	3,36,062	98,392	29,860	153	1,28,099	2,07,963
(d) Furniture and Fixtures	6,808	55	-	6,863	2,328	712	-	3,040	3,823
(e) Vehicles	2,162	263	-	2,425	855	300	-	1,155	1,270
(f) Office Equipment	960	21	1	980	490	154	1	643	337
(g) Others:									
Electric Installations	11,753	3,688	-	15,441	5,082	1,506	-	6,588	8,853
Air Conditioners	984	137	#0	1,121	568	185	-	753	368
Computer	764	368	5	1,127	568	125	5	688	439
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,92,883	85,075	325	4,77,633	1,22,218	36,670	168	1,58,720	3,18,913

* Including Depreciation capitalised ₹ 255 Lakhs #₹9

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH, 2021

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 1st April, 2020	*For the Year	Balance As at 31st March, 2021	As at 31st March, 2020
Buildings	9,146	340	114	575	162	733	8,571
TOTAL INVESTMENT PROPERTY	9,146	340	114	575	162	733	8,571

INVESTMENT PROPERTY AS AT 31ST MARCH, 2020

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April, 2019	Additions During the year	Deductions During the year	Balance As at 1st April, 2019	*For the Year	Balance As at 31st March, 2020	As at 31st March, 2020
Buildings	8,127	1,019	-	412	163	575	8,571
TOTAL INVESTMENT PROPERTY	8,127	1,019	-	412	163	575	8,571

i) Amounts recognised in profit and loss for investment properties

Particulars	(₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Rental income derived from investment properties	745	840
Direct operating expenses (including repair and maintenance) generating rental income	(141)	(186)
Profit from investment properties before depreciation	604	654
Depreciation	160	146
Profit from investment properties	444	508

ii) Fair value

Particulars	(₹ In Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
Investment Properties	21,908	20,663

Estimation of fair value

The company obtains independent valuations for its investment properties from an independent valuer. The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH, 2021

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 1st April, 2020	*For the Year	Balance As at 31st March, 2021	As at 31st March, 2020
Computer software	602	-	-	482	68	550	120
Trademark	10	-	-	4	2	6	6
TOTAL INTANGIBLE	612	-	-	486	70	556	126

INTANGIBLE ASSETS AS AT 31ST MARCH, 2020

Particulars	GROSS BLOCK (AT COST)			Depreciation (Including Amortisation)		(Net Block)	
	Balance As at 1st April, 2019	Additions During the year	Deductions During the year	Balance As at 1st April, 2019	*For the Year	Balance As at 31st March, 2020	As at 31st March, 2020
Computer software	602	-	-	381	101	482	120
Trademark	10	-	-	3	1	4	6
TOTAL INTANGIBLE	612	-	-	384	102	486	126

NOTE NO. 4A - RIGHT OF USE ASSETS

The Company has lease contracts for various item of buildings and vehicles in its operation. Lease of building generally have lease term between 2 to 4 years. 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, 2019	143	55	198
Addition	-	20	20
Less: Depreciation expenses	95	26	121
Balance as at 31st March, 2020	48	49	97
Addition/(Deduction)- Net	-	(6)	(6)
Less: Depreciation expenses	48	25	73
Balance as at 31st March, 2021	-	18	18

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period: (₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	101	198
Addition/(Deduction)-Net	(6)	20
Accretion of Interest	4	13
Less: Payments	80	130
Closing Balance	19	101
Current	9	80
Non-Current	10	21

The following are the amounts recognised in profit and loss : (₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation expenses of right of use assets	73	121
Interest expenses on lease liabilities	4	13
Expenses relating to short term lease and low value leased (included in other expenses)	228	77
Total amount recognised in profit and loss	305	211

The Company had total cash outflow for lease of ₹ 308 lakhs in 31st March, 2021 (Previous Year ₹ 207 lakhs)

(₹ in Lakhs)

NOTE NO.5	Units	As at 31st March, 2021	Units	As at 31st March, 2020
INVESTMENTS (NON CURRENT)				
A Investments in Equity Instruments at Cost (Fully paid up Shares)				
Unquoted				
a) In 100 % Subsidiaries Companies				
BKT Tyres Ltd. of ₹ 10 each	50,000	5	50,000	5
BKT EUROPE SRL	-	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) In other Company				
Nation Stock Exchange of India Limited of ₹1 each	1,00,000	1,059	-	-
		1,118		59
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	66	11,14,223	61
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,016	2,00,000	2,021
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
		4,082		4,082

(₹ in Lakhs)

NOTE NO.5	Units	As at 31st March, 2021	Units	As at 31st March, 2020
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	1,330	13,675	1,330	13,752
7.39 % HUDCO Tax Free Bond of ₹1,000 each	2,50,000	2,574	2,50,000	2,582
7.14 % NHAI Tax Free Bond of ₹1,000 each	2,85,698	2,904	2,85,698	2,914
7.36 % IIFC Tax Free Bond of ₹1,000 each	5,00,000	5,256	5,00,000	5,294
7.35 % IRFC Tax Free Bonds of ₹1,000 each	58,783	573	58,783	588
7.19 % IRFC Tax Free Bonds of ₹10,00,000 each	200	2,039	200	2,039
		<u>27,522</u>		<u>27,670</u>
c) Investment in Perpetual Bonds				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,024	100	1,033
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	2,929	290	2,937
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,995	700	6,994
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,468	-	-
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,801	-	-
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	20	209	-	-
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	504	50	505
		<u>22,930</u>		<u>13,469</u>
C Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture				
Edelweiss Assets Reconstruction co. Ltd of ₹ 1,00,000 each	1486	1,966	1,486	1,760
Samasta Microfinance Ltd. of ₹ 1,00,000 each	-	-	1,500	1,731
L&T Infra Debt fund Ltd. of ₹ 10,00,000 each	251	2,807	251	2,574
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	50	505	-	-
		<u>5,278</u>		<u>6,065</u>
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹ 10 each	3,67,27,655	4,565	2,22,81,297	2,013
IIFL India Private Equity Fund Series 1A of ₹ 10 each	25,01,226	329	-	-
BPEA Credit India Fund III of ₹ 100 each	1,50,000	150	-	-
Chirate Ventures India Fund IV of ₹ 1,00,000 each	400	459	-	-
TVS Shriram Growth Fund 3 of ₹ 1,000 each	33,000	330	-	-
Infloxor Technology Fund of ₹ 1,00,000 each	100	100	-	-
Blume Venture Fund IX of ₹ 100 each	3,25,000	325	-	-
Xponintia Opportunities Fund of ₹ 1,00,000 each	243	293	200	186
		<u>6,551</u>		<u>2,199</u>
c) Investment in Mutual fund				
Quoted:				
HDFC Fixed Maturity Plan Series 37/39/44 Direct Growth of ₹ 10 each	5,00,00,000	5,974	6,50,00,000	7,250
Bharat Bond ETF April 2030 of ₹ 1,000 each	10,00,000	11,312	10,00,000	10,403
Bharat Bond ETF April 2031 of ₹ 1,000 each	17,50,223	17,854	-	-
		<u>35,140</u>		<u>17,653</u>
		<u>1,02,621</u>		<u>71,197</u>
Aggregate amount of quoted investments and market value thereof		90,870		64,858
Aggregate amount of unquoted investments.		11,751		6,339

Financial Statements Standalone

(₹ in Lakhs)

NOTE NO. 6	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits	1,478	1,287
	<u>1,478</u>	<u>1,287</u>

(₹ in Lakhs)

NOTE NO. 7	As at 31st March, 2021	As at 31st March, 2020
INCOME TAX ASSETS(NET)		
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	6,971	9,009
	<u>6,971</u>	<u>9,009</u>

		(₹ in Lakhs)	
NOTE NO.8		As at 31st March, 2021	As at 31st March, 2020
OTHER NON CURRENT ASSETS			
(a)	Capital Advances	34,630	17,424
(b)	Others loans and advances		
	VAT/Service Tax Receivable	153	167
	Prepaid expense	53	75
		<u>34,836</u>	<u>17,666</u>

		(₹ in Lakhs)	
NOTE NO.9		As at 31st March, 2021	As at 31st March, 2020
INVENTORIES :			
(At lower of Cost and Net Realisable Value)			
(a)	Raw materials	44,271	28,172
(b)	Work-in-Progress	9,168	7,675
(c)	Finished Goods	28,061	15,154
(d)	Stock-in-Trade	1,044	561
(e)	Stores and Spares	7,133	5,710
(f)	Others-Packing Materials and Fuel	1,250	763
		<u>90,927</u>	<u>58,035</u>

		(₹ in Lakhs)			
NOTE NO.10		Units	As at 31st March, 2021	Units	As at 31st March, 2020
INVESTMENTS (CURRENT)					
A Investment carried at amortised cost					
Unquoted					
a)	Investments in Government Securities at Cost				
	In 6 Year National Saving Certificates Current Year ₹ 10,000, Previous Year ₹ 20,000		0		0
b)	Investment in Preference Shares				
	(Fully paid up Shares)				
	7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	-	-	80,000	801
					<u>801</u>
B Investment carried at fair value through Profit and Loss					
Quoted					
a)	Investment in Non Convertible Debenture				
	Ecap Equities Ltd. of ₹ 1,00,000 each	-	-	2,500	3,134
	Samastha Microfinance Ltd. of ₹ 1,00,000 each	1,500	1,944	-	-
			<u>1,944</u>		<u>3,134</u>
b)	Investment in Equity instruments				
	Music Broadcast Ltd . of ₹1 each	10,20,000	240	-	-
	MindSpace Business Park REIT of ₹10 each	23,400	69	-	-
			<u>309</u>		<u>-</u>
c)	Investment In Mutual Fund				
	HDFC Fixed Maturity Plan Series 35/36/37 Growth of ₹10 each	1,50,00,000	1,934	1,50,00,000	1,931
	HDFC Charity Fund for Caner Cure - Arbitrage Plan Direct Option - 100% Dividend Donation of ₹10 each	-	-	50,00,000	502
	HDFC Charity Fund for Caner Cure - Debt Plan Direct Option - 100% Dividend Donation of ₹10 each	-	-	50,00,000	501
	HDFC Housing Opportunity of ₹10 each	1,00,00,000	1,095	1,00,00,000	650
	Nippon India Mutual Fund ETF Nifty Bees of ₹1 each	10,25,483	1,612	-	-
	Nippon India Mutual Fund ETF Gold Bees of ₹1 each	17,58,405	671	-	-
Unquoted					
	Aditya Birla Sun Life Liquid Fund of ₹100 each	-	-	6,28,374	2,008
	Aditya Birla Sun Life Saving Fund of ₹100 each	47,008	200	-	-
	HDFC Liquid Fund of ₹1,000 each	-	-	92,233	3,603
	HDFC Overnight Fund of ₹1,000 each	-	-	1,31,368	3,900
	HDFC Low Duration fund of ₹10 each	72,74,413	3,461	-	-
	ICICI Prudential Overnight Fund of ₹100 each	-	-	835,380	900
	ICICI Prudential Gilt Fund of ₹10 each	6,37,519	520	-	-
	SBI Magnum Gilt Fund Long Term Plan of ₹1,000 each	3,40,15,713	17,773	2,50,25,565	12,135
	SBI Magnum Liquid Fund of ₹10 each	-	-	1,29,114	4,014
	SBI Magnum Income Fund of ₹10 each	19,56,921	1,123	19,56,921	1,033
	Nippon India Low Duration Fund of ₹1,000 each	33,691	1,018	-	-
	Nippon India Nivesh Lakshya Fund of ₹10 each	5,42,58,610	7,543	-	-
			<u>36,950</u>		<u>31,177</u>
			<u>39,203</u>		<u>35,112</u>
Aggregate amount of quoted investments and Market value thereof			7,565		6,718
Aggregate amount of Unquoted investments			31,638		28,394

(₹ in Lakhs)

NOTE NO.11	As at 31st March, 2021	As at 31st March, 2020
TRADE RECEIVABLES		
Trade receivable Considered good - Secured	17,404	19,001
Trade receivable Considered good - Unsecured #	55,609	45,923
	<u>73,013</u>	<u>64,924</u>

Includes Receivable from Related parties (Refer Note no.43)

(₹ in Lakhs)

NOTE NO.12	As at 31st March, 2021	As at 31st March, 2020
CASH AND CASH EQUIVALENTS:		
Balances with banks	3,379	2,289
Cash on hand	28	35
In Fixed Deposit (Current Year ₹50,000; Previous Year - Nil)	0	-
	<u>3,407</u>	<u>2,324</u>

(₹ in Lakhs)

NOTE NO.13	As at 31st March, 2021	As at 31st March, 2020
OTHER BANK BALANCES		
Unpaid Dividend	266	224
Margin Money (Including Fixed Deposit) #	2,039	2,002
	<u>2,305</u>	<u>2,226</u>

(Held against guarantee and other commitments)

(₹ in Lakhs)

NOTE NO.14	As at 31st March, 2021	As at 31st March, 2020
LOANS		
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,577	1,577
Loans receivable - Credit impaired	-	-
	<u>1,577</u>	<u>1,577</u>
Less: Provision for loans which have significant increase in credit risk	1,577	1,577
	-	-
Loans and advances to employees (considered good)	417	433
	<u>417</u>	<u>433</u>

(₹ in Lakhs)

NOTE NO.15	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	1,903	326
Interest accrued on Investments	1,518	969
Interest accrued on Deposits and Loans	45	69
Income accrued on Investments	-	51
	<u>3,466</u>	<u>1,415</u>

