# 55th ANNUAL REPORT

## 2016 - 2017

GROWING TOGETHER

Balkrishna Industries Limited

Lord Ganesha

## Contents

## BOARD OF DIRECTORS:

DHARAPRASAD PODDAR
Chairman Emeritus

ARVIND PODDAR
Chairman & Managing Director

RAJIV PODDAR
Joint Managing Director

VIPUL SHAH
Whole Time Director & Company Secretary

VIJAYLAXMI PODDAR
SACHIN NATH CHATURVEDI
KHURSHED DOONGAJI
LAXMIDAS MERCHANT
SANJAY ASHER
ASHOK SARAF
RAMESH PODDAR
(Upto 9th September, 2016)

## BANKERS:

CORPORATION BANK
STANDARD CHARTERED BANK
STATE BANK OF INDIA
KOTAK MAHINDRA BANK LTD.
BARCLAYS BANK PLC
INDUSIND BANK LTD.
CITI BANK N.A.
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD.
THE BANK OF NOVA SCOTIA
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.
MIZUHO BANK LTD.

## AUDITORS:

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

## INTERNAL AUDITORS:

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

## 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 – 400013
(Maharashtra)

## PLANTS:

### 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)

### CALENDERING :

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

### 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)

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

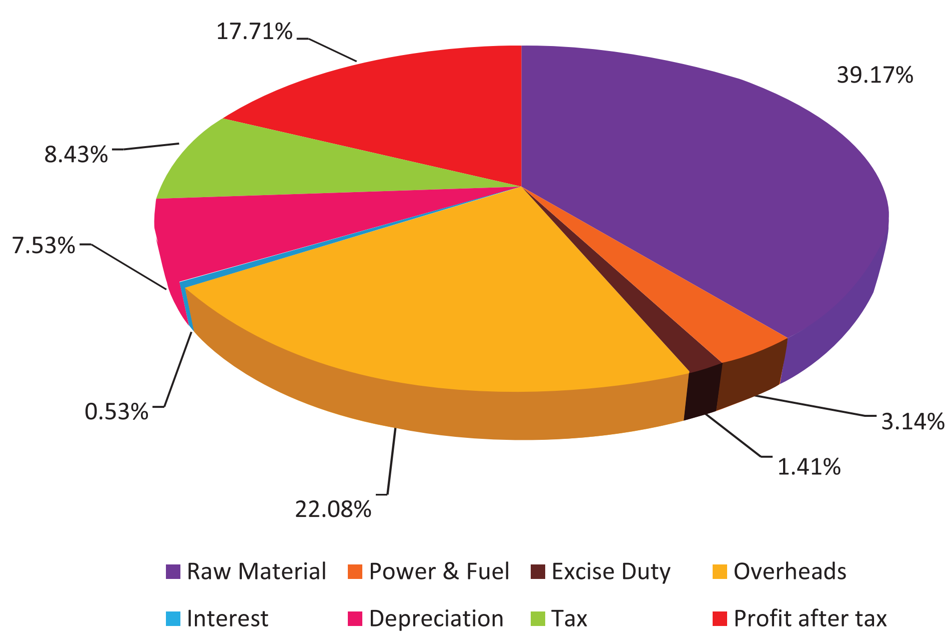
## FINANCIAL HIGHLIGHTS (STANDALONE)

**(Rs. In Lakhs)**

| Particulars | Ind AS | | I GAAP | | |
|---|---|---|---|---|---|
| **Year ended 31st March** | **2017** | 2016 | 2015 | 2014 | 2013 |
| Revenue From Operations | **378830** | 327252 | 377991 | 357671 | 319057 |
| Other Income | **24911** | 14896 | 27980 | 1384 | 421 |
| Total Income | **403741** | 342148 | 405971 | 359055 | 319478 |
| PBIDT | **138097** | 98710 | 101416 | 90763 | 66859 |
| PBDT | **135953** | 94763 | 96775 | 88266 | 64291 |
| Depreciation | **30383** | 28217 | 24020 | 16496 | 10771 |
| PBT | **105570** | 66546 | 72755 | 71770 | 53520 |
| Taxes | **34056** | 22689 | 23874 | 22933 | 17937 |
| PAT | **71514** | 43857 | 48881 | 48837 | 35583 |
| Dividend | ***400%** | 275% | 120% | 100% | 75% |
| Earning per Share of Rs. 2 each | **73.99** | 45.37 | 51.55 | 50.53 | 36.81 |
| Total Cash Accruals | **95499** | 62893 | 72901 | 63080 | 44658 |

*The Board has declared and paid 1st Interim Dividend of Rs. 1.50 per equity share, 2nd Interim Dividend of Rs. 2.00 per equity share and 3rd Interim Dividend of Rs. 2.00 per equity share, aggregating to Rs. 5.50 per equity share and recommended Final Dividend of Rs. 2.50 per equity share for the financial year ended 31st March, 2017.

### RUPEES EARNED / SPENT (%)



# DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

**Dear Shareholders,**

The Directors present the Annual Report of Balkrishna Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

The Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from 1st April, 2016 with a transition date of 1st April, 2015. Ind AS is applicable to the Company from 1st April, 2016.

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 38 in the notes to accounts in the standalone as well as consolidated financial statement.

## 1. FINANCIAL RESULTS:

**(Rs. in Lakhs)**

| PARTICULARS | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **Current Year ended** | Previous Year ended | **Current Year ended** | Previous Year ended |
| | **31.03.2017** | 31.03.2016 | **31.03.2017** | 31.03.2016 |
| **Revenue from Operations** | **378830** | 327252 | **378384** | 328946 |
| Other Income | **24911** | 14896 | **25363** | 17374 |
| **Total Income** | **403741** | 342148 | **403747** | 346320 |
| **Gross Profit** | **135953** | 94763 | **136260** | 95657 |
| Less: Depreciation | **30383** | 28217 | **30400** | 28232 |
| **Profit before tax** | **105570** | 66546 | **105860** | 67425 |
| Less: Provision for tax | | | | |
| Current Tax | **29540** | 22970 | **29666** | 23193 |
| Deferred Tax | **4516** | (281) | **4509** | (340) |
| **Profit after Tax** | **71514** | 43857 | **71685** | 44572 |

## 2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your company is primarily into tyre industry and within it focuses on "Off Highway segment" which generally consist of agriculture tyres, industrial tyres, construction tyres, mining tyres, port tyres, lawn and garden tyres and all terain vehicle tyres (ATV).

This segment is known as "large varieties low volume segment" wherein any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers. The major market for these kind of tyres are the developed countries, more particularly, Europe and USA.

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.

Under this segment, there are primarily 3 channel partners;

1) Distributors (known as replacement segment)
2) Original equipment manufacturer (OEM)
3) Institutional players who maintains larger base of fleet.

The growth rate of these segments has been in the range of 3 ~ 4% and in last few years, no major capacity additions have taken place across the globe.

## 3. OPERATIONS :

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of "Off-Highway Tyres"(OHT), which are mainly used in Agricultural, Industrial & Construction, Earthmover & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV). More than 80% of our revenue is generated through exports.

During the year under consideration on Standalone basis, your Company achieved a Net turnover of Rs. 378830 Lakhs as against Rs. 327252 Lakhs during previous financial year, Earnings before Interest, Depreciation and Tax (EBITDA) has increased to Rs. 138097 Lakhs from Rs. 98710 Lakhs during previous financial year and Net profit has increased to Rs. 71514 Lakhs from Rs. 43857 Lakhs during previous financial year.

During the year under consideration on Consolidated basis, your Company achieved Net turnover of Rs. 378384 Lakhs as against Rs. 328946 Lakhs during previous financial year, Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to Rs. 138460 Lakhs from Rs. 99606 Lakhs during previous financial year and Net profit has increased to Rs. 105860 Lakhs from Rs. 67425 Lakhs during previous financial year.

## 4. EXPORT HOUSE STATUS:

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

## 5. DIVIDEND:

The Directors have declared and paid Interim Dividends of 275% (Rs. 5.50 per equity share) and pleased to recommend Final Dividend of Rs. 2.50 per equity share (125%) for the year 2016-2017.

The Final Dividend if approved by the Shareholders, the total dividend payout for the year including tax will be Rs. 9307 Lakhs.

## 6. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2017 is Rs. 1933 Lakhs. During the year under review the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2017, none of the Directors of the Company hold convertible instruments.

## 7. RESERVES:

The Company proposes to transfer Rs. 50000 Lakhs to General Reserves.

## 8. OUTLOOK FOR THE CURRENT YEAR 2017-2018:

The Company's earnings are mainly generated through exports. The overall business environment across the globe has been challenging in past few years, however, the previous year has been good due to revival in commodity cycle and overall good agricultural activities across the globe. Unfortunately, the momentum in revival of commodity cycle has not been of a sustained nature and therefore the business environment still looks challenging. However, the long term prospects of the Company are good and promising. Your Company continues to explore all the avenues to ensure growth of the business which includes, deeper penetration into existing market within India as well as outside India, extending relationship with OEMs and expanding product range. With all such efforts, your Company has aimed to achieve higher sales during the current year.

## 9. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

## 10. OPPORTUNITY & THREATS:

**Opportunities:**

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

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

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

**Threats:**

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

## 11. RISKS / CONCERNS AND RISK MITIGATION:

**Fluctuation in Raw Material prices:**

The Company's major raw material is Natural Rubber, which is an agricultural commodity and actively traded on the commodities exchanges. Its prices fluctuate significantly and have witnessed significant volatility in the past. During last two years, the raw material prices have been soft in the back drop of subdued business environment across the globe. Of late, it moved up and then softened again. Currently, it is moving in narrow range. So is the case with other raw materials.

In order to minimize such risks, the Company not only enters into medium-term contracts but also adopts the policy to "Buy and Stock" large quantities during the lean period.

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

**Labour Relations:**

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

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

**Retention of skilled manpower:**

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

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

**Currency Fluctuation:**

As stated earlier the company revenues are mainly generated through exports. The Company also imports lot of its raw materials and capital equipment's. Moreover, all its borrowings are in foreign currency and it is therefore exposed to risks due to currency fluctuations.

The Company follows the system of hedging its receivables (net off payables) well in advance by entering into Forward Contracts, thereby protecting itself from the fluctuations in currencies to a large extent.

## 12. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has aligned its current systems of internal financial control with the requirement of the Companies Act, 2013. Your Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2017.

KPMG was appointed to assess the effectiveness of internal financial controls of the company during last financial year. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee.

The Audit Committee reviewed the reports submitted by the Management, KPMG, Internal Auditors and Statutory Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Company's Audit Committee has concluded that, as of 31st March, 2017, the Company's internal financial controls were adequate and operating effectively.

## 13. HUMAN RESOURCES:

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

## 14. SUBSIDIARY COMPANIES:

The company has following 100% subsidiary companies:

BKT EXIM Limited, BKT Tyres Limited, Thristha Synthetics Limited, and Indirect subsidiary Companies i.e subsidiary companies of BKT EXIM Limited - BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC and subsidiary of BKT EXIM US, INC - BKT TIRES INC. The Policy determining material subsidiaries as approved may be accessed on the Company's website at the link *http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1801*.

Your Directors had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary BKT EXIM Limited (BKT EXIM) into it and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956 at its meeting held on 18th May, 2016, subject to the approval of the Honorable High Court of Judicature at Bombay ('the High Court'), National Company Law Tribunal ('NCLT') or such other competent authority.

The Company has filed petition in the Bombay High Court, which was transferred to NCLT and is still pending with it.

A statement containing the salient features of the financial position of subsidiary companies in Form AOC-1 attached as **Annexure I.**

## 15. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3)(c) and 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge confirm that:

(i) that in the preparation of the annual accounts for the year ended 31st March, 2017, 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, 2017 and of the Profit of the Company for that period;

(iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts of the Company on a "going concern" basis;

(v) the Directors have laid down internal financial controls to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and

(vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are adequate and operating effectively.

## 16. 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. The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board may be accessed on the Company's website at the link *http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1798*. Members can refer Note no. 45 to the financial statement which set out related party disclosures.

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 entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the financial year were in ordinary course of the business and on arm's length basis. No material related party transactions were entered during the financial year by your Company. 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.

## 17. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on the website of the Company at link: *http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1796*.

## 18. RISK MANAGEMENT:

The Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out to ascertain the various risk which the company generally faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Ramesh Poddar, resigned w.e.f. 10$^{th}$ September, 2016 as Director from the Board of the Company and the same was considered and accepted by the Board with effect from 10th September, 2016. Your Directors place on record their appreciation of the guidance given and services rendered by Mr. Ramesh Poddar during his tenure as Director of the Company.

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 Annual General Meeting and being eligible seeks re-appointment. The Board recommends her re-appointment.

As recommended by Nomination and Remuneration Committee the Board of Directors of the Company has re-appointed Mr. Vipul Shah as Whole Time Director designated as Director & Company Secretary of the Company for term of five years w.e.f. 11$^{th}$ February, 2017 to 10$^{th}$ February, 2022 subject to approval of members of the Company.

Brief resume of the Directors being re-appointed as required under SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India is provided in the notice convening the Annual General Meeting 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 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

## 20. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination and Remuneration Committee, laid down a Nomination and Remuneration Policy for selection and appointment of the Directors and Key Managerial personnel and their remuneration. The extract of Remuneration Policy is provided in the Corporate Governance Report forms part of Board's Report.

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

(i) Criteria For Appointment Of Managing Directors / Whole Time Director / Director:

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

(ii) Criteria For Appointment Of Independent Director:

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

## 21. PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5$^{th}$ January, 2017.

The Nomination and Remuneration Committee 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.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was 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 was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## 22. AUDITORS:

**Statutory Auditors:**

Pursuant to the provisions of Section 139 of the Companies, 2013 and Rules made thereunder the terms of office of Messers Jayantilal Thakkar & Co., Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors place on record its appreciation to the services rendered by Messers Jayantilal Thakkar & Co., Chartered Accountants of the Company.

Subject to approval of the members, the Board of Directors of the Company has recommended the appointment of M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration Number 110907W) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

The Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

**Secretarial Auditor:**

The Board has appointed Mr. GBB Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith marked as **Annexure III**.

**Cost Auditor:**

The Company's revenue from exports, in foreign exchange, exceeds seventy-five per cent of Company's total revenue, as per Rule 7 (i) of the Companies (Cost Records and Audit) Rules, 2014 Cost Audit is not applicable to the Company for the financial year 2016-17.

## 23. AUDITOR'S QUALIFICATION:

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

There are no frauds reported in the reports of the Auditors as mentioned under sub-section (12) of Section 143.

## 24. INDUSTRIAL RELATIONS:

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

## 25. 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.

## 26. DISCLOSURES:

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

The Vigil Mechanism of the Company which also incorporate a whistle blower policy in the terms of SEBI (Listing Obligations and Disclosure Requirements), 2015 deals with instances of fraud and mismanagement, if any. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1797.

**ii. Audit Committee:**

The Audit Committee comprised of Two Independent Non-Executive Directors viz. Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji and One Joint Managing Director Mr. Rajiv Poddar. All the recommendations made by the Audit Committee were accepted by the Board.

**iii. Number of Board Meeting:**

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

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note No. 14, 5, 10, 49 & 52 to the Standalone Financial Statement.

**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. Cash Flow and Consolidated Financial Statements:**

As required under Regulation 34(2) of SEBI LODR, Cash Flow and Consolidated Financial Statements is annexed.

**vii. Extract of Annual Return:**

Extract of annual return of the Company is annexed herewith as **Annexure V** to this report.

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

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

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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Report.

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

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

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

x. **Business Responsibility Report:**

As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure VII**.

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

1. Details relating to deposit and unclaimed deposits or interest thereon.
2. Issue of equity shares with differential rights as to dividend or voting.
3. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
4. Neither the Managing / Joint Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future.

## 27. CAUTIONARY STATEMENTS:

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

## 28. APPRECIATION:

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

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

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

Place : Mumbai,
Dated : 25th May, 2017

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

## 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 | 6 | 7 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Rs. In Lakhs | | | |
| 1 | Name of the Subsidiary | BKT EXIM LIMITED | BKT TYRES LIMITED | BKT EXIM US, INC * | BKT EUROPE SRL | BKT USA INC | BKT TIRES (CANADA) INC | THRISTHA SYNTHETICS LIMITED |
| 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. | | | | | | |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.** | INR | INR | USD | EURO | USD | CAD | INR |
| 4 | Share Capital | 70.00 | 5.00 | 36.59 | 5.50 | 0.70 | 2.68 | 5.00 |
| 5 | Reserves & Surplus | 267.17 | 1.35 | 19.93 | 109.29 | 449.78 | 44.17 | (0.89) |
| 6 | Total Assets | 337.40 | 6.46 | 2873.36 | 3646.91 | 557.48 | 89.74 | 4.18 |
| 7 | Total Liabilities | 0.23 | 0.11 | 2816.84 | 3532.12 | 107.00 | 42.88 | 0.07 |
| 8 | Investment | 326.94 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Turnover (include other income) | 65.67 | 0.00 | 3837.29 | 6749.28 | 2482.06 | 583.36 | 0.00 |
| 10 | Profit Before Taxation | 57.94 | (0.49) | 4.69 | 88.43 | 149.20 | 25.21 | (0.18) |
| 11 | Provision of Tax | 12.60 | 0.00 | (1.58) | 36.36 | 61.14 | 10.11 | 0.00 |
| 12 | Profit/(Loss) After Taxation | 45.34 | (0.49) | 6.27 | 52.07 | 88.06 | 15.10 | (0.18) |
| 13 | Proposed Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | % of Shareholding | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Notes:

1. Part B of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2017.
2. * Including figures of BKT TIRES INC.

****Exchange Rate**

1 Euro = Rs.69.2476

1 US $ = Rs.64.8386

1 CAD = Rs.48.5861

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

Place : Mumbai,
Dated : 25th May, 2017

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

# ANNEXURE – II

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17**

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

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

   CSR Policy is stated herein below : WEBLINK *http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1796*
2. The Composition of Corporate Social Responsibility & Governance Committee ("CSR&G")

   The nomenclature of Corporate Social Responsibility & Governance Committee has been changed to Corporate Social Responsibility Committee w.e.f 25th May, 2017. Presently the Committee comprises of:

   Mrs. Vijaylaxmi Poddar (Chairperson), Mr. Rajiv Poddar (Member), Mr. Sachin Nath Chaturvedi (Member), Mr. Sanjay Asher (Member) and Mr. Vipul Shah (Member).
3. Average net profit of the Company for last three financial years: Rs. 75033.38 Lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 1500.67 Lakhs
5. Details of CSR spent during the financial year:
   (a) Total amount to be spent for the financial year; Rs. 1500.67 Lakhs
   (b) Amount unspent, if any : NIL
   (c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | Projects / Activities | Sector | Project or Programs wise Districts/State | Amount Outlay (Budget) Project of Programs wise | Amount Spent on the project or program | Cumulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency* |
|---|---|---|---|---|---|---|---|
| | | | | Rs. In Lakhs | | | |
| 1 | Provision of Mid-Day meals for 90000 school children | Healthcare / Education | Vrindavan, Lucknow (U.P), Ahmedabad, Surat (Gujarat), Jaipur (Rajasthan), Bhilai (Chattisgarh) | 695.00 | 623.75 | 623.75 | 623.75 |
| 2 | Construction of Kitchen with capacity to serve approx 50000 meals a day | Healthcare | Tal: Bhuj Dist Kutch (Gujarat) | 600.00 | 300.00 | 300.00 | 300.00 |
| 3 | Construction of 925 toilets and solid liquid management facility under Mahatma Gandhi Swachata Abhiyan | Rural Development | Tal: Bhuj Dist Kutch (Gujarat) | 139.27 | 139.27 | 139.27 | 139.27 |
| 4 | Heart surgeries of needy and under privileged children / people | Healthcare | Thane, Mumbai (Maharashtra), Bangalore (Karnatak), Cuddalore, Chennai (Tamil Nadu), Kolkata (West Bengal), Secunderabad (A.P) | 90.00 | 90.00 | 90.00 | 90.00 |
| 5 | Children Palliative care - Care for children with life limiting illness | Healthcare | Aurangabad (Maharashtra) | 10.00 | 10.00 | 10.00 | 10.00 |
| 6 | Sponsored Medical Equipment | Healthcare | Mumbai (Maharashtra) | 85.23 | 77.00 | 77.00 | 77.00 |
| 7 | Water Management Facility | Healthcare | Taluka: Gargaon Dist Thane (Maharashtra) | 20.00 | 20.00 | 20.00 | 20.00 |
| 8 | Support to Indian Cancer Society (ICCF) | Healthcare | Mumbai (Maharashtra) | 37.13 | 37.13 | 37.13 | 37.13 |
| 9 | Vocational Training to Person with Disability | Education | Tehsil: Karjat Dist:Ahmednagar (Maharashtra) | 6.68 | 6.68 | 6.68 | 6.68 |
| 10 | Construction of 568 Household toilets in 12 Villages and Adoption of 41 Government Schools | Rural Development/ Education | Thondamuthur Dist: Coimbatore (Tamil Nadu) and Dist: Villupuram (Tamil Nadu) | 215.49 | 181.76 | 181.76 | 181.76 |
| 11 | Education and Training in Computer, Sewing and Handicraft | Education | Madhapar Bhuj (Gujarat) | 1.00 | 1.00 | 1.00 | 1.00 |
| 12 | Basic Amenities provided in School | Education / Rural Development | Dhaneti, Vadwaara, Mamuara, Paddhar, Tal: Bhuj Dist: Kutch (Gujarat) | 14.62 | 14.62 | 14.62 | 14.62 |
| | | | | **1914.42** | **1501.21** | **1501.21** | **1501.21** |

- Details of the Implementing agencies - 1 & 2. The Akshay Patra Foundation, Bangalore, 3.100% Contribution by Industrial Unit (Direct), 4. Have a Heart Foundation, Mumbai and Bangalore, 5. Tata Memorial Centre, Mumbai, 6. K.E.M Hospital, Mumbai, Tata Memorial Centre, Mumbai and Nair Hospital, Mumbai, 7. Eklavya Swavalamban Trust, Mumbai, 8. Indian Cancer Society, Mumbai, 9. National Society for Equal Opportunity for Handicapped, Mumbai, 10. ISHA Outreach, Coimbatore, 11. Kutch Navpallav Education and Medical Charitable Trust, Bhuj, 12.100% Contribution by Industrial Unit (Direct).

6. The Company was required to spend Rs. 1500.67 Lakhs during the year and spent the entire amount of Rs. 1501.21 Lakhs on various CSR activities.
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

| | |
|---|---|
| **Sachin Nath Chaturvedi** | **Vijaylaxmi Poddar** |
| **Chairman of CSR&G Committee** | **Member of CSR&G Committee** |

The CSR vision of the Company is "Promotion of Education, Health, Rural Development and help society in difficult times like natural calamities".

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

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

To pursue these objectives;

1) The Company will continue to provide medical assistance to needy and poor people directly as well as through NGO's and also by providing medical equipment's to hospitals.
2) The Company will continue to provide assistance to needy and poor students to impart good education through NGO's and other educational institutions and also by way of providing stationeries including computer etc. to schools / educational institutions.
3) In terms of rural development, the Company will work with NGO's or other similar kind of organization to install and maintain water management facility to provide good and hygienic drinking water in the rural areas.
4) The Company will pro-actively support the Government, NGO's and other similar kind of organization to help the society to tackle the aftermath of natural disaster or calamities like floods, earthquake etc.
5) The Company will continue to work with likeminded bodies including governments, voluntary organizations and academic institutes to achieve our objective in the area of CSR.
6) The Company will interact with the stakeholders to review and improve our CSR activities.

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## ANNEXURE – III

**SECRETARIAL AUDIT REPORT**

for the financial year ended 31st March, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2017 (hereinafter referred to as "audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder; the applicable provisions of the Companies Act, 1956 and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the audit period.**
    (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **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.**

(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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company during the audit period.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company since it has not bought back any securities during the audit period.**

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) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 are captured and recorded as part of the minutes.

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

**I further report** that during the audit period:

(i) The Company has changed its Registrar & Share Transfer Agents from M/s. Sharepro Services India Private Limited to M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.

(ii) The Board of Directors of the Company, on May 18, 2016, have approved the Scheme of Amalgamation of its wholly owned subsidiary company M/s. BKT EXIM Limited in to itself under sections 391 to 394 and any other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent notified and applicable. The Company has filed the necessary petition in the Bombay High Court, which was transferred to the National Company Law Tribunal (NCLT) and is pending with NCLT.

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

Place : Mumbai,
Date : 25th May, 2017.

**'Annexure A'**

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

My report of even date is to be read along with this letter.

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

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

Place : Mumbai,
Date : 25th May, 2017.

# ANNEXURE – IV

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

## A. CONSERVATION OF ENERGY:

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

As a responsible organization, the Company has constantly been taking measures to improve its operations and its activities such that the impact on the environment is minimized. The Company has improved many of its existing processes which have resulted in reduction in consumption of resources which in turn has reduced its Carbon emissions as compared to the previous year.

The Company's various efforts in energy conservation have resulted in multiple awards which the Company has received over the years. Some of the prominent ones are:

- First Prize at state level by RECA 2015 in energy conservation (Total saving of Rs. 133 Lakhs)
- Won the 1st prize of national energy conservation award for the year 2009 and in continuation 2nd prize of year 2006, 2010 & 2011 in Rubber/tyre sectors from Bureau of Energy Efficiency, Ministry of Power (Government of India).
- Won the 1st prize of state energy conservation award for the years 2010, 2011, 2012, 2014 & 2015 continuation in rubber/tyre sectors at state level from Rajasthan Renewable Energy Conservation Ltd.

Few examples are- by way of optimization of utility pumps with VFD operation, condensate recovery from curing drains, Motor pumps replaced by energy efficient pumps, put LED lights in place of normal lights etc.

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

- In 2004, the Company has installed a wind farm in West of Jaisalmer Town, Rajasthan, which is connected to the state electricity grid. The wind farm consists of four Suzlon Wind Turbine Generators (WTGs) of 1.25 MW rated capacity each, for a total capacity of 5 MW and the same are operated by Suzlon.
- The Company has installed a 1 MW Solar Panel on the rooftop at its Chopanki plant to further increase its energy sourcing from renewable sources.

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

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

## B. TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption:

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

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

(a) Quality improvement.

(b) Energy conservation.

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

(a) the details of technology imported; NA

(b) the year of import; NA

(c) whether the technology been fully absorbed; NA

(d) if not fully absorbed areas where absorption has not taken place, and the reasons thereof; and NA

(iv) the expenditure incurred on Research and Development (Rs. In Lakhs):

(a) Capital : 908

(b) Revenue : 1456

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Foreign Exchange used : 127112 Lakhs

(b) Foreign Exchange earned : 314955 Lakhs

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

Place : Mumbai,
Dated : 25th May, 2017

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

# ANNEXURE - V

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31st March, 2017**

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

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i) | CIN | L99999MH1961PLC012185 |
| ii) | Registration Date | 20th November, 1961 |
| iii) | Name of the Company | Balkrishna Industries Ltd |
| iv) | Category / Sub-Category of the Company | Public Company / Limited by shares |
| v) | Address of the Registered office and contact details | B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136 (Maharashtra), Tel No. (0240) - 6646950 / 999, Email : shares@bkt-tires.com |
| vi) | Whether listed company Yes / No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Hyderabad Office : M/s Karvy Computershare Private Limited<br>Unit : Balkrishna Industries Limited<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda, Hyderabad – 500 032<br>Email Id: einward.ris@karvy.com<br>Phone: +91 40 6716 2222; Fax No: +91 40 2342 0814<br>Website: www.karvycomputershare.com<br>Mumbai address (for shareholder services) :<br>B-24, Rajabhadur Mansion, 6, Amblal Doshi Marg<br>Behind BSE Ltd, Fort, Mumbai - 400 001<br>Phone : +91 022 66235454 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

| Sr. No. | Name of The Company | Address | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---|---|---|---|---|---|---|
| 1 | BKT EXIM LTD | BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 | U74999MH2007PLC167200 | Subsidiary Company | 100% | Section 2(87) |
| 2 | BKT TYRES LTD | BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 | U35990MH2007PLC171411 | Subsidiary Company | 100% | Section 2(87) |
| 3 | THRISTHA SYNTHETICS LTD | BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 | U17291MH2013PLC244763 | Subsidiary Company | 100% | Section 2(87) |
| 4 | BKT EUROPE S.R.L. | Viale Della Repubblica, 133 2083,1 Seregmo (MB) Italy | NA | Subsidiary Company | 100% | Section 2(87) |
| 5 | BKT USA INC. | 2660 West Market St. Suite 100 Fairlawn (Akron) OH 44333, USA | NA | Subsidiary Company | 100% | Section 2(87) |
| 6 | BKT TIRES (CANADA) INC. | 55 York Street, Suite 401, Toronto,Ontario M5J 1R7, Canada | NA | Subsidiary Company | 100% | Section 2(87) |
| 7 | BKT EXIM US,INC | 960, Holmdel Road, Bldg 2,Holmdel, NJ 07733 | NA | Subsidiary Company | 100% | Section 2(87) |
| 8 | BKT TIRES, INC | 960, Holmdel Road, Bldg 2,Holmdel, NJ 07733 | NA | Subsidiary Company | 100% | Section 2(87) |

**Associates Companies**

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

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

i) Category-wise Shareholding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of total Shares | Demat | Physical | Total | % of total Shares | |
| **A Promoters** | | | | | | | | | |
| **1) Indian** | | | | | | | | | |
| a Individuals/ HUF | 56347740 | - | 56347740 | 58.30 | 52551740 | - | 52551740 | 54.37 | (3.93) |
| b Central Govt. | - | - | - | - | - | - | - | - | - |
| c State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d Bodies Corporate | 270 | - | 270 | 0.00 | 270 | - | 270 | 0.00 | - |
| e Banks/ FI | - | - | - | - | - | - | - | - | - |
| f Any other (specify) | - | - | - | - | - | - | - | - | - |
| i. Trusts | - | - | - | - | - | - | - | - | - |
| **Sub-Total (A) (1)** | **56348010** | **-** | **56348010** | **58.30** | **52552010** | **-** | **52552010** | **54.37** | **(3.93)** |
| **2) Foreign** | | | | | | | | | |
| a NRI Individuals | - | - | - | - | - | - | - | - | - |
| b Other Individuals | - | - | - | - | - | - | - | - | - |
| c Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d Banks/ FI | - | - | - | - | - | - | - | - | - |
| e Any other (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (A) (2)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total holding of Promoter(A)=(A)(1)+(A)(2)** | **56348010** | **-** | **56348010** | **58.30** | **52552010** | **-** | **52552010** | **54.37** | **(3.93)** |
| **B Public Shareholding** | | | | | | | | | |
| **1) Institutions** | | | | | | | | | |
| a Mutual Funds/ UTI | 13439340 | - | 13439340 | 13.90 | 12759446 | - | 12759446 | 13.21 | (0.69) |
| b Banks/ FI | 26282 | - | 26282 | 0.03 | 21464 | - | 21464 | 0.02 | (0.01) |
| c Central Govt. | - | - | - | - | - | - | - | - | - |
| d State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f Insurance Companies | - | - | - | - | - | - | - | - | - |
| g FIIS | 17982891 | - | 17982891 | 18.61 | 17682470 | - | 17682470 | 18.29 | (0.32) |
| h Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| I Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total (B) (1)** | **31448513** | **-** | **31448513** | **32.54** | **30463380** | **-** | **30463380** | **31.52** | **(1.02)** |
| **2) Non-Institutions** | | | | | | | | | |
| a Bodies Corporates | | | | | | | | | |
| i. Indian | 1603705 | 1500 | 1605205 | 1.66 | 1932340 | 1500 | 1933840 | 2.00 | 0.34 |
| ii. Overseas | - | - | - | - | - | - | - | - | - |
| b Individuals | | | | | | | | | |
| i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh | 5189966 | 1106395 | 6296361 | 6.51 | 4415782 | 1015745 | 5431527 | 5.62 | (0.89) |
| ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh | 252000 | 405600 | 657600 | 0.68 | 4928165 | 459600 | 5387765 | 5.57 | 4.89 |
| c Others (specify) | | | | | | | | | |
| i. Non-Resident Indian | 300644 | - | 300644 | 0.31 | 308850 | - | 308850 | 0.32 | 0.01 |
| ii. Overseas corporate Bodies | - | - | - | - | - | - | - | - | - |
| iii. Foreign Nationals | - | - | - | - | - | - | - | - | - |
| iv. Clearing Members | - | - | - | - | 579198 | - | 579198 | 0.60 | 0.60 |
| v. Trust | 2262 | - | 2262 | 0.00 | 2025 | - | 2025 | 0.00 | 0.00 |
| vi. Foreign Bodies | - | - | - | - | - | - | - | - | - |
| **Sub-Total (B) (2)** | **7348577** | **1513495** | **8862072** | **9.16** | **12166360** | **1476845** | **13643205** | **14.11** | **4.95** |
| **Total Public Shareholding (B)= (B)(1) + (B)(2)** | **38797090** | **1513495** | **40310585** | **41.70** | **42629740** | **1476845** | **44106585** | **45.63** | **3.93** |
| **Total (A+B)** | **95145100** | **1513495** | **96658595** | **100.00** | **95181750** | **1476845** | **96658595** | **100.00** | **0.00** |
| **C Shares held by Custodian for GDRs & ADRs** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Grand Total (A+B+C)** | **95145100** | **1513495** | **96658595** | **100.00** | **95181750** | **1476845** | **96658595** | **100.00** | **0.00** |

(ii) **Shareholding of Promoters:**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total shares | No of Shares | % of total shares of the Company | % of shares Pledged/ encumbered to total shares | |
| 1 | Rajiv A Poddar | 921500 | 0.95 | - | 22900000 | 23.69 | - | 22.74 |
| 2 | Vijaylaxmi Arvindkumar Poddar | 1705895 | 1.77 | - | 2804215 | 2.91 | - | 1.14 |
| 3 | Rajiv Arvind Kumar Poddar | 163290 | 0.17 | - | 1084790 | 1.12 | - | 0.95 |
| 4 | Rameshkumar Dharaprasad Poddar | 100 | 0.00 | - | 300 | 0.00 | - | 0.00 |
| 5 | Arvindkumar Mahabirprasad Poddar | 500 | 0.00 | - | 500 | 0.00 | - | 0.00 |
| 6 | AKP Enterprises LLP | 23998445 | 24.83 | - | 125 | 0.00 | - | (24.83) |
| 7 | RAP Enterprises LLP | 23967995 | 24.80 | - | 125 | 0.00 | - | (24.80) |
| 8 | Khushboo Rajiv Poddar | 3796500 | 3.93 | - | 500 | 0.00 | - | (3.93) |
| 9 | GPP Enterprises LLP | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 10 | Rishabh Sureshkumar Poddar | 718915 | 0.74 | - | 718915 | 0.74 | - | 0.00 |
| 11 | Shyamlata Sureshkumar Poddar | 676675 | 0.70 | - | 676675 | 0.70 | - | 0.00 |
| 12 | VKP Enterprises LLP | 125 | 0.00 | - | 24116440 | 24.95 | - | 24.95 |
| 13 | TMP Enterprises LLP | 395125 | 0.41 | - | 246680 | 0.26 | - | (0.15) |
| 14 | PKP Enterprises LLP | 125 | 0.00 | - | 125 | 0.00 | - | 0.00 |
| 15 | HSP Enterprises LLP | 125 | 0.00 | - | 125 | 0.00 | - | 0.00 |
| 16 | DPP Enterprises LLP | 125 | 0.00 | - | 125 | 0.00 | - | 0.00 |
| 17 | Pawankumar Dharaprasad Poddar | 100 | 0.00 | - | 300 | 0.00 | - | 0.00 |
| 18 | Ashadevi Rameshkumar Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 19 | Avnish Pawankumar Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 20 | Dharaprasad Ramrikhdas Poddar | 100 | 0.00 | - | 200 | 0.00 | - | 0.00 |
| 21 | Madhudevi Pawankumar Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 22 | Vibhadevi Shrikishan Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 23 | Shrikishan Dharaprasad Poddar | 100 | 0.00 | - | 300 | 0.00 | - | 0.00 |
| 24 | Sangeeta Pramodkumar Poddar | 100 | 0.00 | - | 200 | 0.00 | - | 0.00 |
| 25 | Harshit Shrikishan Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 26 | Ankit Pramodkumar Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 27 | Anurag Pramodkumar Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 28 | Geetadevi Dharaprasad Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 29 | Gaurav Pramod Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 30 | Abhishek S Poddar | 100 | 0.00 | - | 100 | 0.00 | - | 0.00 |
| 31 | Gaurav Poddar (Karta of Pramod Poddar HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 32 | Dharaprasad Poddar (Karta of Dharaprasad & Sons HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 33 | Dharaprasad Poddar (Karta of Dharaprasad Pramodkumar HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 34 | Dharaprasad Poddar (Karta of Dharaprasad Poddar & Co. HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 35 | Ramesh Kumar Poddar (Karta of Rameshkumar Poddar & Bros HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 36 | Rameh Kumar Poddar (Karta of Rameshkumar Poddar & Co. HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 37 | Pawan kumar Poddar (Karta of Pawankumar Poddar & Co. HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 38 | Shrikishan Poddar ( Karta of Shrikishan Poddar HUF) | 100 | 0.00 | - | 0 | 0.00 | - | 0.00 |
| 39 | Balgopal Holdings and Traders Ltd | 50 | 0.00 | - | 50 | 0.00 | - | 0.00 |
| 40 | Poddar Brothers Investments Private Limited | 50 | 0.00 | - | 50 | 0.00 | - | 0.00 |
| 41 | S P Finance and Trading Ltd | 50 | 0.00 | - | 50 | 0.00 | - | 0.00 |
| 42 | Vishal Furnishings Ltd | 50 | 0.00 | - | 50 | 0.00 | - | 0.00 |
| 43 | Sanchna Trading & Finance Ltd | 35 | 0.00 | - | 35 | 0.00 | - | 0.00 |
| 44 | S P Investrade (India) Ltd | 35 | 0.00 | - | 35 | 0.00 | - | 0.00 |
| | **Total** | **56348010** | **58.30** | **-** | **52552010** | **54.37** | **-** | **(3.93)** |

**(iii) Change in Promoters' Shareholding (Please specify), if there is no change:**

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/end of year (31/03/2017) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| | At the beginning of the year* | 56348010 | 58.30 | 1-Apr-16 | | | | |
| | Khushboo Rajiv Poddar | - | - | 21-Mar-17 | (1921437) | Open Market Sale | 54426573 | 56.31 |
| | Khushboo Rajiv Poddar | - | - | 24-Mar-17 | (1874563) | Open Market Sale | 52552010 | 54.37 |
| | At the end of the year* | 52552010 | 54.37 | 31-Mar-17 | | | | |

