

GIANLUIGI BERRUTI MANZONE

DOTTORE COMMERCIALISTA
REVISORE LEGALE
20122 MILANO – VIALE BIANCA MARIA 25

To the attention of Sole Shareholder
BALKRISHNA INDUSTRIES LIMITED
B-66, Waluj MIDC, Waluj Industrial Area,
Aurangabad 431 136, Maharashtra (India)

Milan, 4 May 2021

AUDITOR' S REPORT

I, the undersigned Gianluigi Berruti Manzone, chartered accountant (Dottore Commercialista), enrolled in the Registry of Italian Certified Public Accountants (Revisori Legali dei Conti) under the number 130275, with reference to the fiscal year closed as of march 31th, 2021, of the company BKT EUROPE SRL, with registered office in Viale Bianca Maria 25, 20122 Milano, VAT and Business Registry no. 05404270968, Economic and Administrative Index no. 1819352, hereby certify that:

1. the financial statements give a true and fair view of the financial position and of the results of operations of the company;
2. the accounts correctly reflect the values and the description of the documents and the company records held by the company.

Gianluigi Berruti Manzone


BKT EUROPE S.R.L.

Head office, address MILANO - VIALE BIANCA MARIA , 25

Capital Stock paid Euro 100.000,00

Registered to the Chamber of Commerce of MILANO

The identification N. - N. of enterprises registry 05404270968

Value-added tax identification number: 05404270968 - No. Of the economic
administrative registry (Rea): 1819352

Financial Statements at 31/03/2021

Balance sheet (mandatory scheme)

Assets	31/03/2021	31/03/2020
A) RECEIVABLES DUE FROM SHAREHOLDERS		
Total receivables due from shareholders (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
3) Industrial patents and intellectual property rights	23.977	4.257
7) Other	2.522.407	1.858.201
Total intangible fixed assets	2.546.384	1.862.458
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	775.950	853.392
3) Industrial and commercial equipment	141.026	168.321
4) Other assets	838.476	955.381
Total tangible fixed assets	1.755.452	1.977.094
<i>III) Financial fixed assets</i>		
Total financial fixed assets (III)	0	0
Total fixed assets (B)	4.301.836	3.839.552
C) CURRENT ASSETS		
<i>I - Inventories</i>		
4) Finished products and goods for resale	2.220.289	1.733.222
Total inventories	2.220.289	1.733.222

II Receivables

1) Trade accounts		
Due within the following year	4.135.220	3.759.085
Total trade accounts	4.135.220	3.759.085
5-b) Tax receivables		
Due within the following year	1.166.027	4.732.406
Total receivables due from tax authorities	1.166.027	4.732.406
5-c) Prepaid tax	418	418
5-d) Other receivables		
Due within the following year	237.611	398.467
Due beyond the following year	5.480	5.480
Total receivables due from third parties	243.091	403.947
Total receivables	5.544.756	8.895.856

III - Current financial assets

Total financial current assets	0	0
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IV - Liquid funds

1) Bank and post office deposits	1.339.323	1.392.359
3) Cash and equivalents on hand	980	964
Total liquid funds	1.340.303	1.393.323

Total current assets (C)	9.105.348	12.022.401
D) ACCRUED INCOME AND PREPAYMENTS	322.004	195.300
TOTAL ASSETS	13.729.188	16.057.253

Balance sheet (mandatory scheme)

Liabilities and shareholders' equity	31/03/2021	31/03/2020
A) SHAREHOLDERS' EQUITY		
I - Share capital	100.000	100.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	20.000	5.540

V - Statutory reserves	0	0
<i>VI - Other reserves, indicated separately</i>		
Miscellaneous other reserves	2	3
Total other reserves	2	3
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	301.180	229.459
IX - Net profit (loss) for the year	139.984	86.181
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	561.166	421.183
B) RESERVES FOR CONTINGENCIES AND OTHER CHARGES		
Total reserves for contingencies and other charges (B)	0	0
C) TOTAL RESERVE FOR SEVERANCE INDEMNITIES (TFR)	311.816	259.038
D) PAYABLES		
4) Due to banks		
Due within the following year	7.710.000	6.350.000
Total payables due to banks (4)	7.710.000	6.350.000
7) Trade accounts		
Due within the following year	4.145.667	8.541.953
Total trade accounts (7)	4.145.667	8.541.953
12) Due to tax authorities		
Due within the following year	110.972	30.373
Total payables due to tax authorities (12)	110.972	30.373
13) Due to social security and welfare institutions		
Due within the following year	171.685	64.383
Total payables due to social security and welfare institutions (13)	171.685	64.383
14) Other payables		
Due within the following year	324.636	187.624
Total other payables (14)	324.636	187.624

Total payables (D)	12.462.960	15.174.333
E) ACCRUED LIABILITIES AND DEFERRED INCOME	393.246	202.699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13.729.188	16.057.253

Income statement (value and cost of production)

	31/03/2021	31/03/2020
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	26.696.949	26.511.842
2) Change in work in progress, semi-finished and finished products	487.067	-1.216.569
5) Other income and revenues		
Operating grants	35.324	0
Other	878.051	12.225
Total other income and revenues	913.375	12.225
Total value of production	28.097.391	25.307.498
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods for resale	6.533.701	6.200.775
7) Services	17.784.065	15.955.894
8) Use of third party assets	186.412	202.332
9) Personnel		
a) Wages and salaries	1.366.512	1.224.539
b) Related salaries	401.952	371.275
c) Severance	86.426	75.054
Total payroll and related costs	1.854.890	1.670.868
10) Depreciation, amortisation and writedowns		
a) Amortisation of intangible fixed assets	903.674	544.912
b) Depreciation of tangible fixed assets	330.245	161.617
d) Write-downs of accounts included among current assets	0	131.234
Total Amortisation, depreciation and write-downs	1.233.919	837.763
14) Other operating expenses	106.295	89.500
Total cost of production	27.699.282	24.957.132
Difference between value and cost of production (A - B)	398.109	350.366
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		

d) Income other than the above		
Other	84	61
Total income other than the above	84	61
Total other financial income	84	61
17) Interest and other financial expense		
Other	180.159	177.358
Total interest and other financial expense	180.159	177.358
17-bis) Currency gains and losses	-3.169	-917
Total financial income and expense (15 + 16 - 17 + - 17-bis)	-183.244	-178.214
D) VALUE ADJUSTEMENTS TO FINANCIAL ASSETS AND LIABILITIES		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
PRE-TAX RESULT(A - B + - C + - D)	214.865	172.152
20) Income tax for the year, current, deferred and prepaid		
Current taxes	74.881	85.971
Total taxes on the income for the year	74.881	85.971
21) PROFIT (LOSS) FOR THE YEAR	139.984	86.181

Managing Director

Lucia Salmaso