(₹ in Lakhs)

NOTE NO.16	As at 31st March, 2021	As at 31st March, 2020
OTHER CURRENT ASSETS		
Advance Payment to Suppliers	16,621	17,096
GST/Excise/Sales Tax/Custom Duty etc. Receivables	9,755	6,093
Prepaid Expenses	26	44
	<u>26,402</u>	<u>23,233</u>

(₹ in Lakhs)

NOTE NO.17	As at 31st March, 2021	As at 31st March, 2020
SHARE CAPITAL		
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
	<u>9,100</u>	<u>9,100</u>
Issued Subscribed and paid up:		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	<u>3,866</u>	<u>3,866</u>

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Reconciliation of number of Equity shares :

Equity Share :	As at 31st March, 2021		As at 31st March, 2020	
	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, 2021		As at 31st March, 2020	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV PODDAR	5,35,77,010	27.72	5,35,77,010	27.72

(₹ in Lakhs)

NOTE NO.18	As at 31st March, 2021		As at 31st March, 2020
OTHER EQUITY			
a. Other Reserve (General Reserve)			
Opening Balance	3,60,000		3,30,000
Add: Transferred from Profit and Loss account	40,000		30,000
Closing Balance		4,00,000	3,60,000
b. Retained Earnings			
Opening Balance	1,44,783		1,31,557
Add: Net Profit for the current year	1,15,538		94,498
Less: Interim Dividend	23,198		38,663
Less: Tax on Interim Dividend	-		7,947
Less: Dividend on equity shares	-		3,866
Less: Tax on equity dividend	-		795
Less: Transfer to General Reserve	40,000		30,000
Closing Balance		1,97,123	1,44,783
c. Remeasurements of the net defined benefit plans			
Opening Balance	(1,630)		(1,001)
Movement during the year	(29)		(629)
Closing Balance		(1,659)	(1,630)
d. Effective portion of cash flow hedges			
Opening Balance	(4,209)		3,449
Movement during the year	5,600		(7,658)
Closing Balance		1,391	(4,209)
		<u>5,96,855</u>	<u>4,98,944</u>

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.

	(₹ in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
NOTE NO.19		
BORROWINGS (NON CURRENT)		
Unsecured		
Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	125	179
	<u>125</u>	<u>179</u>
		(₹ in Lakhs)
NOTE NO.19 A		
LEASE LIABILITIES		
Lease Liabilities	10	21
	<u>10</u>	<u>21</u>
		(₹ in Lakhs)
NOTE NO.20		
OTHER FINANCIAL LIABILITIES (NON CURRENT)		
Distributors/Dealers Deposit	1	1
	<u>1</u>	<u>1</u>
		(₹ in Lakhs)
NOTE NO.21		
PROVISIONS (NON CURRENT)		
Provision for employee benefits		
Gratuity	2,058	1,956
Leave Encashment	424	398
	<u>2,482</u>	<u>2,354</u>
		(₹ in Lakhs)
NOTE NO.22		
DEFERRED TAX LIABILITIES (NET)		
The balance comprises temporary difference attributable to:		
Deferred tax liabilities	21,631	20,472
Deferred tax assets	1,281	2,641
Net Deferred tax liabilities	<u>20,350</u>	<u>17,831</u>
		(₹ in Lakhs)
NOTE NO.23		
OTHER NON CURRENT LIABILITIES		
Deferred Income (Export Incentive)	3,255	3,421
	<u>3,255</u>	<u>3,421</u>
		(₹ in Lakhs)
NOTE NO.24		
BORROWINGS (CURRENT)		
Secured		
From Banks	18,683	13,601
Unsecured		
From Banks	70,527	72,341
	<u>89,210</u>	<u>85,942</u>
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

			(₹ in Lakhs)		
NOTE NO.24A	As at 31st March, 2021	As at 31st March, 2020			
LEASE LIABILITIES					
Lease Liabilities	9	80			
	<u>9</u>	<u>80</u>			
			(₹ in Lakhs)		
NOTE NO.25	As at 31st March, 2021	As at 31st March, 2020			
TRADE PAYABLES					
Trade Payables (including Acceptances) due to:					
Total outstanding due of Micro and Small Enterprise#	1,606	761			
Total outstanding due of creditors Other than Micro and Small Enterprise##	61,739	35,339			
##(Refer Note No. 45 for Micro and Small Enterprise)	<u>63,345</u>	<u>36,100</u>			
##Includes payable to Related parties (Refer Note no. 43)					
			(₹ in Lakhs)		
NOTE NO.26	As at 31st March, 2021	As at 31st March, 2020			
OTHER FINANCIAL LIABILITIES (CURRENT)					
Interest accrued but not due (As at 31st March, 2020 ₹41,233)	-	0			
Current maturity of Long Term debt	54	44			
Unpaid Dividend	266	225			
Other Payable (capital creditors)	7,097	10,203			
Derivative liabilities	45	5,951			
	<u>7,462</u>	<u>16,423</u>			
			(₹ in Lakhs)		
NOTE NO.27	As at 31st March, 2021	As at 31st March, 2020			
OTHER CURRENT LIABILITIES					
Income received in advance	4,237	2,603			
Security Deposit	4,211	2,431			
Statutory dues	8,087	2,507			
	<u>16,535</u>	<u>7,541</u>			
			(₹ in Lakhs)		
NOTE NO.28	As at 31st March, 2021	As at 31st March, 2020			
PROVISIONS (CURRENT)					
Provision for employee benefits					
Leave encashment	511	421			
	<u>511</u>	<u>421</u>			
			(₹ in Lakhs)		
NOTE NO.29	Year Ended 31st March, 2021		Year Ended 31st March, 2020		
REVENUE FROM OPERATIONS					
Sale of Products		5,65,003	4,67,482		
Other Operating Revenue:					
Export Incentives	9,447		9,407		
Scrap Sales	1,292		1,276		
Others	50		84		
		<u>10,789</u>	<u>10,767</u>		
Total Revenue from Operations		<u>5,75,792</u>	<u>4,78,249</u>		

(₹ in Lakhs)

	Year Ended 31st March, 2021		Year Ended 31st March, 2020
DISAGGREGATION OF REVENUE			
Revenue based on Geography			
Export		4,45,466	3,87,187
Domestic #		1,30,326	91,062
Revenue from operations		<u>5,75,792</u>	<u>4,78,249</u>
# (Including export incentive on account of MEIS licence)			
Reconciliation of Revenue from operations with contract price			
Contract Price		5,89,932	4,85,839
Less:			
Sales returns	300		128
Sales Incentives and Bonus	11,242		6,376
Others	<u>2,598</u>		<u>1,085</u>
		14,140	7,589
Total Revenue from operations		<u>5,75,792</u>	<u>4,78,249</u>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Company provides performance warranty for its products. The amount of liability towards such warranty is not material.

(₹ in Lakhs)

	Year Ended 31st March, 2021		Year Ended 31st March, 2020
NOTE NO.30			
OTHER INCOME			
Interest Income on:			
Non Current Investments	3,238		2,054
Deposits/Loans and Advances	<u>793</u>		<u>189</u>
		4,031	2,243
Net gain on foreign currency transaction and translation		4,213	13,135
Income from Non current Investment		2	126
Dividend Income on investments in mutual fund		324	402
Net gain on sale of Non Current Investments		1,157	16,724
Net mark to market gain on investments		4,662	(11,721)
Net gain on sale of Current Investments		786	1,432
Profit on sale of Property Plant and Equipment		-	27
Withdrawal of Provision of Doubtful Loan		-	73
Other non-operating income		970	2,436
		<u>16,145</u>	<u>24,877</u>

(₹ in Lakhs)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
NOTE NO.31		
COST OF MATERIAL CONSUMED		
Raw Material Consumed	2,37,946	2,02,321
	<u>2,37,946</u>	<u>2,02,321</u>

	(₹ in Lakhs)	
NOTE NO.32	Year Ended 31st March, 2021	Year Ended 31st March, 2020
PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	7,219	5,477
	<u>7,219</u>	<u>5,477</u>

	(₹ in Lakhs)	
NOTE NO.33	Year Ended 31st March, 2021	Year Ended 31st March, 2020
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock :		
Work-in-Progress	7,675	6,967
Stock in Trade	561	907
Finished Goods	<u>15,154</u>	<u>20,397</u>
	23,390	28,271
Less :		
Closing Stock :		
Work-in-Progress	9,168	7,675
Stock in Trade	1,044	561
Finished Goods	<u>28,061</u>	<u>15,154</u>
	38,273	23,390
Net (Increase)/Decrease in Inventories	<u>(14,883)</u>	<u>4,881</u>

	(₹ in Lakhs)	
NOTE NO.34	Year Ended 31st March, 2021	Year Ended 31st March, 2020
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	30,032	26,358
Contribution to provident and other funds	1,832	1,680
Staff welfare expenses	730	544
	<u>32,594</u>	<u>28,582</u>

	(₹ in Lakhs)	
NOTE NO.35	Year Ended 31st March, 2021	Year Ended 31st March, 2020
FINANCE COST		
Interest expenses	884	613
Other borrowing cost	94	101
Interest on Lease Liability	4	13
	<u>982</u>	<u>727</u>

	(₹ in Lakhs)	
NOTE NO.36	Year Ended 31st March, 2021	Year Ended 31st March, 2020
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation	40,542	36,680
Depreciation of Right-of-use assets	73	121
	<u>40,615</u>	<u>36,801</u>

(₹ in Lakhs)

NOTE NO.37	Year Ended 31st March, 2021	Year Ended 31st March, 2020
OTHER EXPENSES:		
Consumption of stores and spare parts	16,438	12,758
Packing material consumed	1,213	544
Power and fuel(Net)	16,798	16,026
Freight and forwarding	30,034	22,407
Labour/Job Charges	13,544	10,988
Water charges	580	400
Repairs and Maintenance to Plant & Machinery	3,851	1,765
Repairs and Maintenance to Building	2,727	2,046
Repairs and Maintenance to Others	661	584
Insurance Charges	1,807	2,244
Rates and Taxes	4,924	4,746
Rent	228	77
Legal and Professional charges	2,590	2,687
Advertisement, Publicity, Sales Promotion and Marketing Service	33,775	29,266
Commission	134	2
Travelling Expenses	699	1,367
Directors Meeting Fees	28	11
Loss on sale of Property plant and equipment	60	-
Property plant and equipment Discarded	1	80
Interest to Others	38	189
Contribution towards CSR expenses	2,360	1,773
Miscellaneous expenses	1,875	2,093
	1,34,365	1,12,053

NOTE NO.38
i) Tax Reconciliation
(a) The Income tax expense consists of the followings:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current income tax	37,100	29,230
Short/(Excess) provision of earlier year	(184)	-
Deferred tax expense	645	(11,444)
Tax expense for the year	37,561	17,786

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	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	(39)	10	(29)	(639)	10	(629)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	7,483	(1,883)	5,600	(10,925)	3,267	(7,658)
	7,444	(1,873)	5,571	(11,564)	3,277	(8,287)

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, 2021	Year ended 31st March, 2020
Profit before tax	1,53,099	1,12,284
Indian statutory income tax rate (%)	25.168%	25.168%
Expected income tax expenses	38,532	28,260
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(482)	(590)
Deduction under Income Tax Act	(83)	-
Impact of differential tax rate	(715)	(795)
Permanent differences	688	560
Others- Allowance, Income Tax of earlier year, Revision in tax rate etc.	(379)	(9,649)
Total Income Tax expenses	37,561	17,786
Effective Tax Rate	24.534%	15.840%

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)				
Particulars				As at 31st March, 2021
	Net balance as at 1st April, 2020	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets/ (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(18,333)	770	-	(17,563)
Investments	(1,038)	(660)	-	(1,698)
Employee benefits	828	45	10	883
Cash Flow Hedge	1,415	-	(1,883)	(468)
Provision for Doubtful Advances	398	-	-	398
Others (Net)	(1,101)	(801)	-	(1,902)
Deferred tax assets/(liabilities)	(17,831)	(645)	(1,873)	(20,350)

(₹ in Lakhs)				
Particulars				As at 31st March, 2020
	Net balance as at 1st April, 2019	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(25,819)	7,486	-	(18,333)
Investments	(4,184)	3,146	-	(1,038)
Derivatives	(730)	730	-	-
Employee benefits	1,056	(238)	10	828
Cash Flow Hedge	(1,852)	-	3,267	1,415
Provision for Doubtful Advances	577	(179)	-	398
Others (Net)	(1,602)	501	-	(1,101)
Deferred tax assets/(liabilities)	(32,554)	11,444	3,277	(17,831)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTE NO.39
Financial instruments – Fair values and risk management
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	As at 31st March, 2021						
	Fair value through profit and loss	Carrying amount Fair value through other comprehensive income	Amortised Cost	Fair value			
				Level 1	Level 2	Level 3	
Financial Assets:							
Cash and cash equivalents (Including other bank balances)	-	-	5,712	-	-	-	-
Mutual Fund	72,090	-	72,090	40,452	31,638	-	72,090
Debentures	7,222	-	7,222	7,222	-	-	7,222
Equities	309	-	1,368	309	-	-	309
Loans	-	-	417	-	-	-	-
Trade receivables	-	-	73,013	-	-	-	-
Other financial assets	-	-	1,563	-	-	-	-
Foreign exchange forward contracts	-	1,903	1,903	-	1,903	-	1,903
preference shares and bonds	-	-	54,534	-	-	-	-
Alternate Investment Fund	6,552	-	6,552	-	6,552	-	6,552
Security deposit	-	-	1,478	-	-	-	-
TOTAL	86,173	1,903	1,37,776	47,983	40,093	-	88,076
Financial Liabilities:							
Long term borrowings (Including current maturity of)	-	-	179	-	-	-	-
Other financial liabilities	-	-	7,385	-	-	-	-
Short term borrowings	-	-	89,210	-	-	-	-
Trade payables	-	-	63,344	-	-	-	-
Foreign exchange forward contracts	-	45	45	-	45	-	45
TOTAL	-	45	1,60,118	1,60,163	45	-	45