* During the year there are inter se transfer among the Promoters

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/end of year (31/03/2017) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 1 | Rajiv A Poddar | 1084790 | 1.12 | 1-Apr-16 | | | | |
| | | - | - | 16-Mar-17 | 22900000 | Transfer (Inter-se transfer) | 23984790 | 24.81 |
| | | 23984790 | 24.81 | 31-Mar-17 | | | | |
| 2 | Vijaylaxmi Arvindkumar Poddar | 1705895 | 1.77 | 1-Apr-16 | | | | |
| | | - | - | 16-Mar-17 | 1098320 | Transfer (Inter-se transfer) | 2804215 | 2.91 |
| | | 2804215 | 2.91 | 31-Mar-17 | | | | |
| 3 | AKP Enterprises LLP | 23998445 | 24.83 | 1-Apr-16 | | | | |
| | | - | - | 16-Mar-17 | (23998320) | Transfer (Inter-se transfer) | 125 | 0.00 |
| | | 125 | 0.00 | 31-Mar-17 | | | | |
| 4 | RAP Enterprises LLP | 23967995 | 24.80 | 1-Apr-16 | | | | |
| | | - | - | 10-Mar-17 | (23967870) | Transfer (Inter-se transfer) | 125 | 0.00 |
| | | 125 | 0.00 | 31-Mar-17 | | | | |
| 5 | VKP Enterprises LLP | 125 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 10-Mar-17 | 24116315 | Transfer (Inter-se transfer) | 24116440 | 24.95 |
| | | 24116440 | 24.95 | 31-Mar-17 | | | | |
| 6 | TMP Enterprises LLP | 395125 | 0.41 | 1-Apr-16 | | | | |
| | | - | - | 10-Mar-17 | (148445) | Transfer (Inter-se transfer) | 246680 | 0.26 |
| | | 246680 | 0.26 | 31-Mar-17 | | | | |
| 7 | Pawankumar Dharaprasad Poddar | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | 200 | Transfer (Inter-se transfer) | 300 | 0.00 |
| | | 300 | 0.00 | 31-Mar-17 | | | | |
| 8 | Dharaprasad Ramrikhdas Poddar | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | 100 | Transfer (Inter-se transfer) | 200 | 0.00 |
| | | 200 | 0.00 | 31-Mar-17 | | | | |
| 9 | Shrikishan Dharaprasad Poddar | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | 200 | Transfer (Inter-se transfer) | 300 | 0.00 |
| | | 300 | 0.00 | 31-Mar-17 | | | | |
| 10 | Rameshkumar Dharaprasad Poddar | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | 200 | Transfer (Inter-se transfer) | 300 | 0.00 |
| | | 300 | 0.00 | 31-Mar-17 | | | | |
| 11 | Sangeeta Pramodkumar Poddar | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | 100 | Transfer (Inter-se transfer) | 200 | 0.00 |
| | | 200 | 0.00 | 31-Mar-17 | | | | |

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/end of year (31/03/2017) | % of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| 12 | Gaurav Poddar (Karta of Pramod Poddar HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 13 | Dharaprasad Poddar (Karta of Dharaprasad & Sons HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 14 | Dharaprasad Poddar (Karta of Dharaprasad Pramodkumar HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 15 | Dharaprasad Poddar (Karta of Dharaprasad Poddar & Co. HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 16 | Ramesh Kumar Poddar (Karta of Rameshkumar Poddar & Bros HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 17 | Rameh Kumar Poddar (Karta of Rameshkumar Poddar & Co. HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 18 | Pawan kumar Poddar (Karta of Pawankumar Poddar & Co. HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 19 | Shrikishan Poddar ( Karta of Shrikishan Poddar HUF) | 100 | 0.00 | 1-Apr-16 | | | | |
| | | - | - | 25-Apr-16 | (100) | Transfer (Inter-se transfer) | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |

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

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in share holding | Reason | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/ end of year (31/03/2017) | % of total shares of the Company | | | | No of Shares | % of total shares of the company |
| 1 | HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND | 4138266 | 4.28 | 1-Apr-16 | | | | |
| | | | | 23-Sept-16 | (300000) | Transfer | 3838266 | 3.97 |
| | | 3838266 | 3.97 | 31-Mar-17 | | | | |
| 2 | MANOJ H MODI | 0 | 0.00 | 1-Apr-16 | | | | |
| | | | | 24-Mar-17 | 1921437 | Transfer | 1921437 | 1.99 |
| | | | | 31-Mar-17 | 1874563 | Transfer | 3796000 | 3.93 |
| | | 3796000 | 3.93 | 31-Mar-17 | | | | |
| 3 | AMANSA HOLDINGS PRIVATE LIMITED | 2932284 | 3.03 | 1-Apr-16 | | | | |
| | | | | 18-Nov-16 | (450000) | Transfer | 2482284 | 2.57 |
| | | | | 30-Dec-16 | (71295) | Transfer | 2410989 | 2.49 |
| | | | | 31-Mar-17 | (298150) | Transfer | 2112839 | 2.19 |
| | | 2112839 | 2.19 | 31-Mar-17 | | | | |
| 4 | HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAP OPPORTUNITIES FUND | 2420685 | 2.50 | 1-Apr-16 | - | - | - | - |
| | | 2420685 | 2.50 | 31-Mar-17 | - | - | - | - |

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in share holding | Reason | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/ end of year (31/03/2017) | % of total shares of the Company | | | | No of Shares | % of total shares of the company |
| 5 | MAWER INVESTMENT MANAGEMENT LTD. A/C MAWER GLOBAL | 2060529 | 2.13 | 1-Apr-16 | | | | |
| | | | | 8-Apr-16 | 4215 | Transfer | 2064744 | 2.14 |
| | | | | 15-Apr-16 | 13910 | Transfer | 2078654 | 2.15 |
| | | | | 9-Dec-16 | (15513) | Transfer | 2063141 | 2.13 |
| | | | | 16-Dec-16 | (13540) | Transfer | 2049601 | 2.12 |
| | | | | 23-Dec-16 | (18659) | Transfer | 2030942 | 2.10 |
| | | | | 30-Dec-16 | (3626) | Transfer | 2027316 | 2.10 |
| | | | | 20-Jan-17 | (62325) | Transfer | 1964991 | 2.03 |
| | | | | 27-Jan-17 | (174712) | Transfer | 1790279 | 1.85 |
| | | | | 3-Feb-17 | (45911) | Transfer | 1744368 | 1.80 |
| | | | | 10-Feb-17 | (63711) | Transfer | 1680657 | 1.74 |
| | | | | 17-Feb-17 | (47241) | Transfer | 1633416 | 1.69 |
| | | | | 24-Feb-17 | (67276) | Transfer | 1566140 | 1.62 |
| | | 1566140 | 1.62 | 31-Mar-17 | | | | |
| 6 | ICICI PRUDENTIAL VALUE DISCOVERY FUND | 1792849 | 1.85 | 1-Apr-16 | | | | |
| | | | | 24-Mar-17 | (1792849) | Transfer | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 7 | ICICI PRUDENTIAL VALUE DISCOVERY FUND | 0 | 0.00 | 1-Apr-16 | | | | |
| | | | | 24-Mar-17 | 1770340 | Transfer | 1770340 | 1.83 |
| | | | | 31-Mar-17 | (313851) | Transfer | 1456489 | 1.51 |
| | | 1456489 | 1.51 | 31-Mar-17 | | | | |
| 8 | SEAFARER OVERSEAS GROWTH AND INCOME FUND | 1304305 | 1.35 | 1-Apr-16 | | | | |
| | | | | 29-Apr-16 | 15998 | Transfer | 1320303 | 1.37 |
| | | | | 13-May-16 | 9214 | Transfer | 1329517 | 1.38 |
| | | | | 10-Jun-16 | 24887 | Transfer | 1354404 | 1.40 |
| | | | | 17-Jun-16 | 20596 | Transfer | 1375000 | 1.42 |
| | | | | 19-Aug-16 | 25000 | Transfer | 1400000 | 1.45 |
| | | | | 26-Aug-16 | 3256 | Transfer | 1403256 | 1.45 |
| | | | | 24-Feb-17 | 81744 | Transfer | 1485000 | 1.54 |
| | | | | 3-Mar-17 | 15000 | Transfer | 1500000 | 1.55 |
| | | 1500000 | 1.55 | 31-Mar-17 | | | | |
| 9 | SMALLER COMPANIES PORTFOLIO OF THE GENESIS EMERGING | 1034020 | 1.07 | 1-Apr-16 | | | | |
| | | | | 8-Jul-16 | (489751) | Transfer | 544269 | 0.56 |
| | | | | 15-Jul-16 | (544269) | Transfer | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 10 | FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA | 1030000 | 1.07 | 1-Apr-16 | | | | |
| | | | | 26-Aug-16 | 1489 | Transfer | 1031489 | 1.07 |
| | | | | 2-Sept-16 | (4028) | Transfer | 1027461 | 1.06 |
| | | | | 9-Sept-16 | (27461) | Transfer | 1000000 | 1.03 |
| | | | | 30-Dec-16 | (32567) | Transfer | 967433 | 1.00 |
| | | | | 6-Jan-17 | (57306) | Transfer | 910127 | 0.94 |
| | | | | 13-Jan-17 | (48286) | Transfer | 861841 | 0.89 |
| | | | | 20-Jan-17 | (91841) | Transfer | 770000 | 0.80 |
| | | | | 10-Feb-17 | (2252) | Transfer | 767748 | 0.79 |
| | | | | 17-Feb-17 | (268508) | Transfer | 499240 | 0.52 |
| | | | | 24-Feb-17 | (181426) | Transfer | 317814 | 0.33 |
| | | | | 3-Mar-17 | (92814) | Transfer | 225000 | 0.23 |
| | | | | 10-Mar-17 | (115760) | Transfer | 109240 | 0.11 |
| | | | | 17-Mar-17 | (109240) | Transfer | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |

| Sr. No. | Name | Shareholding | | Date | Increase/ Decrease in share holding | Reason | Cumulative Shareholding during the Year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/ end of year (31/03/2017) | % of total shares of the Company | | | | No of Shares | % of total shares of the company |
| 11 | GOVERNMENT PENSION FUND GLOBAL | 1011224 | 1.05 | 1-Apr-16 | | | | |
| | | | | 8-Apr-16 | 5006 | Transfer | 1016230 | 1.05 |
| | | | | 15-Apr-16 | 1536 | Transfer | 1017766 | 1.05 |
| | | | | 22-Apr-16 | 6269 | Transfer | 1024035 | 1.06 |
| | | | | 29-Apr-16 | 6201 | Transfer | 1030236 | 1.07 |
| | | | | 6-May-16 | 9953 | Transfer | 1040189 | 1.08 |
| | | | | 13-May-16 | 6260 | Transfer | 1046449 | 1.08 |
| | | | | 20-May-16 | 6993 | Transfer | 1053442 | 1.09 |
| | | | | 27-May-16 | 20422 | Transfer | 1073864 | 1.11 |
| | | | | 3-Jun-16 | 5479 | Transfer | 1079343 | 1.12 |
| | | | | 30-Jun-16 | 11 | Transfer | 1079354 | 1.12 |
| | | | | 1-Jul-16 | 322 | Transfer | 1079676 | 1.12 |
| | | | | 8-Jul-16 | 2053 | Transfer | 1081729 | 1.12 |
| | | | | 15-Jul-16 | 6750 | Transfer | 1088479 | 1.13 |
| | | | | 22-Jul-16 | 3777 | Transfer | 1092256 | 1.13 |
| | | | | 29-Jul-16 | 5026 | Transfer | 1097282 | 1.14 |
| | | | | 5-Aug-16 | 4932 | Transfer | 1102214 | 1.14 |
| | | | | 12-Aug-16 | 2168 | Transfer | 1104382 | 1.14 |
| | | | | 19-Aug-16 | 2675 | Transfer | 1107057 | 1.15 |
| | | | | 26-Aug-16 | 2904 | Transfer | 1109961 | 1.15 |
| | | | | 9-Sept-16 | 5716 | Transfer | 1115677 | 1.15 |
| | | | | 16-Sept-16 | 16144 | Transfer | 1131821 | 1.17 |
| | | | | 23-Sept-16 | 56611 | Transfer | 1188432 | 1.23 |
| | | | | 30-Sept-16 | 96091 | Transfer | 1284523 | 1.33 |
| | | | | 7-Oct-16 | 21481 | Transfer | 1306004 | 1.35 |
| | | | | 14-Oct-16 | (2583) | Transfer | 1303421 | 1.35 |
| | | | | 21-Oct-16 | (36022) | Transfer | 1267399 | 1.31 |
| | | | | 28-Oct-16 | (25373) | Transfer | 1242026 | 1.28 |
| | | | | 4-Nov-16 | (9591) | Transfer | 1232435 | 1.28 |
| | | | | 11-Nov-16 | (5116) | Transfer | 1227319 | 1.27 |
| | | | | 18-Nov-16 | (2621) | Transfer | 1224698 | 1.27 |
| | | | | 17-Mar-17 | 174242 | Transfer | 1398940 | 1.45 |
| | | | | 24-Mar-17 | 77473 | Transfer | 1476413 | 1.53 |
| | | 1476413 | 1.53 | 31-Mar-17 | | | | |
| 12 | HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND | 696075 | 0.72 | 1-Apr-16 | | | | |
| | | | | 23-Sept-16 | 300000 | Transfer | 996075 | 1.03 |
| | | 996075 | 1.03 | 31-Mar-17 | | | | |
| | | | | | | | | |
| 13 | LAZARD EMERGING MARKETS SMALL CAP EQUITY TRUST | 882012 | 0.91 | 1-Apr-16 | | | | |
| | | | | 15-Jul-16 | (3065) | Transfer | 878947 | 0.91 |
| | | | | 22-Jul-16 | (319081) | Transfer | 559866 | 0.58 |
| | | | | 12-Aug-16 | (492807) | Transfer | 67059 | 0.07 |
| | | | | 19-Aug-16 | (67059) | Transfer | 0 | 0.00 |
| | | 0 | 0.00 | 31-Mar-17 | | | | |
| 14 | MAWER GLOBAL EQUITY FUND | 0 | 0.00 | 1-Apr-16 | | | 0 | 0.00 |
| | | | | 20-May-16 | 1539 | Transfer | 1539 | 0.00 |
| | | | | 17-Jun-16 | 2617 | Transfer | 4156 | 0.00 |
| | | | | 24-Jun-16 | 3910 | Transfer | 8066 | 0.01 |
| | | | | 30-Jun-16 | 62172 | Transfer | 70238 | 0.07 |
| | | | | 1-Jul-16 | 658 | Transfer | 70896 | 0.07 |
| | | | | 8-Jul-16 | 2034 | Transfer | 72930 | 0.08 |
| | | | | 15-Jul-16 | 350277 | Transfer | 423207 | 0.44 |
| | | | | 22-Jul-16 | 239458 | Transfer | 662665 | 0.69 |
| | | | | 29-Jul-16 | 4257 | Transfer | 666922 | 0.69 |
| | | | | 12-Aug-16 | 2135 | Transfer | 669057 | 0.69 |
| | | | | 19-Aug-16 | 117188 | Transfer | 786245 | 0.81 |
| | | | | 2-Dec-16 | 8176 | Transfer | 794421 | 0.82 |
| | | | | 9-Dec-16 | (4557) | Transfer | 789864 | 0.82 |
| | | | | 16-Dec-16 | (3976) | Transfer | 785888 | 0.81 |
| | | | | 23-Dec-16 | (5480) | Transfer | 780408 | 0.81 |
| | | | | 30-Dec-16 | (1065) | Transfer | 779343 | 0.81 |
| | | 779343 | 0.81 | 31-Mar-17 | | | | |

**v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No | Name | Shareholding | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares at the beginning (01/04/2016)/ end of year (31/03/2017) | %of total shares of the Company | | | | No. of shares | % of total shares of the Company |
| A | **DIRECTORS** | | | | | | | |
| 1 | Arvind Poddar | 500 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Chairman & Managing Director | | | 31-Mar-17 | | | 500 | 0.00 |
| 2 | Rajiv Poddar | 1084790 | 1.12 | 1-Apr-16 | | | | |
| | Joint Managing Director | | | 16-Mar-17 | 22900000 | Transfer (Inter-se Transfers) | 23984790 | 24.81 |
| | | | | 31-Mar-17 | | | 23984790 | 24.81 |
| 3 | Vijaylaxmi Poddar | 1705895 | 1.77 | 1-Apr-16 | | | | |
| | Director | | | 16-Mar-17 | 1098320 | Transfer (Inter-se Transfers) | 2804215 | 2.91 |
| | | | | 31-Mar-17 | | | 2804215 | 2.91 |
| 4 | Ramesh Poddar | 100 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Director | | | 31-Mar-17 | | | 100 | 0.00 |
| | (Resigned w.e.f. 10.09.2016) | | | | | | | |
| 5 | Vipul Shah | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Whole Time Director | | | 31-Mar-17 | | | 0 | 0.00 |
| | (Director & Company Secretary) | | | | | | | |
| 6 | Sachin Nath Chaturvedi | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Independent Director | | | 31-Mar-17 | | | 0 | 0.00 |
| 7 | Laxmidas Merchant | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Independent Director | | | 31-Mar-17 | | | 0 | 0.00 |
| 8 | Sanjay Asher | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Independent Director | | | 31-Mar-17 | | | 0 | 0.00 |
| 9 | Ashok Saraf | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Independent Director | | | 31-Mar-17 | | | 0 | 0.00 |
| 10 | Khurshed Doongaji | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Independent Director | | | 31-Mar-17 | | | 0 | 0.00 |
| B | **Key Managerial Personnel(KMPs)** | | | | | | | |
| 1 | Basant Kumar Bansal | 0 | 0.00 | 1-Apr-16 | 0 | - | | |
| | Director (Finance) | | | 31-Mar-17 | | | 0 | 0.00 |

**V INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment for financial year 2016-17:**

| Indebtedness at the beginning of the financial year | Secured Loans excluding deposits | Unsecured Loans | Deposit | Total Indebtedness |
|---|---|---|---|---|
| | (Rs. in Lakhs) | | | |
| i) Principal Amount | 170590 | 17426 | - | 188016 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 85 | - | - | 85 |
| Total (i+ii+iii) | 170675 | 17426 | - | 188101 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 65611 | 155004 | - | 220615 |
| Reduction | 129289 | 143265 | - | 272554 |
| Net Change | (63678) | 11739 | - | (51939) |
| **Indebtedness at the end the financial year** | **Secured Loans excluding deposits** | **Unsecured Loans** | **Deposits** | **Total Indebtedness** |
| i) Principal Amount | 106950 | 29165 | - | 136115 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 47 | - | - | 47 |
| Total (i+ii+iii) | 106997 | 29165 | - | 136162 |

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

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

| Sr. No. | Particulars of Remuneration | Name of Directors | | | |
|---|---|---|---|---|---|
| | | Mr. Arvind Poddar | Mr. Rajiv Poddar | Mr. Vipul Shah | Total |
| | | (Rs. in Lakhs) | | | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 525.00 | 420.00 | *46.03 | 991.03 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 4.49 | 0.83 | *0.41 | 5.73 |
| | (c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961 | - | | | |
| 2 | Stock Option | - | | | |
| 3 | Sweat Equity | - | | | |
| 4 | Commission | 3000.00 | 2400.00 | - | 5400.00 |
| | as % of profit | 2.92% | 2.33% | - | 5.25% |
| | Others Specify | - | - | - | - |
| | Total (A) | 3529.49 | 2820.83 | *46.44 | 6396.76 |
| | Ceiling as per the Act | Rs. 10290.85 Lakhs (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013 | | | |

*Re-appointment and Remuneration w.e.f. 11th February, 2017 is subject to approval of shareholders in the ensuing Annual General Meeting.

### B. Remuneration to other directors:

| Sr. No. | Particulars of Remuneration of Independent Directors | Name of Directors | | | | | |
|---|---|---|---|---|---|---|---|
| | | Mr. Sachin Nath Chaturvedi | Mr. Ashok Saraf | Mr. Sanjay Asher | Mr. Khurshed Doongaji | Mr. Laxmidas Merchant | Total |
| | | (Rs. In Lakhs) | | | | | |
| | Fee for attending board / committee meetings | 3.20 | 1.15 | 1.55 | 3.10 | 1.55 | 10.55 |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | 3.20 | 1.15 | 1.55 | 3.10 | 1.55 | 10.55 |
| | Other Non-Executive Directors | Mr. Ramesh Poddar | Mrs. Vijaylaxmi Poddar | | | | |
| | Fee for attending board / committee meetings | 0.00 | 1.65 | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | 0.00 | 1.65 | - | - | - | - |
| | Total (B)= 1+2 | 3.20 | 2.80 | 1.55 | 3.10 | 1.55 | 12.20 |
| | Total Managerial Remuneration | | | | | | 6408.96 |
| | Overall Ceiling as per the Act | Rs. 11319.93 Lakhs (being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013 | | | | | |

### C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD:

| Sr. No. | Particulars of Remuneration | Mr. Basantkumar Bansal (Rs. In Lakhs) |
|---|---|---|
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 119.03 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.67 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | - |
| | others, specify | - |
| 5 | Others, please specify | - |
| | Total | 119.70 |

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

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

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

Place : Mumbai,
Dated : 25th May, 2017

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

## ANNEXURE - VI

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1 Ratio of the remuneration of each Whole-time Director to the median remuneration of the employees of the Company for the financial year 2016-17, the percentage increase in remuneration of each Key Managerial Personnel (KMP) against the performance of the Company as under :

| Sr. No. | Name of Director/KMP | Designation | Ratio of the remuneration of each Whole-time Director to the median remuneration of the employees of the Company | Percentage increase in remuneration |
|---|---|---|---|---|
| 1 | Mr. Arvind Poddar | Chairman & Managing Director | 891.31 | 9.40 |
| 2 | Mr. Rajiv Poddar | Joint Managing Director | 721.21 | 21.21 |
| 3 | Mr. Vipul Shah* | Director & Company Secretary | 12.14 | 27.85 |
| 4 | Mr. Basantkumar Bansal | Chief Financial Officer | 31.64 | 11.71 |

2 The median remuneration of the employees of the company was Rs. 4.05 Lakhs during financial year 2016-17.

3 There were 2595 employees as on 31st March, 2017.

4 Average percentage increase already made in the salaries of employees was 10.39% other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration is 5.90% and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

5 It is hereby affirmed that remuneration paid is per the remuneration policy of the Company.

6 The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions and within the limits prescribed in the Act. The details of remuneration 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.

7 * Re-appointment and remuneration w.e.f 11th February, 2017 is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

Place : Mumbai,
Dated: 25th May, 2017

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

# Annexure - VII

## BUSINESS RESPONSIBILITY REPORT

### INTRODUCTION

At a time and age when enterprises are increasingly seen as critical components of the social system, they are accountable not merely to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance.

Balkrishna Industries Limited (BIL) is committed to operate and grow its business in a socially responsible way. The core values strengthening BIL's business actions comprise of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

Security Exchange Board of India (SEBI) has mandated top 500 listed companies of India by market capitalization to publish a Business Responsibility Report (BRR) based on National Voluntary Guidelines ("NVG") under SEBI Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

BIL is delighted to present its first BRR which holds information on non-financial disclosures for the financial year 2016-2017.

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L99999MH1961PLC012185 |
| 2. | Name of the Company | Balkrishna Industries Limited |
| 3. | Registered address | B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431136, Maharashtra. |
| 4. | Website | www.bkt-tires.com |
| 5. | E-mail id | shares@bkt-tires.com |
| 6. | Financial Year reported | 2016-2017 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code: 22119 - Manufacture of rubber tyres and tubes. |
| 8. | List three key products/services that the Company manufactures/provides | The Company manufactures rubber tyres and tubes. |
| 9. | Total number of locations where business activities are undertaken by the Company. | |
| | i. Number of International Locations (Provide details of major 5) | Company's International Locations are at USA, Italy and Canada. |
| | ii. Number of National Locations | Four Manufacturing locations at Rajasthan, Maharashtra, and Gujarat and have other units like Calendaring and Mould units across Rajasthan and Maharashtra.<br>Corporate Office at Mumbai |
| 10. | Markets served by the Company - Local, State, National, International. | The Company sell its products in India as well as over 130 countries worldwide through its distributors. |

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| 1. | Paid Up Capital (INR) | Rs. 1933 Lakhs |
| 2. | Total Turnover (INR) | Rs. 378830 Lakhs |
| 3. | Total profit after taxes (INR) | Rs. 71514 Lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%) | Rs. 1501 Lakhs which constitute 2% of the average net profits of the last three financial years. |
| 5. | List of activities in which expenditure in 4 above has been incurred | On Healthcare, Education, Sanitation and Rural Development. |

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, the details of list of subsidiaries is given in Annexure V to the Director's report.

2. 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 initiatives of the parent company.

3. 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 Directors responsible for implementation of the BR policy:

| Name | DIN Number | Designation |
|---|---|---|
| Mr. Sachin Nath Chaturvedi | 00553459 | Independent Director |
| Mr. Arvind Poddar | 00089984 | Chairman & Managing Director |
| Mr. Laxmidas Merchant | 00007722 | Independent Director |
| Mr. Sanjay Asher | 00008221 | Independent Director |
| Mr. Khurshed Doongaji | 00090939 | Independent Director |
| Mr. Rajiv Poddar | 00160758 | Joint Managing Director |

b) Details of the Business Responsibility head

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | DIN Number (if applicable) | 00553459 |
| 2. | Name | Mr. Sachin Nath Chaturvedi |
| 3. | Designation | Independent Director |
| 4. | Telephone number | 022-66663800 |
| 5. | e-mail id | chcoby@vsnl.com |

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

| 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? If 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 company's website at the link: http://www.bkt-tires.com/en/about-us/investors-desk/others.

**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.

During the year, the BR Committee has met four times to discuss the progress of the BR initiatives. The Board of Directors will be reviewing the BR related performance annually.

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

This is the Company's first Business Responsibility Report (BRR) which will be published annually along with the Annual Report. The BRR is available for viewing on company's website at the link: http://www.bkt-tires.com/en/about-us/investors-desk/others.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

Yes, Its Code of Business Ethics covers the employees of the Company. Additionally, the Company has a separate Supplier Code of Conduct which articulates the minimum expected behavior from its suppliers and external business associates, from an ethical standpoint.

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 this year, the Company has not received any complaint related to unethical practices across all its operations.

**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 has obtained REACH SVHC (Substance of Very High Concern) compliance certificates which certify that all tyres manufactured by the Company does not contain any of the substances of very high concern. With effect from 1st January, 2010, all the tyres manufactured by the Company are free from highly aromatic extender oils. The Company has also replaced process oils and oils with high polymer content in its processes.

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

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

During the reporting year, the Company has carried out many energy saving projects for reducing its resource consumption. The Company has achieved reduction in electricity consumption of 13.70 Lakh KWh and reduction in consumption of Fuel-Pet Coke of 1127 MT.

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

As majority of its tyres are used in off-highway vehicles for agricultural or industrial purposes, the reduction in resource consumption by the customers is not applicable.

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

Since exports constitute the majority of its business, more than 60% of the raw materials are imported to meet international requirements. The Company also sources its materials locally and its supplier selection process involves the following:

(i) A sample of the raw material is obtained from the supplier
(ii) The sample is tested in its laboratories
(iii) Once the sample is approved, the supplier is placed under a probation period
(iv) If no issues arise during the probation period, the supplier is then approved

Apart from this, the Company also carries out suppliers audits where it checks their facilities for ISO9001/14001 certification. In the absence of these, the Company requests them to follow its guidelines for sustainable practices. Since the Company imports more than 60% of its raw material, the Company ensures the quality is as per internationally accepted standards. Similarly, the materials procured locally undergo various tests and checks.

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

Yes, the Company has taken efforts to include suppliers and vendors from local areas for meeting its business requirements.

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

The Company ensures to recycle wherever possible in its manufacturing processes. This will help the Company to achieve cost benefits as well as have a positive impact on the environment.

The Company has Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) in all its manufacturing facilities as well as Reverse Osmosis (RO) systems.

The Company generates 360kg of sludge across its four plants, and through its ETP facilities it recycles 22,000m3 per year.

Similarly, in its STP facilities, it recycles about 88,000m3 per year. The Company recycles the water through RO process in all plants and the resulting water is used for harvesting.

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

1 Please indicate the Total number of employees.

2,595 employees as on 31st March, 2017.

2 Please indicate the Total number of employees hired on temporary/contractual/casual basis.

4,645 employees as on 31st March, 2017.

3 Please indicate the Number of permanent women employees.

21 women employees as on 31st March, 2017.

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?

100% of the workers at the Aurangabad plant are members of the 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.

The Company has not received any complaints on any labour issues including child labor, forced labour, involuntary labour and sexual harassment during the reporting period.

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

Company's training records for the financial year 2016-17 are tabulated below.

| Category | % |
|---|---|
| Management Employees (including women) | 65.02% |
| Non-management employees | 49.64% |
| Casual/Temporary/Contractual Employees | 70.54% |

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

1. Has the company mapped its internal and external stakeholders?

   Yes, the Company has mapped its internal stakeholders as its employees and its external stakeholders such as its Shareholders, Distributors, Customers, Communities and Government Authorities.

2. Out of the above, has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?

   Yes, the Company has identified the children coming from rural areas as those who are in need of its efforts. The Company has designed its initiatives in collaboration with external agencies for effective execution of its programs. The Company has also supported many people and children in their medical treatments, both minor as well as life-threatening. Beside it, the Company is supporting poor children by providing mid-day meal in school and in this process promoting education amongst them as well.

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.

   The Company has various initiatives along the lines of providing assistance to needy and poor students like providing stationery as well as meals to them.

   The Company also provides medical assistance to needy and poor people directly as well as through NGOs and also by providing medical equipments to hospitals. In the case of life-limiting ailments in children the Company has special Palliative Care program that provides comfort to them in their final days.

   The Company constantly engages with its stakeholders to understand their needs and get constant feedback so the Company can better address them.

**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?

The Company's supplier code of conduct has guidelines in place for protecting the human rights of its suppliers, vendors, and similar external business associates.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints in the previous financial year.

**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?

Company's Environment Policy sets the minimum standards for implementation across its facilities and among its suppliers as well. The Company also evaluates its vendor facilities for Environment Management Systems and if these are not present then the Company asks them to follow its guidelines.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

As a responsible organization, the Company has constantly been taking measures to improve its operations and its activities such that the impact on the environment is minimized. The Company has improved many of its existing processes which have resulted in reduction in consumption of resources which in turn has reduced its Carbon emissions by 3134 MT compared to previous year.

3 Does the company identify and assess potential environmental risks?

Three plants have ISO14001 certifications which are instrumental in identifying environmental risks. In doing so, the Company is able to develop appropriate strategies that can mitigate these risks.

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof.

In 2004, the Company has installed a wind farm in west of Jaisalmer town, Rajasthan, which is connected to the state electricity grid. The wind farm consists of four Suzlon Wind Turbine Generators (WTGs) of 1.25 MW rated capacity each, for a total capacity of 5 MW and the same is operated by Suzlon. The purpose of setting up this wind farm was to reduce the Greenhouse Gas emissions and also to partially replace the power received from State Power Grid. Power generated by the WTGs is provided to the Jaipur Vidyut Vitaran Nigam Limited (JVVNL) under a 20 year Wheeling and Banking Agreement. After carrying out the requisite investigations / survey the VCS (Verified Carbon Standards) project was finally approved and Verified Carbon Units (VCUs) to the tune of 24,911 were issued in favor of the Company.

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.

With the goal of reducing the emissions and curbing the exploitation of resources, the Company has implemented many initiatives across the plants that have resulted in energy savings. The Company has reduced the consumption of electricity through VFD installation on Process cooling tower Pump ; Replacement of conventional lights with solar tubes & LED lights; Elimination of return pumps by modifying pipe lines; Arresting air leakages through optimization of compressor in plant; Reduction in process power by modifying system process; Reduction in power consumption of dust collector; Optimization of Mixer cycle by variable speed and Installation of energy efficient pump at cooling tower.

The Company has reduced the consumption of Pet Coke through heat recovery from process cold water return to pre heat the boiler make up water; Flash Steam recovery from dome drain to pre heat the makeup boiler; Hot water recovery from TCP in FG & HI line; Thermal insulation & arresting leakages for steam & hot water pipe line in trenches.

The Company has also installed a 1 MW Solar Panel on the rooftop at its Chopanki plant to further increase its energy sourcing from renewable sources.

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 Company's business activities are within the limits prescribed by CPCB and SPCB.

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.

The Company does not have any pending show cause notices from CPCB or SPCB as on 31st March, 2017.

**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 Federation of Indian Export Organizations (FIEO), Chemical and Allied Export Promotion Council of India (CAPEXIL), Bombay Chamber of Commerce (BCC) and All India Rubber Industries Association (AIRIA).

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

Yes, the Company has lobbied through above mentioned associations for betterment, improvement and advancement of the sectors for protection of industry area of interest with a long term sustainability goal, for updates on various Government notifications and legislative changes in the areas of Customs, Central Excise etc and for taking issues on import – export activities with government.

**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, Company has undertaken initiatives/programmes for inclusive growth of nearby communities and societies. The Company is committed to conducting its business in a social, ethical and in a responsible manner. Company's commitment to CSR goes beyond legal and regulatory requirements.

   The various activities the Company has executed in the reporting year. Please Refer **Annexure II** of the Director's Report.

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

   For effective execution of Company's programs it engages with the services of multiple implementing agencies who have relevant expertise. The Company is associated with Akshay Patra Foundation, Have a Heart Foundation, TATA Memorial Centre, Eklavya Swavalamban Trust, Indian Cancer Society, National Society for Equal Opportunity for Handicapped, ISHA Outreach, and Kutch Navpallav Education and Medical Charitable Trust.

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

   Through Company's constant interaction with the stakeholders and reports from its implementing agencies, it is able to assess the impact of its activities and take appropriate actions as and when needed.

   The Company requests its implementing agencies to provide reports containing photographs, case studies, and other relevant information with which the Company would be able to gauge the effectiveness of the program. These reports are in accordance with the monitoring mechanism specified in the Companies Act, 2013 read with CSR policy of the Company.

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

| Enlist the initiatives undertaken by the Company for supporting inclusive development | Amount contributed directly in the initiative by the Company (Rs. In Lakhs) |
|---|---|
| Health Care | 1157.88 |
| Education | 93.31 |
| Rural Development | 250.02 |
| Grand Total | 1501.21 |

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 implementing agencies provide us information of the programs before and after their implementation. For example, in its mid-day meal programs, the increase in number of students post the implementation of the program will ensure that its funds and efforts are directed towards the right causes and the program has been successfully adopted.

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

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

   No customer complaints/consumer cases are pending, as on the end of Financial Year.

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)

   While the Company does not have any product labeling mandates as such, the Company engraves its tyres with all relevant safety information like Cold temperature pressure, Hot temperature pressure, Load carrying capacity, Inflation pressure etc.

   This information is important for the safety of the users and its communication is crucial to effective use of the product.

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

   No. There are no cases filed by any stakeholders against the company regarding unfair trade practices, irresponsible advertising, or anti-competitive behavior.

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

   The Company carries out half-yearly surveys with its distributors to understand the market needs and trends. Similarly, in trade-fairs and exhibitions, spot surveys are carried out where customers are asked for their opinions and feedback of its products.

   Based on these surveys the Company is able to take informed business decisions regarding its products and services.

# CORPORATE GOVERNANCE REPORT

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

**Company's Philosophy on Corporate Governance**

Balkrishna Industries Limited believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. Models of the Corporate Governance code are many and different environments will need specific solutions to meet the demands of legal compliances and regulations. However, there is a universal principle, which percolates through the elements of governance, which calls for the affairs of the Company to be regulated in a manner that is transparent, ethical and accountable. In this pursuit, the Company is committed to transparency in all its dealing with its shareholders and others and to provide high quality products and services to its customers and places uncompromising emphasis on integrity and regulatory compliances. The basic philosophy of the Company has been to achieve business excellence, to enhance shareholders value, keeping in view the needs and the interest of the shareholders. 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 read with Schedule V of Securities 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 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 has constituted the following Committees viz, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Finance Committee and Business Responsibility Committee. Each of the said Committee has been mandated to operate within a given framework.

## 2. COMPOSITION OF THE BOARD OF DIRECTORS:

i. As on 31st March, 2017, the Company has nine Directors. Out of the nine Directors, 6 (i.e. 67%) are Non-Executive Directors out of which 5 (i.e. 56%) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he / she is a Director.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

iv. Five Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held: 18th May, 2016, 10th September, 2016, 30th November, 2016, 10th February, 2017 and 30th March, 2017.

The necessary quorum was present for all the meetings.

v. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions 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 year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on 31st March, 2017 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 SEBI Listing Regulations.

| Name of the Directors | Category of Directors | Board meetings attended during the year | Whether attended last Annual General Meeting | No. of Directorships held in other public companies as on 31st March, 2017 | No. of Committee positions held in other public companies as on 31st March, 2017 | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| Mr. Arvind Poddar | Chairman & Managing Director | 5 | Y | - | - | - |
| Mr. Rameshkumar Poddar * | Non-Executive & Non-Independent Director | - | N | 1 | - | 1 |
| Mr. Sachin Nath Chaturvedi | Non-Executive & Independent Director | 5 | Y | 4 | 2 | 4 |
| Mr. Khurshed Doongaji | Non-Executive & Independent Director | 5 | Y | 1 | 2 | - |

| Name of the Directors | Category of Directors | Board meetings attended during the year | Whether attended last Annual General Meeting | No. of Directorships held in other public companies as on 31st March, 2017 | No. of Committee positions held in other public companies as on 31st March, 2017 | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| Mr. Sanjay Asher | Non-Executive & Independent Director | 5 | N | 9 | 5 | 5 |
| Mr. Ashok Saraf | Non-Executive & Independent Director | 4 | N | - | - | - |
| Mr. Laxmidas Merchant | Non-Executive & Independent Director | 5 | N | - | - | - |
| Mrs. Vijaylaxmi Poddar | Non-Executive & Non-Independent Director | 5 | N | 1 | - | - |
| Mr. Rajiv Poddar | Joint Managing Director | 5 | N | - | - | - |
| Mr. Vipul Shah | Director & Company Secretary | 5 | Y | 2 | - | - |

* Resigned w.e.f. 10th September, 2016 due to his pre-occupation in other activities.

vii. Number of shares and convertible instruments held by non-executive directors :

Shares held by Non – Executive Directors as on 31st March, 2017:

| Name of Non- Executive Director | No. of Shares held of Rs. 2 Each |
|---|---|
| Mrs. Vijaylaxmi Poddar | 28,04,215 |

The Company has not issued any convertible instruments.

**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.

**Familiarisation Programme for Independent Directors :**

The Company has a detailed familiarisation programme for Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business etc. The details of such familiarisation programme are available on the company's website https://cloud.bkt-tires.com/bkt-financials/others/familiarisation-programme-for-independent-directors.pdf .