(₹ in Lakhs)

Particulars	As at 31st March, 2020						
	Fair value through profit and loss	Carrying amount Fair value through other comprehensive income	Amortised Cost	Fair value			
				Level 1	Level 2	Level 3	
Financial Assets:							
Cash and cash equivalents (Including other bank balances)	-	-	4,550	-	-	-	-
Mutual Fund	38,427	-	38,427	10,834	27,593	-	38,427
Debentures	9,199	-	9,199	9,199	-	-	9,199
Loans	-	-	433	-	-	-	-
Trade receivables	-	-	64,924	-	-	-	-
Other financial assets	-	-	1,089	-	-	-	-
Foreign exchange forward contracts	-	326	326	-	326	-	326
preference shares and bonds	10,403	-	46,022	10,403	-	-	10,403
Alternate Investment Fund	2,199	-	2,199	-	2,199	-	2,199
Security deposit	-	-	1,287	-	-	-	-
TOTAL	60,228	326	1,18,305	30,436	30,118	-	60,554
Financial Liabilities:							
Long term borrowings (Including current maturity of)	-	-	223	-	-	-	-
Other financial liabilities	-	-	10,530	-	-	-	-
Short term borrowings	-	-	85,942	-	-	-	-
Trade payables	-	-	36,100	-	-	-	-
Foreign exchange forward contracts	-	5,951	5,951	-	5,951	-	5,951
TOTAL	-	5,951	1,32,795	1,38,746	5,951	-	5,951

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level: 2 Forward contracts	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level: 1 and Level: 2 Mutual Fund 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.

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

	(₹ in Lakhs)
Provision for doubtful debts movement	
Balance as at 1st April, 2019	-
Impairment loss recognised	2
Amounts written off	2
Balance as at 31st March, 2020	-
Impairment loss recognised	7
Amounts written off	7
Balance as at 31st March, 2021	-

Concentration of credit risk

At 31st March, 2021, the carrying amount of the Company's most significant customer is ₹ 20,048 lakhs (previous Year ₹ 17,162 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 provisions of doubtful loan in earlier years of ₹ 1,650 lakhs. During the previous year the Company had recovered ₹ 73 lakhs against this doubtful loan and as such the provision for such doubtful loan was reduced to ₹ 1,577 lakhs as on 31st March, 2020. The Company has no collateral securities 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.

As at 31st March, 2021, the Company had working capital of ₹ 62,068 lakhs, including cash and cash equivalents of ₹ 3,407 lakhs, and highly marketable current investments of ₹ 39,203 lakhs.

As at 31st March, 2020, the Company had working capital of ₹ 41,195 lakhs, including cash and cash equivalents of ₹ 2,324 lakhs, and highly marketable current investments of ₹ 35,112 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,2021	Carrying amount	Contractual cash flows			
		Total	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities					
Non Current					
Unsecured Long term loans and borrowings	179	179	54	81	44
Other financial liabilities	1	1	-	1	-
Current					
Secured Short term loans and borrowings	18,683	18,683	18,683	-	-
Unsecured Short term loans and borrowings	70,527	70,527	70,527	-	-
Trade payables	63,345	63,345	63,345	-	-
Other payable (Capital creditors)	7,097	7,097	7,097	-	-
Unpaid Dividend	266	266	266	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	10,681	10,681	-	-
Derivative financial liabilities					
Current					
Foreign exchange forward contract	45	45	45	-	-

(₹ in Lakhs)

As at 31st March,2020	Carrying amount	Contractual cash flows			
		Total	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities					
Non current					
Unsecured Long term loans and borrowings	223	223	44	99	80
Other financial liabilities	1	1	-	1	-
Current					
Secured Short term loans and borrowings	13,601	13,601	13,601	-	-
Unsecured Short term loans and borrowings	72,341	72,341	72,341	-	-
Trade payables	36,100	36,100	36,100	-	-
Other payable (Capital creditors)	225	225	225	-	-
Unpaid Dividend	10,203	10,203	10,203	-	-
Interest accrued but not due (# ₹41,233)	#0	#0	#0	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	6,934	6,934	-	-
Derivative financial liabilities					
Current					
Foreign exchange forward contract	5,951	5,951	5,951	-	-

*Guarantees issued by the company on behalf of subsidiaries are with respect to borrowings raised by the respective entities. These amounts will be payable on default by the concerned entity. As of the reporting date, none of the subsidiaries have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees.

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of forecast sales over the following 10 to 12 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

The Company, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2021:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 43.01 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 57 million	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk at of 31st March, 2020:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 183.59 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 10 million	Sell

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows: (₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	36,175	19,655	-	38,016	19,200	-
Cash and Cash Equivalents	1,233	1,559	-	57	363	-
Total (A)	37,408	21,214	-	38,073	19,563	-
Financial liabilities (B)						
Secured Loans	18,637	-	-	12,415	44	-
Unsecured Loans	61,449	-	-	69,127	-	-
Interest on loans (₹41,233)	-	-	-	0	-	-
Trade payables	3,849	6,404	105	4,436	5,034	110
Total (B)	83,935	6,404	105	85,978	5,078	110
Net statement of financial position exposure (A-B)	(46,527)	14,810	(105)	(47,905)	14,485	(110)

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, 2021	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(931)	931
USD	3%	444	(444)
Others	10%	(11)	11

(₹ in Lakhs)

31st March, 2020	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(958)	958
USD	3%	435	(435)
Others	10%	(11)	11

(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 50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate instruments		
Financial assets	56,573	48,024
Financial liabilities	(83,686)	(81,586)
	<u>(27,113)</u>	<u>(33,562)</u>
Variable-rate instruments		
Financial liabilities	(5,524)	(4,356)
	<u>(5,524)</u>	<u>(4,356)</u>

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 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, 2021		
Variable-rate instruments sensitivity (net)	(55)	55
	<u>(55)</u>	<u>55</u>
As at 31st March 2020		
Variable-rate instruments sensitivity (net)	(44)	44
	<u>(44)</u>	<u>44</u>

(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, 2021 and 31st March, 2020. 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, 2021						
Financial assets						
Derivative financial instruments	1,903	-	1,903	1,903	-	1,903
Total	1,903	-	1,903	1,903	-	1,903
Financial liabilities						
Derivative financial instruments	45	-	45	45	-	45
Total	45	-	45	45	-	45
As at 31st March, 2020						
Financial assets						
Derivative financial instruments	326	-	326	326	-	326
Total	326	-	326	326	-	326
Financial liabilities						
Derivative financial instruments	5,951	-	5,951	5,951	-	5,951
Total	5,951	-	5,951	5,951	-	5,951

NOTE NO.40**Hedge accounting**

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the next 10 to 12 months in advance. The company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The Company applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The company has formally designated and documented hedge relationship from 1st April, 2016.

Disclosure of effects of hedge accounting on financial position

As at 31st March, 2021

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, 2021

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in Balance Sheet position where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	57 Million EURO 43.01 Million USD	1,903	45	-	FY 2021-22	1 USD = INR 74.5224 1 EURO = INR 89.2363
Particulars	Change in fair value for the year	Change in fair value for the year recognized in OCI	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 2020-21	7,483	-	Not applicable	-	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting :

(₹ in Lakhs)

Movement in Cash flow hedge reserve	As at 31st March, 2021	As at 31st March, 2020
Opening balance	(4,209)	3,449
Effective portion of changes in fair value:		
Foreign currency risk	7,483	(10,925)
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	(1,883)	3,267
Closing balance	1,391	(4,209)

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, 2021	As at 31st March, 2020
Gross Debt - Current Borrowings	89,210	85,942
Less - Cash and Cash Equivalents	3,407	2,324
Less - Current Investments	39,203	35,112
Net debt	46,600	48,506
Total equity	6,00,721	5,02,810
Add/(Less) : Hedging reserve	(1,391)	4,209
Equity	5,99,330	5,07,019
Net debt to Equity ratio	0.08	0.10

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, 2021	Year ended 31st March, 2020
Profit attributable to equity holders (₹ in lakhs)	1,15,538	94,498
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 ₹)	59.77	48.88

NOTE NO.43**I) Related Party Disclosures ***

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance (upto 28.08.2020), Mr. Madhusudan Bajaj (w.e.f 28.08.2020)-President (commercial) & CFO.

b) Relatives of Key Management Personnel :

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal (upto 28.08.2020), Mrs. Vijaya Bajaj (w.e.f. 28.08.2020)

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Ltd. (upto 06.05.2019), Clothing Culture Pvt. Ltd. (w.e.f. 07.05.2019).**d) 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, 2021			Year ended 31st March, 2020		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials	-	15	-	-	12	-
Rent received	-	66	-	-	66	-
Recovery of Expenses	-	24	-	-	49	-
Sale of Trademark	-	-	-	-	1	-
Surrender of Insurance Policy	-	-	-	424	-	-
Rent Paid	203	-	-	102	-	-
Maintenance expenses	5	-	-	-	-	-
Vehicle Hiring Charges	7	-	-	8	-	-
Remuneration	28	-	-	28	-	-
Meeting Fees	3	-	-	1	-	-
Marketing Service Expenses	-	-	23,185	-	-	21,678
Guarantee Commission Received	-	-	56	-	-	45
Sale of goods/Materials	-	-	10,676	-	-	12,879
Guarantee given to Bank on behalf of subsidiary	-	-	10,681	-	-	6,934
Investment in Subsidiary	-	-	-	-	-	8
Inter Corporate Deposit Loan Given	-	-	-	-	-	50
Inter Corporate Deposit Loan Received Back	-	-	-	-	-	50
Interest Received on ICD	-	-	-	-	-	1
Finance charges recover against Guarantee Commission	-	-	9	-	-	7

(₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Outstanding Balances								
Remuneration payable (Outstanding for Relative of KMP is ₹16,800 (Previous Year ₹16,800))	6,503	4,602	0	0	-	-	-	-
Trade Receivables	-	-	-	-	1,564	9,842	-	12
Trade Payables	-	-	-	-	417	551	-	-

III Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Remuneration	7,747	5,792
Recovery of Expenses	-	3
Surrender Of Insurance Policy	-	989

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials						
Clothing Culture Pvt Ltd	-	15	-	-	12	-
Rent received						
Clothing Culture Pvt Ltd	-	66	-	-	66	-
Recovery of Expenses						
Clothing Culture Pvt Ltd	-	24	-	-	49	-
Sale of Trade Mark						
Clothing Culture Pvt Ltd	-	-	-	-	1	-
Rent Paid						
Mrs. Pooja Dhoot	135	-	-	102	-	-
Mrs. Khushboo Poddar	68	-	-	-	-	-

(₹ in Lakhs)

Transactions	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Maintenance Expenses						
Mrs. Pooja Dhoot	3	-	-	-	-	-
Mrs. Khushboo Poddar	2	-	-	-	-	-
Vehicle Hiring Charges						
Mr. Gunal Bansal	3	-	-	8	-	-
Mrs Vijaya Bajaj	4	-	-	-	-	-
Meeting Fees						
Mrs. Vijaylaxmi Poddar	3	-	-	1	-	-
Remuneration						
Mrs. Khushboo Poddar	28	-	-	28	-	-
Surrender Of Insurance Policy						
Mrs. Khushboo Poddar	-	-	-	424	-	-
Marketing Service Expenses						
BKT EUROPE S.R.L.	-	-	17,820	-	-	14,858
BKT(USA)INC	-	-	3,558	-	-	4,040
BKT TIRES (CANADA) INC.	-	-	951	-	-	1,163
BKT TIRES INC.	-	-	856	-	-	1,617
Sales of Goods/ Materials						
BKT EUROPE S.R.L.	-	-	5,214	-	-	4,600
BKT TIRES INC.	-	-	5,462	-	-	8,279
Guarantee Commission Received						
BKT EUROPE S.R.L.	-	-	35	-	-	34
BKT EXIM US, INC	-	-	21	-	-	11
Guarantee given to Bank on behalf of subsidiaries						
BKT EUROPE S.R.L.	-	-	6,638	-	-	5,274
BKT EXIM US, INC	-	-	4,043	-	-	1,660
Investment in Subsidiary						
BKT EUROPE S.R.L.	-	-	-	-	-	8
Inter Corporate Deposit Loan Given						
BKT TYRES LTD	-	-	-	-	-	50
Inter Corporate Deposit Loan Received Back						
BKT TYRES LTD	-	-	-	-	-	50
Interest Received on ICD						
BKT TYRES LTD	-	-	-	-	-	1
Finance charges recover against Guarantee Commission						
BKT EUROPE S.R.L.	-	-	4	-	-	5
BKT EXIM US, INC	-	-	4	-	-	2

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Remuneration payable								
Mr. Arvind Poddar	3,200	2,250	-	-	-	-	-	-
Mr. Rajiv Poddar	3,300	2,350	-	-	-	-	-	-
Mr. Vipul Shah	2	2	-	-	-	-	-	-
Mr. Madhusudan Bajaj- (KMP - ₹34,800)	0	-	-	-	-	-	-	-
Mr. Basant Bansal- (Previous Year KMP - ₹ 34,800)	-	0	-	-	-	-	-	-
Mrs. Khushboo Poddar- Outstanding for Relative of KMP is ₹ 16,800 ((Previous Year ₹ 16,800)	-	-	0	0	-	-	-	-

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables								
BKT EUROPE S.R.L.	-	-	-	-	843	4,344	-	-
BKT TIRES INC.	-	-	-	-	690	5,482	-	-
BKT EXIM US, INC	-	-	-	-	31	16	-	-
Clothing Culture Pvt Ltd	-	-	-	-	-	-	-	12
Trade Payables								
BKT(USA)INC	-	-	-	-	314	442	-	-
BKT TIRES (CANADA) INC.	-	-	-	-	103	109	-	-

Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Remuneration**		
Mr. Arvind Poddar	3,742	2,776
Mr. Rajiv Poddar	3,732	2,769
Mr. Vipul Shah	71	68
Mr. Madhusudhan Bajaj	101	-
Mr. Basant Bansal	101	179
Recovery of Expenses		
Mr. Arvind Poddar	-	3
Surrender Of Insurance Policy		
Mr. Arvind Poddar	-	565
Mr. Rajiv Poddar	-	424

** 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
COVID-19

As per the current reports the Second wave of COVID-19 pandemic has peaked in most states in India. The Company is closely monitoring the impact due to COVID-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company has made a detailed assessment of its liquidity position for the Financial year 2021-22 including recoverability and carrying value of its assets comprising of Fixed assets as well as current assets including land and building, plant and machinery, investments, inventories, trade receivables etc. Based on current indicators of future economic condition, the Company expects to recover the carrying amount of these assets.