## 3. 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

i) To review and recommend the financial statements of the company;

ii) To review reports of the Internal Auditors quarterly;

iii) To review weaknesses in internal controls reported by Internal as well as the Statutory Auditors.

The scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation. Audit Committee also mandatorily reviews the information prescribed under Part C of Schedule III.

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 Audit Committee comprises of two Independent Non-Executive Directors viz. Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji (Member) and Joint Managing Director Mr. Rajiv Poddar (Member).

All the members are financially literate and the Chairman, Mr. Sachin Nath Chaturvedi, is a Chartered Accountant. The Director & Company Secretary, Mr. Vipul Shah, acts as the Secretary of the Committee. The Chief Financial Officer, President Commercial, Deputy General Manager ( Accounts ), Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings.

The Audit Committee met four times during the year on 18th May, 2016, 10th September, 2016, 30th November, 2016 and 10th February, 2017 where all the members of the Committee were present for the said meetings. The maximum gap between any two meetings was less than one hundred and twenty days.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 6th August, 2016.

## 4. NOMINATION AND REMUNERATION COMMITTEE:

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under 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. Formulation of the criteria for determining qualification, positive attributes and independence of a director and to recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors comprising of Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji (Member) and Mr. Ashok Saraf (Member).

The above committee has met three times during the financial year ended 31st March, 2017. The meetings were held on 18th May, 2016, 10th February, 2017 and 30th March, 2017 where all the members of the Committee were present for the said meetings.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 6th August, 2016.

Performance Evaluation Criteria for Independent Directors;

Each Independent Director's performance was evaluated as required by Schedule IV of the Act, having regard to the following criteria of evaluation viz. (i) preparedness, (ii) participation, (iii) value addition, (iv) focus on governance and (v) communication.

**Remuneration Policy**

The Company follows a policy on remuneration of Directors and Senior Management Employees.

**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.

**Remuneration to Managing/Joint Managing / Executive/Whole-Time Director:**

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

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

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

## 5. REMUNERATION OF DIRECTORS:

The details of the remuneration of Directors for the year ended 31st March, 2017 are given below:

**(Rs. In Lakhs)**

| Name of the Director | Salary | Perquisites and Allowances # | Commission | Sitting Fees | Total | Service Contract |
|---|---|---|---|---|---|---|
| Mr. Arvind Poddar | 300.00 | 309.82 | 3000.00 | - | 3609.82 | 01.08.2016 to 31.07.2021 |
| Mr. Sachin Nath Chaturvedi | - | - | - | 3.20 | 3.20 | ** |
| Mr. Khurshed Doongaji | - | - | - | 3.10 | 3.10 | ** |
| Mr. Sanjay Asher | - | - | - | 1.55 | 1.55 | ** |
| Mr. Ashok Saraf | - | - | - | 1.15 | 1.15 | ** |
| Mr. Laxmidas Merchant | - | - | - | 1.55 | 1.55 | ** |
| Mrs. Vijaylaxmi Poddar | - | - | - | 1.65 | 1.65 | * |
| Mr. Rajiv Poddar | 240.00 | 280.90 | 2400.00 | - | 2920.90 | 22.01.2014 to 21.01.2019 |
| Mr. Vipul Shah## | 18.84 | 30.36 | - | - | 49.20 | 11.02.2017 to 10.02.2022 * |

* Retire by rotation.

** The Term of appointment is for five consecutive years from 2nd August, 2014 to 1st August, 2019, as approved in the 52nd Annual General Meeting held on 13th September, 2014.

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

\## Re-appointment and Remuneration w.e.f. 11th February, 2017 is subject to approval of shareholders in the ensuing Annual General Meeting.

- Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Whole-time Directors. The remuneration shall be subject to the approval of the shareholders 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.
- The Company does not have Stock Option Scheme and Pension Scheme.

## 6 STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted as required under Section 178(5) of the Act and Regulation 20 of Listing Regulations. The said committee deals with all matters relating to transfer of shares, issue of duplicate/new shares, subdivision and consolidation of shares, demat/remat, Shareholders'/Investors' Grievance and its redressal.

The Committee comprises of Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji (Member) and Mr. Vipul Shah (Member). Mr. Vipul Shah, the Director & Company Secretary acts as the Compliance Officer of the Committee.

The above committee has met four times during the financial year ended 31st March, 2017. The meetings were held on 18th May, 2016 , 10th September, 2016, 30th November, 2016 and 10th February, 2017 where all the members of the Committee were present for the said meetings .

During the year, two Complaints/queries were received. There was no complaint pending as on 31st March, 2017.

As at 31st March 2017, there was no Share Transfer pending for Registration for more than 15 days.

## OTHER COMMITTEES OF THE BOARD:

**a. Corporate Social Responsibility & Governance (CSR&G) Committee:**

(Re-constituted into two Committees (i) Corporate Social Responsibility Committee and (ii) Business Responsibility Committee w.e.f. 25th May, 2017)

The Committee oversees corporate social responsibility, corporate governance, business responsibility and other business related matters referred by the Board or the Chairman, as and when deemed necessary, for the consideration and recommendation of the Committee. The Committee's 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, observe practices of Corporate Governance at all levels , and to suggest remedial measures wherever necessary. The Committee also looks into matters related to sustainability and overall governance.

For the financial year 2016-2017 the CSR&G Committee comprised of Mr. Sachin Nath Chaturvedi (Chairman), Mr. Arvind Poddar (Member), Mrs. Vijaylaxmi Poddar (Member), Mr. Laxmidas Merchant (Member), Mr. Sanjay Asher (Member) and Mr. Khurshed Doongaji (Member).

The above committee has met four times during the financial year ended 31st March, 2017. The meetings were held on 18th May, 2016, 10th September, 2016, 30th November, 2016 and 10th February, 2017 where all the members of the Committee were present for the said meetings .

The present Corporate Social Responsibility Committee comprises of Mrs. Vijaylaxmi Poddar (Chairperson), Mr. Rajiv Poddar (Member), Mr. Sachin Nath Chaturvedi(Member), Mr. Sanjay Asher(Member) and Mr. Vipul Shah(Member).

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

i. To frame the CSR policy and its review from time to time.

ii. To ensure effective implementation and monitoring of CSR activities as per the approved policy, plans and budget.

iii. To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The present Business Responsibility Committee comprises of Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji (Member), Mr. Laxmidas Merchant (Member), Mr. Sanjay Asher (Member), Mr. Arvind Poddar (Member) and Mr. Rajiv Poddar (Member).

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

i. To frame Business Responsibility Reporting policy and its review from time to time.

ii. To ensure Business Responsibility Reporting is prepared as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

iii. To ensure effective implementation and monitoring of Business Responsibility Reporting activities.

**b. Finance Committee:**

The Finance Committee comprises of Mr. Arvind Poddar (Chairman), Mr. Rajiv Poddar (Member), Mr. Vipul Shah (Member) and Mr. Basant Kumar Bansal - Chief Financial Officer is a permanent invitee to the Finance Committee Meetings.

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

i. To approve the borrowings of monies upto limit of Rs. 5000 crores in excess of the aggregate of the paid up share capital and free reserves of the Company, apart from temporary loans obtained from companies bankers in ordinary course of business, as approved by the members of the Company in its Annual General Meeting held on 13th September, 2014.

ii. 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.

iii. To grant loans or give guarantee or provide security in respect of loans subject to the ceiling mentioned in Section 186 of the Act, i.e. not exceeding 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more.

iv. To renew the existing credit facilities granted by the bankers to the Company.

The above committee has met four times during the financial year ended 31st March, 2017. The meetings were held on 19th May, 2016, 23rd August, 2016, 17th November, 2016 and 9th March, 2017 where all the members of the Committee were present for the said meetings.

c. **Meeting of Independent Directors:**

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. During the year, separate meeting of the Independent Directors was held on 30th March, 2017 without the attendance of non-independent directors and members of the management. All Independent Directors attended the said meeting. Mr. Sachin Nath Chaturvedi was unanimously elected as the Chairman of the meeting of Independent Directors. At the meeting, the Independent Directors reviewed the performance of Non-independent Directors (including the Chairman) and the Board as whole and also assessed the quality, content and timeliness of the flow of information between the Company, Management and the Board and its Committees which is necessary to effectively discharge their duties.

## 7. GENERAL BODY MEETING:

a. Details of the last three Annual General Meetings:

| Year | Location | Date | Time |
|---|---|---|---|
| 2013-2014<br>52ND AGM | Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506 | 13/09/2014 | 11:30 a.m. |
| 2014-2015<br>53RD AGM | Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506 | 11/07/2015 | 11:30 a.m. |
| 2015-2016<br>54TH AGM | B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra | 06/08/2016 | 12:00 Noon |

b. Special Resolution passed in the Previous 3 Annual General Meetings:

At the 52nd Annual General meeting held on 13th September, 2014, Two Special Resolutions were passed, One Special Resolution was passed pertaining to consent to the Board pursuant to Section 180(1)(c) and other applicable provisions of the Act, to borrow money/moneys (apart from the ordinary loans obtained or to be obtain from the Company's bankers in the ordinary course of business) together with the moneys already borrowed by the Company in excess of the aggregate of the paid up share capital of the Company and its free reserves, provided that maximum amount of the moneys so borrowed by the Board and remaining outstanding shall not at any time, exceed Rs. 5000 Crores and Second Special Resolutions was passed pertaining to consent to the Board pursuant to Section 180(1)(a) of the Act, to create such charges, mortgages and hypothecation on such movable and immovable properties of the Company to secure borrowings from Banks/Financial Institutions not exceeding the Limit of Rs. 5000 Crores at any time.

At the 53rd Annual General Meeting held on 11th July, 2015, No Special Resolutions were passed.

At the 54th Annual General Meeting held on 06th August, 2016, No Special Resolutions were passed.

c. During the year under review, No resolution was passed through Postal Ballot.

d. During the year under review, since there was no Postal Ballot exercise hence no person was appointed for the same.

e. At present there is no proposal to pass any special resolution through postal ballot.

f. Procedure for Postal Ballot: In accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules")when a company is required to pass any resolution by way of Postal Ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a Postal Ballot because Postal Ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice.

## 8. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results of the Company are published in Business Standard and Sakal. The results are also displayed on the Company's website "www.bkt-tires.com". 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 Exchange's for dissemination. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting :

| | |
|---|---|
| **Date** | 9th September, 2017 |
| **Time** | 12:00 Noon |
| **Venue** | B-66, Waluj MIDC , Waluj Industrial Area, Aurangabad – 431 136 (Registered Office) |

b. Financial Year : 1st April, 2017 to 31st March, 2018

Financial Calendar:

| Sr. No. | Particulars of Quarter | Tentative dates |
|---|---|---|
| 1. | First Quarter Results | On or before 14th August, 2017 |
| 2. | Second Quarter & Half Yearly Results | On or before 14th November, 2017 |
| 3. | Third Quarter & Nine-months Results | On or before 14th February, 2018 |
| 4. | Fourth Quarter & Annual Results | On or before 30th May, 2018. |

c. Dividend Payment :

During the year under review 1st Interim Dividend of Rs. 1.50 per equity share, 2nd Interim Dividend of Rs. 2.00 per equity share and 3rd Interim Dividend of Rs. 2.00 per equity share, aggregating to Rs. 5.50 per equity share has been already paid. The final dividend of Rs. 2.50 per equity share for financial year 2016-2017, subject to the approval from shareholders, has been recommended by the Board of Directors. The same shall be paid on or after 9th September, 2017 but within the statutory time limit.

The book closure date is 8th September, 2017 & 9th September, 2017 (Both days inclusive).

Unclaimed Dividend :

During the year under review, the Company has transferred Rs. 8.77 Lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 125(1) of the Companies Act, 2013.

In accordance with Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared for the financial year 2009-10 or earlier financial years has not been paid or claimed by the members for seven consecutive years or more.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 6th August, 2016 (date of last Annual General Meeting) on the Company's website www.bkt-tires.com and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

d. Company's shares are listed on :

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

The Company has paid Annual Listing Fees as applicable to BSE Limited and National Stock Exchange of India Ltd.

e. Stock Code: :

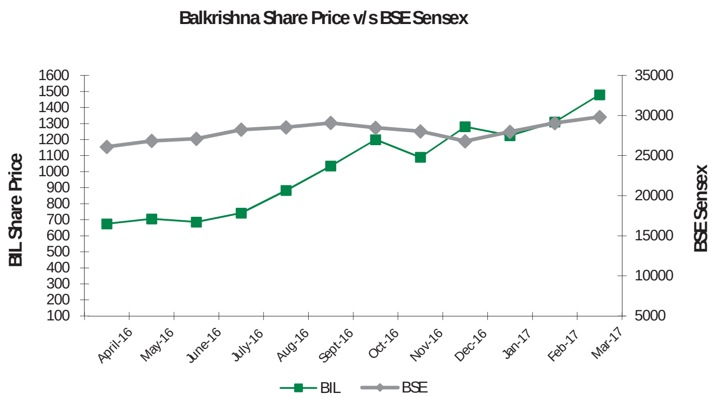
| **BSE Limited** | **National Stock Exchange of India Ltd** |
|---|---|
| **Scrip Code No.:** 502355 (Demat) | NSE Code: BALKRISIND |
| **ISIN No. :** INE787D01026 | |

f. Market Price Data (In Rs.):

| Month | BSE Limited (BSE) | | National Stock Exchange of India Limited (NSE) | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April-2016 | 675.00 | 607.00 | 679.60 | 610.60 |
| May-2016 | 705.80 | 646.00 | 709.10 | 643.20 |
| June-2016 | 686.00 | 650.00 | 688.20 | 650.00 |
| July-2016 | 741.95 | 657.05 | 743.95 | 658.50 |
| August-2016 | 883.00 | 705.00 | 884.80 | 706.25 |
| September-2016 | 1035.00 | 815.00 | 1034.50 | 811.00 |
| October-2016 | 1200.00 | 985.00 | 1204.80 | 983.55 |
| November-2016 | 1090.05 | 900.00 | 1090.00 | 812.00 |
| December-2016 | 1280.00 | 1013.60 | 1285.75 | 1001.60 |
| January-2017 | 1225.00 | 1075.00 | 1225.00 | 1065.00 |
| February-2017 | 1309.60 | 1121.85 | 1310.00 | 1117.05 |
| March-2017 | 1480.00 | 1253.30 | 1479.70 | 1255.05 |

{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 :
Karvy Computershare Pvt. Ltd
Unit : Balkrishna Industries Limited
Karvy Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District, Nanakramguda
Hyderabad – 500 032
Email Id: einward.ris@karvy.com
Phone: +91 40 6716 2222; Fax No: +91 40 2342 0814
Website: www.karvycomputershare.com

Contact Person:
Mr. V K Jayaraman,
General Manager
Email: jayaraman.vk@karvy.com

Mumbai address (for shareholder services):

B-24, Rajabhadur Mansion, 6, Amblal Doshi Marg
Behind BSE Ltd, Fort, Mumbai - 400 001
Phone: +91 022 66235454

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

k. Distribution of Shareholding as on 31st March, 2017:

| Category (Shares) | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1 - 500 | 12487 | 87.85 | 913222 | 0.94 |
| 501 - 1000 | 527 | 3.71 | 411922 | 0.43 |
| 1001 - 2000 | 411 | 2.89 | 627091 | 0.65 |
| 2001 - 3000 | 204 | 1.44 | 538554 | 0.56 |
| 3001 - 4000 | 83 | 0.58 | 299019 | 0.31 |
| 4001 - 5000 | 72 | 0.51 | 335615 | 0.35 |
| 5001 - 10000 | 168 | 1.18 | 1154751 | 1.19 |
| 10001 & Above | 262 | 1.84 | 92378421 | 95.57 |
| TOTAL: | 14214 | 100.00 | 96658595 | 100.00 |

Categories of Shareholding as on 31st March, 2017:

| Categories of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|
| **Promoter and Promoter Group (A)** | **52552010** | **54.37** |
| **Public Shareholding (B)** | | |
| Mutual Funds/UTI | 12759446 | 13.20 |
| Financial Institutions/Banks | 21464 | 0.02 |
| Foreign Institutional Investors | 2967918 | 3.07 |
| Bodies Corporate | 1933840 | 2.01 |
| Individuals | 10819292 | 11.19 |
| Any Other | | |
| NRI's | 308850 | 0.32 |
| Trust | 2025 | 0.00 |
| Foreign Portfolio Investor | 14714552 | 15.22 |
| Clearing Members | 579198 | 0.60 |
| **Total Public Shareholding (B)** | **44106585** | **45.63** |
| **Total Shareholding (A+B)** | **96658595** | **100.00** |

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.

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 2017, 98.47% 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 Management Discussion and Analysis Report for the same.

o. Plant Locations:

**PLANTS :**

| | |
|---|---|
| **Tyre Manufacturing :** | B-66, Waluj MIDC, Waluj Industrial Area,<br>Aurangabad 431 136 (Maharashtra) |
| | SP-923, RIICO Industrial Area, Phase-III,<br>P.O. Bhiwadi 301 019, Dist: Alwar (Rajasthan) |
| | A-300-305 & E-306-313 RIICO Industrial Area,<br>Chopanki P.O. Bhiwadi 301 707, Dist: Alwar (Rajasthan) |
| | Bhuj Bhachau Road, S.H.No.42, Village Padhdhar,<br>Taluka Bhuj 370 105, Dist: Kutch (Gujarat) |
| **Calendering :** | SP4-886, RIICO Industrial Area, Pathredi, Bhiwadi 301 707,<br>Dist: Alwar (Rajasthan) |
| **Wind farm :** | Village Soda Mada, Tehsil: Fatehgarh 345 027,<br>Dist: Jaisalmer (Rajasthan) |
| **Mould Unit :** | C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203,<br>Dist: Thane (Maharashtra) |

p. Address for Correspondence:

**BALKRISHNA INDUSTRIES LTD.**

**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

## 10. OTHER DISCLOSURES:

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

There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

Statements of transactions with related parties have been placed periodically before the Audit Committee. Transactions with related parties have also been disclosed in Note no. 45 of the Financial Statements.

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 chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz.https://cloud.bkt-tires.com/bkt-financials/others/vigil-mechanism-and-whistle-blower-policy.pdf .

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 Regulation .The Audit Committee reviews the financial statements and investments made by unlisted Subsidiary Companies. The minutes of the Board Meeting as well as statements of all significant transactions and arrangements entered into with the unlisted subsidiary companies are placed regularly before the Board of Directors for their review. The Company has formulated the Material Subsidiary Policy and uploaded on the website of the Company viz. https://cloud.bkt-tires.com/bkt-financials/others/policy-for-determining-material-subsidiaries.pdf

f. Related Party Transactions:

Policy on materiality of related party transactions and dealing with related party transactions has been displayed on the Company's website https://cloud.bkt-tires.com/bkt-financials/others/policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf .

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

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

## 11. RISK MANAGEMENT:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

## 12. ACCOUNTING TREATMENT:

Disclosure of accounting treatment different from accounting standards: None

## 13. COMPLIANCE WITH THE CODE OF CONDUCT:

The Board of Directors have adopted the Code of Conduct for Directors and Senior Management Personnel. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website https://cloud.bkt-tires.com/bkt-financials/others/code-of-conduct.pdf.

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 2016-2017.

**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, In which Regulation 21 of Listing Regulation i.e. Risk Management Committee is Not Applicable.

This Corporate Governance Report of the Company for the year 2016-2017 is in compliance with the requirements of Corporate Governance under Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place : Mumbai,
Dated : 25th May, 2017

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

## COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS

To, The Members of
Balkrishna Industries Limited

I Arvind Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare as required under Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with Balkrishna Industries Limited Code of Conduct for the year ended 31st March, 2017.

**For Balkrishna Industries Limited**

Place : Mumbai;
Dated: 25th May, 2017

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

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## CEO / CFO CERTIFICATION

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

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Balkrishna Industries Limited**

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

**For Balkrishna Industries Limited**

**BASANT BANSAL**
**DIRECTOR (FINANCE)**

Place : Mumbai,
Dated: 25th May, 2017

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## AUDITORS' CERTIFICATE

To the Members of
Balkrishna Industries Limited

We have examined the compliance of regulations of Corporate Governance by Balkrishna Industries Limited (the Company) for the year ended 31st March, 2017, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

**For Jayantilal Thakkar & Co.**
**Chartered Accountants**
**(FIRM REG. NO.104133W)**

**VIRAL A. MERCHANT**
**PARTNER**
**MEMBERSHIP NO.116279**

Place : Mumbai,
Dated : 25th May, 2017

## INDEPENDENT AUDITOR'S REPORT To the Members of BALKRISHNA INDUSTRIES LIMITED

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Balkrishna Industries Limited ('the Company'), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's

preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
   - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
   - (e) on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

i. the Company has disclosed the impact, if any, of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

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

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

Mumbai
Dated: 25th May, 2017

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2017, 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, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2017 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 (Rs.in lakhs) | Period to which the Amount Relates | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act | Income Tax | 207 | 2004-05 | Supreme Court |
| Sales Tax Act | Sales Tax (Including Interest and Penalty) | 1621 | 1996-97,1998-99 2008-09 | Commissioner (Appeals) |
| | | 3 | 2004-05 | High Court |
| Customs Act | Custom Duty (Including Interest and Penalty) | 4273 | 2012-2014 | Supreme Court |
| | | 356 | 2012-2013, 2015-2016 | CESTAT |
| Central Excise And Service Tax Act | Excise Duty/ Service tax (Including Interest and Penalty) | 187 | 2003-2008 | High Court |
| | | 3734 | 2005-2015 | Tribunal |
| | | 204 | 2007-2017 | Commissioner (Appeals) |
| | | 77 | 1994-1996 2013-2016 | Assessing Authority |
| | | 124 | 2012-2014 | Joint Secretary |

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

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

Mumbai
Dated: 25th May, 2017

# Annexure - B to the 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 2017 in conjunction with our audit of the standalone Ind AS 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 Companies Act, 2013.

**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 Ind AS 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Mumbai
Dated: 25th May, 2017

## BALANCE SHEET AS AT 31ST MARCH,2017

(Rs. In Lakhs)

| | | PARTICULARS | Note No. | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|---|---|
| I | | **ASSETS** | | | | | |
| 1 | | **NON-CURRENT ASSETS** | | | | | |
| | (a) | Property, Plant and Equipment | 2 | **2,83,694** | | 2,85,406 | 2,41,652 |
| | (b) | Capital Work-in-Progress | 2 | **10,967** | | 23,107 | 63,404 |
| | (c) | Investment Property | 3 | **767** | | 858 | 880 |
| | (d) | Intangible Assets | 4 | **399** | | 416 | 128 |
| | (e) | Financial Assets | | | | | |
| | | i) Investments | 5 | **88,819** | | 57,783 | 6,115 |
| | | ii) Other Financial Assets | 6 | **4,021** | | 2,788 | 918 |
| | (f) | Income Tax Assets (net) | 7 | **7,217** | | 5,633 | 5,336 |
| | (g) | Other Non-Current Assets | 8 | **8,482** | | 7,353 | 10,491 |
| | | **TOTAL NON-CURRENT ASSETS** | | | **4,04,366** | 3,83,344 | 3,28,924 |
| 2 | | **CURRENT ASSETS** | | | | | |
| | (a) | Inventories | 9 | **45,969** | | 38,771 | 49,024 |
| | (b) | Financial Assets | | | | | |
| | | i) Investments | 10 | **45,898** | | 27,966 | 42,506 |
| | | ii) Trade Receivables | 11 | **41,219** | | 38,034 | 36,670 |
| | | iii) Cash and Cash Equivalents | 12 | **1,141** | | 30,118 | 43,037 |
| | | iv) Other Bank balances | 13 | **221** | | 166 | 77 |
| | | v) Loans | 14 | **2,391** | | 2,650 | 441 |
| | | vi) Other Financial Assets | 15 | **17,543** | | 1,631 | 22,698 |
| | (c) | Other Current Assets | 16 | **16,550** | | 15,470 | 22,975 |
| | | **TOTAL CURRENT ASSETS** | | | **1,70,932** | 1,54,806 | 2,17,428 |
| | **TOTAL ASSETS** | | | | **5,75,298** | 5,38,150 | 5,46,352 |
| II | | **EQUITY AND LIABILITIES** | | | | | |
| | **EQUITY** | | | | | | |
| | (a) | Share Capital | 17 | **1,933** | | 1,933 | 1,933 |
| | (b) | Other Equity | 18 | **3,52,923** | | 2,76,233 | 2,41,961 |
| | **TOTAL EQUITY** | | | | **3,54,856** | 2,78,166 | 2,43,894 |
| | **LIABILITIES** | | | | | | |
| 1 | | **NON CURRENT LIABILITIES** | | | | | |
| | (a) | Financial Liabilities | | | | | |
| | | i) Borrowings | 19 | **21,884** | | 83,076 | 1,35,298 |
| | | ii) Other Financial Liabilities | 20 | **1** | | 1 | 323 |
| | (b) | Provisions | 21 | **1,260** | | 590 | 362 |
| | (c) | Deferred Tax Liabilities | 22 | **35,288** | | 24,643 | 25,042 |
| | (d) | Other Non-Current Liabilities | 23 | **1,507** | | 1,736 | 1,682 |
| | | **TOTAL NON CURRENT LIABILITIES** | | | **59,940** | 1,10,046 | 1,62,707 |
| 2 | | **CURRENT LIABILITIES** | | | | | |
| | (a) | Financial Liabilities | | | | | |
| | | i) Borrowings | 24 | **54,846** | | 44,134 | 57,989 |
| | | ii) Trade Payable | 25 | **36,334** | | 33,672 | 37,991 |
| | | iii) Other Financial Liabilities | 26 | **64,107** | | 65,318 | 40,208 |
| | (b) | Other Current Liabilities | 27 | **4,653** | | 6,175 | 3,032 |
| | (c) | Provisions | 28 | **562** | | 639 | 531 |
| | | **TOTAL CURRENT LIABILITIES** | | | **1,60,502** | 1,49,938 | 1,39,751 |
| | **TOTAL EQUITY AND LIABILITIES** | | | | **5,75,298** | 5,38,150 | 5,46,352 |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1 TO 55**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In Lakhs)

| | PARTICULARS | Note No. | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|---|---|
| I | **Revenue From Operations** | 29 | **3,78,830** | 3,27,252 |
| II | **Other Income** | 30 | **24,911** | 14,896 |
| III | **Total Income (I+II)** | | **4,03,741** | 3,42,148 |
| IV | **Expenses :** | | | |
| | Cost of Materials Consumed | 31 | **1,57,305** | 1,38,935 |
| | Purchases of Stock-in-Trade | 32 | **780** | 514 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 33 | **47** | 1,479 |
| | Employee Benefits Expense | 34 | **22,429** | 20,570 |
| | Finance Cost | 35 | **2,144** | 3,947 |
| | Depreciation and Amortization Expense | 36 | **30,383** | 28,217 |
| | Other Expenses | 37 | **85,083** | 81,940 |
| | Total Expenses | | **2,98,171** | 2,75,602 |
| V | **Profit Before Tax (III-IV)** | | **1,05,570** | 66,546 |
| VI | **Tax Expenses** | | | |
| | Current tax | | **29,540** | 22,970 |
| | Deferred tax | | **4,516** | (281) |
| | **Total Tax Expenses** | | **34,056** | 22,689 |
| VII | **Profit After Tax (V-VI)** | | **71,514** | 43,857 |
| VIII | **Other Comprehensive Income** | | | |
| 1 | i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurements of Defined Benefit Plans | | **(659)** | (340) |
| | (b) Equity instrument through other compreahensive income (Loss on sale) | | **NIL** | (175) |
| | ii) Income Tax | | **228** | 118 |
| 2 | i) Items that will be reclassified to profit or loss | | | |
| | (a) The effective portion of gain & losses on hedging instruments in a cash flow hedge | | **18,365** | NIL |
| | ii) Income Tax | | **(6,356)** | NIL |
| | Total Other Comprehensive Income (1+2) | | **11,578** | (397) |
| IX | **Total Comprehensive Income (VII+VIII)** | | **83,092** | 43,460 |
| X | **Earnings per equity share:** | | | |
| | Basic and Diluted | | **73.99** | 45.37 |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** **1 TO 55**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

## Statement of Changes in Equity for the year ended As at 31st March 2017

**(a) Equity share capital**

(Rs. in Lakhs)

| | No. of Shares | Amount |
|---|---|---|
| Balance as at 1st April 2015 | 9,66,58,595 | 1,933 |
| Changes in equity share capital | NIL | NIL |
| Balance as at 31st March 2016 | 9,66,58,595 | 1,933 |
| Changes in equity share capital | NIL | NIL |
| Balance as at 31st March 2017 | 9,66,58,595 | 1,933 |

**(b) Other Equity**

| Particulars | Reserves and Surplus | | | Statement of other comprehensive Income | | | |
|---|---|---|---|---|---|---|---|
| | Securities Premium Reserve | General Reserve | Retained earnings | Remeasurements of the net defined benefit Plans | Effective portion of Cash flow Hedges | Fair value through other comprehensive income - equity instruments | Total other equity |
| **Balance as at 1st April 2015** | 1,253 | 1,69,694 | 70,934 | NIL | NIL | 80 | 2,41,961 |
| | | | | | | | |
| **Total Comprehensive** | | | | | | | |
| Profit for the year | NIL | NIL | 43,857 | NIL | NIL | NIL | 43,857 |
| Other comprehensive income for the year | NIL | NIL | NIL | (222) | NIL | (175) | (397) |
| **Transactions with owners of the company** | | | | | | | |
| Interim Dividend on Equity Shares | NIL | NIL | (5,316) | NIL | NIL | NIL | (5,316) |
| Interim Dividend Distribution Tax | NIL | NIL | (1,082) | NIL | NIL | NIL | (1,082) |
| Dividend on Equity Shares | NIL | NIL | (2,320) | NIL | NIL | NIL | (2,320) |
| Dividend Distribution Tax | NIL | NIL | (463) | NIL | NIL | NIL | (463) |
| Dividend Distribution Tax of earlier year | NIL | NIL | (7) | NIL | NIL | NIL | (7) |
| Transferred from Retained Earnings | NIL | 50,306 | NIL | NIL | NIL | NIL | 50,306 |
| Transferred to General Reserve | NIL | Nil | (50,306) | NIL | NIL | NIL | (50,306) |
| Transferred to Retained Earnings | NIL | Nil | NIL | NIL | NIL | 95 | 95 |
| Transferred from OCI | NIL | Nil | (95) | NIL | NIL | NIL | (95) |
| **Balance as at 31st March 2016** | **1,253** | **2,20,000** | **55,202** | **(222)** | **NIL** | **NIL** | **2,76,233** |
| **Total Comprehensive** | | | | | | | |
| Profit for the year | NIL | NIL | 71,514 | NIL | NIL | NIL | 71,514 |
| Other comprehensive income for the year | NIL | NIL | NIL | (431) | 12,009 | NIL | 11,578 |
| Income Tax of Earlier Years | NIL | NIL | 5 | NIL | NIL | NIL | 5 |
| **Transactions with owners of the company** | | | | | | | |
| Interim Dividend on Equity Shares | NIL | NIL | (5,316) | NIL | NIL | NIL | (5,316) |
| Interim Dividend Distribution Tax | NIL | NIL | (1,082) | NIL | NIL | NIL | (1,082) |
| Dividend on Equity Shares | NIL | NIL | NIL | NIL | NIL | NIL | Nil |
| Dividend Distribution Tax of earlier year | NIL | NIL | (9) | NIL | NIL | NIL | (9) |
| Transferred to General Reserve | NIL | NIL | (50,000) | NIL | NIL | NIL | (50,000) |
| Transferred from Retained Earnings | NIL | 50,000 | NIL | NIL | NIL | NIL | 50,000 |
| **Balance as at 31st March 2017** | **1,253** | **2,70,000** | **70,314** | **(653)** | **12,009** | NIL | **3,52,923** |

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

(Rs. in Lakhs)

| | | Year Ended 31st March 2017 | | Year Ended 31st March 2016 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES :** | | | | |
| | Profit before Tax | | **1,05,570** | | 66,546 |
| | Adjustment for : | | | | |
| | Depreciation and Amortisation | **30,383** | | 28,217 | |
| | Diminution of Long Term Investment Written back | **NIL** | | (168) | |
| | Mark to market gain on fair valuation of foreign exchange forward contracts | **1,135** | | 19,061 | |
| | Fair valuation of Investments in mutual fund | **(9,713)** | | 1,557 | |
| | Income from Investments | **(1,169)** | | (7,339) | |
| | Finance Cost | **2,144** | | 3,905 | |
| | Interest Income including on investments | **(1,414)** | | (637) | |
| | Loss/(Profit) on Sale of Fixed Assets | **(92)** | | 57 | |
| | Fixed Assets Discarded/Written Off | **NIL** | | 6 | |
| | Unrealised Foreign Exchange differences | **281** | | (4,079) | |
| | Acturial gains/(losses) reclassified to OCI | **NIL** | | (340) | |
| | Loss on sale of equity shares classified as FVOCI transferred to OCI | **NIL** | | (95) | |
| | Deferred Income ( EPCG) | **(324)** | | (168) | |
| | Retiring Gratuity | **215** | | 515 | |
| | Leave Encashment | **59** | | 244 | |
| | | | **21,505** | | 40,736 |
| | Operating profit before working capital changes | | **1,27,075** | | 1,07,282 |
| | Adjustment for: | | | | |
| | Trade and other receivables | **(5,065)** | | 16,991 | |
| | Other Financial Assets | **(55)** | | (34) | |
| | Inventories | **(7,198)** | | 10,561 | |
| | Trade payables | **1,068** | | (1,591) | |
| | | | **(11,250)** | | 25,927 |
| | Cash generated from operations | | **1,15,825** | | 1,33,209 |
| | Direct taxes paid | | **(31,119)** | | (23,267) |
| | Gratuity paid | | **(235)** | | (289) |
| | Leave Encashment paid | | **(106)** | | (135) |
| | Net cash from Operating Activities | | **84,366** | | 1,09,518 |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| | Purchase of Fixed Assets & Capital Work in Progress | **(18,488)** | | (24,229) | |
| | Sale of Fixed Assets | **397** | | 366 | |
| | Purchase of Investments | **(2,52,008)** | | (3,65,086) | |
| | Sale of Investments | **2,13,786** | | 3,30,640 | |
| | Inter Corporate Loan Given | **NIL** | | (3,350) | |
| | Inter Corporate Loan Refund Received | **250** | | 1,075 | |
| | Interest received | **1,264** | | 511 | |
| | Dividend Received on Investments | **135** | | 3,194 | |
| | Net cash used in Investing Activities | | **(54,664)** | | (56,879) |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES :** | | | | |
| | Proceeds from Short Term Borrowings (Net) | **7,970** | | 44,390 | |
| | Proceeds from Long Term Borrowings | **8,893** | | 77,976 | |
| | Repayment of Long Term Borrowings | **(66,912)** | | (1,75,344) | |
| | Dividend paid (including tax thereon) | **(6,444)** | | (9,133) | |
| | Finance Cost paid | **(2,182)** | | (3,460) | |
| Net Cash from Financing Activities | | | **(58,675)** | | (65,571) |
| Net Increase in cash and cash equivalent | | | **(28,973)** | | (12,932) |
| Exchange difference on cash and cash equivalent | | | **(3)** | | 13 |
| Cash and cash equivalent as at the beginning of the year | | | **30,118** | | 43,037 |
| Cash and cash equivalent as at the end of the year | | | **1,141** | | 30,118 |

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

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 1. (a) General information

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

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

## 1. (b) Significant Accounting policies

### (a) Basis of preparation

(i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April, 2015. Refer note 53 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and its net profit.

(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(except for long term monetary items outstanding as of 31st March 2016) are generally recognised in profit and loss.

In case of long term monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset

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

#### Sale of goods

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 inclusive of excise duty and net of returns, Trade Discounts, Rebates, incentives, Value added taxes/Central Sales Tax and amounts collected on behalf of third parties.

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

#### Export Benefits

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

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.

**(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 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 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 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

### (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 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.

### (h) Borrowing cost

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

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

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

### (i) Operating lease

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

### (j) Income Tax

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

#### i. Current tax

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

Current tax assets and liabilities are offset only if:

a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ii. Deferred tax

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

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

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

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

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

### (k) Cash and cash equivalents

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

### (l) Inventories

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

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

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

### (m) Research and development

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

### (n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency 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 recognized 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 recognized 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 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 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 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 Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

**(o) Employee benefits**

**i. Short term employee benefits**

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

**ii. Defined contribution plans**

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

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

**iii. Defined benefit plans**

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

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

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

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

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

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

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### (s) Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be 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.

**(u) Standards issued or modified but not yet effective up to the date of issuance of the company's financial statements:**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share-Based Payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of Cash Flows and IFRS 2, Share-Based Payments, respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company had evaluated the disclosure requirements of the amendment and the effect on the Standalone Financial Statements is not expected to be material.

## NOTE NO.2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2017

(Rs. in Lakhs)

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION (INCLUDING AMORTISATION) | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 1st April 2016 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2017 | Balance As at 1st April 2016 | *For the Year | Deductions During the year | Balance As at 31st March 2017 | As At 31st March 2017 | As At 31st March 2016 |
| **Property, Plant and Equipment** | | | | | | | | | | |
| **Tangible Assets:** | | | | | | | | | | |
| (a) Land | | | | | | | | | | |
| Freehold | 3,702 | NIL | NIL | 3,702 | NIL | NIL | NIL | NIL | 3,702 | 3,702 |
| Leasehold | 1,900 | 3 | NIL | 1,903 | 24 | 24 | NIL | 48 | 1,855 | 1,876 |
| (b) Buildings | 81,095 | 12,582 | NIL | 93,677 | 2,632 | 3,581 | NIL | 6,213 | 87,464 | 78,463 |
| (c ) Plant and Equipment | 2,09,964 | 13,693 | 217 | 2,23,440 | 23,399 | 24,370 | 55 | 47,714 | 1,75,726 | 1,86,565 |
| (d) Furniture and Fixtures | 4,778 | 812 | NIL | 5,590 | 363 | 590 | NIL | 953 | 4,637 | 4,415 |
| (e) Vehicles | 1,663 | 216 | 76 | 1,803 | 249 | 271 | 23 | 497 | 1,306 | 1,414 |
| (f) Office Equipment | 485 | 108 | NIL | 593 | 115 | 107 | NIL | 222 | 371 | 370 |
| (g) Others: | | | | | | | | | | |
| Electric Installations | 9,338 | 1,190 | 23 | 10,505 | 1,312 | 1,262 | 4 | 2,570 | 7,935 | 8,026 |
| Air Conditioners | 420 | 263 | NIL | 683 | 105 | 133 | NIL | 238 | 445 | 315 |
| Computer | 397 | 147 | 1 | 543 | 137 | 153 | NIL | 290 | 253 | 260 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **3,13,742** | **29,014** | **317** | **3,42,439** | **28,336** | **30,491** | **82** | **58,745** | **2,83,694** | **2,85,406** |
| **CAPITAL WORK IN PROGRESS** | | | | | | | | | 10,967 | 23,107 |

* Including Depreciation capitalised Rs.225 Lakhs (Previous Year Rs. 221 Lakhs).

## NOTE NO.2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2016

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION (INCLUDING AMORTISATION) | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 1st April 2015 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2016 | Balance As at 1st April 2015 | *For the Year | Deductions During the year | Balance As at 31st March 2016 | As At 31st March 2016 | As At 31st March 2015 |
| **Property, Plant and Equipment** | | | | | | | | | | |
| **Tangible Assets** | | | | | | | | | | |
| (a) Land | | | | | | | | | | |
| Freehold | 3,702 | NIL | NIL | 3,702 | NIL | NIL | NIL | NIL | 3,702 | 3,702 |
| Leasehold | 1,900 | NIL | NIL | 1,900 | NIL | 24 | NIL | 24 | 1,876 | 1,900 |
| (b) Buildings | 55,610 | 25,485 | NIL | 81,095 | NIL | 2,632 | NIL | 2,632 | 78,463 | 55,610 |
| (c ) Plant and Equipment | 1,70,259 | 40,004 | 299 | 2,09,964 | NIL | 23,406 | 7 | 23,399 | 1,86,565 | 1,70,259 |
| (d) Furniture and Fixtures | 888 | 3,890 | NIL | 4,778 | NIL | 363 | NIL | 363 | 4,415 | 888 |
| (e) Vehicles | 1,162 | 640 | 139 | 1,663 | NIL | 257 | 8 | 249 | 1,414 | 1,162 |
| (f) Office Equipment | 183 | 303 | 1 | 485 | NIL | 115 | NIL | 115 | 370 | 183 |
| (g) Others: | | | | | | | | | | |
| Electric Installations | 7,483 | 1,864 | 9 | 9,338 | NIL | 1,316 | 4 | 1,312 | 8,026 | 7,483 |
| Air Conditioners | 169 | 251 | NIL | 420 | NIL | 105 | NIL | 105 | 315 | 169 |
| Computer | 296 | 101 | NIL | 397 | NIL | 137 | NIL | 137 | 260 | 296 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **2,41,652** | **72,538** | **448** | **3,13,742** | **NIL** | **28,355** | **19** | **28,336** | **2,85,406** | **2,41,652** |
| **CAPITAL WORK IN PROGRESS** | | | | | | | | | 23,107 | 63,404 |

* Including Depreciation capitalised Rs. 221 Lakhs.

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on 1st April 2015 under the previous GAAP.

(Rs. in Lakhs)

| Description | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| **Property plant and equipment** | | | |
| (a) Land | | | |
| Freehold | 3,702 | NIL | 3,702 |
| Leasehold | 2,064 | 164 | 1,900 |
| (b) Buildings | 61,130 | 5,520 | 55,610 |
| (c ) Plant and Equipment | 2,50,107 | 79,843 | 1,70,264 |
| (d) Furniture and Fixtures | 1,545 | 657 | 888 |
| (e) Vehicles | 1,653 | 496 | 1,157 |
| (f) Office Equipment | 441 | 258 | 183 |
| (g) Others: | | | |
| Electric Installations | 9,759 | 2,276 | 7,483 |
| Air Conditioners | 397 | 228 | 169 |
| Computer | 991 | 695 | 296 |
| **TOTAL PROPERTY PLANT AND EQUIPMENT** | **3,31,789** | **90,137** | **2,41,652** |
| **CAPITAL WORK IN PROGRESS** | 63,404 | | 63,404 |

## NOTE NO.3

**INVESTMENT PROPERTY AS ON 31ST MARCH 2017**

(Rs. in Lakhs)

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 1st April 2016 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2017 | Balance As at 1st April 2016 | For the Year | Deductions During the year | Balance As at 31st March 2017 | As At 31st March 2017 | As At 31st March 2016 |
| Buildings | 880 | NIL | 73 | 807 | 22 | 21 | 3 | 40 | 767 | 858 |
| **TOTAL INVESTMENT PROPERTY** | **880** | **NIL** | **73** | **807** | **22** | **21** | **3** | **40** | **767** | **858** |

**INVESTMENT PROPERTY AS ON 31st MARCH 2016**

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 1st April 2015 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2016 | Balance as at 1st April 2015 | For the Year | Deductions During the year | Balance as at 31st March 2016 | As At 31st March 2016 | As At 31st March 2015 |
| Buildings | 880 | NIL | NIL | 880 | NIL | 22 | NIL | 22 | 858 | 880 |
| **TOTAL INVESTMENT PROPERTY** | **880** | **NIL** | **NIL** | **880** | **NIL** | **22** | **NIL** | **22** | **858** | **880** |

i) The Company has availed the deemed cost exemption in relation to the Investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April 2015 under the previous GAAP.

| INVESTMENT PROPERTY | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| Building | 993 | 113 | 880 |
| **TOTAL INVESTMENT PROPERTY** | 993 | 113 | 880 |

ii) Amounts recognised in profit or loss for investment property

(Rs. in Lakhs)

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|
| Rental income derived from investment properties | 158 | 90 |
| Direct operating expenses (including repair and maintenance ) generating rental income | (24) | (23) |
| Profit from investment properties before depreciation | 134 | 67 |
| Depreciation | 21 | 22 |
| Profit from investment properties | 113 | 45 |

iii) Fair value

| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Investment property | 7,513 | 6,964 | 6,425 |

**Estimation of fair value**

The company obtains independent valuations for its investment properties at least annually.

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 ON 31ST MARCH 2017**

(Rs. in Lakhs)

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Balance As at 1st April 2016 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2017 | Balance As at 1st April 2016 | For the Year | Deductions During the year | Balance As at 31st March 2017 | As At 31st March 2017 | As At 31st March 2016 |
| Computer software | 477 | 79 | NIL | 556 | 61 | 96 | NIL | 157 | 399 | 416 |
| **TOTAL INTANGIBLE ASSETS** | **477** | **79** | **NIL** | **556** | **61** | **96** | **NIL** | **157** | **399** | **416** |

**INTANGIBLE ASSETS AS ON 31ST MARCH 2016**

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Description | Balance As at 1st April 2015 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance As at 31st March 2016 | Balance As at 1st April 2015 | For the Year | Deductions During the year | Balance As at 31st March 2016 | As At 31st March 2016 | As At 31st March 2015 |
| Computer software | 128 | 349 | NIL | 477 | NIL | 61 | NIL | 61 | 416 | 128 |
| **TOTAL INTANGIBLE ASSETS** | **128** | **349** | **NIL** | **477** | **NIL** | **61** | **NIL** | **61** | **416** | **128** |

The Company has availed the deemed cost exemption in relation to the Intangible Assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2015 under the previous GAAP.l

| INTANGIBLE ASSETS | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| Computer Software | 527 | 399 | 128 |
| **TOTAL INTANGIBLE ASSETS** | 527 | 399 | 128 |

(Rs. in Lakhs)

| NOTE NO.5 | UNITS | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| **FINANCIAL ASSETS (NON-CURRENT)** | | | | | |
| **INVESTMENTS :** | | | | | |
| **A Investments in Equity Instruments of Subsidiaries at Cost** | | | | | |
| **Unquoted (Shares of Rs.10 each, fully paid up)** | | | | | |
| (In 100 % Subsidiaries Companies) | | | | | |
| 7,00,000 Shares of BKT Exim Ltd. | | **70** | | 70 | 70 |
| 50,000 Shares of BKT Tyres ltd. | | **5** | | 5 | 5 |
| 50,000 Shares of Thristha Synthetics Ltd. | | **5** | | 5 | 5 |
| | | | **80** | 80 | 80 |
| **B Investment carried at amortised cost** | | | | | |
| **Unquoted** | | | | | |
| **(a) Investment in Preference Shares** | | | | | |
| 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each | | **47** | | 43 | 40 |
| | | | **47** | 43 | 40 |
| | | | **127** | 123 | 120 |
| **(b) Investments in Government Securities** | | | | | |
| In 6 Year National Saving Certificates (31st March 2017 Rs.20,000, 31st March, 2016 Rs.20,000 and 1st April, 2015 Rs.23,000) | | | **0** | 0 | 0 |
| **(c) Investment in Tax Free Bonds (at amortised cost)** | | | | | |
| **Quoted** | | | | | |
| 7.35% NABARD Tax Free Bonds SR-IIA | 50,099 | **NIL** | **501** | 501 | NIL |
| 7.35% IRFC Tax Free Bonds SR-108 | 58,783 | **NIL** | **588** | 588 | NIL |
| 7.39% HUDCO Tax Free Bond | 2,50,000 | **NIL** | **2,605** | NIL | NIL |
| 7.14% NHAI Tax Free Bond | 2,85,698 | **NIL** | **2,944** | NIL | NIL |
| | | | **6,638** | 1,089 | NIL |
| **C Investment carried at fair value through Profit and Loss** | | | | | |
| **(a) Investment in Mutual fund** | | | | | |
| **Quoted** | | | | | |
| HDFC Debt Fund for Cancer Cure - 100% Direct Option -2014 Dividend Option | 50,00,000 | **NIL** | | 518 | 510 |
| HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation | 50,00,000 | **501** | | NIL | NIL |
| HDFC Charity Fund for Cancer Cure - Arbitrage Plan Direct Option -100% Dividend Donation | 50,00,000 | **501** | | NIL | NIL |
| HDFC Fixed Maturity Plan Series 31 Direct Growth | 1,50,00,000 | **NIL** | | 1,756 | 1,615 |
| HDFC Fixed Maturity Plan Series 35/36/37 Direct Growth (As at 31st March 2016 34,30,00,000 units) | 35,80,00,000 | **39,241** | | 34,387 | NIL |
| SBI Debt Fund Series -A26 Direct Growth | 1,50,00,000 | **NIL** | | 1,761 | 1,622 |
| LIC Nomura MF Fixed maturity plan series 85 Direct Growth | 2,00,00,000 | **NIL** | | 2,334 | 2,149 |
| **Unquoted:** | | | | | |
| HDFC Gilt Fund - Long Term Plan | 5,16,24,449 | **17,716** | | 15,815 | NIL |
| SBI Magnum Gilt Fund Long Term Plan | 6,42,38,971 | **24,095** | | NIL | NIL |
| | | | **82,054** | 56,571 | 5,896 |
| **D Investment in Equity Instrument measure at FVOCI** | | | | | |
| **Quoted** | | | | | |
| 4,98,759 Equity Shares of Govind Rubber Ltd. (Shares of Rs.10 each, fully paid up) | | | **NIL** | NIL | 99 |
| | | | **88,819** | 57,783 | 6,115 |
| Aggregate amount of quoted investments and market value thereof | | | **46,880** | 41,845 | 5,995 |
| Aggregate amount of unquoted investments. | | | **41,939** | 15,938 | 120 |

(Rs. in Lakhs)

| NOTE NO. 6 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER FINANCIAL ASSETS** | | | |
| Derivative Assets | **3,311** | 2,035 | 40 |
| Security Deposits | **710** | 753 | 878 |
| | **4,021** | 2,788 | 918 |

(Rs. in Lakhs)

| NOTE NO. 7 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **INCOME TAX ASSETS (NET)** | | | |
| Advance Payments of Taxes and Tax deducted at source (Net of Provisions) | **7,217** | 5,633 | 5,336 |
| | **7,217** | 5,633 | 5,336 |

(Rs. in Lakhs)

| NOTE NO.8 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER NON CURRENT ASSETS** | | | |
| (a) Capital Advances | **8,379** | 7,247 | 7,695 |
| (b) Others loans and advances | | | |
| Advance Payment to Suppliers | **NIL** | NIL | 33 |
| Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | **5** | 5 | 2,650 |
| Prepaid expenses | **98** | 101 | 113 |
| | **8,482** | 7,353 | 10,491 |

(Rs. in Lakhs)

| NOTE NO.9 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **INVENTORIES :** | | | |
| (At lower of Cost and Net Realisable Value) | | | |
| (a) Raw materials | **22,083** | 14,625 | 22,737 |
| (b) Work-in-Progress | **4,748** | 3,977 | 5,582 |
| (c) Finished Goods | **15,241** | 16,106 | 15,888 |
| (d) Stock-in-Trade | **131** | 85 | 177 |
| (e) Stores and Spares | **3,573** | 3,675 | 4,314 |
| (f) Others - Packing Materials and Fuel | **193** | 303 | 326 |
| | **45,969** | 38,771 | 49,024 |

(Rs. in Lakhs)

| NOTE NO.10 | Units | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| **INVESTMENTS (CURRENT)** | | | | | |
| **Investment carried at fair value through Profit and Loss** | | | | | |
| (a) In Mutual funds | | | | | |
| **Quoted** | | | | | |
| Axis Fixed term Plan - Series 49 Growth | 2,50,00,000 | **NIL** | | NIL | 2,776 |
| ICICI Prudential Fixed Maturity Plan Series 72/Interval Fund II Growth | 4,02,10,504 | **NIL** | | NIL | 4,500 |
| IDFC Fixed Term Plan Series 70 Growth | 2,50,00,000 | **NIL** | | NIL | 2,776 |
| UTI Fixed Term Income Fund Series XVII - VII Growth | 2,50,00,000 | **NIL** | | NIL | 2,784 |
| SBI Debt Fund Series - A1/2/3/14 Growth | 11,00,00,000 | **NIL** | | NIL | 12,158 |
| HDFC Fixed Maturity Plan Series 29/31/33 Growth (As at 1st April, 2015 12,55,00,000 units) | 1,50,00,000 | **1,895** | | NIL | 13,689 |
| SBI Debt Fund Series - A26 Growth | 1,50,00,000 | **1,890** | | NIL | NIL |
| LIC Nomura MF Fixed Maturity Plan Series 85 Growth Plan | 2,00,00,000 | **2,515** | | NIL | NIL |
| LIC Nomura MF Fixed Maturity Plan Series 76 Growth | 3,50,00,000 | **NIL** | | NIL | 3,823 |
| SBI Debt Fund Series - B-32(60 days) | 1,50,00,000 | **NIL** | | 1,513 | NIL |
| ICICI Prudential FMP Series 75-95 days Plan K | 2,60,00,000 | **NIL** | | 2,630 | NIL |
| **Unquoted** | | | | | |
| SBI Magnum Gilt Fund - Long Term Plan | 6,42,38,971 | **NIL** | | 20,883 | NIL |
| Axis Treasury Advantage Fund - Growth | 10,924 | **202** | | NIL | NIL |
| Axis Enhance Arbitrage Fund - Growth | 1,32,86,970 | **1,619** | | NIL | NIL |
| IDFC Ultra Short Term Fund Growth | 30,36,453 | **703** | | NIL | NIL |
| IDFC Arbitrage Fund - Growth | 19,32,150 | **409** | | NIL | NIL |
| IDFC Government Securities Fund Investment Plan - Growth | 9,97,944 | **204** | | NIL | NIL |
| ICICI Prudential Ultra Short Term - Growth | 1,34,72,880 | **2,306** | | NIL | NIL |
| ICICI Prudential Equity Arbitrage Fund - Growth | 2,27,51,213 | **5,061** | | NIL | NIL |
| ICICI Prudential Long Term Gilt Fund - Growth | 6,80,552 | **397** | | NIL | NIL |
| HDFC Arbitrage Fund Wholesale Plan - Growth | 6,07,39,068 | **7,537** | | NIL | NIL |
| HDFC Floating Rate Income Fund - Short Term Plan - Whole sale Option - Growth | 10,60,352 | **301** | | NIL | NIL |
| Birla Sun Life Enhanced Arbitrage Fund - Growth | 1,82,83,339 | **3,153** | | NIL | NIL |
| Birla Sun Life Floating Rate Fund Long Term Plan - Growth | 12,42,140 | **2,492** | | NIL | NIL |

(Rs. in Lakhs)

| NOTE NO.10 | Units | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| Kotak Equity Arbitrage Fund - Growth | 94,07,175 | 2,250 | | NIL | NIL |
| SBI Arbitrage Opportunity Fund - Growth | 32,59,860 | 712 | | NIL | NIL |
| BNP Paribas Enhanced Arbitrage Fund - Growth | 3,37,88,837 | 3,452 | | NIL | NIL |
| UTI Spread Fund - Growth | 17,89,664 | 403 | | NIL | NIL |
| L&T Ultra Short Term Fund - Growth | 11,18,610 | 301 | | NIL | NIL |
| TATA Ultra Short Term Fund - Growth | 52,604 | 1,306 | | NIL | NIL |
| | | | 39,108 | 25,026 | 42,506 |
| (b) Investment in Debenture | | | | | |
| (Unquoted) | | | | | |
| 3% Optionally Convertible Debentures of BKT Exim Ltd.,of Rs.1,00,000 each (In 100% Subsidiary Company) | 2,940 | NIL | | 2,940 | NIL |
| (Quoted) | | | | | |
| Citicorp Finance (India) Limited NCD Series 583 Alt1 | 3,500 | 3,724 | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt3 | 1,000 | 1,050 | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt2 | 1,000 | 1,009 | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt1 | 1,000 | 1,007 | | NIL | NIL |
| | | | 6,790 | NIL | NIL |
| | | | 45,898 | 27,966 | 42,506 |
| Aggregate amount of quoted investments and Market value thereof | | | 13,090 | 4,143 | 42,506 |
| Aggregate amount of Unquoted investments | | | 32,808 | 23,823 | NIL |

(Rs. in Lakhs)

| NOTE NO.11 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **TRADE RECEIVABLES** | | | |
| Secured Considered good | 15,384 | 14,799 | 15,432 |
| Unsecured Considered good | 25,835 | 23,235 | 21,238 |
| | 41,219 | 38,034 | 36,670 |

(Rs. in Lakhs)

| NOTE NO.12 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **CASH AND CASH EQUIVALENTS** | | | |
| Balances with banks | 1,108 | 5,782 | 852 |
| Cash on hand | 32 | 36 | 85 |
| In Fixed Deposit | 1 | 24,300 | 42,100 |
| | 1,141 | 30,118 | 43,037 |

(Rs. in Lakhs)

| NOTE NO.13 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER BANK BALANCES** | | | |
| Unpaid Dividend | 87 | 123 | 68 |
| Margin Money (Including Fixed Deposit) | 134 | 43 | 9 |
| (Held against guarantee and other commitments) | 221 | 166 | 77 |

(Rs. in Lakhs)

| NOTE NO.14 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **LOANS** | | | |
| Unsecured, considered good | | | |
| Loans to other than related parties | 2,100 | 2,350 | 75 |
| Loans and advances to employees | 291 | 300 | 366 |
| | 2,391 | 2,650 | 441 |

(Rs. in Lakhs)

| NOTE NO.15 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT FINANCIAL ASSETS** | | | |
| Derivative Assets | 17,147 | 1,385 | 22,574 |
| Interest accrued on Investments | 277 | 73 | Nil |
| Interest accrued on Deposits and Loans | 119 | 173 | 124 |
| | 17,543 | 1,631 | 22,698 |

(Rs. in Lakhs)

| NOTE NO.16 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT ASSETS** | | | |
| Advance Payment to Suppliers | **6,428** | 4,557 | 8,392 |
| Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | **10,122** | 10,913 | 14,583 |
| | **16,550** | 15,470 | 22,975 |

(Rs. in Lakhs)

| NOTE NO.17 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **SHARE CAPITAL** | | | |
| **Authorised :** | | | |
| 44,00,00,000 Equity Shares of Rs.2 each | **8,800** | 8,800 | 8,800 |
| 20,00,000 Redeemable Preference Shares of Rs.10 each | **200** | 200 | 200 |
| | **9,000** | 9,000 | 9,000 |
| **Issued Subscribed and fully paid up:** | | | |
| 9,66,58,595 Equity Shares of Rs.2 each fully paid up | **1,933** | 1,933 | 1,933 |
| | **1,933** | 1,933 | 1,933 |

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 shares outstanding at the beginning and end of the year :

| **Equity share :** | As at 31st March 2017 | | As at 31st March 2016 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | **9,66,58,595** | **1,933** | 9,66,58,595 | 1,933 |
| Balance at the end of the year | **9,66,58,595** | **1,933** | 9,66,58,595 | 1,933 |

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

| Name of Shareholders | No. of Shares held | No. of Shares held | No. of Shares held |
|---|---|---|---|
| RAP ENTERPRISES LLP | - | 2,39,67,995 | 2,39,67,995 |
| % Holding | - | 24.80 | 24.80 |
| AKP ENTERPRISES LLP | - | 2,39,98,445 | 2,39,98,445 |
| % Holding | - | 24.83 | 24.83 |
| VKP ENTERPRISES LLP | **2,41,16,440** | - | - |
| % Holding | **24.95** | - | - |
| RAJIV A PODDAR | **2,39,84,790** | - | - |
| % Holding | **24.81** | - | - |

(Rs. in Lakhs)

| NOTE NO.18 | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|
| **OTHER EQUITY** | | | | |
| a. **Securities Premium Account** | | | | |
| Opening Balance | **1,253** | | 1,253 | |
| Movement during the year | **NIL** | | NIL | |
| Closing Balance | | **1,253** | 1,253 | 1,253 |
| b. **Other Reserve (General Reserve)** | | | | |
| Opening Balance | **2,20,000** | | 1,69,694 | |
| Add: Transferred from Profit and Loss account | **50,000** | | 50,306 | |
| Closing Balance | | **2,70,000** | 2,20,000 | 1,69,694 |
| c. **Retained earnings** | | | | |
| **Opening Balance** | **55,202** | | 70,934 | |
| Add: Net Profit for the current year | **71,514** | | 43,857 | |
| Less: Interim Dividends | **5,316** | | 5,316 | |
| Less: Tax on Interim Dividends | **1,082** | | 1,082 | |
| Less: Dividend on equity shares | **NIL** | | 2,320 | |
| Less: Tax on equity dividend | **NIL** | | 463 | |
| Less: Transfer to General Reserve | **50,000** | | 50,306 | |
| Less: Tax on Dividend of earlier year | **9** | | 7 | |
| Less: Transfer from OCI | **NIL** | | 95 | |
| Add: Tax of Earlier Years | **5** | | NIL | |
| Closing Balance | | **70,314** | 55,202 | 70,934 |

(Rs. in Lakhs)

| NOTE NO.18 | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|
| **Other Comprehensive Income (OCI) :** | | | | |
| d. **Remeasurements of the net defined benefit plans** | | | | |
| Opening Balance | **(222)** | | NIL | |
| Movement during the year | **(431)** | | (222) | |
| Closing Balance | | **(653)** | (222) | NIL |
| e. **Effective portion of cash flow hedges** | | | | |
| Opening Balance | **NIL** | | NIL | |
| Movement during the year | **12,009** | | NIL | |
| Closing Balance | | **12,009** | NIL | NIL |
| f. **Fair value through other comprehensive income - Equity Instruments** | | | | |
| Opening Balance | **NIL** | | 80 | |
| Movement during the year | **NIL** | | (175) | |
| Add : Transfer to retained earning | **NIL** | | 95 | |
| Closing Balance | | **NIL** | NIL | 80 |
| | | **3,52,923** | 2,76,233 | 2,41,961 |

**Securities premium reserve**

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**General reserve**

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

**Retained earnings**

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

**Remeasurements of the net defined benefit Plans**

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

**Fair value through other comprehensive income - equity instruments**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The company transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

**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 or loss i.e., when the designated sale occurs.

(Rs. in Lakhs)

| NOTE NO.19 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **BORROWINGS** | | | |
| **Secured** | | | |
| From banks | **21,596** | 82,768 | 134,984 |
| **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) | **288** | 308 | 314 |
| | **21,884** | 83,076 | 1,35,298 |
| (Refer Note No.52 for details of securities provided and repayment terms of above loans) | | | |

(Rs. in Lakhs)

| NOTE NO.20 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER FINANCIAL LIABILITIES** | | | |
| Distributors/Dealers Deposit | **1** | 1 | 1 |
| Derivative Liability | NIL | NIL | 322 |
| | **1** | 1 | 323 |

(Rs. in Lakhs)

| NOTE NO.21 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **NON CURRENT PROVISIONS** | | | |
| Provisions for Employee Benefits | **1,260** | 590 | 362 |

(Rs. in Lakhs)

| NOTE NO.22 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **DEFERRED TAX LIABILITIES (NET)** | | | |
| Deferred Tax Liability | **36,096** | 27,462 | 28,481 |
| Deferred Tax Assets | **808** | 2,819 | 3,439 |
| Net Deferred Tax Liability | **35,288** | 24,643 | 25,042 |

(Rs. in Lakhs)

| NOTE NO.23 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER NON CURRENT LIABILITIES** | | | |
| Deferred Income (Export Incentive ) | **1,507** | 1,736 | 1,682 |

(Rs. in Lakhs)

| NOTE NO.24 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **BORROWINGS - CURRENT** | | | |
| **Secured** | | | |
| From Banks | **25,982** | 27,021 | 19,499 |
| **Unsecured** | | | |
| From Banks | **28,864** | 17,113 | 38,490 |
| | **54,846** | 44,134 | 57,989 |
| (Refer Note No.52 for details of securities provided and repayment terms of above loans) | | | |

(Rs. in Lakhs)

| NOTE NO.25 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **TRADE PAYABLES** | | | |
| Trade Payables (including Acceptances) | **36,334** | 33,672 | 37,991 |
| (Refer Note No.47 for details of Dues to Micro and Small Enterprises) | | | |

(Rs. in Lakhs)

| NOTE NO.26 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT FINANCIAL LIABILITIES** | | | |
| Interest accrued but not due | **47** | 85 | 118 |
| Current maturity of Long Term debt | **59,385** | 60,806 | 36,511 |
| Unpaid Dividend | **87** | 123 | 68 |
| Other Payable (capital creditors) | **4,588** | 4,110 | 3,505 |
| Derivative liabilities | **NIL** | 194 | 6 |
| | **64,107** | 65,318 | 40,208 |

(Rs. in Lakhs)

| NOTE NO.27 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT LIABILITIES** | | | |
| Income received in advance | **2,382** | 3,937 | 1,964 |
| Security Deposit | **45** | 32 | 33 |
| Statutory dues towards TDS/VAT/CST/Service Tax etc. | **2,226** | 2,206 | 1,035 |
| | **4,653** | 6,175 | 3,032 |

(Rs. in Lakhs)

| NOTE NO.28 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **PROVISIONS (CURRENT)** | | | |
| Provision for employee benefits | **562** | 639 | 531 |

(Rs. in Lakhs)

| NOTE NO.29 | Year Ended 31st March 2017 | | Year Ended 31st March 2016 |
|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | |
| Sale of Products | | **3,72,214** | 3,24,152 |
| Other Operating Revenue: | | | |
| Export Incentives | **5,724** | | 2,366 |
| Scrap Sales | **751** | | 671 |
| Others | **141** | | 63 |
| | | **6,616** | 3,100 |
| Total Revenue from Operation | | **3,78,830** | 3,27,252 |

(Rs. in Lakhs)

| NOTE NO.30 | Year Ended 31st March 2017 | | Year Ended 31st March 2016 |
|---|---|---|---|
| **OTHER INCOME** | | | |
| Interest Income on: | | | |
| Non Current Investments (Previous Year Rs.966) | **410** | | 0 |
| Current Investments | **6** | | 82 |
| Deposits/Loans and Advances | **998** | | 556 |
| | | **1,414** | 638 |
| Diminution of Long Term Investment Written back | | **NIL** | 168 |
| Net gain on foreign currency transaction and translation | | **12,260** | 6,485 |
| Dividend Income on Investments in mutual fund | | **135** | 3,194 |
| Net gain on sale of Current Investments | | **1,034** | 4,240 |
| Mark to market gain on mutual fund Investments | | **9,713** | NIL |
| Profit on sale of Property Plant and Equipment | | **92** | NIL |
| Other non-operating income | | **263** | 171 |
| | | **24,911** | 14,896 |

(Rs. in Lakhs)

| NOTE NO.31 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **COST OF MATERIAL CONSUMED** | | |
| Raw Material Consumed | **1,57,305** | 1,38,935 |

(Rs. in Lakhs)

| NOTE NO.32 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **PURCHASE OF STOCK IN TRADE** | | |
| Purchase of Traded Goods | **780** | **514** |

(Rs. in Lakhs)

| NOTE NO.33 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE** | | |
| **Opening Stock :** | | |
| Work-in-Progress | **3,977** | 5,582 |
| Stock in Trade | **85** | 177 |
| Finished Goods | **16,106** | 15,888 |
| | **20,168** | 21,647 |

| NOTE NO.33 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **Less :** | | |
| **Closing Stock :** | | |
| Work-in-Progress | 4,748 | 3,977 |
| Stock in Trade | 132 | 85 |
| Finished Goods | 15,241 | 16,106 |
| | 20,121 | 20,168 |
| Net (Increase)/Decrease in Inventories | 47 | 1,479 |

(Rs. in Lakhs)

| NOTE NO.34 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries and Wages | 20,890 | 18,750 |
| Contribution to provident and other funds | 1,170 | 1,464 |
| Staff Welfare Expenses | 369 | 356 |
| | 22,429 | 20,570 |

(Rs. in Lakhs)

| NOTE NO.35 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **FINANCE COST** | | |
| Interest expenses | 1,792 | 3,710 |
| Other borrowing cost | 352 | 237 |
| | 2,144 | 3,947 |

(Rs. in Lakhs)

| NOTE NO.36 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation and amortisation | 30,383 | 28,217 |

(Rs. in Lakhs)

| NOTE NO.37 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **OTHER EXPENSES:** | | |
| Consumption of stores and spare parts | 9,981 | 14,117 |
| Packing material consumed | 100 | 90 |
| Power and fuel(Net) | 12,665 | 11,694 |
| Freight and forwarding | 16,656 | 12,791 |
| Excise Duty | 5,681 | 5,001 |
| Excise duty on variation of Finished Goods | 104 | 12 |
| Labour/Job Charges | 8,638 | 7,185 |
| Water Charges | 315 | 160 |
| Repairs and Maintenance to Plant & Machinery | 1,230 | 1,809 |
| Repairs and Maintenance to Building | 2,950 | 1,231 |
| Repairs and Maintenance to Others | 703 | 757 |
| Insurance Charges | 1,081 | 1,310 |
| Rates and Taxes excluding taxes on income | 1,673 | 613 |
| Rent | 226 | 246 |
| Legal and Professional Charges | 2,405 | 2,274 |
| Advertisement, Publicity and Sales Promotion | 6,851 | 8,388 |
| Commission | 257 | 262 |
| Discount | 373 | 273 |
| Travelling Expenses | 1,352 | 1,126 |
| Directors Meeting Fees | 12 | 11 |

| NOTE NO.37 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| Loss on sale of Property Plant and Equipment | **NIL** | 57 |
| Property, Plant and Equipment Discarded (Current Year Rs.7,507) | **0** | 6 |
| Interest to Others | **NIL** | 36 |
| Marketing Service Expenses | **8,096** | 7,141 |
| Contribution towards CSR Expenses | **1,501** | 1,320 |
| Mark to Market gain on Mutual Fund Investments | **NIL** | 1,556 |
| Miscellaneous Expenses | **2,233** | 2,474 |
| | **85,083** | 81,940 |

## NOTE NO. 38

**First - time adoption of Ind AS**

**I. Transition to Ind AS**

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1(b) have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the presentation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

**II. Exemptions from retrospective application**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**a) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and Investment property**

Ind AS 101 permits a first time adopters to continue with the carrying value for all its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its PPE, intangible asset and investment property at their previous GAAP carrying values.

**b) Deemed cost for investment in subsidiary**

The Company has elected to use the previous GAAP carrying amount of its investment in subsidiary on the date of transition as its deemed cost on that date, in its separate financial statements.

**c) Designation of previously recognised financial**

instruments Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in quoted equity shares.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the Company

**III. Exceptions from full retrospective application:**

**a) Sales tax deferral loan**

By applying the exception available as per Ind AS 101, the company has used previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

**b) Hedge accounting**

Hedge accounting is applied from 1st April 2016 and therefore previous period comparative i.e., F.Y. 2015-16 has not been restated and the same will continue to reflect fair value through profit and loss accounting.

**c) Estimates**

Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

The company made estimate for following items in accrodance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI; and
- Investment in debt instruments carried at FVTPL.

**d) Classification and measurement of financial assets**

The Company has classified and measured the financial assets (investment in debt instruments) on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**e) Long term foreign currency monetary items**

Under previous GAAP, paragraph 46/ 46A of AS 11 The Effects of Changes in Foreign Exchange rate, provide an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. The company has availed optional exemption to continue the above accounting treatment in respect of the long term foreign currency monetary items recognised in the financial statements for the period immediately before the begining of first Ind AS reporting period i.e 1st April 2016.

The remaining mandatory exceptions either do not apply or are not relevant to the Company.

## IV. Reconciliations under Ind AS 101

### (a) Reconciliation of Equity as at 31st March 2016

(Rs. in Lakhs)

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non Current Assets:** | | | | |
| Property, Plant and Equipment | 9,10 | 2,84,102 | 1,304 | 2,85,406 |
| Capital work-in-progress | | 23,107 | NIL | 23,107 |
| Investment Property | | 858 | NIL | 858 |
| Intangible assets | | 416 | NIL | 416 |
| Financial Assets: | | | | |
| i. Investments | 1,2,7 | 56,206 | 1,577 | 57,783 |
| ii. Other financial assets | 5 | 753 | 2,035 | 2,788 |
| Income tax assets | | 5,633 | NIL | 5,633 |
| Other non current assets | 5,7 | 7,267 | 86 | 7,353 |
| **Total Non Current Assets** | | **3,78,342** | **5,002** | **3,83,344** |
| **Current Assets:** | | | | |
| Inventories | 4 | 28,640 | 10,131 | 38,771 |
| Financial Assets: | | | | |
| i. Investments | 1 | 27,040 | 926 | 27,966 |
| ii. Trade receivables | 4,5 | 55,333 | (17,299) | 38,034 |
| iii. Cash and cash equivalents | | 30,118 | NIL | 30,118 |
| iv. Bank balances other than (iii) above | | 166 | NIL | 166 |
| v. Loans | | 2,650 | NIL | 2,650 |
| vi. Other current financial assets | 5 | 246 | 1,385 | 1,631 |
| Other current assets | 4,7 | 14,835 | 635 | 15,470 |
| **Total Current Assets** | | **1,59,028** | **(4,222)** | **1,54,806** |
| **Total Assets** | | **5,37,370** | **780** | **5,38,150** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity:** | | | | |
| Equity Share Capital | | 1,933 | NIL | 1,933 |
| Other Equity | | 2,77,596 | (1,363) | 2,76,233 |
| **Total Equity** | | **2,79,529** | **(1,363)** | **2,78,166** |
| **LIABILITIES** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial liabilities: | | | | |
| i. Borrowings | 6 | 83,228 | (152) | 83,076 |
| ii. Other financial liabilities | | 1 | NIL | 1 |
| Provisions | | 590 | NIL | 590 |
| Deferred tax liabilities | 8 | 23,817 | 826 | 24,643 |
| Other non current liabilities | 9 | NIL | 1,736 | 1,736 |
| **Total Non Current Liabilities** | | **1,07,636** | **2,410** | **1,10,046** |
| **Current Liabilities:** | | | | |
| Financial liabilities | | | | |
| i. Borrowings | 6 | 45,603 | (1,469) | 44,134 |
| ii. Trade payables | | 33,672 | NIL | 33,672 |
| iii. Other financial liabilities | 5 | 65,124 | 194 | 65,318 |
| Other current liabilities | 4 | 5,167 | 1,008 | 6,175 |
| Provisions | | 639 | NIL | 639 |
| **Total Current Liabilities** | | **1,50,205** | **(267)** | **1,49,938** |
| **Total Liabilities** | | **2,57,841** | **2,143** | **2,59,984** |
| **Total Equity and Liabilities** | | **5,37,370** | **780** | **5,38,150** |

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

**(b) Reconciliation of Equity as at 1st April 2015** (Rs. in Lakhs)

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non Current Assets** | | | | |
| Property, Plant and Equipment | 9,10 | 2,40,468 | 1,184 | 2,41,652 |
| Capital work-in-progress | | 63,404 | NIL | 63,404 |
| Investment Property | | 880 | NIL | 880 |
| Other Intangible assets | | 128 | NIL | 128 |
| Financial Assets: | | | | |
| i. Investments | 1,2,7 | 5,836 | 279 | 6,115 |
| ii. Other financial assets | 5 | 878 | 40 | 918 |
| Income tax assets | | 5,336 | NIL | 5,336 |
| Other non current assets | 5,7 | 10,427 | 64 | 10,491 |
| **Total Non Current Assets** | | **3,27,357** | **1,567** | **3,28,924** |
| **Current Assets** | | | | |
| Inventories | 4 | 39,201 | 9,823 | 49,024 |
| Financial Assets | | | | |
| i. Investments | 1,7 | 38,650 | 3,856 | 42,506 |
| ii. Trade receivables | 4,5 | 60,329 | (23,659) | 36,670 |
| iii. Cash and cash equivalents | | 43,037 | NIL | 43,037 |
| iv. Bank balances other than (iii) above | | 77 | NIL | 77 |
| v. Loans | | 441 | NIL | 441 |
| vi. Other current financial assets | 5 | 125 | 22,573 | 22,698 |
| Other current assets | 4,7 | 22,243 | 732 | 22,975 |
| **Total Current Assets** | | **2,04,103** | **13,325** | **2,17,428** |
| **Total Assets** | | **5,31,460** | **14,892** | **5,46,352** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share Capital | | 1,933 | NIL | 1,933 |
| Other Equity | | 2,27,234 | 14,727 | 2,41,961 |
| **Total Equity** | | **2,29,167** | **14,727** | **2,43,894** |
| **LIABILITIES** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial Liabilities | | | | |
| i. Borrowings | 6 | 1,35,928 | (630) | 1,35,298 |
| ii. Other financial liabilities | 5 | 1 | 322 | 323 |
| Provisions | | 362 | NIL | 362 |
| Deferred tax liabilities | 8 | 18,865 | 6,177 | 25,042 |
| Other non current liabilities | 9 | NIL | 1,682 | 1,682 |
| **Total Non Current Liabilities** | | **1,55,156** | **7,551** | **1,62,707** |
| **Current Liabilities** | | | | |
| Financial liabilities | | | | |
| i. Borrowings | 6 | 63,345 | (5,356) | 57,989 |
| ii. Trade payables | | 37,991 | NIL | 37,991 |
| iii. Other financial liabilities | 5 | 40,202 | 6 | 40,208 |
| Other current liabilities | 4 | 2,285 | 747 | 3,032 |
| Provisions | 3 | 3,314 | (2,783) | 531 |
| **Total Current Liabilities** | | **1,47,137** | **(7,386)** | **1,39,751** |
| **Total Liabilities** | | **3,02,293** | **165** | **3,02,458** |
| **Total Equity and Liabilities** | | **5,31,460** | **14,892** | **5,46,352** |

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

(c) **Reconciliation of profit or loss for the year ended 31st March 2016** (Rs. in Lakhs)

| | Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|---|
| I | Revenue from operations | 4,9 | 3,29,178 | (1,926) | 3,27,252 |
| II | Other income | 1,5,7 | 29,521 | (14,625) | 14,896 |
| **III** | **Total Income (I + II)** | | **3,58,699** | **(16,551)** | **3,42,148** |
| **IV** | **Expenses** | | | | |
| | Cost of material consumed | | 1,38,935 | NIL | 1,38,935 |
| | Purchase of stock in trade | | 514 | NIL | 514 |
| | Changes in inventories of finished goods and work in progress | 4 | 1,788 | (309) | 1,479 |
| | Employee Benefits Expenses | 11 | 20,910 | (340) | 20,570 |
| | Finance cost | 6 | 3,410 | 537 | 3,947 |
| | Depreciation and amortisation expense | 9,10 | 28,114 | 103 | 28,217 |
| | Other expenses | 1,4,7 | 80,339 | 1,601 | 81,940 |
| | **Total Expenses (IV)** | | **2,74,010** | **1,592** | **2,75,602** |
| **V** | **Profit before tax (III-IV)** | | **84,689** | **(18,143)** | **66,546** |
| **VI** | **Income Tax expense** | | | | |
| | Current tax | | 22,970 | NIL | 22,970 |
| | Deferred tax | 8 | 4,952 | (5,233) | (281) |
| | **Total tax expense** | | 27,922 | (5,233) | 22,689 |
| VII | Profit after tax (V-VI) | | **56,767** | **(12,910)** | **43,857** |
| **VIII** | **Other Comprehensive Income/(loss)** | | | | |
| **A** | (i) Items that will not be reclassified to profit or loss | | | | |
| | Remeasurement of defined benefit obligations | 11 | NIL | (340) | (340) |
| | Loss on sale of FVOCI equity shares | 2 | NIL | (175) | (175) |
| | (ii) Income tax relating to above items that will not be reclassified to profit or loss | | NIL | 118 | 118 |
| | **Other Comprehensive Income/(loss) (Net of tax)** | | NIL | **(397)** | **(397)** |
| **IX** | **Total Comprehensive Income/(loss) (VII+VIII) (Comprising Profit and Other Comprehensive Income for the period)** | | **56,767** | **(13,307)** | **43,460** |

*The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

(d) **Reconciliation of Total Equity as at 31st March 2016 and 1st April 2015**

| Particulars | Footnote ref. | As on 31st March 2016 | As on 1st April 2015 |
|---|---|---|---|
| Net worth under IGAAP | | 2,79,529 | 2,29,167 |
| **Summary of Ind AS adjustments** | | | |
| Fair valuation of investments in mutual funds | 1 | 2,696 | 4,253 |
| Fair valuation of investment in quoted equity shares | 2 | NIL | 80 |
| Proposed dividend on equity shares and tax thereon reversed to retained earnings | 3 | NIL | 2,783 |
| Deferred revenue (Net of cost) | 4 | (6,090) | (4,178) |
| Accounting for derivative and foreign exchange differences | 5 | 3,217 | 17,906 |
| Transaction cost amortisation for ECB loans | 6 | (344) | 133 |
| Fair valuation of preference shares | 7 | (81) | (73) |
| Deferred income adjustment - Government grant | 9 | 19 | NIL |
| Depreciation on transaction cost capitalised under PPE | 10 | 46 | NIL |
| Deferred tax on above adjustments | 8 | (826) | (6,177) |
| **Total Ind AS adjustments** | | **(1,363)** | **14,727** |
| **Net worth under Ind AS** | | **2,78,166** | **2,43,894** |

(e) **Reconciliation of Comprehensive income for the year ended on 31st March 2016**

| Particulars | Footnote ref. | As on 31st March 2016 |
|---|---|---|
| Comprehensive income under IGAAP | | 56,767 |
| **Summary of Ind AS adjustments** | | |
| Fair valuation of investments in mutual funds | 1 | (1,555) |
| Fair valuation of investment in quoted equity shares | 2 | (80) |
| Deferred revenue | 4 | (1,912) |
| Accounting for derivative and foreign exchange differences | 5 | (14,690) |
| Transaction cost amortisation for ECB loans | 6 | (477) |
| Fair valuation of preference shares | 7 | (8) |
| Deferred income adjustment - Government grant | 9 | 19 |
| Depreciation on transaction cost capitalised under PPE | 10 | 45 |
| Deferred tax on above adjustments | 8 | 5,351 |
| **Total Ind AS adjustments** | | **(13,307)** |
| **Comprehensive income under Ind AS** | | **43,460** |

**(f) Reconciliation of statement of Cash Flow;**

There are no material adjustments to the statement of cash flow as reported under previous GAAP

**(g) Notes to the reconciliation:**

**1. Fair valuation of investments in mutual funds**

Under previous GAAP, investments in mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimunition. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

**2. Fair valuation of Investment in quoted equity shares**

Under previous GAAP, investments in quoted equity shares were classified as non current investments based on the intended holding period and realisability and was measured at cost as of each reporting date. Under Ind AS, these investments are required to be measured at Fair Value through Other Comprehensive Income (FVOCI) or Profit and Loss (FVTPL) and the company has elected to measure it at FVOCI. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

**3. Proposed dividend**

Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Company, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

**4. Deferred revenue**

Ind AS 18 requires an evaluation of continuing managerial involvement and effective control of goods in case of sale of goods. In view of this requirement, the company has deferred revenue of sale of goods.