NOTE NO.45

As at 31st March,2021, 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, 2021	As at 31st March, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	1,606	761
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTE NO.46**Employee Benefit obligations****(A) Defined Contribution Plan**

The Company has various schemes for long-term benefits such as provident fund and superannuation. In case of funded schemes, the funds are recognised by the Income tax authorities and administered by appropriate authorities. The Company's defined contribution plans are superannuation and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The liability of the Company on the exempt Provident Fund is restricted to the interest shortfall if any.

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<u>Charge to the Statement of Profit and Loss based on contributions:</u>		
Superannuation	81	81
Employees' Provident fund	1,092	1,058

(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, 2021. 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, 2021	As at 31st March, 2020
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	5,752	4,549
Amount recognised in profit and loss		
Current service cost	506	421
Interest cost	396	354
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	14	515
Experience adjustment (As at 31st March, 2021 ₹ 35,359)	0	107
Other		
Benefits paid	(195)	(194)
Closing defined benefit obligation	6,473	5,752
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	3,796	3,140
Amount recognised in profit and loss		
Interest income	262	245
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(25)	(17)
Other		
Contributions by employer	577	623
Benefits paid	(195)	(194)
Closing fair value of plan assets	4,415	3,796
Actual return on Plan Assets	236	228

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Gratuity	Gratuity
	(Funded plan)	(Funded plan)
(iii) Plan assets comprise the following	Unquoted	Unquoted
Insurance fund (100%)	4,415	3,796
(iv) Principal actuarial assumptions used	%	%
Discount rate	6.87	6.89
Rate of employee turnover	For Service 4 years and below 10 % p.a. & thereafter	For Service 4 years and below 10 % p.a. & thereafter
Future Salary growth rate	2%p.a 8.50	2%p.a 8.50
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	6,473	5,752
Fair value of plan assets as at year end	4,415	3,796
Net (asset) / liability recognised as at year end	<u>2,058</u>	<u>1,956</u>
Recognised under :		
Long term provisions	2,058	1,956
	<u>2,058</u>	<u>1,956</u>

(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, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(631)	757	(567)	683
Employee turnover (1% movement) - Gratuity	(83)	96	(76)	88
Future salary growth (1% movement) - Gratuity	642	(584)	600	(533)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st 'March, 2021					
Defined benefit obligations (Gratuity)	296	299	1,561	2,444	4,600
Total	296	299	1,561	2,444	4,600

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st 'March, 2020					
Defined benefit obligations (Gratuity)	275	217	1,440	2,251	4,183
Total	275	217	1,440	2,251	4183

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, 2021 based on actuarial valuation using the projected accrued benefit method is ₹ 25.28 lakhs (31st March, 2020 : ₹73.12 lakhs).

(₹ in Lakhs)

NOTE NO.47	As at 31st March, 2021	As at 31st March, 2020
Contingent Liabilities and Commitments		
(i) Contingent Liabilities		
a) Claims against the Company not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	14,414	12,761
Disputed income tax demands	6,544	7,055
Others (Municipal / Gram Panchayat tax, Electricity Duty etc.)	531	1,100
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	3,384	3,248
c) Corporate Guarantee given by the Company:		
To the President of India through commissioner of Custom	43,023	42,961
To Bank against loan taken by subsidiary	6,626	1,660
d) Standby Letter of Credit issued by Company's banker for loan taken by subsidiary	4,055	5,274
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	61,367	36,997

(₹ in Lakhs)

NOTE NO.48	Year ended 31st March,2021	Year ended 31st March,2020
Payment to Auditors		
Statutory Auditors		
Audit Fees	36	34
For Other services - Certification, etc.	10	10
Total	46	44

(₹ in Lakhs)

NOTE NO.49	Year ended 31st March,2021	Year ended 31st March,2020
Research and Development Cost/Expenditure		
Revenue	2,417	2,491
Capital	785	1,262
Total of Research and Development Cost/Expenditure	3,202	3,753

(₹ in Lakhs)

NOTE NO.50	As at 31st March, 2021	As at 31st March, 2020
Nature of Security in respect of secured Loan (Short Term):		
Working Capital Loans from Banks Repayable on Demand:		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPEs of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	18,683	13,601

NOTE NO.51**EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended a final dividend of ₹ 5 (250 %) per equity share of ₹ 2/-each.

NOTE NO.52
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

(₹ in Lakhs)

PARTICULARS	Year ended 31st March,2021	Year ended 31st March,2020
Total Expenditure towards CSR activity	1,812	1,773
Amount required to be spent u/s 135 of Companies Act 2013	2,232	2,123
Excess/(Short)	(420)	(350)

In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021) effective from 22nd January, 2021, if a company fails to spend the prescribed CSR amount during the year and such unspent amount pertains to any ongoing project, the company shall transfer the unspent amount to a special bank account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account within a period of 30 days from the end of the relevant financial year. ₹ 420 lakhs unspent during the FY 2020-2021 has been already deposited by the Company in a separate bank account within the stipulated period.

NOTE NO.53

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 1 TO 53

As per our report of even date attached

For N.G. THAKRAR & CO.
Chartered Accountants

(Firm Reg. no.110907W)

NATWAR THAKRAR

Partner

Membership No.036213

Mumbai,

 Dated: 14th May, 2021

MADHUSUDAN BAJAJ

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: 14th May, 2021

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, 2021, 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, 2021, 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

Capitalisation of property, plant and equipment	Principal Audit Procedures
<p>During the year ended 31st March, 2021, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various factories of the Company was ₹ 48184 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>	<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>

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- We did not audit the financial statements of the 5 foreign subsidiaries, whose financial results include total assets of total assets of ₹12,633 lakhs, total income of ₹3,598 lakhs, total net profit after tax of ₹2,215 lakhs, total comprehensive income of ₹1,243 lakhs and net cash outflows of ₹273 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.

Report on Other Legal and Regulatory Requirements

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, 2021 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, 2021 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,:

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, 2021 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, 2021.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABU3499

PLACE : Mumbai
DATE : 14th May, 2021

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, 2021, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 21036213AAAABU3499

PLACE : Mumbai
DATE : 14th May, 2021

CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2	3,28,299		3,21,954
(b) Capital Work-in-Progress	2	85,552		58,659
(c) Investment Property	3	8,639		8,571
(d) Intangible Assets	4	76		129
(e) Right of use assets	4A	18		97
(f) Financial Assets				
i) Investments	5	1,02,562		71,138
ii) Other Financial Assets	6	1,482		1,297
(g) Income tax Assets (Net)	7	6,989		8,979
(h) Other Non-Current Assets	8	34,836		17,666
TOTAL NON-CURRENT ASSETS			5,68,453	4,88,490
2 CURRENT ASSETS				
(a) Inventories	9	93,972		61,564
(b) Financial Assets				
i) Investments	10	39,203		35,112
ii) Trade Receivables	11	75,359		58,986
iii) Cash and Cash Equivalents	12	5,492		4,682
iv) Other Bank Balances	13	2,305		2,226
v) Loans	14	431		449
vi) Other Financial Assets	15	3,466		1,415
(c) Other Current Assets	16	27,968		27,711
TOTAL CURRENT ASSETS			2,48,196	1,92,145
TOTAL ASSETS			8,16,649	6,80,635
II EQUITY AND LIABILITIES				
EQUITY				
(a) Share Capital	17	3,866		3,866
(b) Other Equity	18	5,96,116		4,96,962
TOTAL EQUITY			5,99,982	5,00,828
LIABILITIES				
1 NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	19	148		179
ii) Lease Liabilities	19A	10		21
iii) Other Financial Liabilities	20	1		1
(b) Provisions	21	2,750		2,569
(c) Deferred Tax Liabilities (Net)	22	20,350		17,831
(d) Other Non-Current Liabilities	23	3,255		3,421
TOTAL NON-CURRENT LIABILITIES			26,514	24,022
2 CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	24	99,891		92,876
ii) Lease Liabilities	24A	9		80
iii) Trade Payables				
Total outstanding due of Micro and Small Enterprise	25	1,606		761
Total outstanding due of creditors Other than Micro and Small Enterprise	25	63,896		37,609
iv) Other Financial Liabilities	26	7,462		16,423
(b) Other Current Liabilities	27	16,778		7,615
(c) Provisions	28	511		421
TOTAL CURRENT LIABILITIES			1,90,153	1,55,785
TOTAL EQUITY AND LIABILITIES			8,16,649	6,80,635

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 to 55

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

NATWAR THAKRAR
 Partner
 Membership No.036213
 Mumbai,
 Dated: 14th May, 2021

MADHUSUDAN BAJAJ
 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: 14th May, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I Revenue From Operations	29	5,78,319	4,81,124
II Other Income	30	17,216	25,078
III Total Income (I+II)		<u>5,95,535</u>	<u>5,06,202</u>
IV Expenses :			
Cost of Materials Consumed	31	2,37,946	2,02,321
Purchases of Stock-in-Trade	32	7,558	5,631
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(14,400)	5,923
Employee Benefits Expense	34	37,086	32,863
Finance Cost	35	1,138	890
Depreciation and Amortisation Expense	36	41,630	37,361
Other Expenses	37	1,29,085	1,07,261
Total Expenses		<u>4,40,043</u>	<u>3,92,250</u>
V Profit Before Tax (III-IV)		1,55,492	1,13,952
VI Tax Expense:			
Current tax		37,278	29,431
Short/(Excess) provision of earlier years		(184)	-
Deferred tax		645	(11,444)
Total tax expenses		<u>37,739</u>	<u>17,987</u>
VII Profit After Tax (V-VI)		1,17,753	95,965
VIII Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		(39)	(639)
ii) Income Tax		10	10
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		7,483	(10,925)
ii) Income Tax		(1,883)	3,267
iii) Exchange differences on translation of financial statements of foreign operation		(972)	(945)
Total Other Comprehensive Income (1+2)		<u>4,599</u>	<u>(9,232)</u>
IX Total Comprehensive Income (VII +VIII)		<u>1,22,352</u>	<u>86,733</u>
X Earnings per equity share:			
Basic and Diluted	42	60.91	49.64

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 to 55

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 14th May, 2021

MADHUSUDAN BAJAJ
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: 14th May, 2021

STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at 1st April, 2019	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance As at 31st March, 2020	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31 March, 2021	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, 2019	4	3,30,000	1,29,534	(1,001)	3,449	(486)	4,61,500
Total Comprehensive							
Profit for the year	-	-	95,965	-	-	-	95,965
Other comprehensive income for the year	-	-	-	(629)	(7,658)	-	(8,287)
Transactions with owners of the company							
Interim Dividend on Equity Shares	-	-	(38,663)	-	-	-	(38,663)
Interim Dividend Distribution Tax	-	-	(7,947)	-	-	-	(7,947)
Dividend on Equity Shares	-	-	(3,866)	-	-	-	(3,866)
Dividend Distribution Tax	-	-	(795)	-	-	-	(795)
Transferred to General Reserve	-	-	(30,000)	-	-	-	(30,000)
Transferred from Retained Earnings	-	30,000	-	-	-	-	30,000
Foreign currency translation reserve	-	-	-	-	-	(945)	(945)
Balance as at 31st March, 2020	4	3,60,000	1,44,228	(1,630)	(4,209)	(1,431)	4,96,962
Total Comprehensive							
Profit for the year	-	-	1,17,753	-	-	-	1,17,753
Other comprehensive income for the year	-	-	-	(29)	5,600	-	5,571
Transactions with owners of the company							
Interim Dividend on Equity Shares	-	-	(23,198)	-	-	-	(23,198)
Transferred to Capital Reserve	-	-	(30)	-	-	-	(30)
Transferred to General Reserve	-	-	(40,000)	-	-	-	(40,000)
Transferred from Retained Earnings	30	40,000	-	-	-	-	40,030
Foreign currency translation reserve	-	-	-	-	-	(972)	(972)
Balance As at 31st March, 2021	34	4,00,000	1,98,753	(1,659)	1,391	(2,403)	5,96,116