**5. Accounting for derivative and foreign exchange differences**

a) Ind AS 109 requires all derivatives to be measured at fair value as per Ind AS 113 on the reporting date with both unrealised gains and losses being recognised in the statement of profit and loss for the period in which such changes arise, unless hedge accounting is applied. Accordingly the company has fair valued foreign currency forward contracts outstanding as at transition date and as at 31st March 2016 and recognised gain / loss in the retained earnings and statement of profit and loss respectively and corresponding effect is given to asset or liability for gain and loss respectively, as Derivative Asset and Derivative liability.

b) The group has also translated all financial assets / financial liabilities denominated in foreign currency at the year end rates.

**6. Interest bearing loans and borrowings :**

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan.

**7. Fair valuation of preference shares:**

The investment in preference shares with below market rate of interest was made with the objective of procuring electricity from the vendor at a subsidised rate when compared to the market rates. As per Ind AS 109, investments in preference shares is to measured at fair value using market rate of interest for discounting of future cash flows from those investments. The difference between the fair value and nominal value of the preference shares is treated as prepaid power cost. The preference shares have been subsequently amortised under effective interest rate method and the prepaid power cost on a straight line basis over the term of the preference shares. This has resulted in recognising prepaid power cost and corresponding reduction in investment amount.

**8. Other deferred tax adjustments :**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**9. Government Grant:**

Apportionment of Government Grant recognised under Export Promotion Capital Goods (EPCG) scheme and corresponding charge of depreciation on account of grossing-up of Property, Plant & Equipment.

**10. Property, Plant and Equipment: Interest bearing loans and borrowings:**

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are capitalized as a part of PPE. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan. To restate the carrying amount of loan in accordance with Ind AS 109, the carrying amount of PPE as at the date of the transition is reduced by the amount of processing cost (net of cumulative depreciation impact).

**11. Remeasurement of post employment benefit obligation:**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss under the previous GAAP.

## NOTE NO.39

**(i) Tax Reconciliation**

**(a) The Income tax expense consists of the followings:** (Rs. in Lakhs)

| Particulars | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|---|---|
| Current income tax | **29,540** | 22,970 |
| Deferred tax expense | **4,516** | (281) |
| **Tax expense for the year** | **34,056** | 22,689 |

**(b) Amounts recognised in other comprehensive income**

| Particulars | Year ended 31st March, 2017 | | | Year ended 31st March, 2016 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| a) Remeasurement of post employment benefit obligations | **(659)** | **228** | **(431)** | (340) | 118 | (222) |
| b) Loss on sale of FVOCI equity shares | **NIL** | **NIL** | **NIL** | (175) | NIL | (175) |
| c) Effective portion of Cash flow Hedges | **18,365** | **(6,356)** | **12,009** | NIL | NIL | NIL |
| | **17,706** | **(6,128)** | **11,578** | (515) | 118 | (397) |

**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 | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|---|---|
| Profit before tax | **1,05,570** | 66,546 |
| Indian statutory income tax rate | **34.61%** | 34.61% |
| Expected income tax expenses | **36,536** | 23,030 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:- | | |
| Income exempt from income taxes | **(194)** | (1,106) |
| Additional allowances / deduction | **(569)** | (408) |
| Impact of differential tax rate | **(1,885)** | 1,084 |
| Others (Net) | **168** | 89 |
| **Total Income Tax expenses** | **34,056** | 22,689 |
| **Effective Tax Rate** | **32.26%** | 34.10% |

**ii) Deferred Tax Disclosure**

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

| Particulars | | | | As at 31st March,2017 |
|---|---|---|---|---|
| | Net balance as at 1st April, 2016 | Recognised in profit or loss | Recognised in OCI | Net Deferred tax asset / liability |
| Deferred tax asset/(liabilities) | | | | |
| Property, plant and equipment | (24,385) | (592) | NIL | (24,977) |
| Investments | (1,961) | (1,499) | NIL | (3,460) |
| Derivatives | (1,116) | 393 | NIL | (723) |
| Employee benefits | 603 | (23) | 228 | 808 |
| Cash Flow Hedge | NIL | NIL | (6,356) | (6,356) |
| Other items | 2,216 | (2,795) | NIL | (580) |
| Tax assets/ (Liabilities) | (24,643) | (4,516) | (6,128) | (35,288) |

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

| Particulars | | | | As at 31st March,2016 |
|---|---|---|---|---|
| | Net balance as at 1st April, 2015 | Recognised in profit or loss | Recognised in OCI | Net Deferred tax asset / liability |
| Deferred tax asset/(liabilities) | | | | |
| Property, plant and equipment | (19,352) | (5,033) | NIL | (24,385) |
| Investments | (1,416) | (545) | NIL | (1,961) |
| Derivatives | (7,713) | 6,597 | NIL | (1,116) |
| Employee benefits | 486 | (1) | 118 | 603 |
| Other items | 2,953 | (737) | NIL | 2,216 |
| Tax assets/ (liabilities) | (25,042) | 281 | 118 | (24,643) |

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. 40

**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. (Rs. in Lakhs)

| | As at 31st March 2017 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 1,362 | 1,362 | NIL | NIL | NIL | NIL |
| Mutual Fund | 1,21,162 | NIL | NIL | 1,21,162 | 46,543 | 74,619 | NIL | 1,21,162 |
| Debentures | 6,790 | NIL | NIL | 6,790 | 6,790 | NIL | NIL | 6,790 |
| Loans | NIL | NIL | 2,391 | 2,391 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 41,219 | 41,219 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 396 | 396 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 20,458 | NIL | NIL | 20,458 | NIL | 20,458 | NIL | 20,458 |
| Preference shares and bonds | NIL | NIL | 6,685 | 6,685 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 710 | 710 | NIL | NIL | NIL | NIL |
| **Total** | 1,48,410 | NIL | 52,763 | 2,01,173 | 53,333 | 95,077 | NIL | 1,48,410 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 81,269 | 81,269 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 4,723 | 4,723 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 54,846 | 54,846 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 36,334 | 36,334 | NIL | NIL | NIL | NIL |
| **Total** | NIL | NIL | 1,77,172 | 1,77,172 | NIL | NIL | NIL | NIL |

| | As at 31st March 2016 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 30,284 | 30,284 | NIL | NIL | NIL | NIL |
| Mutual Fund | 81,597 | NIL | NIL | 81,597 | 44,899 | 36,698 | NIL | 81,597 |
| Debentures | 2,940 | NIL | NIL | 2,940 | 2,940 | NIL | NIL | 2,940 |
| Loans | NIL | NIL | 2,650 | 2,650 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 38,034 | 38,034 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 246 | 246 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 3,420 | NIL | NIL | 3,420 | NIL | 3,420 | NIL | 3,420 |
| Preference shares and bonds | NIL | NIL | 1,132 | 1,132 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 753 | 753 | NIL | NIL | NIL | NIL |
| **Total** | 87,957 | NIL | 73,099 | 1,61,056 | 47,839 | 40,118 | NIL | 87,957 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 1,43,882 | 1,43,882 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 4,319 | 4,319 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 44,134 | 44,134 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 33,672 | 33,672 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 194 | NIL | NIL | 194 | NIL | 194 | NIL | 194 |
| **Total** | 194 | NIL | 2,26,007 | 2,26,201 | NIL | 194 | NIL | 194 |

(Rs. in Lakhs)

| | As at 1st April 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 43,114 | 43,114 | NIL | NIL | NIL | NIL |
| Mutual Fund | 48,402 | NIL | NIL | 48,402 | 48,402 | NIL | NIL | 48,402 |
| Investment in quoted equity shares | NIL | 99 | NIL | 99 | 99 | NIL | NIL | 99 |
| Loans | NIL | NIL | 441 | 441 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 36,670 | 36,670 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 124 | 124 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 22,614 | NIL | NIL | 22,614 | NIL | 22,614 | NIL | 22,614 |
| Preference shares and bonds | NIL | NIL | 40 | 40 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 878 | 878 | NIL | NIL | NIL | NIL |
| **Total** | 71016 | 99 | 81,267 | 1,52,382 | 48,501 | 22,614 | NIL | 71,115 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 1,71,809 | 1,71,809 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 3,692 | 3,692 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 57,989 | 57,989 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 37,991 | 37,991 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 328 | NIL | NIL | 328 | NIL | 328 | NIL | 328 |
| **Total** | 328 | NIL | 2,71,481 | 2,71,809 | NIL | 328 | NIL | 328 |

**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 Heirarchy 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. e.g. unlisted equity securities.

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 and Level 3 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<br>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 |
| Mutual Fund | Net Asset Value | Not applicable | Not applicable |

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

The carrying amount of financial assets represents the maximum credit exposure.

**Trade and other receivables**

Around 85% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows:

(Rs. in Lakhs)

| | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Neither past due nor impaired | **34,435** | 31,544 | 25,516 |
| Past due but not impaired | | | |
| Past due 1–90 days | **6,603** | 5,166 | 8,309 |
| Past due 91–180 days | **150** | 429 | 1,133 |
| Past due 181–270 days | **17** | 96 | 850 |
| Past due 271–365 days | **1** | 216 | 696 |
| Past due more than 365 days | **13** | 583 | 166 |
| | **41,219** | 38,034 | 36,670 |

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour.

| Provision for doubtful debts movement | (Rs. in Lakhs) |
|---|---|
| Balance as at 1st April 2015 | NIL |
| Impairment loss recognised | 43 |
| Amounts written off | 43 |
| Balance as at 31st March 2016 | NIL |
| Impairment loss recognised | 159 |
| Amounts written off | 159 |
| Balance as at 31st March 2017 | NIL |

**Concentration of credit risk**

At 31st March 2017, the carrying amount of the Company's most significant customer is INR 8,855 Lakhs (31st March, 2016 : INR 6,971 Lakhs; 1st April, 2015 : INR 5,218 Lakhs)

**Loans to others**

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and is considered to be good. The Company did not have any amounts that were past due but not impaired. The Company has no collateral in respect of these loans.

**Investment in debentures**

The company does not pereceive any risk as these are either issued by subsidiary company or other 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 respectively. 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 bank and financial institution counterparties 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 of surplus funds are made in mainly in mutual funds with good returns and within approved credit ratings.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

**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, 2017, the Company had working capital of INR 10,430 Lakhs, including cash and cash equivalents of INR 1,141 Lakhs, and highly marketable current investment of INR 45,898 Lakhs.

As at 31st March, 2016, the Company had working capital of INR 4,868 Lakhs, including cash and cash equivalents of INR 30,118 Lakhs, and highly marketable current investment of INR 27,966 Lakhs.

As at 1st April, 2015 the Company had working capital of INR 77,677 Lakhs, including cash and cash equivalents of INR 43,037 Lakhs, and highly marketable current investment of INR 42,506 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 maturites are essential for the understanding of the timing of the cash flows.

(Rs. in Lakhs)

| As at 31st March 2017 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non Current** | | | | | | |
| Secured Long term loans and borrowings | 80,968 | 81,947 | 60,173 | 21,774 | NIL | NIL |
| Unsecured Long term loans and borrowings | 301 | 301 | 13 | 23 | 134 | 131 |
| Other financial liabilities | 1 | 1 | NIL | NIL | NIL | 1 |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 25,982 | 25,982 | 25,982 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 28,864 | 28,864 | 28,864 | NIL | NIL | NIL |
| Trade and other payables | 36,334 | 36,334 | 36,334 | NIL | NIL | NIL |
| Other financial liabilities | 4,588 | 4,588 | 4,588 | NIL | NIL | NIL |
| Unpaid Dividend | 87 | 87 | 87 | NIL | NIL | NIL |
| Interest accrued but not due | 47 | 47 | 47 | NIL | NIL | NIL |
| Financial / corporate guarantee in respect of loan taken by step down subsidiary * | NIL | 2,971 | 2,971 | NIL | NIL | NIL |

| As at 31st March 2016 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non Current** | | | | | | |
| Secured Long term loans and borrowings | 1,43,569 | 1,45,748 | 62,158 | 61,354 | 22,236 | NIL |
| Unsecured Long term loans and borrowings | 313 | 313 | 8 | 14 | 103 | 188 |
| Other financial liabilities | 1 | 1 | NIL | NIL | NIL | 1 |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 27,021 | 27,021 | 27,021 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 17,113 | 17,113 | 17,113 | NIL | NIL | NIL |
| Trade and other payables | 33,672 | 33,672 | 33,672 | NIL | NIL | NIL |
| Other financial liabilities | 4,110 | 4,110 | 4,110 | NIL | NIL | NIL |
| Unpaid Dividend | 123 | 123 | 123 | NIL | NIL | NIL |
| Interest accrued but not due | 85 | 85 | 85 | NIL | NIL | NIL |
| Foreign exchange forward contracts | 194 | 194 | 194 | NIL | NIL | NIL |
| Financial guarantee in respect of loan taken by step down subsidiary * | NIL | 1,802 | 1,802 | NIL | NIL | NIL |

| As at 1st April 2015 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non Current** | | | | | | |
| Secured Long term loans and borrowings | 1,71,495 | 1,78,063 | 39,507 | 59,356 | 79,200 | NIL |
| Unsecured Long term loans and borrowings | 314 | 314 | 3 | 6 | 71 | 234 |
| Other financial liabilities | 1 | 1 | NIL | NIL | NIL | 1 |
| Foreign exchange forward contracts | 322 | 322 | NIL | 322 | NIL | NIL |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 19,499 | 19,499 | 19,499 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 38,490 | 38,490 | 38,490 | NIL | NIL | NIL |
| Trade and other payables | 37,991 | 37,991 | 37,991 | NIL | NIL | NIL |
| Other financial liabilities | 3,505 | 3,505 | 3,505 | NIL | NIL | NIL |
| Unpaid Dividend | 68 | 68 | 68 | NIL | NIL | NIL |
| Interest accrued but not due | 118 | 118 | 118 | NIL | NIL | NIL |
| Foreign exchange forward contracts | 6 | 6 | 6 | NIL | NIL | NIL |

*Guarantees issued by the company on behalf of step down 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 step down subsidiaries have defaulted and hence, the company does not have any present obligation to third parties in relation to such guarantees.

**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 its forecast sales over the following 12 to 18 months. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

Hedge accounting is followed from 1st April, 2016.

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, 2017:

| Category | Instrument | Currency | Cross Currency | Amounts | Buy/Sell |
|---|---|---|---|---|---|
| Hedges of highly probable forecasted sales transactions | Forward contract | USD | INR | USD 354.43 million | Sell |
| Hedges of highly probable forecasted sales transactions | Forward contract | EUR | INR | NIL | Sell |

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March , 2016:

| Category | Instrument | Currency | Cross Currency | Amounts | Buy/Sell |
|---|---|---|---|---|---|
| Hedges of highly probable forecasted sales transactions | Forward contract | USD | INR | USD 389.05 million | Sell |
| Hedges of highly probable forecasted sales transactions | Forward contract | EUR | USD | EUR 31 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:

(Rs. in Lakhs)

| Amounts in INR | As at 31st Marchn 2017 | | | As at 31st March, 2016 | | | As at 1st April, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|
| | EUR | USD | Others | EUR | USD | Others | EUR | USD | Others |
| **Financial assets (A)** | | | | | | | | | |
| Trade receivables | 26,518 | 11,080 | NIL | 24,410 | 9,406 | NIL | 20,090 | 12,427 | NIL |
| Cash and Cash Equivalents | 5 | 360 | NIL | 449 | 393 | NIL | 360 | 28 | NIL |
| | 26,523 | 11,440 | NIL | 24,859 | 9,799 | NIL | 20,450 | 12,455 | NIL |
| **Financial liabilities (B)** | | | | | | | | | |
| Secured Loans | 12,794 | 94,166 | NIL | 12,864 | 1,57,699 | NIL | 7,932 | 1,85,982 | NIL |
| Unsecured Loans | 22,485 | 4,912 | NIL | 7,284 | 7,343 | NIL | 9,607 | 24,532 | NIL |
| Interest on loans | NIL | 47 | NIL | NIL | 85 | NIL | NIL | 118 | NIL |
| Trade payables | 713 | 1,757 | 73 | 281 | 2,210 | 54 | 165 | 2,549 | 40 |
| | 35,992 | 1,00,882 | 73 | 20,429 | 1,67,337 | 54 | 17,704 | 2,13,281 | 40 |
| Net statement of financial position exposure (A-B) | (9,469) | (89,422) | (73) | 4,430 | (1,57,538) | (54) | 2,746 | (2,00,726) | (40) |

**Sensitivity analysis**

The strenghtening / 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 date of statements of financial position.

(Rs. in Lakhs)

| **Effect in INR**<br>**As at 31st March, 2017** | **Profit / (loss)** | | |
|---|---|---|---|
| | **Strengthening / Weakening %** | **Strengthening** | **Weakening** |
| EUR | 2% | (189) | 189 |
| USD | 3% | (2,683) | 2,683 |
| Others | 10% | (7) | 7 |

| **Effect in INR**<br>As at 31st March, 2016 | **Profit / (loss)** | | |
|---|---|---|---|
| | **Strengthening / Weakening %** | **Strengthening** | **Weakening** |
| EUR | 2% | 89 | (89) |
| USD | 3% | (4,726) | 4,726 |
| Others | 10% | (5) | 5 |

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

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the Company's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 52 of these financial statements.

| Particulars | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **Fixed-rate instruments** | | | |
| Financial assets | **8,919** | 30,765 | 42,224 |
| Financial liabilities | **(53,309)** | (43,124) | (56,278) |
| | **(44,390)** | (12,359) | (14,054) |
| **Variable-rate instruments** | | | |
| Financial liabilities | **(82,505)** | (1,44,579) | (1,73,206) |
| | **(82,505)** | (1,44,579) | (1,73,206) |

**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.

| | **Profit or (loss)** | |
|---|---|---|
| | **100 bp increase** | **100 bp decrease** |
| **As at 31st March 2017** | | |
| Variable-rate instruments | **(825)** | **825** |
| **Sensitivity (net)** | **(825)** | **825** |
| **As at 31st March 2016** | | |
| Variable-rate instruments | (1,446) | 1,446 |
| **Sensitivity (net)** | (1,446) | 1,446 |

(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 2017, 31st March 2016 and 1st April 2015. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

(Rs. in Lakhs)

| | 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, 2017** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 20,458 | NIL | 20,458 | 20,458 | NIL | 20,458 |
| **Total** | **20,458** | **NIL** | **20,458** | **20,458** | **NIL** | **20,458** |
| **As at 31st March, 2016** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 3,420 | NIL | 3,420 | 3,420 | NIL | 3,420 |
| **Total** | **3,420** | **NIL** | **3,420** | **3,420** | **NIL** | **3,420** |
| **Financial liabilities** | | | | | | |
| Derivative financial instruments | 194 | NIL | 194 | 194 | NIL | 194 |
| **Total** | **194** | **NIL** | **194** | **194** | **NIL** | **194** |
| **As at 1st April, 2015** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 22,614 | NIL | 22,614 | 22,614 | NIL | 22,614 |
| **Total** | **22,614** | **NIL** | **22,614** | **22,614** | **NIL** | **22,614** |
| **Financial liabilities** | | | | | | |
| Derivative financial instruments | 328 | NIL | 328 | 328 | NIL | 328 |
| **Total** | **328** | **NIL** | **328** | **328** | **NIL** | **328** |

## NOTE NO.41

**Hedge accounting**

As part of its risk management strategy, the company generally hedges its net foreign currency exposure of highly forecasted sale transactions for the next 12 to 18 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. The hedge ratio is 1:1.

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

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

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

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

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

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

a) **Disclosure of effects of hedge accounting on financial position**

**As at 31st March, 2017**

| 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 2017**

| | Notional principal amounts | Derivative Financial Instruments - Assets | Derivative Financial Instruments – Liabilities | Line item in the statement of financial position where the hedging instrument is included | Maturity date | Average strike price/ rate |
|---|---|---|---|---|---|---|
| Foreign exchange forward contracts | 354.43 Million USD | 20,458 | NIL | Other Non current and current financial Assets | FY 2017-18 and FY 2018-19 | 1 USD = INR 73.02 |
| | **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 | 18,365 | 18,365 | NIL | Not applicable | NIL | Revenue from operations |

The tables below provide details of the Company's hedged items under cash flow hedges:

| | As at 31st March, 2017 | | |
|---|---|---|---|
| | Change in the value of hedged item for the year | Balance in cash flow hedge reserve | |
| | | Where hedge accounting is continued | Where hedge accounting is discontinued |
| Highly probable forecast transactions | FY 2017-18 and FY 2018-19 | FY 2017-18 and FY 2018-19 | NIL |

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

(Rs. in Lakhs)

| | Movement in Cash flow hedge reserve |
|---|---|
| | As at 31st March, 2017 |
| Opening balance | NIL |
| **Effective portion of changes in fair value:** | |
| Foreign currency risk | 18,365 |
| **Net amount reclassified to profit or loss:** | |
| Foreign currency risk | NIL |
| Tax on movements on reserves during the year | 6,356 |
| **Closing balance** | 12,009 |

## NOTE NO. 42

**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, other bank deposits with banks and current investments.

The Company's net debt to equity ratio as at 31st March 2017, 31st March 2016 and 1st April 2015 was as follows.

(Rs. in Lakhs)

| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Non-Current Borrowings | **21,884** | 83,076 | 1,35,298 |
| Current Borrowings | **54,846** | 44,134 | 57,989 |
| Current maturity of long term debt | **59,385** | 60,806 | 36,511 |
| **Gross Debt** | **136,115** | 1,88,016 | 2,29,798 |
| Less - Cash and Cash Equivalents | **1,141** | 30,118 | 43,037 |
| Less - Current Investments | **45,898** | 27,966 | 42,506 |
| **Net debt** | **89,076** | 1,29,932 | 1,44,255 |
| Total equity | **3,54,856** | 2,78,166 | 2,43,896 |
| Less : Hedging reserve | **12,009** | NIL | NIL |
| **Equity** | **3,42,847** | 2,78,166 | 2,43,896 |
| Net debt to Equity ratio | **0.26** | 0.47 | 0.59 |

## NOTE NO. 43

**DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs. in Lakhs)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on 8th November 2016 | 20 | 22 | 42 |
| (+) Permitted receipts | NIL | 45 | 45 |
| (-) Permitted payments | NIL | 39 | 39 |
| (-) Amount deposited in Banks | 20 | NIL | 20 |
| Closing cash in hand as on 30th December 2016 | NIL | 28 | 28 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

## NOTE NO.44

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, 2017 | Year ended 31st March, 2016 |
|---|---|---|
| Profit attributable to equity holders (Rs. in lakhs) | **71,514** | 43,857 |
| Weighted average number of shares oustanding during the year | **9,66,58,595** | 9,66,58,595 |
| Nominal Value of Equity Shares (in INR) | **2** | 2 |
| Earning Per Share Basic and Diluted ( in INR) | **73.99** | 45.37 |

## NOTE NO.45

**Related Party Disclosures ***

(Where transactions have taken place)

**I Related Party Relationships**

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mrs. Vijayalaxmi Poddar - Executive Director( up to 08.08.2015), Mr. Rajiv Poddar - Joint Managing Director, Mr.Vipul Shah - Director & Company Secretary#, Mr. Basant Bansal - Director Finance.

b) Relatives of Key Management Personnel :

Mrs. Vijayalaxmi Poddar-( w.e.f. 09.08.2015 ) Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Shyamlata Poddar, Mr. Abhishek Bansal, Mr, Gunal Bansal

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Ltd.

d) The company has following subsidiary companies:

| Name of Subsidiary Companies | % of Holding |
|---|---|
| BKT EXIM Limited | 100% holding of Balkrishna Industries Limited |
| Thristha Synthetics Limited | 100% holding of Balkrishna Industries Limited |
| BKT Tyres Limited | 100% holding of Balkrishna Industries Limited |
| *Step down Subsidiaries* | |
| BKT EUROPE S.R.L. | 100% holding of BKT Exim Limited |
| BKT USA INC. | 100% holding of BKT Exim Limited |
| BKT EXIM US, INC. | 100% holding of BKT Exim Limited |
| BKT TIRES (CANADA) INC. | 100% holding of BKT Exim Limited |
| BKT TIRES, INC. | 100% holding of BKT EXIM US, INC. |

**II Related Party Transactions$**

(Rs. in Lakhs)

| Transactions | As at 31st March 2017 | | | As at 31st March 2016 | | |
|---|---|---|---|---|---|---|
| | **Relatives of (KMP)** | **Other related Party** | **Subsidiaries** | Relatives of (KMP) | Other related Party | Subsidiaries |
| Purchase of Goods/ Materials | **NIL** | **54** | **NIL** | NIL | 216 | NIL |
| Rent received | **NIL** | **54** | **NIL** | NIL | 32 | NIL |
| Recovery of Expenses | **NIL** | **51** | **NIL** | NIL | 30 | NIL |
| Sale of Goods/ Materials ( In previous year other related party amount is INR 2,100 ) | **NIL** | **NIL** | **NIL** | NIL | 0 | NIL |
| Rent/Lease Rent Paid | **118** | **NIL** | **NIL** | 106 | NIL | NIL |
| Vehicle Hiring Charges | **7** | **NIL** | **NIL** | 5 | NIL | NIL |
| Remuneration/Meeting Fees | **35** | **NIL** | **NIL** | 45 | NIL | NIL |
| Marketing Service Expenses | **NIL** | **NIL** | **8,095** | NIL | NIL | 7,053 |
| Guarantee Commission Received | **NIL** | **NIL** | **25** | NIL | NIL | 15 |
| Interest received on Debenture | **NIL** | **NIL** | **6** | NIL | NIL | 82 |
| Sale of goods/Materials | **NIL** | **NIL** | **5,658** | NIL | NIL | 1,625 |
| Investment in Debenture ** | **NIL** | **NIL** | **NIL** | NIL | NIL | 2,940 |
| Guarantee given to Bank on behalf of step down subsidiaries | **NIL** | **NIL** | **2,971** | NIL | NIL | 1,802 |
| Sales Promotional Materials | **NIL** | **NIL** | **19** | NIL | NIL | NIL |
| Redemption of debenture | **NIL** | **NIL** | **2,940** | NIL | NIL | NIL |

| Particulars | Key Management Personnel | | | Relatives of (KMP) | | | Subsidiaries | | |
|---|---|---|---|---|---|---|---|---|---|
| **Outstanding Balances** | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 |
| Remuneration payable (Outstanding for Relative of (KMP) is INR 16,800 for Previous years) | **5,410** | 4,943 | 4,442 | **2** | 0 | 0 | **NIL** | NIL | NIL |
| Trade Receivables | **NIL** | NIL | NIL | **NIL** | NIL | NIL | **1,899** | 627 | 4,019 |
| Trade Payables | **NIL** | NIL | NIL | **NIL** | NIL | NIL | **330** | 844 | 29 |

**III Key management personnel compensation**

Key management personnel compensation comprised the following :

| | **As at 31st March, 2017** | As at 31st March, 2016 |
|---|---|---|
| Short term employee benefits | **6,588** | 6,245 |
| Post-employment benefits | **68** | 37 |
| Other long-term benefits | **30** | 24 |
| **Total** | **6,687** | 6,305 |

**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.

** The investment in Optionally Convertible Debentures of BKT Exim Ltd bears 3% rate of interest

# Reappointment w.e.f. 11th February 2017, is subject to approval in forthcoming Annual General Meeting.

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

(Rs. in Lakhs)

| NOTE NO.46 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **Leases - Operating leases :** | | |
| The company has taken commercial premises under cancellable operating leases: Further the company has also taken motor cars under cancellable operating lease: | | |
| The rental expenses recognised in the statement of Profit and Loss for operating leases : | | |
| (a) Minimum Rent | **226** | 234 |
| (b) Contingent Rent | **NIL** | NIL |

**Leases - Finance leases as lessee:**

The company has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

## NOTE NO.47

a) As at 31st March,2017, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## NOTE NO.48

**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 through trustees /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 managed by the trustees is restricted to the interest shortfall if any.

(Rs. in Lakhs)

| | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| Charge to the Statement of Profit and Loss based on contributions: | | |
| Superannuation | **81** | 91 |
| Employees' Provident fund | **823** | 808 |

**(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. Trustees administer the contributions made by the Company to the gratuity scheme.

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 2017. 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:

(Rs. in Lakhs)

| | As at 31st March 2017 Gratuity (Funded plan) | As at 31st March 2016 Gratuity (Funded plan) |
|---|---|---|
| **(i) Change in Defined Benefit Obligation** | | |
| Opening defined benefit obligation | **2,014** | 1,436 |
| Amount recognised in profit and loss : | | |
| Current service cost | **190** | 165 |
| Interest cost | **162** | 114 |
| Amount recognised in other comprehensive income : | | |
| Actuarial loss / (gain) arising from: | | |
| Demographic assumptions | **NIL** | (20) |
| Financial assumptions | **593** | 222 |
| Experience adjustment | **70** | 144 |
| Other : | | |
| Benefits paid | **(27)** | (47) |
| Closing defined benefit obligation | **3,001** | 2,014 |

(Rs. in Lakhs)

| | | As at 31st March 2017 Gratuity (Funded plan) | As at 31st March 2016 Gratuity (Funded plan) |
|---|---|---|---|
| **(ii)** | **Change in Fair Value of Assets** | | |
| | Opening fair value of plan assets | **1,650** | 1,299 |
| | Amount recognised in profit and loss : | | |
| | Interest income | **133** | 103 |
| | Amount recognised in other comprehensive income : | | |
| | Actuarial gain / (loss) | | |
| | Return on Plan Assets, Excluding Interest Income | **3** | 6 |
| | Other : | | |
| | Contributions by employer | **239** | 289 |
| | Benefits paid | **(27)** | (47) |
| | Closing fair value of plan assets | **1,998** | 1,650 |
| | Actual return on Plan Assets | **136** | 109 |
| **(iii)** | **Plan assets comprise the following** | | |
| | | Unqouted | Unqouted |
| | Insurance fund (100%) | **1,998** | 1,650 |
| **(iv)** | **Principal actuarial assumptions used** | | |
| | Discount rate | **7.29%** | 8.04% |
| | Rate of employee turnover | For Service 4 years and below 10 % p.a. & thereafter 2%p.a | For Service 4 years and below 10 % p.a. & thereafter 2%p.a |
| | Future Salary growth rate | 7.50% | 6.00% |

| | | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|---|
| **(v)** | **Amount recognised in the Balance Sheet** | | | |
| | Present value of obligations as at year end | **3,001** | 2,014 | 1,436 |
| | Fair value of plan assets as at year end | **1,998** | 1,650 | 1,299 |
| | Net (asset) / liability recognised as at year end | **1,003** | 364 | 137 |
| | Recognised under : | | | |
| | Long term provisions | **1,003** | 364 | 137 |
| | | **1,003** | 364 | 137 |

**(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.

| | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (0.5% movement) - Gratuity | **(151)** | **166** | (82) | 89 |
| Employee turnover (0.5% movement) - Gratuity | **(5)** | **5** | 16 | (17) |
| Future salary growth (0.5% movement) - Gratuity | **165** | **(151)** | 91 | (84) |

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**

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **As at 31st March , 2017** | | | | | |
| Defined benefit obligations (Gratuity) | **196** | **180** | **611** | **1,093** | **2,080** |
| Total | **196** | **180** | **611** | **1,093** | **2,080** |

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| As at 31st March , 2016 | | | | | |
| Defined benefit obligations (Gratuity) | 285 | 105 | 579 | 1,226 | 2,195 |
| Total | 285 | 105 | 579 | 1,226 | 2,195 |

**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, 2017 based on actuarial valuation using the projected accrued benefit method is INR 59 lakhs (31st March 2016 : INR 244 lakhs).

(Rs. in Lakhs)

| NOTE NO.49 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **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 | **10,586** | 12,048 | 10,378 |
| - Disputed income tax demands | **207** | 680 | 473 |
| b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | **1,493** | 1,517 | 1,506 |
| c) Corporate Guarantee given by the Company: | | | |
| -To the President of India through commissioner of Custom | **1,30,789** | 43,215 | 33,457 |
| -To Bank against loan taken by stepdown subsidiary | **1,621** | NIL | NIL |
| d) Standby Letter of Credit issued by Company's banker for loan taken by stepdown subsidiary | **1,350** | 1,802 | NIL |
| **(ii) Commitments** | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | **16,416** | 13,728 | 20,472 |

(Rs. in Lakhs)

| NOTE NO.50 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **Payment to Auditors** | | |
| Statutory Auditors | | |
| - Audit Fees | **30** | 28 |
| - For Tax Audit | **7** | 10 |
| - For Taxation Matters | **11** | 6 |
| - For Company Law matters | **3** | 3 |
| - For Other services - Certification, etc. | **10** | 11 |
| - For reimbursement of expenses | | |
| Service Tax | **9** | 8 |
| Expenses | **1** | 1 |
| **Total** | **71** | 67 |

(Rs. in Lakhs)

| NOTE NO.51 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **a) Borrowing Cost** | | |
| -Amount of Borrowing Cost capitalised (Net) | **NIL** | 1,736 |
| **b) Research and Development Cost/Expenditure** | | |
| - Revenue | **1,456** | 1,269 |
| - Capital | **908** | 393 |
| Total of Research and Development Cost/Expenditure | **2,364** | 1,662 |

(Rs. in Lakhs)

| NOTE NO.52 | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **Nature of Security in respect of secured Loan (Long Term/Short Term):** | | | |
| **I 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 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. | 25,982 | 27,021 | 19,499 |
| **II Term Loan from Banks:** | | | |
| **a) ECB Loan USD 100 million** | | | |
| Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis. | 43,170 | 66,235 | 61,983 |

(Rs. in Lakhs)

| NOTE NO.52 | | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|---|
| | (Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps for the year 2015-16 and 2016-17 and LIBOR + 191 bps for the year 2014-15) | | | |
| b) | **ECB Loan USD 175 million** | | | |
| | Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and current assets on pari-passu basis. (Repayment in 2 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 80 bps) | 37,799 | 77,334 | NIL |
| | Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis. (Repayment in 3 Annual Equal Installments beginning from financial Year 2015-16, Rate of Interest LIBOR + 175 bps) | NIL | NIL | 1,09,512 |

(Rs. in Lakhs)

| NOTE NO.53 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY** | | |
| Total Expenditure towards CSR activity | 1,501 | 1,320 |
| Amount required to be spent u/s 135 of Companies Act 2013 | 1,500 | 1,320 |
| Excess/(Short) | 1 | 0 |

## NOTE NO.54

**EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended a final dividend of Rs.2.50 (125 %) per equity share of Rs.2/-each. The cash outgo on account of final dividend and dividend tax will be INR 2,908 Lakhs.

## NOTE NO.55

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1 TO 55**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR** Chairman & Managing Director

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

# Consolidated Financial Statements

## INDEPENDENT AUDITOR'S REPORT To the Members of BALKRISHNA INDUSTRIES LIMITED

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Balkrishna Industries Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at 31st March, 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies 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 the Group 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph (a)of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group, as at 31st March, 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

**Other Matters**

(a) We did not audit the financial statements of the foreign subsidiaries , whose financial statements reflect total assets of Rs.6837 lakhs as at 31st March, 2017, total revenues of Rs.5557 lakhs and net cash inflows amounting to Rs.252 lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) Our opinion on the consolidated Ind AS 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**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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

   i. the consolidated Ind AS financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group;

   ii. the Holding Company and its subsidiary companies incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

   iv. the Holding Company and its subsidiary companies incorporated in India have provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Holding Company and its subsidiary companies incorporated in India.

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

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

Mumbai
Dated: 25th May, 2017

## Annexure - A to the 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 Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding 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 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 Companies Act, 2013.

**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") issued by ICAI 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 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

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

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

Mumbai
Dated: 25th May, 2017

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2017

(Rs. In Lakhs)

| PARTICULARS | Note No. | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| **I ASSETS** | | | | | |
| **1 NON-CURRENT ASSETS** | | | | | |
| (a) Property, Plant and Equipment | 2 | **2,83,707** | | 2,85,462 | 2,41,716 |
| (b) Capital Work-in-Progress | 2 | **10,967** | | 23,107 | 63,404 |
| (c) Investment Property | 3 | **767** | | 858 | 880 |
| (d) Intangible Assets | 4 | **399** | | 416 | 128 |
| (e) Financial Assets | | | | | |
| i) Investments | 5 | **88,739** | | 57,703 | 6,035 |
| ii) Other Financial Assets | 6 | **4,039** | | 3,552 | 918 |
| (f) Income Tax Assets (net) | 7 | **7,204** | | 5,555 | 5,330 |
| (g) Other Non-Current Assets | 8 | **8,497** | | 6,601 | 7,856 |
| **TOTAL NON-CURRENT ASSETS** | | | **4,04,319** | 3,83,254 | 3,26,267 |
| **2 CURRENT ASSETS** | | | | | |
| (a) Inventories | 9 | **47,612** | | 39,826 | 50,963 |
| (b) Financial Assets | | | | | |
| i) Investments | 10 | **46,180** | | 25,026 | 42,506 |
| ii) Trade Receivables | 11 | **41,177** | | 38,495 | 34,456 |
| iii) Cash and Cash Equivalents | 12 | **2,260** | | 32,830 | 43,345 |
| iv) Other Bank balances | 13 | **221** | | 166 | 77 |
| v) Loans | 14 | **2,393** | | 2,652 | 442 |
| vi) Other Financial Assets | 15 | **17,543** | | 1,634 | 22,698 |
| (c) Other Current Assets | 16 | **17,203** | | 15,957 | 25,976 |
| **TOTAL CURRENT ASSETS** | | | **1,74,589** | 1,56,586 | 2,20,463 |
| **TOTAL ASSETS** | | | **5,78,908** | 5,39,840 | 5,46,730 |
| **II EQUITY AND LIABILITIES** | | | | | |
| **EQUITY** | | | | | |
| (a) Share Capital | 17 | **1,933** | | 1,933 | 1,933 |
| (b) Other Equity | 18 | **3,52,353** | | 2,75,550 | 2,40,395 |
| **TOTAL EQUITY** | | | **3,54,286** | 2,77,483 | 2,42,328 |
| **LIABILITIES** | | | | | |
| **1 NON CURRENT LIABILITES** | | | | | |
| (a) Financial Liabilities | | | | | |
| i) Borrowings | 19 | **21,884** | | 83,076 | 1,35,298 |
| ii) Other Financial Liabilities | 20 | **1** | | 3 | 323 |
| (b) Provisions | 21 | **1,260** | | 364 | 362 |
| (c) Deferred Tax Liabilites | 22 | **35,285** | | 24,591 | 25,049 |
| (d) Other Non-Current Liabilities | 23 | **1,507** | | 1,736 | 1,682 |
| **TOTAL NON-CURRENT LIABILITIES** | | | **59,937** | 1,09,770 | 1,62,714 |
| **2 CURRENT LIABILITIES** | | | | | |
| (a) Financial Lliabilities | | | | | |
| i) Borrowings | 24 | **57,818** | | 45,948 | 57,989 |
| ii) Trade Payable | 25 | **37,441** | | 34,113 | 39,864 |
| iii) Other Financial Liabilities | 26 | **64,107** | | 65,392 | 40,208 |
| (b) Other Current Liabilities | 27 | **4,757** | | 6,269 | 3,096 |
| (c) Provisions | 28 | **562** | | 865 | 531 |
| **TOTAL CURRENT LIABILITIES** | | | 1,64,685 | 1,52,587 | 1,41,688 |
| **TOTAL EQUITY AND LIABILITIES** | | | **5,78,908** | 5,39,840 | 5,46,730 |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** **1 TO 57**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

Mumbai,
Dated: 25th May, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. In Lakhs)

| | PARTICULARS | | Note No. | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|---|---|---|
| I | **Revenue From Operations** | | 29 | **3,78,384** | 3,28,946 |
| II | **Other Income** | | 30 | **25,363** | 17,374 |
| III | **Total Income (I+II)** | | | **4,03,747** | 3,46,320 |
| IV | **Expenses :** | | | | |
| | Cost of Materials Consumed | | 31 | **1,57,305** | 1,38,935 |
| | Purchases of Stock-in-Trade | | 32 | **1,201** | 667 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | 33 | **(543)** | 2,317 |
| | Employee Benefits Expense | | 34 | **25,686** | 23,492 |
| | Finance Cost | | 35 | **2,200** | 3,949 |
| | Depreciation and Amortization Expense | | 36 | **30,400** | 28,232 |
| | Other Expenses | | 37 | **81,638** | 81,303 |
| | Total Expenses | | | **2,97,887** | 2,78,895 |
| V | **Profit Before Tax (III-IV)** | | | **1,05,860** | 67,425 |
| VI | **Tax Expense:** | | | | |
| | Current tax | | | **29,666** | 23,193 |
| | Deferred tax | | | **4,509** | (340) |
| | **Total Tax Expenses** | | | **34,175** | 22,853 |
| VII | **Profit After Tax (V-VI)** | | | **71,685** | 44,572 |
| VIII | **Other Comprehensive Income** | | | | |
| 1 | i) | Items that will not be reclassified to profit or loss | | | |
| | (a) | Remeasurements of Defined Benefit Plans | | **(659)** | (340) |
| | (b) | Equity instrument through other comprehensive income (Loss on sale of equity) | | **NIL** | (175) |
| | ii) | Income Tax | | **228** | 118 |
| 2 | i) | Items that may be reclassified to profit or loss | | | |
| | (a) | The effective portion of gain & losses on hedging instruments in a cash flow hedge | | **18,365** | NIL |
| | ii) | Income Tax | | **(6,356)** | NIL |
| | Total Other Comprehensive Income (1+2) | | | **11,578** | (397) |
| IX | **Total Comprehensive Income** | | | **83,263** | 44,175 |
| X | **Earnings per equity share:** | | | | |
| | Basic and Diluted | | | **74.17** | 46.11 |

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS** **1 TO 57**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

# Statement of Changes in Equity for the year ended As at 31st March 2017

**(a) Equity share capital**

(Rs. in Lakhs)

| | No. of Shares | Amount |
|---|---|---|
| Balance as at 1st April 2015 | 9,66,58,595 | 1,933 |
| Changes in equity share capital | NIL | NIL |
| Balance as at 31st March 2016 | 9,66,58,595 | 1,933 |
| Changes in equity share capital | NIL | NIL |
| Balance as at 31st March 2017 | 9,66,58,595 | 1,933 |

**(b) Other Equity**

| | Reserves and Surplus | | | | Statement of other comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Securities Premium Reserve** | **Capital Reserve** | **General Reserve** | **Retained earnings** | **Remeasurements of the net defined benefit Plans** | **Effective portion of Cash flow Hedges** | **Fair value through other comprehensive income - equity instruments** | **Total other equity** |
| **Balance as at 1st April 2015** | 1,253 | 4 | 1,69,694 | 69,364 | NIL | NIL | 80 | 2,40,395 |
| | | | | | | | | |
| **Total Comprehensive** | | | | | | | | |
| Profit for the year | NIL | NIL | NIL | 44,572 | NIL | NIL | NIL | 44,572 |
| Other comprehensive income for the year | NIL | NIL | NIL | NIL | (222) | NIL | (175) | (397) |
| **Transactions with owners of the company** | | | | | | | | |
| Interim Dividend on Equity Shares | NIL | NIL | NIL | (5,316) | NIL | NIL | NIL | (5,316) |
| Interim Dividend Distribution Tax | NIL | NIL | NIL | (1,082) | NIL | NIL | NIL | (1,082) |
| Dividend on Equity Shares | NIL | NIL | NIL | (2,320) | NIL | NIL | NIL | (2,320) |
| Dividend Distribution Tax | NIL | NIL | NIL | (463) | NIL | NIL | NIL | (463) |
| Dividend Distribution Tax of earlier year | NIL | NIL | NIL | (7) | NIL | NIL | NIL | (7) |
| Transferred from Retained Earnings | NIL | NIL | 50,306 | NIL | NIL | NIL | NIL | 50,306 |
| Transferred to General Reserve | NIL | NIL | NIL | (50,306) | NIL | NIL | NIL | (50,306) |
| Transferred to Retained Earnings | NIL | NIL | NIL | | NIL | NIL | 95 | 95 |
| Transferred from OCI | NIL | NIL | NIL | (95) | NIL | NIL | NIL | (95) |
| Taxes of earlier years | NIL | NIL | NIL | 168 | NIL | NIL | NIL | 168 |
| **Balance as at 31st March 2016** | **1,253** | **4** | **2,20,000** | **54,515** | **(222)** | **NIL** | **NIL** | **2,75,550** |
| **Total Comprehensive** | | | | | | | | |
| Profit for the year | NIL | NIL | NIL | 71,685 | NIL | | NIL | 71,514 |
| Other comprehensive income for the year | NIL | NIL | NIL | | (431) | 12,009 | NIL | 11,578 |
| Income Tax of Earlier Years | NIL | NIL | NIL | (53) | NIL | NIL | NIL | (53) |
| **Transactions with owners of the company** | | | | | | | | |
| Interim Dividend on Equity Shares | NIL | NIL | NIL | (5,316) | NIL | NIL | NIL | (5,316) |
| Interim Dividend Distribution Tax | NIL | NIL | NIL | (1,082) | NIL | NIL | NIL | (1,082) |
| Dividend on Equity Shares | NIL | NIL | NIL | | NIL | NIL | NIL | NIL |
| Dividend Distribution Tax of earlier year | NIL | NIL | NIL | (9) | NIL | NIL | NIL | (9) |
| Transferred to General Reserve | NIL | NIL | NIL | (50,000) | NIL | NIL | NIL | (50,000) |
| Transferred from Retained Earnings | NIL | NIL | 50,000 | NIL | NIL | NIL | NIL | 50,000 |
| **Balance as at 31st March 2017** | **1,253** | **4** | **2,70,000** | **69,740** | **(653)** | **12,009** | **NIL** | **3,52,353** |

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Lakhs)

| | | Year Ended 31st March, 2017 | | Year Ended 31st March, 2016 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES :** | | | | |
| | Profit before Tax | | 1,05,860 | | 67,595 |
| | Adjustment for : | | | | |
| | Depreciation and Amortisation | 30,400 | | 28,232 | |
| | Diminutiion of Long Term Investment Written back | NIL | | (168) | |
| | Mark to market gain on fair valuation of foreign exchange forward contracts | 1,135 | | 19,061 | |
| | Fair valuation of Investments in mutual fund | (9,729) | | 1,557 | |
| | Income from Investments | (1,170) | | (7,339) | |
| | Finance Cost | 2,200 | | 3,906 | |
| | Interest Income including on investments | (1,410) | | (558) | |
| | Loss/(Profit) on Sale of Fixed Assets | (68) | | (168) | |
| | Fixed Assets Discarded/Written Off | NIL | | 57 | |
| | Unrealised Foreign Exchange differences | 281 | | 6 | |
| | Acturial gains/(losses) reclassified to OCI | NIL | | (4,140) | |
| | Loss on sale of equity shares classified as FVOCI transferred to OCI | NIL | | (340) | |
| | Deferred Income ( EPCG) | (324) | | (95) | |
| | Retiring Gratuity | 215 | | 515 | |
| | Leave Encashment | 59 | | 244 | |
| | | | 21,589 | | 40,770 |
| | Operating profit before working capital changes | | 1,27,449 | | 1,08,365 |
| | Adjustment for: | | | | |
| | Trade and other receivables | (7,929) | | 19,406 | |
| | Other financial Assets | (55) | | (34) | |
| | Inventories | (7,788) | | 11,447 | |
| | Trade payables | 4,659 | | (8,147) | |
| | | | (11,113) | | 22,672 |
| | Cash generated from operations | | 1,16,336 | | 1,31,037 |
| | Direct taxes paid | | (31,310) | | (23,418) |
| | Gratuity paid | | (235) | | (289) |
| | Leave Encashment paid | | (106) | | (135) |
| | Net cash from Operating Activities | | 84,685 | | 1,07,195 |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | | |
| | Purchase of Fixed Assets & Capital Work in Progress | (18,490) | | (24,235) | |
| | Sale of Fixed Assets | 402 | | 366 | |
| | Purchase of Investments | (2,54,233) | | (3,62,146) | |
| | Sale of Investments | 2,12,807 | | 3,30,640 | |
| | Inter Corporate Loan Given | NIL | | (6,264) | |
| | Inter Corporate Loan Refund Received | 1,577 | | 2,725 | |
| | Interest received including on investment | 1,497 | | 527 | |
| | Income Received on Investments | 135 | | 3,194 | |
| | Net cash used in Investing Activities | | (56,305) | | (55,193) |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES :** | | | | |
| | Proceeds from Short Term Borrowings (Net) | 8,265 | | 47,531 | |
| | Proceeds from Long Term Borrowings | 8,893 | | 77,976 | |
| | Repayment of Long Term Borrowings | (67,364) | | (1,75,344) | |
| | Dividend paid (including tax thereon) | (6,444) | | (9,133) | |
| | Finance cost paid | (2,284) | | (3,558) | |
| Net Cash from Financing Activities | | | (58,934) | | (62,528) |
| Net increase in cash and cash equivalent | | | (30,554) | | (10,526) |
| Exchange difference on cash and cash equivalent | | | (16) | | 13 |
| Cash and cash equivalent as at the beginning of the year | | | 32,830 | | 43,345 |
| Cash and cash equivalent as at the end of the year | | | 2,260 | | 32,830 |

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

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

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

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

# Notes to the Consolidated Financial Statements for the year ended 31 March 2017

## 1(a) General information

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

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

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

## 1(b) Significant Accounting policies

### (a) Basis of preparation

(i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The consolidated financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. The date of transition to Ind AS is 1 April, 2015. Refer note 53 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position and its net profit.

(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 | Proportion of ownership interest either directly or through subsidiary |
|---|---|---|
| **Direct Subsidiaries** | | |
| BKT Exim Limited | India | 100% |
| BKT Tyres Limited | India | 100% |
| Thristha Synthetics Limited | India | 100% |
| **Indirect Subsidiaries** | | |
| BKT EUROPE S.R.L. | Italy | 100% |
| BKT TIRES (CANADA) INC. | Canada | 100% |
| BKT USA INC | USA | 100% |
| BKT TIRES INC. | USA | 100% |
| BKT EXIM US, INC. | USA | 100% |

### (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 (except for long term monetary items outstanding as of 31st March 2016) are generally recognised in profit and loss.

In case of long term monetary items outstanding as of 31st March 2016, foreign exchange differences arising on settlement or translation of long-term foreign currency monetary items relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the asset

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

**Sale of goods**

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are inclusive of excise duty and net of returns, Trade Discounts, Rebates, incentives, Value added taxes/Central Sales Tax and amounts collected on behalf of third parties.

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

**Export Benefits**

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

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) Operating lease

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

### (k) Income Tax

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

#### i. Current tax

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

Current tax assets and liabilities are offset only if:

a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ii. Deferred tax

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

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

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

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

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

### (l) Cash and cash equivalents

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

### (m) Inventories

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

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

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

### (n) Research and development

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

### (o) Financial instruments

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

**i. Financial assets**

**Classification**

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

**Initial recognition and measurement**

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

**Debt instruments**

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes 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. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### (r) Earnings per share (EPS)

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

### (s) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### (t) Key estimates and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- Determination of the estimated useful lives of tangible assets and intangible assets and the assessment as to which components of the cost may be 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.

### (v) Standards issued or modified but not yet effective up to the date of issuance of the Group's consolidated financial statements:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share-Based Payment. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, Statement of Cash Flows and IFRS 2, Share-Based Payments, respectively. The amendments are applicable to the Group from 1st April 2017.

**Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group had evaluated the disclosure requirements of the amendment and the effect on the Consolidated Financial Statements is not expected to be material.

## NOTE NO.2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2017

(Rs. in Lakhs)

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION (INCLUDING AMORTISATION) | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | **Balance as at 1st April 2016** | **Additions/ Adjustments During the year** | **Deductions/ Adjustments During the year** | **Balance as at 31st March 2017** | **Balance as at 1st April 2016** | **For the Year** | **Deductions During the year** | **Balance as at 31st March 2017** | **As at 31st March 2017** | **As at 31st March 2016** |
| **Property, Plant and Equipment** | | | | | | | | | | |
| **Tangible Assets:** | | | | | | | | | | |
| (a) Land | | | | | | | | | | |
| Freehold | 3,702 | NIL | NIL | 3,702 | NIL | NIL | NIL | NIL | 3,702 | 3,702 |
| Leasehold | 1,900 | 3 | NIL | 1,903 | 24 | 24 | NIL | 48 | 1,855 | 1,876 |
| (b) Buildings | 81,095 | 12,582 | NIL | 93,677 | 2,632 | 3,581 | NIL | 6,213 | 87,464 | 78,463 |
| (c ) Plant and Equipment | 2,09,969 | 13,693 | 217 | 2,23,445 | 23,401 | 24,371 | 55 | 47,717 | 1,75,728 | 1,86,568 |
| (d) Furniture and Fixtures | 4,810 | 812 | 18 | 5,604 | 368 | 597 | 3 | 962 | 4,642 | 4,442 |
| (e) Vehicles | 1,658 | 216 | 77 | 1,797 | 247 | 271 | 23 | 495 | 1,302 | 1,411 |
| (f) Office Equipment | 504 | 110 | 10 | 604 | 120 | 111 | 3 | 228 | 376 | 384 |
| (g) Others: | | | | | | | | | | |
| Electric Installations | 9,338 | 1,190 | 23 | 10,505 | 1,312 | 1,262 | 4 | 2,570 | 7,935 | 8,026 |
| Air Conditioners | 420 | 263 | NIL | 683 | 105 | 133 | NIL | 238 | 445 | 315 |
| Computer | 417 | 148 | 9 | 556 | 142 | 158 | 2 | 298 | 258 | 275 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **3,13,813** | **29,017** | **354** | **3,42,476** | **28,351** | **30,508** | **90** | **58,769** | **2,83,707** | **2,85,462** |
| **CAPITAL WORK IN PROGRESS** | | | | | | | | | **10,967** | **23,107** |

* Including Depreciation capitalised Rs.225 lakhs (Previous Year Rs. 221 lakhs).

## NOTE NO.2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2016

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION (INCLUDING AMORTISATION) | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | **Balance as at 1st April 2015** | **Additions/ Adjustments During the year** | **Deductions/ Adjustments During the year** | **Balance as at 31st March 2016** | **Balance as at 1st April 2015** | **For the Year** | **Deductions During the year** | **Balance as at 31st March 2016** | **As at 31st March 2016** | **As at 31st March 2015** |
| **Property, Plant and Equipment** | | | | ` | | | | | | |
| **Tangible Assets:** | | | | | | | | | | |
| (a) Land | | | | | | | | | | |
| Freehold | 3,702 | NIL | NIL | 3,702 | NIL | NIL | NIL | NIL | 3,702 | 3,702 |
| Leasehold | 1,900 | NIL | NIL | 1,900 | NIL | 24 | NIL | 24 | 1,876 | 1,900 |
| (b) Buildings | 55,610 | 25,485 | NIL | 81,095 | NIL | 2,632 | NIL | 2,632 | 78,463 | 55,610 |
| (c) Plant and Equipment | 1,70,264 | 40,004 | 299 | 2,09,969 | NIL | 23,408 | 7 | 23,401 | 1,86,568 | 1,70,264 |
| (d) Furniture and Fixtures | 920 | 3,890 | NIL | 4,810 | NIL | 368 | NIL | 368 | 4,442 | 920 |
| (e) Vehicles | 1,157 | 640 | 139 | 1,658 | NIL | 255 | 8 | 247 | 1,411 | 1,157 |
| (f) Office Equipment | 198 | 307 | 1 | 504 | NIL | 120 | NIL | 120 | 384 | 198 |
| (g) Others: | | | | | | | | | | |
| Electric Installations | 7,483 | 1,864 | 9 | 9,338 | | 1,316 | 4 | 1,312 | 8,026 | 7,483 |
| Air Conditioners | 169 | 251 | NIL | 420 | NIL | 105 | NIL | 105 | 315 | 169 |
| Computer | 313 | 104 | NIL | 417 | NIL | 142 | NIL | 142 | 275 | 313 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **2,41,716** | **72,545** | **448** | **3,13,813** | **NIL** | **28,370** | **19** | **28,351** | **2,85,462** | **2,41,716** |
| **CAPITAL WORK IN PROGRESS** | | | | | | | | | **23,107** | **63,404** |

* Including Depreciation capitalised Rs.221 lakhs

(Rs. in Lakhs)

| Description | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| **Property plant and equipment** | | | |
| (a) Land | | | |
| Freehold | 3,702 | NIL | 3,702 |
| Leasehold | 2,064 | 164 | 1,900 |
| (b) Buildings | 61,130 | 5,520 | 55,610 |
| (c ) Plant and Equipment | 2,50,107 | 79,843 | 1,70,264 |
| (d) Furniture and Fixtures | 1,594 | 674 | 920 |
| (e) Vehicles | 1,653 | 496 | 1,157 |
| (f) Office Equipment | 471 | 273 | 198 |
| (g) Others: | | | |
| Electric Installations | 9,759 | 2,276 | 7,483 |
| Air Conditioners | 397 | 228 | 169 |
| Computer | 1,012 | 699 | 313 |
| **Total** | **3,31,889** | **90,173** | **2,41,716** |
| **Capital work in Progress** | 63,404 | | 63,404 |

## NOTE NO.3

**INVESTMENT PROPERTY AS ON 31ST MARCH 2017**

(Rs. in Lakhs)

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2016 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance as at 31st March 2017 | Balance as at 1st April 2016 | For the Year | Deductions During the year | Balance as at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Buildings | 880 | NIL | 73 | 807 | 22 | 21 | 3 | 40 | 767 | 858 |
| **TOTAL INVESTMENT PROPERTY** | **880** | **NIL** | **73** | **807** | **22** | **21** | **3** | **40** | **767** | **858** |

**INVESTMENT PROPERTY AS ON 31ST MARCH 2016**

| Description | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1st April 2015 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance as at 31st March 2016 | Balance as at 1st April 2015 | For the Year | Deductions During the year | Balance as at 31st March 2016 | As at 31st March 2016 | As at 31st March 2015 |
| Buildings | 880 | NIL | NIL | 880 | NIL | 22 | NIL | 22 | 858 | 880 |
| **TOTAL INVESTMENT PROPERTY** | **880** | **NIL** | **NIL** | **880** | **NIL** | **22** | **NIL** | **22** | **858** | **880** |

i) The group has availed the deemed cost exemption in relation to the Investment property on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 1 2015 under the previous GAAP.

| INVESTMENT PROPERTY | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| Building | 993 | 113 | 880 |
| **TOTAL INVESTMENT PROPERTY** | 993 | 113 | 880 |

ii) Amounts recognised in profit or loss for investment property

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---|---|
| Rental income derived from investment properties | 158 | 90 |
| Direct operating expenses (including repair and maintenance ) generating rental income | (24) | (23) |
| Profit from investment properties before depreciation | 134 | 67 |
| Depreciation | 21 | 22 |
| Profit from investment properties | 113 | 45 |

iii) Fair value

| Particulars | As at 31st March,2017 | As at 31st March,2016 | As at 1st April,2015 |
|---|---|---|---|
| Investment properties | 7,513 | 6,964 | 6,425 |

**Estimation of fair value**

The group obtains independent valuations for its investment properties at least annually.

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 ON 31ST MARCH 2017**

(Rs. in Lakhs)

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | Balance as at 1st April 2016 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance as at 31st March 2017 | Balance as at 1st April 2016 | For the Year | Deductions During the year | Balance as at 31st March 2017 | As at 31st March 2017 | As at 31st March 2016 |
| Computer software | 477 | 79 | NIL | 556 | 61 | 96 | NIL | 157 | 399 | 416 |
| **TOTAL INTANGIBLE ASSETS** | **477** | **79** | **NIL** | **556** | **61** | **96** | **NIL** | **157** | **399** | **416** |

**INTANGIBLE ASSETS AS ON 31ST MARCH 2016**

| | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | (NET BLOCK) | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Description** | Balance as at 1st April 2015 | Additions/ Adjustments During the year | Deductions/ Adjustments During the year | Balance as at 31st March 2016 | Balance as at 1st April 2015 | For the Year | Deductions During the year | Balance as at 31st March 2016 | As at 31st March 2016 | As at 31st March 2015 |
| Computer software | 128 | 349 | NIL | 477 | NIL | 61 | NIL | 61 | 416 | 128 |
| **TOTAL INTANGIBLE ASSETS** | **128** | **349** | **NIL** | **477** | **NIL** | **61** | **NIL** | **61** | **416** | **128** |

The group has availed the deemed cost exemption in relation to the Intangible Assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1st April, 2015 under the previous GAAP.

| INTANGIBLE ASSETS | Gross Block as at 1st April 2015 | Accumulated Depreciation as at 1st April 2015 | Net Block as at 1st April 2015 |
|---|---|---|---|
| Computer Software | 527 | 399 | 128 |
| **TOTAL INTANGIBLE ASSETS** | 527 | 399 | 128 |

(Rs. in Lakhs)

| NOTE NO.5 | Units | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| **FINANCIAL ASSETS (NON CURRENT)** | | | | | |
| **INVESTMENTS :** | | | | | |
| **A Investment carried at amortised cost** | | | | | |
| **Unquoted** | | | | | |
| **(a) Investment in Preference Shares** | | | | | |
| 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each | | | **47** | 43 | 40 |
| **(b) Investments in Government Securities** | | | | | |
| In 6 Year National Saving Certificates | | | **0** | 0 | 0 |
| (31st March 2017 Rs.20,000, 31st March, 2016 Rs.20,000 and 1st April, 2015 Rs.23,000) | | | | | |
| **Quoted** | | | | | |
| **(c) Investment in Tax Free Bonds** | | | | | |
| 7.35 % NABARD Tax Free Bonds SR-IIA | 50,099 | | **501** | 501 | NIL |
| 7.35 % IRFC Tax Free Bonds SR-108 | 58,783 | | **588** | 588 | NIL |
| 7.39% HUDCO Tax Free Bond | 2,50,000 | | **2,605** | NIL | NIL |
| 7.14 % NHAI Tax Free Bond | 2,85,698 | | **2,944** | NIL | NIL |
| | | | **6,638** | 1,089 | NIL |
| **B Investment carried at fair value through Profit and Loss** | | | | | |
| **Quoted** | | | | | |
| **Investment in Mutual fund** | | | | | |
| HDFC Debt Fund for Cancer Cure - 100% Direct Option -2014 Dividend Option | 50,00,000 | **NIL** | | 518 | 510 |
| HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation | 50,00,000 | **501** | | NIL | NIL |
| HDFC Charity Fund for Cancer Cure - Arbitrage Plan Direct Option -100% Dividend Donation | 50,00,000 | **501** | | NIL | NIL |
| HDFC Fixed Maturity Plan Series 31 Direct Growth | 1,50,00,000 | **NIL** | | 1,756 | 1,615 |
| SBI Debt Fund Series -A26 Direct Growth | 1,50,00,000 | **NIL** | | 1,761 | 1,622 |
| LIC Nomura MF Fixed maturity plan series 85 Direct Growth | 2,00,00,000 | **NIL** | | 2,334 | 2,149 |
| HDFC Fixed Maturity Plan Series 35/36/37 Direct Growth | 35,80,00,000 | **39,241** | | 34,387 | NIL |
| (As at 31st March 2016 34,30,00,000 units) | | | | | |
| **Unquoted:** | | | | | |
| SBI Megnum Gilt Fund Long Term Plan | 6,42,38,971 | **24,095** | | NIL | NIL |
| HDFC Gilt Fund - Long Term Plan | 5,16,24,449 | **17,716** | | 15,815 | NIL |
| | | | **82,054** | 56,571 | 5,896 |
| **C Investment in Equity Instrument measure at FVOCI** | | | | | |
| **Quoted** | | | | | |
| 4,98,759 Equity Shares of Govind Rubber Ltd. | | | | | 99 |
| (Shares of Rs.10 each, fully paid up) | | | | | |
| | | | **88,739** | 57,703 | 6,035 |
| Aggregate amount of quoted investments and market value thereof | | | **46,880** | 41,845 | 5,995 |
| Aggregate amount of unquoted investments. | | | **41,859** | 15,858 | 40 |

(Rs. in Lakhs)

| NOTE NO. 6 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER FINANCIAL ASSETS** | | | |
| Derivative Assets | **3,311** | 2,035 | 40 |
| Security Deposits | **728** | 1,517 | 878 |
| | **4,039** | 3,552 | 918 |

(Rs. in Lakhs)

| NOTE NO. 7 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **INCOME TAX ASSETS (NET)** | | | |
| Advance Payments of Taxes and Tax deducted at source (Net of Provisions) | **7,204** | 5,555 | 5,330 |

(Rs. in Lakhs)

| NOTE NO.8 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER NON CURRENT ASSETS** | | | |
| (a) Capital Advances | **8,379** | 6,495 | 7,695 |
| (b) Others loans and advances | | | |
| Advance Payment to Suppliers | **NIL** | NIL | 33 |
| Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | **5** | 5 | 6 |
| Prepaid expenses | **98** | 101 | 113 |
| Other Assets | **15** | NIL | 9 |
| | **8,497** | 6,601 | 7,856 |

(Rs. in Lakhs)

| NOTE NO.9 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **INVENTORIES :** | | | |
| (At lower of Cost and Net Realisable Value) | | | |
| (a) Raw materials | **22,083** | 14,625 | 22,737 |
| (b) Work-in-Progress | **4,748** | 3,977 | 5,582 |
| (c) Finished Goods | **15,241** | 17,159 | 17,827 |
| (d) Stock-in-Trade | **1,774** | 85 | 177 |
| (e) Stores and Spares | **3,573** | 3,676 | 4,314 |
| (f) Others - Packing Materials and Fuel | **193** | 304 | 326 |
| | **47,612** | 39,826 | 50,963 |

(Rs. in Lakhs)

| NOTE NO.10 | UNITS | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| **CURRENT INVESTMENTS** | | | | | |
| **Investment carried at fair value through Profit and Loss** | | | | | |
| (a) **In Mutual funds** | | | | | |
| **Quoted** | | | | | |
| Axis Fixed term Plan - Series 49 Growth | 2,50,00,000 | **NIL** | | NIL | 2,776 |
| ICICI Prudential Fixed Maturity Plan Series 72/Interval Fund II Growth | 4,02,10,504 | **NIL** | | NIL | 4,500 |
| IDFC Fixed Term Plan Series 70 Growth | 2,50,00,000 | **NIL** | | NIL | 2,776 |
| UTI Fixed Term Income Fund Series XVII - VII Growth | 2,50,00,000 | **NIL** | | NIL | 2,784 |
| SBI Debt Fund Series - A1/2/3/14 Growth | 11,00,00,000 | **NIL** | | NIL | 12,158 |
| HDFC Fixed Maturity Plan Series 29/31/33 Growth (As at 1st April, 2015 12,55,00,000 units) | 1,50,00,000 | **1,895** | | NIL | 13,689 |
| SBI Debt Fund Series -A26 Growth | 1,50,00,000 | **1,890** | | NIL | NIL |
| LIC Nomura MF Fixed Maturity Plan Series 85 Growth | 2,00,00,000 | **2,515** | | NIL | NIL |
| LIC Nomura MF Fixed Maturity Plan Series 76 Growth | 3,50,00,000 | **NIL** | | NIL | 3,823 |
| SBI Debt Fund Series - B-32(60 days) | 1,50,00,000 | **NIL** | | 1,513 | NIL |
| ICICI Prudential FMP Series 75-95 days Plan K | 2,60,00,000 | **NIL** | | 2,630 | NIL |
| **Unquoted** | | | | | |
| SBI Megnum Gilt Fund - Long Term Plan | 6,42,38,971 | **NIL** | | 20,883 | NIL |
| Axis Treasury Advantage Fund - Growth | 10,924 | **202** | | NIL | NIL |
| Axis Enhance Arbitrage Fund - Growth | 1,32,86,970 | **1,619** | | NIL | NIL |
| IDFC Ultra Short Term Fund Growth | 30,36,453 | **703** | | NIL | NIL |
| IDFC Arbitrage Fund - Growth | 19,32,150 | **409** | | NIL | NIL |
| IDFC Government Securities Fund Investment Plan - Growth | 9,97,944 | **204** | | NIL | NIL |
| ICICI Prudential Ultra Short Term - Growth | 1,34,72,880 | **2,306** | | NIL | NIL |
| ICICI Prudential Equity Arbitrage Fund - Growth | 2,27,51,213 | **5,061** | | NIL | NIL |
| ICICI Prudential Long Term Gilt Fund - Growth | 6,80,552 | **397** | | NIL | NIL |
| HDFC Arbitrage Fund Wholesale Plan | 6,07,39,068 | **7,537** | | NIL | NIL |
| HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Growth | 15,66,046 | **445** | | NIL | NIL |
| HDFC Liquid Fund - Growth | 4,302 | **138** | | NIL | NIL |
| Birla Sun Life Enhanced Arbitrage Fund - Growth | 1,82,83,339 | **3,153** | | NIL | NIL |
| Birla Sun Life Floating Rate Fund Long Term Plan - Growth | 12,42,140 | **2,492** | | NIL | NIL |
| Kotak Equity Arbitrage Fund - Growth | 94,07,175 | **2,250** | | NIL | NIL |
| SBI Arbitrage Opportunity Fund - Growth | 32,59,860 | **712** | | NIL | NIL |

(Rs. in Lakhs)

| NOTE NO.10 | UNITS | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|---|
| BNP Paribas Enhanced Arbitrage Fund - Growth | 3,37,88,837 | **3,452** | | NIL | NIL |
| UTI Spread Fund - Growth | 17,89,664 | **403** | | NIL | NIL |
| L&T Ultra Short Term Fund - Growth | 11,18,610 | **301** | | NIL | NIL |
| TATA Ultra Short Term Fund - Growth | 52,604 | **1,306** | | NIL | NIL |
| | | | **39,390** | 25,026 | 42,506 |
| **(b) Investment in Debenture (Quoted)** | | | | | |
| Citicorp Finance (India) Limited NCD Series 583 Alt1 | 3,500 | **3,724** | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt3 | 1,000 | **1,050** | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt2 | 1,000 | **1,009** | | NIL | NIL |
| Citicorp Finance (India) Limited NCD Series 621 Alt1 | 1,000 | **1,007** | | NIL | NIL |
| | | | **6,790** | NIL | NIL |
| | | | **46,180** | 25,026 | 42,506 |

(Rs. in Lakhs)

| NOTE NO.11 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **TRADE RECEIVABLES** | | | |
| (a) Secured Considered good | **15,384** | 14,799 | 9,400 |
| (b) Unsecured Considered good | **25,793** | 23,696 | 25,056 |
| | **41,177** | 38,495 | 34,456 |

(Rs. in Lakhs)

| NOTE NO.12 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **CASH AND CASH EQUIVALENTS** | | | |
| Balances with banks | **2,227** | 6,656 | 1,159 |
| Cash on hand | **32** | 36 | 85 |
| In Fixed Deposit | **1** | 26,138 | 42,101 |
| | **2,260** | 32,830 | 43,345 |

(Rs. in Lakhs)

| NOTE NO.13 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER BANK BALANCES** | | | |
| Unpaid Dividend | **87** | 123 | 68 |
| Margin Money (Including Fixed Deposit) | **134** | 43 | 9 |
| (Held against guarantee and other commitments) | **221** | 166 | 77 |

(Rs. in Lakhs)

| NOTE NO.14 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **LOANS** | | | |
| **Unsecured, considered good** | | | |
| Loans to other than related parties | **2,100** | 2,350 | 75 |
| Loans and advances to employees | **293** | 302 | 367 |
| | **2,393** | 2,652 | 442 |

(Rs. in Lakhs)

| NOTE NO.15 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT FINANCIAL ASSETS** | | | |
| Derivative Assets | **17,147** | 1,385 | 22,574 |
| Interest accrued on Investments | **277** | 73 | NIL |
| Interest accrued on Deposits and Loans | **119** | 176 | 124 |
| | **17,543** | 1,634 | 22,698 |

(Rs. in Lakhs)

| NOTE NO.16 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT ASSETS** | | | |
| Advance Payment to Suppliers | **6,428** | 4,656 | 8,392 |
| Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | **10,775** | 11,301 | 17,584 |
| | **17,203** | 15,957 | 25,976 |

(Rs. in Lakhs)

| NOTE NO.17 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **SHARE CAPITAL** | | | |
| **Authorised :** | | | |
| 44,00,00,000 Equity Shares of Rs.2 each | **8,800** | 8,800 | 8,800 |
| 20,00,000 Redeemable Preference Shares of Rs.10 each | **200** | 200 | 200 |
| | **9,000** | 9,000 | 9,000 |
| Issued Subscribed and fully paid up: | | | |
| 9,66,58,595 Equity Shares of Rs.2 each fully paid up | **1,933** | 1,933 | 1,933 |
| | **1,933** | 1,933 | 1,933 |

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 shares outstanding at the beginning and end of the year:**

| **Equity share :** | **As at 31st March 2017** | | As at 31st March 2016 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | Number of shares | Amount |
| Balance at the beginning of the year | 9,66,58,595 | 1,933 | 9,66,58,595 | 1,933 |
| Balance at the end of the year | 9,66,58,595 | 1,933 | 9,66,58,595 | 1,933 |

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

| **Name of Shareholders** | **No. of Shares held** | No. of Shares held | No. of Shares held |
|---|---|---|---|
| RAP ENTERPRISES LLP | - | 2,39,67,995 | 2,39,67,995 |
| % Holding | - | 24.80 | 24.80 |
| AKP ENTERPRISES LLP | - | 2,39,98,445 | 2,39,98,445 |
| % Holding | - | 24.83 | 24.83 |
| VKP ENTERPRISES LLP | **2,41,16,440** | - | - |
| % Holding | **24.95** | - | - |
| RAJIV A PODDAR | **2,39,84,790** | - | - |
| % Holding | **24.81** | - | - |

(Rs. in Lakhs)

| NOTE NO.18 | **As at 31st March 2017** | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|
| **OTHER EQUITY** | | | | |
| a. **Capital Reserve** | | | | |
| Opening Balance | | **4** | 4 | |
| Movement during the year | | **NIL** | NIL | |
| Closing Balance | | **4** | 4 | 4 |
| b. **Securities Premium Account** | | | | |
| Opening Balance | **1,253** | | 1,253 | |
| Movement during the year | **NIL** | | NIL | |
| Closing Balance | | **1,253** | 1,253 | 1,253 |
| c. **Other Reserve (General Reserve)** | | | | |
| Opening Balance | **2,20,000** | | 1,69,694 | |
| Add: Transferred from Profit and Loss account | **50,000** | | 50,306 | |
| Closing Balance | | **2,70,000** | 2,20,000 | 1,69,694 |
| d. **Retained earnings** | | | | |
| Opening Balance | **54,515** | | 69,364 | |
| Add: Net Profit for the current year | **71,685** | | 44,572 | |
| Less: Interim Dividends | **5,316** | | 5,316 | |
| Less: Tax on Interim Dividends | **1,082** | | 1,082 | |
| Less: Proposed Dividend | **NIL** | | 2,320 | |
| Less: Tax on Proposed Dividend | **NIL** | | 463 | |
| Less: Transfer to General Reserve | **50,000** | | 50,306 | |
| Less: Tax on Dividend of earlier year | **9** | | 7 | |
| Less: Transfer from OCI | **NIL** | | (95) | |
| Less: Taxes of earlier years | **53** | | (168) | |
| Closing Balance | | **69,740** | 54,515 | 69,364 |

(Rs. in Lakhs)

| NOTE NO.18 | As at 31st March 2017 | | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|---|
| **Other Comprehensive Income (OCI)** | | | | |
| **e. Remeasurements of the net defined benefit plans** | | | | |
| Opening Balance | **(222)** | | NIL | |
| Movement during the year | **(431)** | | (222) | |
| Closing Balance | | **(653)** | (222) | NIL |
| **f. Effective portion of cash flow hedges** | | | | |
| Opening Balance | **NIL** | | NIL | |
| Movement during the year | **12,009** | | NIL | |
| Closing Balance | | **12,009** | NIL | NIL |
| **g. Fair value through other comprehensive income - Equity Instruments** | | | | |
| Opening Balance | **NIL** | | 80 | |
| Movement during the year | **NIL** | | (175) | |
| Add : Transfer to retained earning | **NIL** | | 95 | |
| Closing Balance | | **NIL** | NIL | 80 |
| | | **3,52,353** | 2,75,550 | 2,40,395 |

**Securities Premium Reserve**

The amounts received in excess of the par value of Equity shares issued have been classified as Securities premium. In accordance with the provisions of Section 52 of the Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issuing bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

**General reserve**

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

**Retained earnings**

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

**Remeasuremnets of the net defined benefit plans**

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

**Fair value through other comprehensive income - equity instruments**

The group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The group transfers amount from this reserve to retained earnings when the relevant equity securities are derecognised.