As per our report of even date attached

For N.G. THAKRAR & CO.
Chartered Accountants

(Firm Reg. no.110907W)

NATWAR THAKRAR

Partner

Membership No.036213

Mumbai,

 Dated: 14th May, 2021

MADHUSUDAN BAJAJ

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: 14th May, 2021

CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year Ended		Year Ended	
	31st March, 2021		31st March, 2020	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		1,55,492		1,13,952
Adjustment for :				
Depreciation and Amortisation	41,630		37,361	
Provision/(withdrawal) of Doubtful advances	-		(73)	
Net mark to market loss/(gain) on investments	(4,662)		11,721	
Income from Investments	(2,269)		(18,684)	
Finance Cost	1,138		890	
Interest Income including on investments	(4,031)		(2,244)	
Loss/(Profit) on Sale of Property, Plant and equipment	66		(27)	
Property, Plant and equipment Discarded	1		80	
Unrealised Foreign Exchange differences (gain)/loss	(2,776)		(899)	
Actuarial gains/(losses) reclassified to OCI	(39)		(639)	
Export Incentive on account of EPCG (Benefit)/Utilised	(3,036)		(986)	
Retiring Gratuity	666		1,145	
Leave Encashment	243		7	
		26,931		27,652
Operating profit before working capital changes		1,82,423		1,41,604
Adjustment for:				
Trade and other receivables	(6,124)		6,773	
Other Financial Assets	(79)		(281)	
Inventories	(32,408)		14,307	
Trade payables	25,885		(15,361)	
		(12,726)		5,438
Cash generated from operations		1,69,697		1,47,042
Direct taxes paid		(35,104)		(28,844)
Gratuity paid		(564)		(598)
Leave Encashment paid		(126)		(286)
Net cash from Operating Activities		1,33,903		1,17,314
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and equipment	(92,622)		(78,409)	
Sale of Property, Plant and equipment	304		105	
Purchase of Investments	(1,66,360)		(2,30,436)	
Sale of Investments	1,37,454		2,38,994	
Inter Corporate Loan Refund Received	-		73	
Interest received	3,507		1,541	
Income Received on Investments	375		356	
Net cash used in Investing Activities		(1,17,342)		(67,776)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds /(Repayment) from Short Term Borrowings (Net)	(12,164)		26,790	
Proceeds from Long Term Borrowings	62,874		46,460	
Repayment of Long Term Borrowings	(42,144)		(70,458)	
Dividend paid (including tax thereon)	(23,157)		(51,255)	
Lease Liability paid	(80)		(130)	
Finance cost paid	(1,135)		(876)	
Net Cash from Financing Activities		(15,806)		(49,469)
Net increase in cash and cash equivalent		755		69
Exchange difference on cash and cash equivalent		55		(4)
Cash and cash equivalent as at the begning of the year		4,682		4,617
Cash and cash equivalent as at the end of the year		5,492		4,682

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

As per our report of even date attached

For N.G. THAKRAR & CO.

Chartered Accountants

(Firm Reg. no.110907W)

NATWAR THAKRAR

Partner

Membership No.036213

Mumbai,

Dated: 14th May, 2021

MADHUSUDAN BAJAJ

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: 14th May, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 (A) General information

Balkrishna Industries Limited ('the Company') is a public limited company incorporated and domiciled in India and has its registered office at Waluj MIDC, Aurangabad, Maharashtra, India.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

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

(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 Subsidiaries	
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.

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 fair value 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.

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Leasehold land are amortised over the lease period.

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

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

(f) Investment properties

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

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

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

(g) Intangible assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are 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.

(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.

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

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

(n) Research and development

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

(o) Financial instruments

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

i. Financial assets**Classification**

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

Initial recognition and measurement

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

Debt instruments

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

De-recognition

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

Impairment of financial assets

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

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

ii. Financial liabilities

Classification

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

Initial recognition and measurement

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

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

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

Financial liabilities at fair value through profit and loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are 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.

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 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.

- 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.

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH, 2021

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortization)			(Net Block)	
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	*For the Year	Deductions During the year	Balance As at 31st March, 2021	As at 31st March, 2020
Buildings	9,146	340	114	9,372	575	162	4	733	8,639
TOTAL INVESTMENT PROPERTY	9,146	340	114	9,372	575	162	4	733	8,639

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortization)			(Net Block)	
	Balance As at 1st April, 2019	Additions During the year	Deductions During the year	Balance As at 31st March, 2020	Balance As at 1st April, 2019	*For the Year	Deductions During the year	Balance As at 31st March, 2020	As at 31st March, 2020
Buildings	8,127	1,019	-	9,146	412	163	-	575	8,571
TOTAL INVESTMENT PROPERTY	8,127	1,019	-	9,146	412	163	-	575	8,571

Amounts recognised in profit and loss for investment properties

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Rental income derived from investment properties	745	840
Direct operating expenses (including repair and maintenance) generating rental income	(141)	(186)
Profit from investment properties before depreciation	604	654
Depreciation	160	146
Profit from investment properties	444	508
Fair value		
Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Investment properties	21,908	20,663

Estimation of fair value

The company obtains independent valuations for its investment properties from an independent valuer.

The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH, 2021

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortization)			(Net Block)	
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	*For the Year	Deductions During the year	Balance As at 31st March, 2021	As at 31st March, 2020
Computer software	606	23	-	629	483	74	-	557	72
Trademark	10	-	-	10	4	2	-	6	4
TOTAL INTANGIBLE	616	23	-	639	487	76	-	563	76

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortization)			(Net Block)	
	Balance As at 1st April, 2019	Additions During the year	Deductions During the year	Balance As at 31st March, 2020	Balance As at 1st April, 2019	*For the Year	Deductions During the year	Balance As at 31st March, 2020	As at 31st March, 2020
Computer software	602	4	-	606	381	102	-	483	123
Trademark	10	-	-	10	2	2	-	4	6
TOTAL INTANGIBLE	612	4	-	616	383	104	-	487	129

NOTE NO. 4A - RIGHT OF USE ASSETS

The Company has lease contracts for various item of buildings and vehicles in its operation. Lease of building generally have lease term between 2 to 4 years. 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, 2019	143	55	198
Addition	-	20	20
Less: Depreciation expenses	95	26	121
Balance as at 31st March, 2020	48	49	97
Addition/Deduction (Net)	-	(6)	(6)
Less: Depreciation expenses	48	25	73
Balance as at 31st March, 2021	-	18	18

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, 2021	As at 31st March, 2020
Opening Balance	101	198
Addition/Deduction (Net)	(6)	20
Accretion of Interest	4	13
Less: Payments	80	130
Closing Balance	19	101
Current	9	80
Non-Current	10	21

The following are the amounts recognised in profit and loss : (₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation expenses of right of use assets	73	121
Interest expenses on lease liabilities	4	13
Expenses relating to short term lease and low value leased (included in other expenses)	763	555
Total amount recognised in profit and loss	840	689

The Company had total cash outflow for lease of ₹ 843 lakhs in 31st March, 2021 (Previous Year ₹ 685 lakhs)

NOTE NO.5	Units	As at 31st March, 2021	Units	As at 31st March, 2020
INVESTMENTS (NON CURRENT)				
A. Investments in Equity Instruments at Cost (Fully paid up Shares)				
Unquoted				
National Stock Exchange of India Limited of ₹1 each	1,00,000	1,059	-	-
		1,059		-
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	66	11,14,223	61
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,016	2,00,000	2,021
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
		4,082		4,082
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	1,330	13,675	1,330	13,752
7.39% HUDCO Tax Free Bond of ₹1,000 each	2,50,000	2,574	2,50,000	2,582
7.14 % NHAI Tax Free Bond of ₹1,000 each	2,85,698	2,904	2,85,698	2,914
7.36% IIFC Tax Free Bond of ₹1,000 each	5,00,000	5,256	5,00,000	5,294
7.35 % IRFC Tax Free Bonds of ₹1,000 each	58,783	573	58,783	588
7.19 % IRFC Tax Free Bonds of ₹10,00,000 each	200	2,039	200	2,039
		27,522		27,670

(₹ in Lakhs)				
NOTE NO.5	Units	As at 31st March, 2021	Units	As at 31st March, 2020
c) Investment in Perpetual Bonds (at amortised cost)				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,024	100	1,033
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	2,929	290	2,937
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,995	700	6,994
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,468	-	-
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,801	-	-
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹10,00,000 each	20	209	-	-
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	504	50	505
		<u>22,930</u>		<u>13,469</u>
C. Investment carried at fair value through Profit and Loss Quoted:				
a) Investment in Non Convertible Debenture				
Edelweiss Assets Reconstruction co. Ltd of ₹ 1,00,000 each	1,486	1,966	1,486	1,760
Samasta Microfinance Ltd. of ₹ 1,00,000 each	-	-	1,500	1,731
L&T Infra Debt fund Ltd. of ₹ 10,00,000 each	251	2,807	251	2,574
Shriram City Union Finance Ltd. of ₹ 10,00,000 each	50	505	-	-
		<u>5,278</u>		<u>6,065</u>
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹ 10 each	3,67,27,655	4,565	2,22,81,297	2,013
IIFL Special Opportunities Fund Series 1A of ₹ 10 each	25,01,226	329	-	-
BPEA Credit India Fund III of ₹ 100 each	1,50,000	150	-	-
Chirate Ventures India Fund IV of ₹ 1,00,000 each	400	459	-	-
TVS Shriram Growth Fund 3 of ₹ 1,000 each	33,000	330	-	-
Infloxor Technology Fund of ₹ 1,00,000 each	100	100	-	-
Blume Venture Fund IX of ₹ 100 each	3,25,000	325	-	-
Xponintia Opportunities Fund of ₹ 1,00,000 each	243	293	200	186
		<u>6,551</u>		<u>2,199</u>
c) Investment in Mutual fund				
Quoted:				
HDFC Fixed Maturity Plan Series 37/39/44 Direct Growth of ₹ 10 each	5,00,00,000	5,974	6,50,00,000	7,250
Bharat Bond ETF April 2030 of ₹ 1,000 each	10,00,000	11,312	10,00,000	10,403
Bharat Bond ETF April 2031 of ₹ 1,000 each	17,50,223	17,854	-	-
		<u>35,140</u>		<u>17,653</u>
		<u>1,02,562</u>		<u>71,138</u>
Aggregate amount of quoted investments and market value thereof		<u>90,870</u>		<u>64,858</u>
Aggregate amount of unquoted investments.		<u>11,692</u>		<u>6,280</u>

(₹ in Lakhs)		
NOTE NO.6	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL ASSETS (NON CURRENT)		
Security Deposits	1,482	1,297
	<u>1,482</u>	<u>1,297</u>

(₹ in Lakhs)		
NOTE NO.7	As at 31st March, 2021	As at 31st March, 2020
INCOME TAX ASSETS(NET)		
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	6,989	8,979
	<u>6,989</u>	<u>8,979</u>

(₹ in Lakhs)		
NOTE NO.8	As at 31st March, 2021	As at 31st March, 2020
OTHER NON CURRENT ASSETS		
(a) Capital Advances	34,630	17,424
(b) Others loans and advances		
VAT/Service Tax Receivable	153	167
Prepaid expense	53	75
	<u>34,836</u>	<u>17,666</u>

	(₹ in Lakhs)	
NOTE NO.9	As at 31st March, 2021	As at 31st March, 2020
INVENTORIES :		
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	44,271	28,172
(b) Work-in-Progress	9,168	7,676
(c) Finished Goods	28,061	15,154
(d) Stock-in-Trade	4,089	4,088
(e) Stores and Spares	7,133	5,711
(f) Others - Packing Materials and Fuel	1,250	763
	<u>93,972</u>	<u>61,564</u>

	(₹ in Lakhs)			
NOTE NO.10	Units	As at 31st March, 2021	Units	As at 31st March, 2020
INVESTMENTS (CURRENT)				
Unquoted				
A. Investment carried at amortised cost				
a) Investments in Government Securities at Cost				
In 6 Year National Saving Certificates (Current Year ₹10,000, Previous Year ₹20,000)		0		0
b) Investment in Preference Shares				
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	-	-	80,000	801
B. Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture				
Ecap Equities Ltd. of ₹ 1,00,000 each	-	-	2,500	3,134
Samastha Microfinance Ltd. of ₹ 1,00,000 each	1,500	1,944	-	-
		<u>1,944</u>		<u>3,134</u>
b) Investment in Equity instruments				
Music Broadcast Ltd. of ₹1 each	10,20,000	240	-	-
MindSpace Business Park REIT of ₹10 each	23,400	69	-	-
		<u>309</u>		<u>-</u>
c) Investment in Mutual Fund				
HDFC Fixed Maturity Plan Series 35/39 Direct Growth of ₹10 each	1,50,00,000	1,934	1,50,00,000	1,931
HDFC Charity Fund for Caner Cure - Arbitrage Plan Direct Option - 100% Dividend Donation of ₹10 each	-	-	50,00,000	502
HDFC Charity Fund for Caner Cure - Debt Plan Direct Option - 100% Dividend Donation of ₹10 each	-	-	50,00,000	501
HDFC Housing Opportunity of ₹10 each	1,00,00,000	1,095	1,00,00,000	650
Nippon India Mutual Fund ETF Nifty Bees of ₹1 each	10,25,483	1,612	-	-
Nippon India Mutual Fund ETF Gold Bees of ₹1 each	17,58,405	671	-	-
Unquoted				
Aditya Birla Sun Life Liquid Fund of ₹100 each	-	-	6,28,374	2,008
Aditya Birla Sun Life Saving Fund of ₹100 each	47,008	200	-	-
HDFC Liquid Fund of ₹1,000 each	-	-	92,233	3,603
HDFC Overnight Fund of ₹1,000 each	-	-	1,31,368	3,900
HDFC Low Duration fund of ₹10 each	72,74,413	3,461	-	-
ICICI Prudential Overnight Fund of ₹1,000 each	-	-	8,35,380	900
ICICI Prudential Gilt Fund of ₹10 each	6,37,519	520	-	-
SBI Magnum Gilt Fund Long Term Plan of ₹10 each	3,40,15,713	17,773	2,50,25,565	12,135
SBI Magnum Liquid Fund of ₹1,000 each	-	-	1,29,114	4,014
SBI Magnum Income Fund of ₹10 each	19,56,921	1,123	19,56,921	1,033
Nippon India Low Duration Fund of ₹1,000 each	33,691	1,018	-	-
Nippon India Nivesh Lakshya Fund of ₹10 each	5,42,58,610	7,543	-	-
		<u>36,950</u>		<u>31,177</u>
		<u>39,203</u>		<u>35,112</u>
Aggregate amount of quoted investments and Market value thereof		7,565		6,718
Aggregate amount of Unquoted investments		31,638		28,394