**Cash flow hedging reserve**

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

(Rs. in Lakhs)

| NOTE NO.19 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **BORROWINGS** | | | |
| **Secured** | | | |
| from banks | **21,596** | 82,768 | 1,34,984 |
| **Unsecured** | | | |
| **Deferred Payment Liabilities** | | | |
| Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments) | **288** | 308 | 314 |
| | **21,884** | 83,076 | 1,35,298 |
| (Refer Note No.52 for details of securities provided and repayment terms of above loans) | | | |

(Rs. in Lakhs)

| NOTE NO.20 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER FINANCIAL LIABILITIES** | | | |
| Distributors/Dealers Deposit | 1 | 3 | 1 |
| Derivative Liability | NIL | NIL | 322 |
| | 1 | 3 | 323 |

(Rs. in Lakhs)

| NOTE NO.21 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **NON CURRENT PROVISIONS** | | | |
| Provisions for Employee Benefits | 1,260 | 364 | 362 |

(Rs. in Lakhs)

| NOTE NO.22 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **DEFERRED TAX LIABILITIES (NET)** | | | |
| Deferred Tax Liability | 36,093 | 27,462 | 28,481 |
| Deferred Tax Assets | 808 | 2,871 | 3,432 |
| Net Deferred Tax Liability | 35,285 | 24,591 | 25,049 |

(Rs. in Lakhs)

| NOTE NO.23 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER NON CURRENT LIABILITIES** | | | |
| Deferred Income (Export Incentive ) | 1,507 | 1,736 | 1,682 |

(Rs. in Lakhs)

| NOTE NO.24 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **BORROWINGS - CURRENT** | | | |
| **Secured** | | | |
| From Banks | 28,954 | 28,824 | 19,499 |
| **Unsecured** | | | |
| From Banks | 28,864 | 17,124 | 38,490 |
| | 57,818 | 45,948 | 57,989 |
| (Refer Note No.52 for details of securities provided and repayment terms of above loans) | | | |

(Rs. in Lakhs)

| NOTE NO.25 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **TRADE PAYABLES** | | | |
| Trade Payables (including Acceptances) (Refer Note No.47 for details of Dues to Micro and Small Enterprises) | 37,441 | 34,113 | 39,864 |

(Rs. in Lakhs)

| NOTE NO.26 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT FINANCIAL LIABILITIES** | | | |
| Interest accrued but not due | 47 | 159 | 118 |
| Current maturity of Long Term debt | 59,385 | 60,806 | 36,511 |
| Unpaid Dividend | 87 | 123 | 68 |
| Other Payable (capital creditors) | 4,588 | 4,110 | 3,505 |
| Derivative liabilities | NIL | 194 | 6 |
| | 64,107 | 65,392 | 40,208 |

(Rs. in Lakhs)

| NOTE NO.27 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **OTHER CURRENT LIABILITIES** | | | |
| Income received in advance | 2,382 | 3,937 | 1,964 |
| Security Deposit | 45 | 32 | 32 |
| Statutory dues towards TDS/VAT/CST/Service Tax etc. | 2,330 | 2,300 | 1,100 |
| | 4,757 | 6,269 | 3,096 |

(Rs. in Lakhs)

| NOTE NO.28 | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **PROVISIONS - CURRENT** | | | |
| Provision for employee benefits | 562 | 865 | 531 |

(Rs. in Lakhs)

| NOTE NO.29 | Year Ended 31st March 2017 | | Year Ended 31st March 2016 |
|---|---|---|---|
| **REVENUE FROM OPERATIONS** | | | |
| Sale of Products | | 3,71,758 | 3,25,846 |
| Sales of Services | | 10 | NIL |
| Other Operating Revenue: | | | |
| Export Incentives | 5,724 | | 2,366 |
| Scrap Sales | 751 | | 671 |
| Others | 141 | | 63 |
| | | 6,616 | 3,100 |
| Total Revenue from Operation | | 3,78,384 | 3,28,946 |

(Rs. in Lakhs)

| NOTE NO.30 | Year Ended 31st March 2017 | | Year Ended 31st March 2016 |
|---|---|---|---|
| **OTHER INCOME** | | | |
| Interest Income on: | | | |
| Non Current Investments (Previous Year Rs.966) | 410 | | 0 |
| Current Investments | NIL | | 82 |
| Deposits/Loans and Advances | 1,000 | | 477 |
| | | 1,410 | 559 |
| Net gain on foreign currency transaction and translation | | 12,377 | 6,525 |
| Dividend Income on Investments in mutual fund | 135 | | 3,194 |
| Net gain on sale of Current Investments | 1,035 | | 4,240 |
| Mark to market gain on mutual fund Investments | 9,729 | | 2,696 |
| Profit on sale of Property Plant and Equipment | 68 | | NIL |
| Other non-operating income | 609 | | 160 |
| | | 11,576 | 10,290 |
| | | 25,363 | 17,374 |

(Rs. in Lakhs)

| NOTE NO.31 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **COST OF MATERIAL CONSUMED** | | |
| Raw Material Consumed | 1,57,305 | 1,38,935 |

(Rs. in Lakhs)

| NOTE NO.32 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **PURCHASE OF STOCK IN TRADE** | | |
| Purchase of Traded Goods | 1,201 | 667 |

(Rs. in Lakhs)

| NOTE NO.33 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE** | | |
| **Opening Stock :** | | |
| Work-in-Progress | 3,977 | 5,672 |
| Stock in Trade | 1,138 | 2,068 |
| Finished Goods | 16,106 | 15,888 |
| | 21,221 | 23,538 |

| NOTE NO.33 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **Less :** | | |
| **Closing Stock :** | | |
| Work-in-Progress | **4,748** | 3,977 |
| Stock in Trade | **1,775** | 1,138 |
| Finished Goods | **15,241** | 16,106 |
| | **21,764** | 21,221 |
| Net (Increase)/Decrease in Inventories | **(543)** | 2,317 |

(Rs. in Lakhs)

| NOTE NO.34 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries and Wages | **23,736** | 21,360 |
| Contribution to provident and other funds | **1,448** | 1,671 |
| Staff Welfare Expenses | **502** | 461 |
| | **25,686** | 23,492 |

(Rs. in Lakhs)

| NOTE NO.35 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **FINANCE COST** | | |
| Interest Expenses | **1,848** | 3,712 |
| Other Borrowing Cost | **352** | 237 |
| | **2,200** | 3,949 |

(Rs. in Lakhs)

| NOTE NO.36 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **DEPRECIATION AND AMORTISATION EXPENSE** | | |
| Depreciation and amortisation | **30,400** | 28,232 |

(Rs. in Lakhs)

| NOTE NO.37 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| **OTHER EXPENSES:** | | |
| Consumption of stores and spare parts | **9,981** | 14,117 |
| Packing material consumed | **100** | 90 |
| Power and fuel(Net) | **12,665** | 11,694 |
| Freight and forwarding | **16,974** | 13,039 |
| Excise Duty | **5,681** | 5,001 |
| Excise duty on variation of Finished Goods | **104** | 12 |
| Labour/Job Charges | **8,638** | 7,185 |
| Water Charges | **315** | 160 |
| Repairs and Maintenance to Plant & Machinery | **1,230** | 1,809 |
| Repairs and Maintenance to Building | **2,950** | 1,231 |
| Repairs and Maintenance to Others | **728** | 771 |
| Insurance Charges | **1,141** | 1,368 |
| Rates and Taxes excluding taxes on income | **1,682** | 619 |
| Rent | **551** | 447 |
| Legal and Professional Charges | **2,601** | 2,484 |
| Advertisement, Publicity and Sales Promotion | **9,644** | 10,234 |
| Commission | **257** | 262 |
| Discount | **377** | 287 |
| Travelling Expenses | **1,995** | 1,839 |
| Directors Meeting Fees | **12** | 11 |
| Loss on sale of Property Plant and Equipment | **NIL** | 57 |

| NOTE NO.37 | Year Ended 31st March 2017 | Year Ended 31st March 2016 |
|---|---|---|
| Property Plant and Equipment Discarded (Current year INR 7,507) | **0** | 6 |
| Interest to Others | **NIL** | 36 |
| Marketing Service Expenses | **NIL** | 88 |
| Contribution towards CSR Expenses | **1,501** | 1,320 |
| Mark to market gain on mutual fund Investments | **NIL** | 4,253 |
| Miscellaneous Expenses | **2,511** | 2,883 |
| | **81,638** | 81,303 |

## NOTE NO. 38

**First - time adoption of Ind AS**

**Transition to Ind AS**

**I. These are the group's first financial statements prepared in accordance with Ind AS.**

The accounting policies set out in note 1(b) have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the presentation of an opening Ind AS balance sheet at 1st April 2015 (the group's date of transition). In preparing its opening Ind AS balance sheet, the group has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

**II. Exemptions from retrospective application**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

**a. Business combination**

Ind AS 101 provide the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combinations occurring prior to the transition date have not been restated.

**b. Deemed cost for Property, Plant and Equipment (PPE), Intangible assets and Investment property**

Ind AS 101 permits a first time adopters to continue with the carrying value for all its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the group has elected to measure all of its PPE, intangible asset and investment property at their previous GAAP carrying values.

**c. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The group has elected to apply this exemption for its investment in quoted equity shares.

The remaining voluntary exemptions as per Ind AS 101 - First time adoption either do not apply or are not relevant to the group.

**III. Exceptions from full retrospective application:**

**a. Sales tax deferral loan**

By applying the exception available as per Ind AS 101, the group has used previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

**b. Hedge accounting**

Hedge accounting is applied from 1st April 2016 and therefore previous period comparative i.e., F.Y. 2015-16 has not been restated and the same will continue to reflect fair value through profit and loss accounting.

**c. Estimates**

Upon an assessment of the estimates made under Indian GAAP, the group has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

The group made estimate for following items in accrodance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVOCI; and

- Investment in debt instruments carried at FVTPL.

**d. Classification and measurement of financial assets**

The group has classified and measured the financial assets (investment in debt instruments) on the basis of facts and circumstances that exist at the date of transition to Ind AS.

**e. Long term foreign currency monetary items**

Under previous GAAP, paragraph 46/ 46A of AS 11 The Effects of Changes in Foreign Exchange rate, provide an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. The group has availed optional exemption to continue the above accounting treatment in respect of the long term foreign currency monetary items recognised in the financial statements for the period immediately before the begining of first Ind AS reporting period i.e 1st April 2016.

The remaining mandatory exceptions either do not apply or are not relevant to the group.

**IV. Reconciliations under Ind AS 101**

**a) Reconciliation of Equity as at 31st March 2016**

(Rs. in Lakhs)

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non Current Assets:** | | | | |
| Property, Plant and Equipment | 9, 10 | 2,84,158 | 1,304 | 2,85,462 |
| Capital work-in-progress | | 23,107 | NIL | 23,107 |
| Investment Property | | 858 | NIL | 858 |
| Intangible assets | | 416 | NIL | 416 |
| Financial Assets: | | | | |
| i. Investments | 1, 2, 7 | 56,126 | 1,577 | 57,703 |
| ii. Other financial assets | 5 | 1,517 | 2,035 | 3,552 |
| Income tax assets | | 5,555 | NIL | 5,555 |
| Other non current assets | 5, 7 | 6,513 | 88 | 6,601 |
| **Total Non Current Assets** | | **3,78,250** | **5,004** | **3,83,254** |
| **Current Assets:** | | | | |
| Inventories | 4 | 29,694 | 10,132 | 39,826 |
| Financial Assets: | | | | |
| i. Investments | 1, 7 | 24,100 | 926 | 25,026 |
| ii. Trade receivables | 4, 5 | 55,794 | (17,299) | 38,495 |
| iii. Cash and cash equivalents | | 32,830 | NIL | 32,830 |
| iv. Bank balances other than (iii) above | | 166 | NIL | 166 |
| v. Loans | | 2,652 | NIL | 2,652 |
| vi. Other current financial assets | 5 | 249 | 1,385 | 1,634 |
| Other current assets | 4, 7 | 15,322 | 635 | 15,957 |
| **Total Current Assets** | | **1,60,807** | **(4,221)** | **1,56,586** |
| **Total Assets** | | **5,39,057** | **783** | **5,39,840** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity:** | | | | |
| Equity Share Capital | | 1,933 | NIL | 1,933 |
| Other Equity | | 2,76,854 | (1,304) | 2,75,550 |
| **Total Equity** | | **2,78,787** | **(1,304)** | **2,77,483** |
| **LIABILITIES** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial liabilities: | | | | |
| i. Borrowings | 6 | 83,228 | (152) | 83,076 |
| ii. Other financial liabilities | | 3 | NIL | 3 |
| Provisions | | 364 | NIL | 364 |
| Deferred tax liabilities | 8 | 23,823 | 768 | 24,591 |

(Rs. in Lakhs)

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| Other non current liabilities | 9 | NIL | 1,736 | 1,736 |
| **Total Non Current Liabilities** | | **1,07,418** | **2,352** | **1,09,770** |
| **Current Liabilities:** | | | | |
| Financial liabilities | | | | |
| i. Borrowings | 6 | 47,416 | (1,468) | 45,948 |
| ii. Trade payables | | 34,113 | NIL | 34,113 |
| iii. Other financial liabilities | 5 | 65,198 | 194 | 65,392 |
| Other current liabilities | 4 | 5,260 | 1,009 | 6,269 |
| Provisions | | 865 | NIL | 865 |
| **Total Current Liabilities** | | **1,52,852** | **(265)** | **1,52,587** |
| **Total Liabilities** | | **2,60,270** | **2,087** | **2,62,357** |
| **Total Equity and Liabilities** | | **5,39,057** | **783** | **5,39,840** |

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

**b) Reconciliation of Equity as at 1st April 2015**

(Rs. in Lakhs)\

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non current assets** | | | | |
| Property, Plant and Equipment | 9, 10 | 2,40,531 | 1,185 | 2,41,716 |
| Capital work-in-progress | | 63,404 | NIL | 63,404 |
| Investment Property | | 880 | NIL | 880 |
| Intangible assets | | 128 | NIL | 128 |
| Financial Assets | | | | |
| i. Investments | 1, 2, 7 | 5,756 | 279 | 6,035 |
| ii. Other financial assets | 5 | 878 | 40 | 918 |
| Income tax assets | | 5,330 | NIL | 5,330 |
| Other non current assets | 5, 7 | 7,789 | 67 | 7,856 |
| **Total non current assets** | | **3,24,696** | **1,571** | **3,26,267** |
| **Current assets** | | | | |
| Inventories | 4 | 41,141 | 9,822 | 50,963 |
| Financial Assets | | | | |
| i. Investments | 1, 7 | 38,650 | 3,856 | 42,506 |
| ii. Trade receivables | 4, 5 | 58,115 | (23,659) | 34,456 |
| iii. Cash and cash equivalents | | 43,345 | NIL | 43,345 |
| iv. Bank balances other than (iii) above | | 77 | NIL | 77 |
| v. Loans | | 442 | NIL | 442 |
| vi. Other current financial assets | 5 | 125 | 22,573 | 22,698 |
| Other current assets | 4, 7 | 25,243 | 733 | 25,976 |
| **Total Current Assets** | | **2,07,138** | **13,325** | **2,20,463** |
| **Total Assets** | | **5,31,834** | **14,896** | **5,46,730** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share Capital | | 1,933 | NIL | 1,933 |
| Other Equity | | 2,25,665 | 14,730 | 2,40,395 |
| **Total Equity** | | **2,27,598** | **14,730** | **2,42,328** |
| **LIABILITIES** | | | | |
| **Non-Current Liabilities** | | | | |
| Financial liabilities | | | | |
| i. Borrowings | 6 | 1,35,928 | (630) | 1,35,298 |
| ii. Other financial liabilities | 5 | 1 | 322 | 323 |
| Provisions | | 362 | NIL | 362 |
| Deferred tax liabilities | 8 | 18,871 | 6,178 | 25,049 |

(Rs. in Lakhs)\

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| Other non current liabilities | 9 | NIL | 1,682 | 1,682 |
| **Total Non Current Liabilities** | | **1,55,162** | **7,552** | **1,62,714** |
| **Current Liabilities** | | | | |
| Financial liabilities | | | | |
| i. Borrowings | 6 | 63,345 | (5,356) | 57,989 |
| ii. Trade payables | | 39,864 | NIL | 39,864 |
| iii. Other financial liabilities | 5 | 40,202 | 6 | 40,208 |
| Other current liabilities | 4 | 2,349 | 747 | 3,096 |
| Provisions | 3 | 3,314 | (2,783) | 531 |
| **Total Current Liabilities** | | **1,49,074** | **(7,386)** | **1,41,688** |
| **Total Liabilities** | | **3,04,236** | **166** | **3,04,402** |
| **Total Equity and Liabilities** | | **5,31,834** | **14,896** | **5,46,730** |

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

**c) Reconciliation of profit or loss for the year ended 31st March 2016** (Rs. in Lakhs)

| Particulars | Notes to first-time adoption | I GAAP* | Effects of transition to Ind AS | Ind AS |
|---|---|---|---|---|
| I Revenue from operations | 4, 9 | 3,30,874 | (1,928) | 3,28,946 |
| II Other income | 1, 5, 7 | 29,489 | (12,115) | 17,374 |
| **III Total Income ( I + II)** | | **3,60,363** | **(14,043)** | **3,46,320** |
| **IV Expenses** | | | | |
| Cost of Raw Material Consumed | | 1,38,935 | NIL | 1,38,935 |
| Purchase of stock in trade | | 667 | NIL | 667 |
| Changes in inventories of finished goods and work in progress | 4 | 2,626 | (309) | 2,317 |
| Employee Benefits Expenses | 11 | 23,832 | (340) | 23,492 |
| Finance costs | 6 | 3,430 | 519 | 3,949 |
| Depreciation and amortisation expenses | 9, 10 | 28,128 | 104 | 28,232 |
| Other Expenses | 1, 4, 7 | 77,006 | 4,297 | 81,303 |
| **Total Expenses (IV)** | | 2,74,624 | 4,271 | 2,78,895 |
| **V Profit before tax (III-IV)** | | **85,739** | **(18,313)** | **67,425** |
| **VI Income Tax expense** | | | | |
| Current tax | | 23,193 | NIL | 23,193 |
| Deferred tax | 8 | 4,952 | (5,292) | (340) |
| **Total tax expense** | | 28,145 | (5,292) | 22,853 |
| **VII Profit from continuing operations (V-VI)** | | **57,594** | **(13,021)** | **44,572** |
| **VIII Other Comprehensive Income/(loss)** | | | - | |
| **A (i) Items that will not be reclassified to profit or loss** | | | | |
| **Remeasurement of defined benefit obligations** | 11 | NIL | (340) | (340) |
| **Loss on sale of FVOCI equity shares** | 2 | NIL | (175) | (175) |
| **(ii) Income tax relating to above items that will not be reclassified to profit or loss** | | NIL | 118 | 118 |
| **Other Comprehensive Income/(loss) (Net of tax)** | | **NIL** | **(397)** | **(397)** |
| **Total Comprehensive Income/(loss) (VII+VIII) (Comprising Profit and Other Comprehensive Income for the period)** | | 57,594 | (13,419) | 44,175 |

* The Indian GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note

**d) Reconciliation of Total Equity as at 1st April 2015 and 31st March 2016** (Rs. in Lakhs)

| Particulars | Footnote ref. | As on 1st April 2015 | As on 31st March 2016 |
|---|---|---|---|
| Net worth under IGAAP | | 2,27,598 | 2,78,788 |
| **Summary of Ind AS adjustments** | | | |
| Fair valuation of investments in mutual funds | 1 | 4,256 | 2,696 |
| Fair valuation of investment in quoted equity shares | 2 | 80 | NIL |
| Proposed dividend on equity shares and tax thereon reversed to retained earnings | 3 | 2,783 | NIL |
| Deferred revenue (Net of Cost) | 4 | (4,178) | (6,090) |
| Accounting for derivative and foreign exchange differences | 5 | 17,906 | 3,217 |
| Transaction cost amortisation for ECB loans | 6 | 133 | (344) |
| Fair valuation of preference shares | 7 | (73) | (81) |
| Deferred income adjustment - Government grant | 9 | NIL | 19 |
| Depreciation on transaction cost capitalised under PPE | 10 | NIL | 46 |
| Deferred tax on above adjustments | 8 | (6,177) | (768) |
| **Total Ind AS adjustments** | | **14,730** | **(1,305)** |
| **Net worth under Ind AS** | | **2,42,328** | **2,77,483** |

**e) Reconciliation of Comprehensive income for the year ended on 31st March 2016**

| Particulars | Footnote ref. | As on 31st March 2016 |
|---|---|---|
| Comprehensive income under IGAAP | | 57,594 |
| **Summary of Ind AS adjustments** | | |
| Fair valuation of investments in mutual funds | 1 | (1,557) |
| Fair valuation of investment in quoted equity shares | 2 | (80) |
| Deferred revenue | 4 | (1,962) |
| Accounting for derivative and foreign exchange differences | 5 | (14,690) |
| Transaction cost amortisation for ECB loans | 6 | (477) |
| Fair valuation of preference shares | 7 | (8) |
| Deferred income adjustment - Government grant | 9 | 19 |
| Depreciation on transaction cost capitalised under PPE | 10 | 45 |
| Deferred tax on above adjustments | 8 | 5,291 |
| **Total Ind AS adjustments** | | **(13,419)** |
| **Comprehensive income under Ind AS** | | **44,175** |

**f) Reconciliation of statement of Cash Flow ;**

There are no material adjustments to the statement of cash flow as reported under previous GAAP

**g) Notes to the reconciliation:**

**1. Fair valuation of investments in mutual funds**

Under previous GAAP, investments in mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Current investments were measured at lower of cost or market price as of each reporting date while long term investments were measured at cost reduced for dimunition. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2016.

**2. Fair valuation of Investment in quoted equity shares**

Under previous GAAP, investments in quoted equity shares were classified as non current investments based on the intended holding period and realisability and was measured at cost as of each reporting date. Under Ind AS, these investments are required to be measured at Fair Value through Other Comprehensive Income (FVOCI) or Profit and Loss (FVTPL) and the company has elected to measure it at FVOCI. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition.

**3. Proposed dividend**

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind-AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the Company, the declaration of dividend occurs after transition date. Therefore, the liability recorded for this dividend has been derecognised against retained earnings.

**4. Deferred revenue**

Ind AS 18 requires an evaluation of continuing managerial involvement and effective control of goods in case of sale of goods. In view of this requirement, the company has deferred revenue of sale of goods and its related costs.

5. **Accounting for derivative and foreign exchange differences**

   a) Ind AS 109 requires all derivatives to be measured at fair value as per Ind AS 113 on the reporting date with both unrealised gains and losses being recognised in the statement of profit and loss for the period in which such changes arise, unless hedge accounting is applied. Accordingly the company has fair valued foreign currency forward contracts outstanding as at transition date and as at 31 March 2016 and recognised gain / loss in the retained earnings and statement of profit and loss respectively and correspnding effect is given to asset or liability for gain and loss respectively, as Derivative Asset and Derivative liability.

   b) The group has also translated all financial assets / financial liabilities denominated in foreign currency at the year end rates.

6. **Interest bearing loans and borrowings :**

   Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan.

7. **Fair valuation of preference shares:**

   The investment in preference shares with below market rate of interest was made with the objective of procuring electricity from the vendor at a subsidised rate when compared to the market rates. As per Ind AS 109, investments in preference shares is to measured at fair value using market rate of interest for discounting of future cash flows from those investments. The difference between the fair value and nominal value of the preference shares is treated as prepaid power cost.

8. **Other deferred tax adjustments :**

   Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

9. **Government Grant:**

   Apportionment of Government Grant recognised under Export Promotion Capital Goods (EPCG) scheme and corresponding charge of depreciation on account of grossing-up of Property, Plant & Equipment.

10. **Property, Plant and Equipment: Interest bearing loans and borrowings:**

    Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are capitalized as a part of PPE. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method or amortised on straight line basis over the period of loan. To restate the carrying amount of loan in accordance with Ind AS 109, the carrying amount of PPE as at the date of the transition is reduced by the amount of processing cost (net of cumulative depreciation impact).

11. **Remeasurement of post employment benefit obligation:**

    Under Ind AS,remeasurements i.e. acturial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss under the previous GAAP.

## NOTE NO.39

**(i) Tax Reconciliation**

**(a) The Income tax expense consists of the followings:** (Rs. in Lakhs)

| | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|---|---|
| Current income tax | **29,666** | 23,193 |
| Deferred tax expense | **4,509** | (340) |
| **Tax expense for the year** | **34,175** | 22,853 |

**(b) Amounts recognised in other comprehensive income**

| | Year ended 31st March, 2017 | | | Year ended 31st March, 2016 | | |
|---|---|---|---|---|---|---|
| | **Before tax** | **Tax (expense) benefit** | **Net of tax** | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| a) Remeasurement of post employment benefit obligations | **(659)** | **228** | **(431)** | (340) | 118 | (222) |
| b) Loss on sale of FVOCI equity shares | **NIL** | **NIL** | **NIL** | (175) | NIL | (175) |
| c) Effective portion of Cash flow Hedges | **18,365** | **(6,356)** | **12,009** | NIL | NIL | NIL |
| | **17,706** | **(6,128)** | **11,578** | (515) | 118 | (397) |

**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:**

(Rs. in Lakhs)

| | Year ended 31st March, 2017 | Year ended 31st March, 2016 |
|---|---|---|
| Profit before tax | **1,05,860** | 67,425 |
| Indian statutory income tax rate | **34.61%** | 34.61% |
| Expected income tax expenses | **36,636** | 23,334 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:- | | |
| Income exempt from income taxes | **(194)** | (1,106) |
| Additional allowances / deduction | **(569)** | (408) |
| Impact of differential tax rate | **(1,897)** | 1045 |
| Others (Net) | **198** | (12) |
| **Total Income Tax expenses** | **34,175** | 22,853 |
| **Effective Tax Rate** | **32.28%** | 33.89% |

**ii) Deferred Tax Disclosure**

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

(Rs. in Lakhs)

| | | | | | As at 31st March,2017 |
|---|---|---|---|---|---|
| | Net balance as at 1st April, 2016 | Recognised in profit or loss | Recognised in OCI | Others | Net Deferred tax asset / liability |
| Deferred tax asset/(liabilities) | | | | | |
| Property, plant and equipment | (24,385) | (592) | NIL | NIL | (24,977) |
| Investments | (1,961) | (1,499) | NIL | NIL | (3,460) |
| Derivatives | (1,116) | 393 | NIL | NIL | (723) |
| Employee benefits | 603 | (23) | 228 | NIL | 808 |
| Cash Flow Hedge | NIL | NIL | (6,356) | NIL | (6,356) |
| Other items | 2,268 | (2,788) | NIL | (57) | (577) |
| Tax assets/ (Liabilities) | (24,591) | (4,509) | (6,128) | (57) | (35,285) |

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

(Rs. in Lakhs)

| | | | | As at 31st March,2016 |
|---|---|---|---|---|
| | Net balance as at 1st April, 2015 | Recognised in profit or loss | Recognised in OCI | Net Deferred tax asset / liability |
| Deferred tax asset/(liabilities) | | | | |
| Property, plant and equipment | (19,352) | (5,033) | NIL | (24,385) |
| Investments | (1,416) | (545) | NIL | (1,961) |
| Derivatives | (7,713) | 6,597 | NIL | (1,116) |
| Employee benefits | 486 | (1) | 118 | 603 |
| Other items | 2,946 | (678) | NIL | 2,268 |
| Tax assets/ (liabilities) | (25,049) | 340 | 118 | (24,591) |

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. 40

**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. (Rs. in Lakhs)

| | As at 31st March 2017 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 2,481 | 2,481 | NIL | NIL | NIL | NIL |
| Mutual Fund | 1,21,444 | NIL | NIL | 1,21,444 | 46,543 | 74,901 | NIL | 1,21,444 |
| Debentures | 6,790 | NIL | NIL | 6,790 | 6,790 | NIL | NIL | 6,790 |
| Loans | NIL | NIL | 2,393 | 2,393 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 41,177 | 41,177 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 396 | 396 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 20,458 | NIL | NIL | 20,458 | NIL | 20,458 | NIL | 20,458 |
| Preference shares and bonds | NIL | NIL | 6,685 | 6,685 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 728 | 728 | NIL | NIL | NIL | NIL |
| **TOTAL** | 1,48,692 | NIL | 53,860 | 2,02,552 | 53,333 | 95,359 | NIL | 1,48,692 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 81,269 | 81,269 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 4,723 | 4,723 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 57,818 | 57,818 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 37,441 | 37,441 | NIL | NIL | NIL | NIL |
| **TOTAL** | NIL | NIL | 181,251 | 181,251 | NIL | NIL | NIL | NIL |

| | As at 31st March 2016 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 32,996 | 32,996 | NIL | NIL | NIL | NIL |
| Mutual Fund | 81,597 | NIL | NIL | 81,597 | 44,899 | 36,698 | NIL | 81,597 |
| Loans | NIL | NIL | 2,652 | 2652 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 38,495 | 38,495 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 249 | 249 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 3,420 | NIL | NIL | 3,420 | NIL | 3,420 | NIL | 3,420 |
| Preference shares and bonds | NIL | NIL | 1,132 | 1,132 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 1,517 | 1,517 | NIL | NIL | NIL | NIL |
| **TOTAL** | 85,017 | NIL | 77,041 | 1,62,058 | 44,899 | 40,118 | NIL | 85,017 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 1,43,882 | 1,43,882 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 4,395 | 4,395 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 45,948 | 45,948 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 34,113 | 34,113 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 194 | NIL | NIL | 194 | NIL | 194 | NIL | 194 |
| TOTAL | 194 | NIL | 2,28,338 | 2,28,532 | NIL | 194 | NIL | 194 |

(Rs. in Lakhs)

| | As at 1st April 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount | | | | Fair value | | | |
| | Fair value through profit and loss | Fair value through other comprehensive income | Amotised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | |
| Cash and cash equivalents (Including other bank balances) | NIL | NIL | 43,422 | 43,422 | NIL | NIL | NIL | NIL |
| Mutual Fund | 48,402 | NIL | NIL | 48,402 | 48,402 | NIL | NIL | 48,402 |
| Investment in quoted equity shares | NIL | 99 | NIL | 99 | 99 | NIL | NIL | 99 |
| Loans | NIL | NIL | 442 | 442 | NIL | NIL | NIL | NIL |
| Trade and other receivables | NIL | NIL | 34,456 | 34,456 | NIL | NIL | NIL | NIL |
| Other financial assets | NIL | NIL | 124 | 124 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 22,614 | NIL | NIL | 22,614 | NIL | 22,614 | NIL | 22,614 |
| Preference shares and bonds | NIL | NIL | 40 | 40 | NIL | NIL | NIL | NIL |
| Security deposit | NIL | NIL | 878 | 878 | NIL | NIL | NIL | NIL |
| **TOTAL** | 71,016 | 99 | 79,362 | 1,50,477 | 48,501 | 22,614 | NIL | 71,115 |
| **Financial Liabilities** | | | | | | | | |
| Long term borrowings (Including current maturity of Long term borrowings) | NIL | NIL | 1,71,809 | 1,71,809 | NIL | NIL | NIL | NIL |
| Other financial liabilities | NIL | NIL | 3,692 | 3,692 | NIL | NIL | NIL | NIL |
| Short term borrowings | NIL | NIL | 57,989 | 57,989 | NIL | NIL | NIL | NIL |
| Trade and other payables | NIL | NIL | 39,864 | 39,864 | NIL | NIL | NIL | NIL |
| Foreign exchange forward contracts | 328 | NIL | NIL | 328 | NIL | 328 | NIL | 328 |
| **TOTAL** | 328 | NIL | 2,73,354 | 2,73,682 | NIL | 328 | NIL | 328 |

**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 Heirarchy 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. e.g. unlisted equity securities.

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 and Level 3 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 | 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 |
| Mutual Fund | Net Asset Value | Not applicable | Not applicable |

C. **Financial risk management**

The group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. **Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the group risk management framework. The board of directors is responsible for developing and monitoring the Company risk management policies.

The groups risk management policies are established to identify and analyses the risks faced by the group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the groups 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 counter party 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 and other receivables**

Around 85% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

Based on prior experience and an assessment of the current economic environment, management believes that no provision is required for credit risk wherever credit is extended to customers.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows:

(Rs. in Lakhs)

| | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Neither past due nor impaired | **32,473** | 31,601 | 24,136 |
| Past due but not impaired | | | |
| Past due 1–90 days | **8,310** | 5,795 | 9,032 |
| Past due 91–180 days | **363** | 365 | 899 |
| Past due 181–270 days | **17** | 72 | 230 |
| Past due 271–365 days | **1** | 136 | 59 |
| Past due more than 365 days | **13** | 526 | 100 |
| | **41,177** | 38,495 | 34,456 |

Management believes that the unimpaired amounts that are past due by more than 6 months are still collectible in full, based on historical payment behaviour.

| Provision for doubtful debts movement | (Rs. in Lakhs) |
|---|---|
| Balance as at 1st April 2015 | NIL |
| Impairment loss recognised | 43 |
| Amounts written off | 43 |
| Balance as at 31st March 2016 | NIL |
| Impairment loss recognised | 162 |
| Amounts written off | 162 |
| Balance as at 31st March 2017 | NIL |

**Concentration of credit risk**

At 31st March 2017, the carrying amount of the group's most significant customer is INR 8,855 Lakhs (31st March, 2016 : INR 6,971 Lakhs; 1st April, 2015 : INR 5,218 Lakhs)

**Loans to others**

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and is considered to be good. The group did not have any amounts that were past due but not impaired. The group has no collateral in respect of these loans.

**Investment in debentures**

The group does not perceive any risk as these are issued by reputed financial institution.