	(₹ in Lakhs)	
NOTE NO.11	As at 31st March, 2021	As at 31st March, 2020
TRADE RECEIVABLES		
Trade receivable Considered good - Secured	17,404	19,001
Trade receivable Considered good - Unsecured #	57,955	39,985
	<u>75,359</u>	<u>58,986</u>
# Includes Receivable from Related parties (Refer Note no. 43)		
	(₹ in Lakhs)	
NOTE NO.12	As at 31st March, 2021	As at 31st March, 2020
CASH AND CASH EQUIVALENTS:		
Balances with banks	5,463	4,647
In Fixed Deposit (Current Year ₹50,000; Previous Year - Nil)	0	-
Cash on hand	29	35
	<u>5,492</u>	<u>4,682</u>
	(₹ in Lakhs)	
NOTE NO.13	As at 31st March, 2021	As at 31st March, 2020
OTHER BANK BALANCES		
Unpaid Dividend	266	224
Margin Money (Including Fixed Deposit) #	2,039	2,002
	<u>2,305</u>	<u>2,226</u>
#(Held against guarantee and other commitments)		
	(₹ in Lakhs)	
NOTE NO.14	As at 31st March, 2021	As at 31st March, 2020
LOANS		
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,577	1,577
Loans receivable - Credit impaired	-	-
	<u>1,577</u>	<u>1,577</u>
Less: Provision for loans which have significant increase in credit risk	1,577	1,577
	-	-
Loans and advances to employees (considered good)	431	449
	<u>431</u>	<u>449</u>
	(₹ in Lakhs)	
NOTE NO.15	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	1,903	326
Interest accrued on Investments	1,518	969
Interest accrued on Deposits and Loans	45	69
Income accrued on Investments	-	51
	<u>3,466</u>	<u>1,415</u>
	(₹ in Lakhs)	
NOTE NO.16	As at 31st March, 2021	As at 31st March, 2020
OTHER CURRENT ASSETS		
Advance Payment to Suppliers	16,825	17,416
GST/Excise/Sales Tax/Custom Duty etc. Receivables	10,805	10,054
Prepaid Expenses	338	241
	<u>27,968</u>	<u>27,711</u>

(₹ in Lakhs)

NOTE NO.17	As at 31st March, 2021	As at 31st March, 2020
SHARE CAPITAL		
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
	<u>9,100</u>	<u>9,100</u>
Issued Subscribed and paid up:		
19,33,17,190 Equity Shares of ₹2 each fully paid up	3,866	3,866
	<u>3,866</u>	<u>3,866</u>

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Reconciliation of number of Equity shares outstanding at the beginning and end of the year :

Equity Share :	As at 31st March, 2021		As at 31st March, 2020	
	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	193,317,190	3,866
Balance at the end of the year	19,33,17,190	3,866	193,317,190	3,866

Shareholder's holding more than 5 % Shares in the Company

Name of Shareholders	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	Holding (%)	Number of Shares	Holding (%)
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV PODDAR	5,35,77,010	27.72	5,35,77,010	27.72

(₹ in Lakhs)

NOTE NO.18	As at 31st March, 2021		As at 31st March, 2020
OTHER EQUITY			
a. Capital Reserve			
Opening Balance		4	4
Add: Movement during the year		30	-
Closing Balance		<u>34</u>	<u>4</u>
b. Other Reserve (General Reserve)			
Opening Balance	3,60,000		3,30,000
Add: Transferred from Profit and Loss account	40,000		30,000
Closing Balance		<u>4,00,000</u>	<u>3,60,000</u>
c. Retained earnings			
Opening Balance	1,44,228		1,29,534
Add: Net Profit for the current year	1,17,753		95,965
Less: Interim Dividend	23,198		38,663
Less: Tax on Interim Dividend	-		7,947
Less: Dividend on equity shares	-		3,866
Less: Tax on equity dividend	-		795
Less: Transfer to General Reserve	40,000		30,000
Less: Transfer to Capital Reserve	30		-
Closing Balance		<u>1,98,753</u>	<u>1,44,228</u>
Other Comprehensive Income (OCI) :			
d. Remeasurements of the net defined benefit plans			
Opening Balance	(1,630)		(1,001)
Movement during the year	(29)		(629)
Closing Balance		<u>(1,659)</u>	<u>(1,630)</u>
e. Effective portion of cash flow hedges			
Opening Balance	(4,209)		3,449
Movement during the year	5,600		(7,658)
Closing Balance		<u>1,391</u>	<u>(4,209)</u>
f. Foreign Currency translation reserve			
Opening Balance	(1,431)		(486)
Movement during the year	(972)		(945)
Closing Balance		<u>(2,403)</u>	<u>(1,431)</u>
		<u>5,96,116</u>	<u>4,96,962</u>

General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

Retained earnings

Retained earnings includes the Company's cumulative earnings and losses respectively

Remeasurements of the net defined benefit Plans

Remeasurements of defined benefit liability comprises actuarial gains and losses and return on plan assets (excluding interest income)

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedge item affects profit/(loss) i.e., when the designated sale occurs.

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than INR is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

	(₹ in Lakhs)	
NOTE NO.19	As at 31st March, 2021	As at 31st March, 2020
BORROWINGS (NON CURRENT)		
Unsecured		
Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	125	179
from others	23	-
	<u>148</u>	<u>179</u>
	(₹ in Lakhs)	
NOTE NO.19A	As at 31st March, 2021	As at 31st March, 2020
LEASE LIABILITIES		
Lease Liabilities	10	21
	<u>10</u>	<u>21</u>
	(₹ in Lakhs)	
NOTE NO.20	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL LIABILITIES (NON CURRENT)		
Distributors/Dealers Deposit	1	1
	<u>1</u>	<u>1</u>
	(₹ in Lakhs)	
NOTE NO.21	As at 31st March, 2021	As at 31st March, 2020
PROVISIONS (NON CURRENT)		
Provision for employee benefits		
Gratuity	2,058	1,956
Leave Encashment	424	398
Others	268	215
	<u>2,750</u>	<u>2,569</u>

(₹ in Lakhs)		
NOTE NO.22	As at 31st March, 2021	As at 31st March, 2020
DEFERRED TAX LIABILITIES (NET)		
The balance comprises temporary difference attributable to:		
Deferred tax liabilities	21,631	20,472
Deferred tax assets	1,281	2,641
Net Deferred tax liabilities	<u>20,350</u>	<u>17,831</u>
(₹ in Lakhs)		
NOTE NO.23	As at 31st March, 2021	As at 31st March, 2020
OTHER NON CURRENT LIABILITIES		
Deferred Income (Export Incentive)	3,255	3,421
	<u>3,255</u>	<u>3,421</u>
(₹ in Lakhs)		
NOTE NO.24	As at 31st March, 2021	As at 31st March, 2020
BORROWINGS (CURRENT)		
Secured		
From Banks	29,364	20,535
Unsecured		
From Banks	70,527	72,341
	<u>99,891</u>	<u>92,876</u>
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		
(₹ in Lakhs)		
NOTE NO.24A	As at 31st March, 2021	As at 31st March, 2020
LEASE LIABILITIES		
Lease Liabilities	9	80
	<u>9</u>	<u>80</u>
(₹ in Lakhs)		
NOTE NO.25	As at 31st March, 2021	As at 31st March, 2020
TRADE PAYABLES		
Trade Payables (including Acceptances) due to:		
Total outstanding due of Micro and Small Enterprise#	1,606	761
Total outstanding due of creditors Other than Micro and Small Enterprise##	63,896	37,609
	<u>65,502</u>	<u>38,370</u>
#(Refer Note No. 45 for Micro and Small Enterprise)		
## Includes payable to Related parties (Refer Note no. 43)		
(₹ in Lakhs)		
NOTE NO.26	As at 31st March, 2021	As at 31st March, 2020
OTHER FINANCIAL LIABILITIES (CURRENT)		
Interest accrued but not due (As at 31st March, 2020 ₹41,233)	-	0
Current maturity of Long Term debt	54	44
Unpaid Dividend	266	225
Other Payable (capital creditors)	7,097	10,203
Derivative liabilities	45	5,951
	<u>7,462</u>	<u>16,423</u>
(₹ in Lakhs)		
NOTE NO.27	As at 31st March, 2021	As at 31st March, 2020
OTHER CURRENT LIABILITIES		
Income received in advance	4,237	2,603
Security Deposit	4,211	2,431
Statutory dues	8,330	2,581
	<u>16,778</u>	<u>7,615</u>

	(₹ in Lakhs)	
NOTE NO.28	As at 31st March, 2021	As at 31st March, 2020
PROVISIONS (CURRENT)		
Provision for employee benefits		
Leave encashment	511	421
	<u>511</u>	<u>421</u>

	(₹ in Lakhs)	
NOTE NO.29	Year Ended 31st March, 2021	Year ended 31st March, 2020
REVENUE FROM OPERATIONS		
Sale of Products	5,67,530	4,70,357
Other Operating Revenue:		
Export Incentives	9,447	9,407
Scrap Sales	1,292	1,276
Others	50	84
	<u>10,789</u>	<u>10,767</u>
Total Revenue from Operations	<u>5,78,319</u>	<u>4,81,124</u>
DISAGGREGATION OF REVENUE		
Revenue based on Geography		
Export	4,47,993	3,90,062
Domestic #	1,30,326	91,062
Revenue from operations	<u>5,78,319</u>	<u>4,81,124</u>
# (Including export incentive on account of MEIS licence)		
Reconciliation of Revenue from operations with contract price		
Contract Price	5,92,733	4,89,211
Less:		
Sales returns	300	195
Sales Incentives and Bonus	11,337	6,499
Others	2,777	1,393
	<u>14,414</u>	<u>8,087</u>
Total Revenue from operations	<u>5,78,319</u>	<u>4,81,124</u>

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Group provides performance warranty for its products. The amount of liability towards such warranty is not material.

	(₹ in Lakhs)	
NOTE NO.30	Year Ended 31st March, 2021	Year ended 31st March, 2020
OTHER INCOME		
Interest Income on:		
Non Current Investments	3,238	2,054
Deposits/Loans and Advances	793	190
	<u>4,031</u>	<u>2,244</u>
Net gain on foreign currency transaction and translation	4,210	13,134
Income from Non current Investment	2	126
Dividend Income on investments in mutual fund	324	402
Net gain on sale of Non Current Investments	1,157	16,724
Net gain on sale of Current Investments	786	1,432
Net mark to market gain/(loss) on investments	4,662	(11,721)
Profit on sale of Property Plant and Equipment	-	27
Withdrawal of Provision of Doubtful Loan	-	73
Other non-operating income	2,044	2,637
	<u>17,216</u>	<u>25,078</u>

(₹ in Lakhs)

NOTE NO.31	Year ended 31st March, 2021	Year ended 31st March, 2020
COST OF MATERIAL CONSUMED		
Raw Material Consumed	2,37,946	2,02,321
	<u>2,37,946</u>	<u>2,02,321</u>

(₹ in Lakhs)

NOTE NO.32	Year ended 31st March, 2021	Year ended 31st March, 2020
PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	7,558	5,631
	<u>7,558</u>	<u>5,631</u>

(₹ in Lakhs)

NOTE NO.33	Year ended 31st March, 2021	Year ended 31st March, 2020
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock :		
Work-in-Progress	7,675	6,967
Stock in Trade	4,089	5,477
Finished Goods	15,154	20,397
	<u>26,918</u>	<u>32,841</u>
Less :		
Closing Stock :		
Work-in-Progress	9,168	7,675
Stock in Trade	4,089	4,089
Finished Goods	28,061	15,154
	<u>41,318</u>	<u>26,918</u>
Net (Increase)/Decrease in Inventories	<u>(14,400)</u>	<u>5,923</u>

(₹ in Lakhs)

NOTE NO.34	Year ended 31st March, 2021	Year ended 31st March, 2020
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	33,920	30,077
Contribution to provident and other funds	2,235	2,042
Staff welfare expenses	931	744
	<u>37,086</u>	<u>32,863</u>

(₹ in Lakhs)

NOTE NO.35	Year ended 31st March, 2021	Year ended 31st March, 2020
FINANCE COST		
Interest expenses	1,020	767
Other borrowing cost	114	110
Interest on Lease Liability	4	13
	<u>1,138</u>	<u>890</u>

(₹ in Lakhs)

NOTE NO.36	Year ended 31st March, 2021	Year ended 31st March, 2020
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation	41,557	37,240
Depreciation of Right-of-use assets	73	121
	<u>41,630</u>	<u>37,361</u>

(₹ in Lakhs)

NOTE NO.37	Year ended 31st March, 2021	Year ended 31st March, 2020
OTHER EXPENSES:		
Consumption of stores and spare parts	16,438	12,758
Packing material consumed	1,213	545
Power and fuel(Net)	16,798	16,026
Freight and forwarding	30,883	23,447
Labour/Job Charges	13,544	10,988
Water charges	580	400
Repairs and Maintenance to Plant & Machinery	3,851	1,765
Repairs and Maintenance to Building	2,727	2,046
Repairs and Maintenance to Others	712	634
Insurance Charges	1,862	2,302
Rates and Taxes	4,950	4,768
Rent	763	555
Legal and Professional charges	3,120	3,020
Advertisement, Publicity, Sales Promotion and Marketing Service	25,431	20,862
Commission	135	2
Travelling Expenses	1,047	2,253
Directors Meeting Fees	28	11
Loss on sale of Property plant and equipment	66	-
Property plant and equipment Discarded	1	80
Interest to Others	38	189
Contribution towards CSR expenses	2,360	1,773
Miscellaneous expenses	2,538	2,837
	1,29,085	1,07,261

NOTE NO.38**i) Tax Reconciliation****(a) The Income tax expense consists of the following:**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current income tax	37,278	29,431
Short/(Excess) provision of earlier year	(184)	-
Deferred tax expense	645	(11,444)
Tax expense for the year	37,739	17,987

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expenses) /benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	(39)	10	(29)	(639)	10	(629)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow hedges	7,483	(1,883)	5,600	(10,925)	3,267	(7,658)
c) Exchange difference on translation	(972)	-	(972)	(945)	-	(945)
	6,472	(1,873)	4,599	(12,509)	3,277	(9,232)

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, 2021	Year ended 31st March, 2020
Profit before tax	1,55,492	1,13,952
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expenses	39,134	28,679
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(482)	(590)
Deduction under Income Tax Act.	(83)	-
Impact of differential tax rate	(728)	(756)
Permanent differences	688	560
Others - Allowance, Income tax of earlier year, Revision in tax rate etc.	(790)	(9,906)
Total Income tax expenses	37,739	17,987
Effective Tax Rate	24.271%	15.785%

ii) **Deferred Tax Disclosure**

(a) **Movement in deferred tax balances**

(₹ in Lakhs)

Particulars				As at 31st March, 2021
	Net balance as at 1st April, 2020	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets / (liabilities)				
Property, plant and equipment	(18,333)	770	-	(17,563)
Investments	(1,038)	(660)	-	(1,698)
Employee benefits	828	45	10	883
Cash Flow Hedge	1,415	-	(1,883)	(468)
Provision for Doubtful Advances	398	-	-	398
Others (Net)	(1,101)	(801)	-	(1,902)
Deferred tax assets/ (liabilities)	(17,831)	(645)	(1,873)	(20,350)

(b) **Movement in deferred tax balances**

(₹ in Lakhs)

Particulars				As at 31st March, 2020
	Net balance as at 1st April, 2019	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(25,819)	7,486	-	(18,333)
Investments	(4,184)	3,146	-	(1,038)
Derivatives	(730)	730	-	-
Employee benefits	1,056	(238)	10	828
Cash flow hedge	(1,852)	-	3,267	1,415
Provision for Doubtful Advances	577	(179)	-	398
Others (Net)	(1,602)	501	-	(1,101)
Deferred tax assets/ (liabilities)	(32,554)	11,444	3,277	(17,831)

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, 2021									
	Carrying amount		Amortised Cost	Total	Fair value					
	Fair value through profit and loss	Fair value through other comprehensive income			Level 1	Level 2	Level 3			
Financial assets:										
Cash and cash equivalents (Including other bank balances)	-	-	7,798	7,798	-	-	-	-	-	-
Mutual Fund	72,090	-	-	72,090	40,452	31,638	-	-	-	72,090
Debentures	7,222	-	-	7,222	7,222	-	-	-	-	7,222
Equities	309	-	1,059	1,368	309	-	-	-	-	309
Loans	-	-	431	431	-	-	-	-	-	-
Trade receivables	-	-	75,359	75,359	-	-	-	-	-	-
Other financial assets	-	-	1,563	1,563	-	-	-	-	-	-
Foreign exchange forward contracts	-	1,903	-	1,903	-	1,903	-	-	-	1,903
Preference shares and bonds	-	-	54,534	54,534	-	-	-	6,552	-	6,552
Alternate Investment Fund	6,552	-	-	6,552	-	-	-	-	-	-
Security deposit	-	-	1,482	1,482	-	-	-	-	-	-
TOTAL	86,173	1,903	1,42,226	2,30,302	47,983	40,093	-	-	-	88,076
Financial liabilities										
Long term borrowings (Including current maturity of Long term borrowings)	-	-	202	202	-	-	-	-	-	-
Other financial liabilities	-	-	7,383	7,383	-	-	-	-	-	-
Short term borrowings	-	-	99,891	99,891	-	-	-	-	-	-
Trade payables	-	-	65,502	65,502	-	-	-	-	-	-
Foreign exchange forward contracts	-	45	-	45	-	45	-	-	-	45
TOTAL	-	45	1,72,978	1,73,023	-	45	-	-	-	45

Particulars	As at 31st March, 2020									
	Carrying amount		Amortised Cost	Total	Fair value					
	Fair value through profit and loss	Fair value through other comprehensive income			Level 1	Level 2	Level 3			
Financial Assets:										
Cash and cash equivalents (Including other bank balances)	-	-	6,908	6,908	-	-	-	-	-	-
Mutual Fund	38,427	-	-	38,427	10,834	27,593	-	-	-	38,427
Debentures	9,199	-	-	9,199	9,199	-	-	-	-	9,199
Loans	-	-	449	449	-	-	-	-	-	-
Trade receivables	-	-	58,986	58,986	-	-	-	-	-	-
Other financial assets	-	-	1,089	1,089	-	-	-	-	-	-
Foreign exchange forward contracts	-	326	-	326	-	326	-	-	-	326
Preference shares and bonds	10,403	-	46,022	56,425	10,403	-	-	-	-	10,403
Alternate Investment Fund	2,199	-	-	2,199	-	2,199	-	-	-	2,199
Security deposit	-	-	1,297	1,297	-	-	-	-	-	-
TOTAL	60,228	326	1,14,751	1,75,305	30,436	30,118	-	-	-	60,554
Financial liabilities										
Long term borrowings (Including current maturity of Long term borrowings)	-	-	223	223	-	-	-	-	-	-
Other financial liabilities	-	-	10,530	10,530	-	-	-	-	-	-
Short term borrowings	-	-	92,876	92,876	-	-	-	-	-	-
Trade payables	-	-	38,370	38,370	-	-	-	-	-	-
Foreign exchange forward contracts	-	5,951	-	5,951	-	5,951	-	-	-	5,951
TOTAL	-	5,951	1,41,999	1,47,950	-	5,951	-	-	-	5,951

Fair values for financial instruments carried at amortised cost approximates the carrying amount, accordingly the fair values of such financial assets and financial liabilities have not been disclosed separately.

B. Measurement of fair values

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level 2: Forward contracts	Market valuation techniques The group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level 1 and Level 2: Mutual Fund 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.

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, 2019	-
Impairment loss recognised	107
Amounts written off	107
Balance as at 31st March, 2020	-
Impairment loss recognised	7
Amounts written off	7
Balance as at 31st March, 2021	-

Concentration of credit risk

At 31st March, 2021, the carrying amount of the group's most significant customer is ₹ 20,048 lakhs (31st March, 2020 : ₹ 17,162 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 company had made provisions of doubtful loan in earlier year of ₹1,650 Lakhs. During the previous year the Company had recovered ₹73 lakhs against this doubtful loan and as such the provision for such doubtful loan was reduced to ₹1,577 lakhs as on 31st March, 2020. The Company has no collateral securities 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 the banks, with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the group's treasury department in accordance with the group's policy. Investment of surplus funds are made mainly in 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 at 31st March, 2021, the Group had working capital of ₹ 58,043 lakhs, including cash and cash equivalents of ₹ 5,492 lakhs, and highly marketable current investments of ₹ 39,203 lakhs.

As at 31st March, 2020, the Group had working capital of ₹ 36,360 lakhs, including cash and cash equivalents of ₹ 4,682 lakhs, and highly marketable current investments of ₹ 35,112 lakhs.

Exposure to liquidity risk

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

* all non derivative financial liabilities

* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

(₹ in Lakhs)

As at 31st March, 2021	Carrying amount	Contractual cash flows			
		Total	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities					
Non Current					
Unsecured Long term loans and borrowings	202	202	54	104	44
Other financial liabilities	1	1	-	1	-
Current					
Secured Short term loans and borrowings	29,364	29,364	29,364	-	-
Unsecured Short term loans and borrowings	70,527	70,527	70,527	-	-
Trade payables	65,502	65,502	65,502	-	-
Other payable (Capital creditors)	7,097	7,097	7,097	-	-
Unpaid Dividend	266	266	266	-	-
Derivative financial liabilities					
Current					
Foreign exchange forward contract	45	45	45	-	-

(₹ in Lakhs)

As at 31st March, 2020	Carrying amount	Contractual cash flows			
		Total	1 year or less	1-2 years	2-5 years
Non-derivative financial liabilities					
Non current					
Unsecured Long term loans and borrowings	223	223	44	99	80
Other financial liabilities	1	1	-	1	-
Current					
Secured Short term loans and borrowings	20,535	20,535	20,535	-	-
Unsecured Short term loans and borrowings	72,341	72,341	72,341	-	-
Trade payables	38,370	38,370	38,370	-	-
Other payable (Capital creditors)	10,203	10,203	10,203	-	-
Unpaid Dividend	225	225	225	-	-
Interest accrued but not due (# ₹41,223)	#0	#0	#0	-	-
Derivative financial liabilities					
Current					
Foreign exchange forward contract	5,951	5,951	5,951	-	-

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 (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the group generally hedges its estimated foreign currency exposure in respect of its forecast sales over the following 10 to 12 months. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The group, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2021:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 43.01 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 57 million	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2020:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 183.59 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 10 million	Sell

Exposure to currency risk

The summary quantitative data about the group's exposure to currency risk as reported to the management of the group is as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	38,620	21,434	103	40,636	20,911	109
Cash and cash equivalent	2,387	2,453	32	1,214	1,539	21
Security Deposits	5	-	-	5	6	-
Loans	-	-	14	-	-	16
Total A	41,012	23,887	149	41,855	22,456	146
Financial liabilities (B)						
Secured Loans	25,275	4,043	-	17,689	1,704	-
Unsecured Loans	61,449	-	23	69,127	-	-
Trade payables	6,921	7,434	142	11,340	10,723	166
Total B	93,645	11,477	165	98,156	12,427	166
Net statement of financial position exposure (A-B)	(52,633)	12,410	(16)	(56,301)	10,029	(20)

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.

(₹ in Lakhs)

As at 31st March, 2021	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(1,053)	1,053
USD	3%	372	(372)
Others	10%	(2)	2

(₹ in Lakhs)

As at 31st March, 2020	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(1,126)	1,126
USD	3%	301	(301)
Others	10%	(2)	2

(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 loans and borrowings, including interest rate profiles, refer to Note no.50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed-rate instruments		
Financial assets	56,573	48,024
Financial liabilities	(83,686)	(81,586)
	(27,113)	(33,562)
Variable-rate instruments		
Financial liabilities	(16,205)	(11,290)
	(16,205)	(11,290)

Interest rate sensitivity - fixed rate instruments

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS 107, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates.

Interest rate sensitivity - variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2021		
Variable-rate instruments	(162)	162
Sensitivity (net)	(162)	162
As at 31st March, 2020		
Variable-rate instruments	(113)	113
Sensitivity (net)	(113)	113

(Note: The impact is indicated on the profit/(loss) before tax basis)

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, As at 31st March, 2021 and 31st March, 2020. 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, 2021						
Financial assets						
Derivative financial instruments	1,903	-	1,903	1,903	-	1,903
Total	1,903	-	1,903	1,903	-	1,903
Financial liabilities						
Derivative financial instruments	45	-	45	45	-	45
Total	45	-	45	45	-	45
As at 31st March, 2020						
Financial assets						
Derivative financial instruments	326	-	326	326	-	326
Total	326	-	326	326	-	326
Financial liabilities						
Derivative financial instruments	5,951	-	5,951	5,951	-	5,951
Total	5,951	-	5,951	5,951	-	5,951

NOTE NO.40

Hedge accounting

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the next 10 to 12 months in advance. The group uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place.

For derivative contracts designated as hedge, the group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

The group applies cash flow hedge accounting to hedge the variability in the future cash flows attributable to foreign exchange risk. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship. On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method. Any ineffectiveness in a hedging relationship is accounted for in the statement of profit and loss.

The group has formally designated and documented hedge relationship from 1st April, 2016.

Disclosure of effects of hedge accounting on financial position As at 31st March, 2021

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, 2021

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in the Balance Sheet where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	57 Million EURO 43.01 Million USD	1903	45	-	FY 2021-22	1 USD = INR 74.5224 1 EURO = INR 89.2363
Particulars	Change in fair value for the year	Change in fair value for the year recognized in OCI	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 2020-21	7,483	-	Not applicable	-	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Lakhs)

Movement in Cash flow hedge reserve	As at 31st March, 2021	As at 31st March, 2020
Opening balance	(4,209)	3,449
Effective portion of changes in fair value:		
Foreign currency risk	7,483	(10,925)
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	(1,883)	3,267
Closing balance	1,391	(4,209)

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, 2021	As at 31st March, 2020
Gross Debt - Current Borrowings	99,891	92,876
Less - Cash and Cash Equivalents	5,492	4,682
Less - Current Investments	39,203	35,112
Net debt	55,196	53,082
Total equity	5,99,982	5,00,828
Add/(Less) : Hedging reserve	(1,391)	4,209
Equity	5,98,591	5,05,037
Net debt to Equity ratio	0.09	0.11

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, 2021	Year ended 31st March, 2020
Profit attributable to equity holders (₹ in lakhs)	1,17,753	95,965
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 ₹)	60.91	49.64

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. Basant Bansal - Director Finance (up to 28.08.2020), Mr. Madhusudan Bajaj (w.e.f 28.08.2020)-President (Commercial) & CFO.
- b) Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal (up to 28.08.2020), Mrs. Vijaya Bajaj (w.e.f. 28.08.2020)
- c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Ltd. (upto 06.05.2019), Clothing Culture Pvt. Ltd. (w.e.f. 07.05.2019).

II Related Party Transactions \$

(₹ in Lakhs)

Transactions	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials	-	15	-	12
Rent received	-	66	-	66
Recovery of Expenses	-	24	-	49
Sale of Trademark	-	-	-	1
Surrender of insurance policy	-	-	424	-
Rent Paid	203	-	102	-
Maintenance charges	5	-	-	-
Vehicle Hiring Charges	7	-	8	-
Remuneration	28	-	28	-
Meeting fees	3	-	1	-

(₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of (KMP)		Other related Party	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Outstanding Balances						
Remuneration payable (Outstanding for Relative of KMP is ₹ ₹16,800 (Previous Year ₹16,800))	6,503	4,602	0	0	-	-
Trade Receivable	-	-	-	-	-	12

III Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Remuneration	7,747	5,792
Recovery of Expenses	-	3
Surrender Of Insurance Policy	-	989

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials				
Clothing Culture Pvt Ltd	-	15	-	12
Rent received				
Clothing Culture Pvt Ltd	-	66	-	66
Recovery of Expenses				
Clothing Culture Pvt Ltd	-	24	-	49
Sale of Trade Mark				
Clothing Culture Pvt Ltd	-	-	-	1
Rent Paid				
Mrs. Pooja Dhoot	135	-	102	-
Mrs. Khushboo Poddar	68	-	-	-
Maintenance Expenses				
Mrs. Pooja Dhoot	3	-	-	-
Mrs. Khushboo Poddar	2	-	-	-
Vehicle hiring Charges				
Mr. Gunal Bansal	3	-	8	-
Mrs. Vijaya Bajaj	4	-	-	-
Meeting Fees				
Mrs. Vijaylaxmi Poddar	3	-	1	-
Remuneration				
Mrs. Khushboo Poddar	28	-	28	-
Surrender Of Insurance Policy				
Mrs. Khushboo Poddar	-	-	424	-

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Other related Party	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Outstanding Balances						
Remuneration payable						
Mr. Arvind Poddar	3,200	2,250	-	-	-	-
Mr. Rajiv Poddar	3,300	2,350	-	-	-	-
Mr. Vipul Shah	2	2	-	-	-	-
Mr. Madhusudan Bajaj (KMP ₹34,800)	0	-	-	-	-	-
Mr. Basant Bansal (Previous year KMP- ₹34,800)	-	0	-	-	-	-
Mrs. Khushboo Poddar-	-	-	0	0	-	-
Outstanding for Relative of KMP is ₹16,800 (Previous Year ₹ 16,800)	-	-	-	-	-	-
Trade Receivables						
Clothing Culture Pvt Ltd	-	-	-	-	-	12

Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Remuneration**		
Mr. Arvind Poddar	3,742	2,776
Mr. Rajiv Poddar	3,732	2,769
Mr. Vipul Shah	71	68
Mr. Madhusudan Bajaj	101	-
Mr. Basant Bansal	101	179
Recovery of Expenses		
Mr. Arvind Poddar	-	3
Surrender Of Insurance Policy		
Mr. Arvind Poddar	-	565
Mr. Rajiv Poddar	-	424

** 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
COVID-19

As per the current reports the Second wave of COVID-19 pandemic has peaked in most states in India. The Company is closely monitoring the impact due to COVID-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company has made a detailed assessment of its liquidity position for the Financial year 2021-22 including recoverability and carrying value of its assets comprising of Fixed assets as well as current assets including land and building, plant and machinery, investments, inventories, trade receivables etc. Based on current indicators of future economic condition, the Company expects to recover the carrying amount of these assets.

NOTE NO.45

As at 31st March, 2021, 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:

Particulars	(₹ in Lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	1,606	761
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

NOTE NO.46
Employee Benefit obligations
(A) Defined Contribution Plan

The 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.

Particulars	(₹ in Lakhs)	
	Year ended 31st March, 2021	Year ended 31st March, 2020
<u>Charge to the Statement of Profit and Loss based on contributions:</u>		
Superannuation	81	81
Employees' Provident fund	1,092	1,058

(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, 2021. 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, 2021 Gratuity (Funded plan)	As at 31st March, 2020 Gratuity (Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	5,752	4,549
Amount recognised in profit and loss		
Current service cost	506	421
Interest cost	396	354
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Financial assumptions	14	515
Experience adjustment (As at 31st March, 2021 ₹ 35,539)	0	107
Other		
Benefits paid	(195)	(194)
Closing defined benefit obligation	<u>6,473</u>	<u>5,752</u>
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	3,796	3,140
Amount recognised in profit and loss		
Interest income	262	245
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	(25)	(17)
Other		
Contributions by employer	577	623
Benefits paid	(195)	(194)
Closing fair value of plan assets	<u>4,415</u>	<u>3,796</u>
Actual return on Plan Assets	236	228
(iii) Plan assets comprise the following		
	Unquoted	Unquoted
Insurance fund (100%)	4,415	3,796
(iv) Principal actuarial assumptions used		
Discount rate	%	%
Rate of employee turnover	6.87	6.89
	For Service 4 years and below 10 % p.a. & thereafter 2%p.a	For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate	8.50	8.50
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	6,473	5,752
Fair value of plan assets as at year end	<u>4,415</u>	<u>3,796</u>
Net (asset) / liability recognised as at year end	<u>2,058</u>	<u>1,956</u>
Recognised under :		
Long term provisions	2,058	1,956
	<u>2,058</u>	<u>1,956</u>

(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, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(631)	757	(567)	683
Employee turnover (1% movement) - Gratuity	(83)	96	(76)	88
Future salary growth (1% movement) - Gratuity	642	(584)	600	(533)

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March , 2021					
Defined benefit obligations (Gratuity)	296	299	1,561	2,444	4,600
Total	296	299	1,561	2,444	4,600

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March , 2020					
Defined benefit obligations (Gratuity)	275	217	1,440	2,251	4,183
Total	275	217	1,440	2,251	4,183

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, 2021 based on actuarial valuation using the projected accrued benefit method is ₹ 25.28 lakhs (31st March, 2020 : ₹73.12 lakhs).

(₹ in Lakhs)

NOTE NO.47	As at 31st March, 2021	As at 31st March, 2020
Contingent Liabilities and Commitments		
(i) Contingent Liabilities		
a) Claims against the group not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	14,414	12,761
Disputed income tax demands	6,544	7,055
Others (Municipal / Gram panchayat tax, Electricity Duty etc.)	531	1,100
b) Guarantees given by the group's bankers on behalf of the group against the group's Indemnity	3,384	3,248
c) Corporate Guarantee given by the group:		
To the President of India through commissioner of Custom	43,023	42,961
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	61,367	36,997

(₹ in Lakhs)

NOTE NO.48	Year ended 31st March, 2021	Year ended 31st March, 2020
Payment to Auditors		
Statutory Auditors		
Audit Fees	73	63
For Other services - Certification, etc.	22	19
Total	95	82

(₹ in Lakhs)

NOTE NO.49	Year ended 31st March, 2021	Year ended 31st March, 2020
Research and Development Cost/Expenditure		
Revenue	2,417	2,491
Capital	785	1,262
Total of Research and Development Cost/Expenditure	<u>3,202</u>	<u>3,753</u>

(₹ in Lakhs)

NOTE NO.50	As at 31st March, 2021	As at 31st March, 2020
Nature of Security in respect of secured Loan (Short Term):		
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.	18,683	13,601
b) 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. Secured by Guarantee of the Parent Company.	4,043 6,638	1,660 5,274

NOTE NO.51

Segment reporting

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the group has only one reportable segment as follows:

- Manufacture and sale of tyres

The Managing Director of the group acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the group's revenue and non-current assets by the group's country of domicile and other countries.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
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	1,30,326	91,062
Revenue from foreign countries		
Europe	2,83,491	2,36,398
North America	75,897	76,679
Others	88,605	76,985
Total	5,78,319	4,81,124

C. Information about major customer

Revenue from major customer of the group was ₹ 63,808 lakhs as on 31st March, 2021 (Previous year 31st March, 2020: ₹ 56,558 lakhs.)

D. Segment Assets

(₹ in Lakhs)

	As at 31st March, 2021	As at 31st March, 2020
In India	4,53,788	4,03,832
Outside India	3,614	3,147
Total	4,57,402	4,06,979

NOTE NO.52

Additional information as required by paragraph 2 of Division 2 of schedule III to the companies Act 2013 - 'General instruction for the preparation of consolidated financial statement' Division 2 of Schedule III

31st March, 2021

(₹ 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 (INR)	As % of Consolidated Profit or Loss	Amount (INR)	As % of Consolidated Other Comprehensive income	Amount (INR)	As % of Total Comprehensive income	Amount (INR)
Parent	100.11%	6,00,721	98.12%	1,15,538	121.12%	5,571	98.98%	1,21,109
Subsidiaries								
Foreign								
1. BKT USA INC	0.15%	905	0.12%	143	(0.66%)	(30)	0.09%	113
2. BKT EXIM US, INC (Share in other Comprehensive income ₹ 49,133)	0.10%	606	0.13%	157	0.01%	0	0.13%	157
3. BKT TIRES (CANADA) INC	0.03%	182	0.06%	71	(0.55%)	(25)	0.04%	46
4. BKT EUROPE S.R.L.	0.04%	266	0.84%	989	(19.92%)	(916)	0.06%	72
Indian								
5. BKT Tyres Ltd. (Share in Profit & Loss ₹ (48,454))	0.00%	5	0.00%	(0)	-	-	0.00%	(0)
Elimination	(0.44%)	(2,703)	0.73%	856	-	-	0.70%	856
Total	100.00%	5,99,982	100.00%	1,17,753	100.00%	4,599	100.00%	1,22,352

31st March, 2020

(₹ 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 (INR)	As % of Consolidated Profit or Loss	Amount (INR)	As % of Consolidated Other Comprehensive income	Amount (INR)	As % of Total Comprehensive income	Amount (INR)
Parent	100.40%	5,02,810	98.47%	94,498	89.76%	(8,287)	99.40%	86,211
Subsidiaries								
Foreign								
1. BKT USA INC	0.16%	792	0.10%	95	(0.97%)	90	0.21%	185
2. BKT EXIM US, INC	0.09%	448	0.94%	905	7.86%	(726)	0.21%	179
3. BKT TIRES (CANADA) INC	0.03%	136	0.06%	61	0.23%	(21)	0.05%	40
4. BKT EUROPE S.R.L.	0.04%	194	0.19%	182	3.12%	(288)	(0.12%)	(107)
Indian								
5. BKT Tyres Ltd.	0.00%	5	0.00%	(1)	-	-	0.00%	(1)
Elimination	(0.71%)	(3,557)	0.23%	225	-	-	0.26%	225
Total	100.00%	5,00,828	100%	95,965	100%	(9,233)	100.00%	86,732

NOTE NO.53

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

(₹ in Lakhs)

PARTICULARS	Year ended 31st March, 2021	Year ended 31st March, 2020
Total Expenditure towards CSR activity	1,812	1,773
Amount required to be spent u/s 135 of Companies Act 2013	2,232	2,123
Excess/(Short)	(420)	(350)

In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021") effective from 22nd January, 2021, if a company fails to spend the prescribed CSR amount during the year and such unspent amount pertains to any ongoing project, the company shall transfer the unspent amount to a special bank account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account within a period of 30 days from the end of the relevant financial year. ₹420 lakhs unspent during the FY 2020-2021 has been already deposited by the Company in a separate bank account within the stipulated period.

NOTE NO.54

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended a final dividend of ₹5 (250 %) per equity share of ₹ 2/-each.

NOTE NO.55

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 to 55

As per our report of even date attached

For N.G. THAKRAR & CO.
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 14th May, 2021

MADHUSUDAN BAJAJ
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: 14th May, 2021

BKT

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**PLAYING TOGETHER,
GROWING TOGETHER**

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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