**Investment in mutual funds and bonds**

The investment in mutual funds, Government bonds are entered into with credit worthy fund houses, Government of India and financial institution respectively. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The group does not expect any losses from non-performance by these counter-parties.

**Derivatives**

The derivatives are entered into with bank counter parties 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 in mainly in mutual funds with good returns and within approved credit ratings.

Other than trade and other receivables, the group has no other financial assets that are past due but not impaired.

**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.

As at 31st March, 2017, the group had working capital of INR 9,904 Lakhs, including cash and cash equivalents of INR 2,260 Lakhs, and highly marketable current investment of INR 46,180 Lakhs.

As at 31st March, 2016, the group had working capital of INR 3,999 Lakhs, including cash and cash equivalents of INR 32,830 Lakhs, and highly marketable current investment of INR 25,026 Lakhs.

As at 1st April, 2015 the group had working capital of INR 78,775 Lakhs, including cash and cash equivalents of INR 43,345 Lakhs, and highly marketable current investment of INR 42,506 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 maturites are essential for the understanding of the timing of the cash flows.

(Rs. in Lakhs)

| As at 31st March 2017 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non Current** | | | | | | |
| Secured Long term loans and borrowings | 80,968 | 81,947 | 60,173 | 21,774 | NIL | NIL |
| Unsecured Long term loans and borrowings | 301 | 301 | 13 | 23 | 134 | 131 |
| Other financial liabilities | 1 | 1 | NIL | NIL | NIL | 1 |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 28,954 | 28,954 | 28,954 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 28,864 | 28,864 | 28,864 | NIL | NIL | NIL |
| Trade and other payables | 37,441 | 37,441 | 37,441 | NIL | NIL | NIL |
| Other financial liabilities | 4,588 | 4,588 | 4,588 | NIL | NIL | NIL |
| Unpaid Dividend | 87 | 87 | 87 | NIL | NIL | NIL |
| Interest accrued but not due | 47 | 47 | 47 | NIL | NIL | NIL |

| As at 31st March 2016 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non current** | | | | | | |
| Secured Long term loans and borrowings | 1,43,569 | 1,45,748 | 62,158 | 61,354 | 22,236 | NIL |
| Unsecured Long term loans and borrowings | 313 | 313 | 8 | 14 | 103 | 188 |
| Other financial liabilities | 3 | 3 | NIL | NIL | NIL | 3 |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 28,824 | 28,824 | 28,824 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 17,124 | 17,124 | 17,124 | NIL | NIL | NIL |
| Trade and other payables | 34,113 | 34,113 | 34,113 | NIL | NIL | NIL |
| Unpaid Dividend | 123 | 123 | 123 | NIL | NIL | NIL |
| Other financial liabilities | 4,110 | 4,110 | 4,110 | NIL | NIL | NIL |
| Interest accrued but not due | 159 | 159 | 159 | NIL | NIL | NIL |
| Foreign exchange forward contracts | 194 | 194 | 194 | NIL | NIL | NIL |

| As at 1st April 2015 | Carrying amount | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| | | Total | 1 year or less | 1-2 years | 2-5 years | More than 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| **Non current** | | | | | | |
| Secured Long term loans and borrowings | 1,71,495 | 1,78,063 | 39,507 | 59,356 | 79,200 | NIL |
| Unsecured Long term loans and borrowings | 314 | 314 | 3 | 6 | 71 | 234 |
| Other financial liabilities | 1 | 1 | NIL | NIL | NIL | 1 |
| Foreign exchange forward contracts | 322 | 322 | NIL | 322 | NIL | NIL |
| **Current** | | | | | | |
| Secured Short term loans and borrowings | 19,499 | 19,499 | 19,499 | NIL | NIL | NIL |
| Unsecured Short term loans and borrowings | 38,490 | 38,490 | 38,490 | NIL | NIL | NIL |
| Trade and other payables | 39,864 | 39,864 | 39,864 | NIL | NIL | NIL |
| Unpaid Dividend | 68 | 68 | 68 | NIL | NIL | NIL |
| Other financial liabilities | 3,505 | 3,505 | 3,505 | NIL | NIL | NIL |
| Interest accrued but not due | 118 | 118 | 118 | NIL | NIL | NIL |
| Foreign exchange forward contracts | 6 | 6 | 6 | NIL | NIL | NIL |

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 company 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 12 to 18 months. The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

Hedge accounting is followed from 1st April, 2016.

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, 2017:

(Rs. in Lakhs)

| Category | Instrument | Currency | Cross Currency | Amounts | Buy/Sell |
|---|---|---|---|---|---|
| Hedges of highly probable forecasted sales transactions | Forward contract | USD | INR | USD 354.43 million | Sell |
| Hedges of highly probable forecasted sales transactions | Forward contract | EUR | INR | NIL | Sell |

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March , 2016:

| Category | Instrument | Currency | Cross Currency | Amounts | Buy/Sell |
|---|---|---|---|---|---|
| Hedges of highly probable forecasted sales transactions | Forward contract | USD | INR | USD 389.05 million | Sell |
| Hedges of highly probable forecasted sales transactions | Forward contract | EUR | USD | EUR 31 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 group is as follows:

| Amounts in INR | As at 31st March 2017 | | | As at 31st March, 2016 | | | As at 1st April, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|
| | EUR | USD | Others | EUR | USD | Others | EUR | USD | Others |
| **Financial assets (A)** | | | | | | | | | |
| Trade receivables | 27,766 | 11,954 | 66 | 25,376 | 10,137 | 42 | 20,899 | 14,363 | 29 |
| Cash and cash equivalent | 576 | 884 | 6 | 789 | 896 | 7 | 441 | 207 | 4 |
| Security Deposit | 13 | 5 | NIL | 5 | 6 | NIL | 3 | 5 | NIL |
| Loans | NIL | NIL | 2 | NIL | NIL | 2 | NIL | NIL | NIL |
| | 28,355 | 12,843 | 74 | 26,170 | 11,039 | 51 | 21,343 | 14,575 | 33 |
| **Financial liabilities (B)** | | | | | | | | | |
| Secured Loans | 14,144 | 95,787 | NIL | 14,666 | 1,57,699 | NIL | 7,932 | 1,85,982 | NIL |
| Unsecured Loans | 22,485 | 4,912 | NIL | 7,284 | 7,343 | NIL | 9,607 | 24,532 | NIL |
| Interest on loans | NIL | 47 | NIL | NIL | 85 | NIL | NIL | 118 | NIL |
| Trade payables | 2,807 | 2,967 | 105 | 1,094 | 3,104 | 66 | 3,204 | 6,358 | 53 |
| | 39,436 | 1,03,713 | 105 | 23,044 | 1,68,231 | 66 | 20,743 | 2,16,990 | 53 |
| Net statement of financial position exposure (A-B) | (11,081) | (90,870) | (31) | 3,126 | (1,57,192) | (15) | 600 | (2,02,415) | (20) |

**Sensitivity analysis**

The strenghtening / 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 date of statements of financial position.

(Rs. in Lakhs)

| Effect in INR<br>As at 31st March, 2017 | Profit / (loss) | | |
|---|---|---|---|
| | Strengthening / Weakening % | Strengthening | Weakening |
| EUR | 2% | (222) | 222 |
| USD | 3% | (2,726) | 2,726 |
| Others | 10% | (3) | 3 |

| Effect in INR<br>As at 31st March, 2016 | Profit / (loss) | | |
|---|---|---|---|
| | Strengthening / Weakening % | Strengthening | Weakening |
| EUR | 2% | 63 | (63) |
| USD | 3% | (4,716) | 4,716 |
| Others | 10% | (2) | 2 |

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

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

For details of the group's short-term and long term loans and borrowings, including interest rate profiles, refer to Note 52 of these financial statements.

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **Fixed-rate instruments** | | | |
| Financial assets | **8,920** | 29,663 | 42,225 |
| Financial liabilities | **(53,309)** | (43,124) | (56,278) |
| | **(44,389)** | (13,461) | (14,053) |
| **Variable-rate instruments** | | | |
| Financial liabilities | **(85,476)** | (1,46,381) | (1,73,206) |
| | **(85,476)** | (1,46,381) | (1,73,206) |

**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.

| | Profit or (loss) | |
|---|---|---|
| | 100 bp increase | 100 bp decrease |
| **As at 31st March 2017** | | |
| Variable-rate instruments | **(855)** | **855** |
| **sensitivity (net)** | **(855)** | **855** |
| As at 31st March 2016 | | |
| Variable-rate instruments | (1,464) | 1,464 |
| **sensitivity (net)** | (1,464) | 1,464 |

(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 2017, 31st March 2016 and 1st April 2015. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

(Rs. in Lakhs)

| | 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, 2017** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 20,458 | NIL | 20,458 | 20,458 | NIL | 20,458 |
| **Total** | **20,458** | **NIL** | **20,458** | **20,458** | **NIL** | **20,458** |
| **As at 31st March, 2016** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 3,420 | NIL | 3,420 | 3,420 | NIL | 3,420 |
| **Total** | **3,420** | **NIL** | **3,420** | **3,420** | **NIL** | **3,420** |
| **Financial liabilities** | | | | | | |
| Derivative financial instruments | 194 | NIL | 194 | 194 | NIL | 194 |
| **Total** | **194** | **NIL** | **194** | **194** | **NIL** | **194** |
| **As at 1st April, 2015** | | | | | | |
| **Financial assets** | | | | | | |
| Derivative financial instruments | 22,614 | NIL | 22,614 | 22,614 | NIL | 22,614 |
| **Total** | **22,614** | NIL | **22,614** | **22,614** | NIL | **22,614** |
| **Financial liabilities** | | | | | | |
| Derivative financial instruments | 328 | NIL | 328 | 328 | NIL | 328 |
| **Total** | **328** | **NIL** | **328** | **328** | **NIL** | **328** |

## NOTE NO.41

**Hedge accounting**

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the next 12 to 18 months in advance. The group uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realization is likely to take place. The hedge ratio is 1:1.

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

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

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

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

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

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

a) **Disclosure of effects of hedge accounting on financial position**

**As at 31st March, 2017**

| 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 31st March 2017**

| | **Notional principal amounts** | **Derivative Financial Instruments - Assets** | **Derivative Financial Instruments – Liabilities** | **Line item in the statement of financial position where the hedging instrument is included** | **Maturity date** | **Average strike price/ rate** |
|---|---|---|---|---|---|---|
| Foreign exchange forward contracts | 354.43 Million USD | 20,458 | NIL | Other Non current and current financial Assets | FY 2017-18 and FY 2018-19 | 1 USD = INR 73.02 |
| | **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 | 18,365 | 18,365 | NIL | Not applicable | NIL | Revenue from operations |

The tables below provide details of the Company's hedged items under cash flow hedges:

| | **As at 31st March, 2017** | | |
|---|---|---|---|
| | **Change in the value of hedged item for the year** | **Balance in cash flow hedge reserve** | |
| | | **Where hedge accounting is continued** | **Where hedge accounting is discontinued** |
| Highly probable forecast transactions | FY 2017-18 and FY 2018-19 | FY 2017-18 and FY 2018-19 | NIL |

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

(Rs. in Lakhs)

| | **Movement in Cash flow hedge reserve** |
|---|---|
| | **As at 31st March, 2017** |
| Opening balance | NIL |
| **Effective portion of changes in fair value:** | |
| Foreign currency risk | 18,365 |
| **Net amount reclassified to profit or loss:** | |
| Foreign currency risk | NIL |
| Tax on movements on reserves during the year | 6,356 |
| **Closing balance** | 12,009 |

## NOTE NO. 42

**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, other bank deposits with banks and current investments.

The group's net debt to equity ratio as at 31st March 2017, 31st March 2016 and 1st April 2015 was as follows.

(Rs. in Lakhs)

| | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| Non-Current Borrowings | **21,884** | 83,076 | 135,298 |
| Current Borrowings | **57,818** | 45,948 | 57,989 |
| Current maturity of long term debt | **59,385** | 60,806 | 36,511 |
| **Gross Debt** | **1,39,087** | 1,89,830 | 2,29,798 |
| Less - Cash and Cash Equivalents | **2,260** | 32,830 | 43,345 |
| Less - Current Investments | **46,180** | 25,026 | 42,506 |
| **Net debt** | **90,647** | 1,31,974 | 1,43,947 |
| Total equity | **3,54,286** | 2,77,483 | 2,42,328 |
| Less : Hedging reserve | **12,009** | NIL | NIL |
| **Equity** | **3,42,277** | 2,77,483 | 2,42,328 |
| Net debt to Equity ratio | **0.26** | 0.48 | 0.59 |

## NOTE NO. 43

**DISCLSOURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Rs. in Lakhs)

| Particulars | SBNs* | Other denomination notes | Total |
|---|---|---|---|
| Closing cash in hand as on November 8, 2016 | 20 | 22 | 42 |
| (+) Permitted receipts | NIL | 45 | 45 |
| (-) Permitted payments | NIL | 39 | 39 |
| (-) Amount deposited in Banks | 20 | NIL | 20 |
| Closing cash in hand as on December 30, 2016 | NIL | 28 | 28 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

## NOTE NO.44

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, 2017** | Year ended 31st March, 2016 |
|---|---|---|
| Profit attributable to equity holders (Rs. in lakhs) | **71,685** | 44,572 |
| Weighted average number of shares oustanding during the year | **9,66,58,595** | 9,66,58,595 |
| Nominal Value of Equity Shares (in INR) | **2** | 2 |
| Earning Per Share Basic and Diluted ( in INR) | **74.17** | 46.11 |

## NOTE NO.45

**Related Party Disclosures ***

(Where transactions have taken place)

I **Related Party Relationships**

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mrs. Vijayalaxmi Poddar - Executive Director( up to 08.08.2015), Mr. Rajiv Poddar - Joint Managing Director, Mr.Vipul Shah - Director & Company Secretary#, Mr. Basant Bansal - Director Finance.

b) Relatives of Key Management Personnel :

Mrs. Vijayalaxmi Poddar-( w.e.f. 09.08.2015 ) Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Shyamlata Poddar, Mr. Abhishek Bansal, Mr, Gunal Bansal

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Clothing Culture Ltd.

II **Related Party Transactions$**

(Rs. in Lakhs)

| Transactions | As at 31st March 2017 | | As at 31st March 2016 | |
|---|---|---|---|---|
| | **Relatives of (KMP)** | **Other related Party** | Relatives of (KMP) | Other related Party |
| Purchase of Goods/ Materials | **NIL** | **54** | NIL | 216 |
| Rent received | **NIL** | **54** | NIL | 32 |
| Recovery of Expenses | **NIL** | **51** | NIL | 30 |
| Sale of Goods/ Materials ( In previous year other related party amount is INR 2,100 ) | **NIL** | **NIL** | NIL | 0 |
| Rent/Lease Rent Paid | **118** | **NIL** | 106 | NIL |
| Vehicle Hiring Charges | **7** | **NIL** | 5 | NIL |
| Remuneration/Sitting Fees | **35** | **NIL** | 45 | NIL |

| Particulars | Key Management Personnel | | | Relatives of (KMP) | | |
|---|---|---|---|---|---|---|
| **Outstanding Balances** | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 | **As at 31st March, 2017** | As at 31st March, 2016 | As at 1st April, 2015 |
| Remuneration payable (Outstanding for Relative of (KMP) is INR 16,800 for Previous years) | **5,410** | 4,943 | 4,442 | **2** | 0 | 0 |

III **Key management personnel compensation**

Key management personnel compensation comprised the following :

| | **As at 31st March, 2017** | As at 31st March, 2016 |
|---|---|---|
| Short term employee benefits | **6,588** | 6,245 |
| Post-employment benefits | **68** | 37 |
| Other long-term benefits | **30** | 24 |
| **Total** | **6,687** | 6,305 |

**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.

# Reappointment w.e.f. 11th February 2017, is subject to approval in forthcoming Annual General Meeting.

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

(Rs. in Lakhs)

| NOTE NO.46 | **Year ended 31st March 2017** | Year ended 31st March 2016 |
|---|---|---|
| **Leases - Operating leases :** | | |
| The company has taken commercial premises under cancellable operating leases: Further the company has also taken motor cars under cancellable operating lease: | | |
| i) Future minimum Lease Payments under non - cancellable operating leases : | | |
| not later than one year | **4** | 65 |
| later than one year and not later than five years | **9** | 103 |
| later than five years | **NIL** | NIL |
| ii) The rental expenses recognised in the statement of Profit and Loss for operating leases : | | |
| (a) Minimum Rent | **367** | 349 |
| (b) Contingent Rent | **NIL** | NIL |

**Leases - Finance leases as lessee**

The group has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

## NOTE NO.47

a) As at 31st March,2017, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## NOTE NO.48

**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 through trustees /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 Company has no further obligation beyond making the contributions. The liability of the group on the exempt Provident Fund managed by the trustees is restricted to the interest shortfall if any.

(Rs. in Lakhs)

| | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **Charge to the Statement of Profit and Loss based on contributions:** | | |
| Superannuation | **81** | 91 |
| Employees' Provident fund | **823** | 808 |

**(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 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. Trustees administer the contributions made by the group to the gratuity scheme.

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, 2017. 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:

(Rs. in Lakhs)

| | | As at 31st March 2017 | As at 31st March 2016 |
|---|---|---|---|
| | | Gratuity (Funded plan) | Gratuity (Funded plan) |
| (i) | **Change in Defined Benefit Obligation** | | |
| | Opening defined benefit obligation | **2,014** | 1,436 |
| | Amount recognised in profit and loss : | | |
| | Current service cost | **190** | 165 |
| | Interest cost | **162** | 114 |
| | Amount recognised in other comprehensive income : | | |
| | Actuarial loss / (gain) arising from: | | |
| | Demographic assumptions | **NIL** | (20) |
| | Financial assumptions | **593** | 222 |
| | Experience adjustment | **70** | 144 |
| | Other : | | |
| | Benefits paid | **(27)** | (47) |
| | Closing defined benefit obligation | **3,001** | 2,014 |
| (ii) | **Change in Fair Value of Assets** | | |
| | Opening fair value of plan assets | **1,650** | 1,299 |
| | Amount recognised in profit and loss : | | |
| | Interest income | **133** | 103 |
| | Amount recognised in other comprehensive income : | | |
| | Actuarial gain / (loss) : | | |
| | Return on Plan Assets, Excluding Interest Income | **3** | 6 |
| | Other : | | |
| | Contributions by employer | **239** | 289 |
| | Benefits paid | **(27)** | (47) |
| | Closing fair value of plan assets | **1,998** | 1,650 |
| | Actual return on Plan Assets | **136** | 109 |
| (iii) | **Plan assets comprise the following** | | |
| | | Unqouted | Unqouted |
| | Insurance fund (100%) | **1,998** | 1,650 |
| (iv) | **Principal actuarial assumptions used** | | |
| | Discount rate | **7.29%** | 8.04% |
| | Rate of employee turnover | For Service 4 years and below 10 % p.a. & thereafter 2%p.a | For Service 4 years and below 10 % p.a. & thereafter 2%p.a |
| | Future Salary growth rate | 7.50% | 6.00% |

| | | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|---|
| (v) | **Amount recognised in the Balance Sheet** | | | |
| | Present value of obligations as at year end | **3,001** | 2,014 | 1,436 |
| | Fair value of plan assets as at year end | **1,998** | 1,650 | 1,299 |
| | Net (asset) / liability recognised as at year end | **1,003** | 364 | 137 |
| | Recognised under : | | | |
| | Long term provisions | **1,003** | 364 | 137 |
| | | **1,003** | 364 | 137 |

**(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.

| | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|---|---|---|---|
| | **Increase** | **Decrease** | Increase | Decrease |
| Discount rate (0.5% movement) - Gratuity | **(151)** | **166** | (82) | 89 |
| Employee turnover (0.5% movement) - Gratuity | **(5)** | **5** | 16 | (17) |
| Future salary growth (0.5% movement) - Gratuity | **165** | **(151)** | 91 | (84) |

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**

| **Particulars** | **Less than a year** | **Between 1-2 years** | **Between 2-5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| As at 31st March 2017 | | | | | |
| Defined benefit obligations (Gratuity) | **196** | **180** | **611** | **1,093** | **2,080** |
| Total | **196** | **180** | **611** | **1,093** | **2,080** |

| Particulars | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| As at 31st March , 2016 | | | | | |
| Defined benefit obligations (Gratuity) | 285 | 105 | 579 | 1,226 | 2,195 |
| Total | 285 | 105 | 579 | 1,226 | 2,195 |

**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, 2017 based on actuarial valuation using the projected accrued benefit method is INR 59 lakhs (31st March 2016 : INR 244 lakhs).

(Rs. in Lakhs)

| **NOTE NO.49** | As at 31st March 2017 | As at 31st March 2016 | As at 1st April 2015 |
|---|---|---|---|
| **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 | **10,586** | 12,048 | 10,378 |
| - Disputed income tax demands | **207** | 680 | 473 |
| b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | **1,493** | 1,517 | 1,506 |
| c) Corporate Guarantee given by the Company: | | | |
| -To the President of India through commissioner of Custom | **1,30,789** | 43,215 | 33,457 |
| **(ii) Commitments** | | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | **16,416** | 13,728 | 20,472 |

(Rs. in Lakhs)

| NOTE NO.50 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **Payment to Auditors** | | |
| Statutory Auditors | | |
| Audit Fees | 43 | 33 |
| For Tax Audit | 7 | 11 |
| For Taxation Matters | 11 | 6 |
| For Company Law matters | 3 | 3 |
| For Other services - Certification, etc. | 13 | 15 |
| For reimbursement of expenses | | |
| Service Tax | 9 | 8 |
| Expenses | 1 | 1 |
| **Total** | 87 | 77 |

(Rs. in Lakhs)

| NOTE NO.51 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| a) **Borrowing Cost** | | |
| Amount of Borrowing Cost capitalised (Net) | NIL | 1,736 |
| b) **Research and Development Cost/Expenditure** | | |
| Revenue | 1,456 | 1,269 |
| Capital | 908 | 393 |
| Total of Research and Development Cost/Expenditure | 2,364 | 1,662 |

(Rs. in Lakhs)

| NOTE NO.52 | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **Nature of Security in respect of secured Loan (Long Term/Short Term):** | | | |
| I **Working Capital Loans from Banks Repayable on Demand:** | | | |
| 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. | 25,982 | 27,021 | 19,499 |
| b) **At subsidiary Companies:** | | | |
| Secured by first charge by way of security agreement of all the assets of the Company and Guarantee by ultimate Parent Company. | 1,621 | NIL | NIL |
| Secured by Guarantee of ultimate Parent Company. | 1,350 | 1,802 | NIL |
| II **Term Loan from Banks:** | | | |
| a) **ECB Loan USD 100 million** | | | |
| Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis. | 43,170 | 66,235 | 61,983 |
| (Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps for the year 2015-16 and 2016-17 and LIBOR + 191 bps for the year 2014-15) | | | |

| NOTE NO.52 | As at 31st March, 2017 | As at 31st March, 2016 | As at 1st April, 2015 |
|---|---|---|---|
| **b) ECB Loan USD 175 million** | | | |
| Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and current assets on pari-passu basis.<br>(Repayment in 2 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 80 bps) | 37,799 | 77,334 | NIL |
| Secured by first charge by way of hypothecation on the all present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis.<br>(Repayment in 3 Annual Equal Installments beginning from financial Year 2015-16, Rate of Interest LIBOR + 175 bps) | NIL | NIL | 1,09,512 |

## NOTE NO.53

**Segment reporting**

**A. General Information**

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

For management purposes the Company has only one reportable segment as follows

- Manufacture and sale of tyres

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

(Rs. in Lakhs)

| Particulars | For the year ended 31st March 2017 | For the year ended 31st March 2016 |
|---|---|---|
| Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues | | |
| Revenue from the Country of Domicile- India | **61,419** | 50,549 |
| Revenue from foreign countries | | |
| Europe | **1,93,796** | 1,68,646 |
| North America | **52,769** | 46,586 |
| Others | **70,400** | 63,165 |
| | **3,78,384** | 3,28,946 |

**C. Information about major customers**

Revenue from major customer of the Company was INR 37,310 lakhs as on 31st March 2017 (Previous year 31st March 2016: INR 38,064 lakhs.)

(Rs. in Lakhs)

| D. Segment Assets | 31st March 2017 | 31st March 2016 |
|---|---|---|
| In India | 3,04,309 | 3,16,387 |
| Outside India | 28 | 57 |
| Total | **3,04,337** | 3,16,444 |

## NOTE NO.54

**Additional Information as required by paragraph 2 of the General Instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(Rs. in Lakhs)

| Name of the entities in the Group | Net Assets , i.e Total Assets minus total liabilities | | Share in Profit or loss | | Share in Other comphrensive income | | Share in Total Comphrensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (INR) | As % of Consolidated Profit or Loss | Amount (INR) | As % of Consolidated Other Comphrensive income | Amount (INR) | As % of Total Comphrensive income | Amount (INR) |
| Parent | 100.16% | 3,54,856 | 99.76% | 71,514 | 100.00% | 11,578 | 99.79% | 83,092 |
| Subsidiaries | | | | | | | | |
| Foreign | | | | | | | | |
| 1. BKT USA INC | 0.13% | 450 | 0.12% | 88 | NIL | NIL | 0.11% | 88 |
| 2. BKT EXIM US, INC | 0.02% | 58 | 0.01% | 6 | NIL | NIL | 0.01% | 6 |
| 3.BKT Tires (Canada) Inc | 0.01% | 47 | 0.02% | 15 | NIL | NIL | 0.02% | 15 |
| 4. BKT Europe srl | 0.03% | 115 | 0.07% | 53 | NIL | NIL | 0.06% | 53 |
| Indian | | | | | | | | |
| 5. BKT Exim Ltd. | 0.10% | 337 | 0.06% | 45 | NIL | NIL | 0.05% | 45 |
| 6. BKT Tyres Ltd. | 0.00% | 6 | 0.00% | (0) | NIL | NIL | 0.00% | (0) |
| 7. Thristha Synthetics Ltd. | 0.00% | 4 | 0.00% | (0) | NIL | NIL | 0.00% | (0) |
| Elimination | (0.45%) | (1,587) | (0.05%) | (36) | NIL | NIL | (0.04%) | (36) |
| **Total** | **100.00%** | **3,54,286** | **100.00%** | **71,685** | **100.00%** | **11,578** | **100.00%** | **83,263** |

(Rs. in Lakhs)

| NOTE NO.55 | Year ended 31st March 2017 | Year ended 31st March 2016 |
|---|---|---|
| **CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:** | | |
| Total Expenditure towards CSR activity | **1,501** | 1,320 |
| Amount required to be spent u/s 135 of Compaines Act 2013 | **1,500** | 1,320 |
| Excess/(Short) | **1** | 0 |

## NOTE NO.56

**EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended a final dividend of Rs.2.50 (125 %) per equity share of Rs.2/-each. The cash outgo on account of final dividend and dividend tax will be INR 2,908 Lakhs.

## NOTE NO.57

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1 TO 57**

As per our report of even date attached
**For JAYANTILAL THAKKAR & CO.**
**Chartered Accountants**
(Firm Reg. No. 104133W)

**VIRAL A. MERCHANT**
Partner
Membership No: 116279
Mumbai,
Dated: 25th May, 2017

**BASANT BANSAL**
Director (Finance)

For and on behalf of the Board of Directors

**ARVIND PODDAR** Chairman & Managing Director

**RAJIV PODDAR** Joint Managing Director

**VIPUL SHAH** Director & Company Secretary

Mumbai,
Dated: 25th May, 2017

GROWING TOGETHER

# Few Application with BKT Tires

GROWING TOGETHER


**Balkrishna Industries Limited**

**CIN :** L99999MH1961PLC012185

**Registered Office:** B-66, Waluj Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra, India.

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

**Telephone Number :** +91-22-66663800 | **Fax Number :** +91-22-66663898

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

**Website :** www.bkt-tires.com


print@parksonsgraphics.com

# Balkrishna Industries Limited

BKT GROWING TOGETHER

CIN : L99999MH1961PLC012185

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

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

Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: shares@bkt-tires.com | Website: www.bkt-tires.com

## NOTICE

NOTICE is hereby given that the 55th Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

Day : Saturday

Date : 9th September, 2017

Time : 12:00 Noon

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

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

**ORDINARY BUSINESS:**

1. To consider and adopt:
   a. the Audited Financial Statement of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and Auditors thereon; and
   b. the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2017, together with the Report of the Auditors thereon.
2. To confirm 1st Interim Dividend of Rs. 1.50 per equity share, 2nd Interim Dividend of Rs. 2.00 per equity share and 3rd Interim Dividend of Rs. 2.00 per equity share, aggregating to Rs. 5.50 per equity share, already paid for the financial year ended 31st March, 2017 and to declare a Final Dividend on Equity Shares for the financial year 2016-2017.
3. To appoint a Director in place of Mrs. Vijaylaxmi Poddar (DIN: 00160484), who retires by rotation and being eligible, offers herself for re-appointment.
4. Appointment of Statutory Auditors of the Company.

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

   **"RESOLVED THAT** pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee, M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W) be and are appointed as Statutory Auditors of the Company in place of the retiring Auditors M/s. Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration No. 104133W) for a period of 5 years for auditing the accounts of the Company from the conclusion of 55th Annual General Meeting till the conclusion of 60th Annual General Meeting of the Company (from financial year 2018 to financial year 2022), subject to ratification of their appointment at every Annual General Meeting), at such remuneration as may be decided by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

5. Re-appointment of Mr. Vipul Shah as a Whole Time Director designated as Director & Company Secretary of the Company.

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

   **"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the 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 recommendation of Nomination & Remuneration Committee, approval of the Company be and is hereby accorded to the re-appointment of Mr. Vipul Shah (DIN: 05199526) as a Whole Time Director designated as Director & Company Secretary of the Company, for a period of five years with effect from 11th February, 2017 to 10th February, 2022, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with powers to the Board of Directors (hereinafter referred as "the Board") to alter and vary the terms and conditions of the said re-appointment 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. Vipul Shah, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or statutory modification(s) or re-enactment thereof.

   **RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution."
6. Service of documents to members of the company pursuant to Section 20 of the Companies Act, 2013.

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

   **"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, a document may be served to any member by the Company by sending it to him/her by post or by registered post or by speed post or by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents through registered post or speed post or by courier service or such other mode of delivery pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder.

   **RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to this resolution."

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

**Vipul Shah**
**Director & Company Secretary**
**DIN No: 05199526**

Place : Mumbai,
Dated: 25th May, 2017

Registered Office:
B-66, Waluj MIDC,
Waluj Industrial Area
Aurangabad 431 136
Maharashtra

**NOTES:**

1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy in order to be effective must be deposited at the Registered Office or at the Corporate Office of the Company not less than 48 hours before commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2) Information under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at the AGM, forms integral part of the notice.

3) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No. 20. The Company will also send communication relating to e-voting which inter-alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

4) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5) 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.

6) Shareholders desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

7) Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance slip enclosed herewith duly completed and signed, mentioning therein details of DP ID and Client ID/Folio No.

8) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered and Corporate Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days up to and including the date of the Annual General Meeting of the Company.

10) The Company has notified closure of Register of Members and Share Transfer from Friday, the 8th September, 2017 to Saturday, the 9th September, 2017 (both days inclusive) for the purpose of 55th Annual General Meeting and for payment of final dividend on Equity shares of the Company for year ended 31st March, 2017, if declared at AGM. The payment of such final dividend as recommended by the Board of Directors, if approved at the AGM, will be made within 30 days from the date of declaration, to the members holding shares as of close of business hours on Thursday, 7th September, 2017.

11) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited or the Company.

12) Transfer of Unclaimed/Unpaid Dividend to the Investor Education and Protection Fund ('IEPF') :

The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2009-2010 from time to time, on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 6th August, 2016 (date of last Annual General Meeting) on website of the Company www.bkt-tires.com, as also on website of the Ministry of Corporate Affairs.

13) Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof, as the same will be credited to Investor Education and Protection Fund (IEPF) established by the Central Government on due date of transfer.

Details of Unclaimed dividend as on 31st March, 2017 and due date of transfer is as follows:

| Dividend Details | Financial year ended | Due date of transfer |
|---|---|---|
| Final Dividend | 2010-2011 | 12.09.2018 |
| Final Dividend | 2011-2012 | 07.10.2019 |
| Final Dividend | 2012-2013 | 29.10.2020 |
| Final Dividend | 2013-2014 | 20.10.2021 |
| Final Dividend | 2014-2015 | 17.08.2022 |
| Interim Dividend | 2015-2016 | 15.04.2023 |
| 1st Interim Dividend | 2016-2017 | 17.10.2023 |
| 2nd Interim Dividend | 2016-2017 | 06.01.2024 |
| 3rd Interim Dividend | 2016-2017 | 19.03.2024 |

As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an Demat Account of the Investor Education and Protection Fund Authority (IEPFA). The Company has sent notice to all the members whose Dividends are lying unpaid / unclaimed against their name for seven consecutive years or more. In case the dividends are not claimed, necessary steps will be initiated by the Company to transfer shares held by the members to demat account of IEPFA without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPFA.

The unclaimed or unpaid dividend which have already been transferred or the shares which are due to be transferred, if any, can be claimed back by the Members from IEPFA by following the procedure given on its website i.e. http://iepf.gov.in/IEPFA/refund.html.

14) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited / the Company.

15) Electronic copy of the Notice of the 55th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 55th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Proxy Form and Route Map is being sent in the permitted mode.

16) Members may note that the Notice of the 55th Annual General Meeting and the Annual Report for year 2016-2017 will also be available on the Company's website for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: shares@bkt-tires.com.

17) Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

18) 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 to the Registrar and Share Transfer Agent.

19) A route map giving directions to reach the venue of the 55th Annual General Meeting is given at the end of the Notice.

20) Information and other instructions relating to e-voting are as under:

I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by Karvy Computershare Private Limited (Karvy).

II. The facility for voting through ballot paper shall also be made available at the Annual General Meeting and the members attending the meeting shall be able to exercise their right to vote at the meeting through ballot paper in case they have not casted their vote by remote e-voting.

III. The members who have casted their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their votes again.

IV. The remote e-voting period commences on Wednesday, the 6th September, 2017 (9:00 a.m. IST) and ends on Friday, the 8th September, 2017 (5:00 p.m. IST). During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 2nd September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter.

V. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

VI. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

VII. The process and manner for remote e-voting is as under:

A. Member whose email IDs are registered with the Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process:

(i) Launch internet browser by typing the URL: https://evoting.karvy.com

(ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll free number 1-800-3454-001 for your existing password.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (az), 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 forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the E-Voting Event Number for Balkrishna Industries Limited.

(vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

(viii) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(ix) 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.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

B In case a member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered or have requested the physical copy]:

(a) Initial password is provided in below format at the bottom of the Attendance Slip for the Annual General Meeting :

| EVENT (E-Voting Event Number) | USER ID | Password |
|---|---|---|

(b) Please follow all steps from Sr. No. (ii) to Sr. No. (xi) above to cast vote.

VIII. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com.

IX. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

X. 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.

XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 2nd September, 2017.

XII. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 2nd September, 2017, may obtain the User ID and password in the manner as mentioned below:

a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

b) Member may send an e-mail request to evoting@karvy.com. If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

c) Member may call Karvy's toll free number 1-800-3454-001.

d) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS :

MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567890

XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date 2nd September, 2017 only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.

XIV. Mr. Murlidhar Bhalekar, Practising Company Secretary has been appointed as the Scrutiniser by the Board of Directors of the Company to scrutinize the e-voting process and voting at the meeting is conducted in a fair and transparent manner.

XV. Voting shall be allowed at the end of discussion on the resolutions on which voting is to be held with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

XVI. The Scrutiniser shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

XVII. The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.bkt-tires.com and on the website of Karvy immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

XVIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting i.e. 9th September, 2017.

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

**Vipul Shah**
**Director & Company Secretary**
**DIN No: 05199526**

Place : Mumbai,
Dated: 25th May, 2017

Registered Office:
B-66, Waluj MIDC,
Waluj Industrial Area
Aurangabad 431 136
Maharashtra

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

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

**Item No.5:**

The Board of Directors of the Company ("the Board") at its Meeting held on 10th February, 2017 has re-appointed Mr. Vipul Shah as a Whole-Time Director to be designated as Director & Company Secretary for a period of 5 years w.e.f. 11th February, 2017 to 10th February, 2022 at the following remuneration recommended by Nomination and Remuneration Committee of the Board w.e.f. 11th February, 2017, with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule V of the Companies Act, 2013 or any statutory amendment or relaxation thereof, subject to the approval of Shareholders of the Company at its ensuing General Meeting.

Taking into consideration his duties and responsibilities as Director & Company Secretary and the prevailing managerial remuneration in industry and on recommendation of the Nomination and Remuneration Committee, the Board at their meeting held on 10th February, 2017 approved the remuneration, terms and conditions of the re-appointment of Mr. Vipul Shah, subject to the approval of the shareholders on remuneration including minimum remuneration as set below:

Salary

Basic Salary : Rs. 1,60,000/-p.m.

Allowances : Rs. 2,01,000/-p.m.

Commission : NIL

With such increments as recommended by Nomination and Remuneration Committee to the Board.

However, the maximum remuneration is subject to a ceiling of Rs. 15,00,000/- per month during the current tenure of 5 years.

Perquisites

a) Medical reimbursement: As per the Company's Rules.
b) Leave Travel Concession: As per the Company's Rules.
c) Personal Accident Insurance: As per the Company's Rules.
d) Provident Fund, Superannuation Fund and Annuity Fund: As per the Company's Rules.
e) Gratuity: As per the Company's Rules.
f) Leave and Encashment of Leave: As per the Company's Rules.
g) Use of Car with Driver: As per the Company's Rules.
h) Free Telephone, Facsimile and other Communication Facilities: As per the Company's Rules.
i) Bonus: As per the Company's Rules.
j) Other Perquisites: Subject to overall ceiling on remuneration mentioned herein below, Mr. Vipul Shah may be given other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide.

Minimum remuneration

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

Explanation

Except Mr. Vipul Shah, to whom the resolution relates, is concerned or interested in the resolution. No other Director and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vipul Shah under Section 190 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by Members.

**Item No.6**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as may be determined by the members in the Annual General Meeting.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

The Board recommends the passing of the Special Resolution at Item No. 6 of the accompanying Notice for members approval.

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

**Vipul Shah**
**Director & Company Secretary**
**DIN No: 05199526**

Place : Mumbai,
Dated: 25th May, 2017

Registered Office:
B-66, Waluj MIDC,
Waluj Industrial Area
Aurangabad 431 136
Maharashtra

## PARTICULARS OF THE DIRECTORS SEEKING RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ON GENERAL MEETINGS

| Name of the Director | Mrs. Vijaylaxmi Poddar | Mr. Vipul Shah |
|---|---|---|
| Director Identification Number | 00160484 | 05199526 |
| Profile of the Director | B.Com | B.Com, Diploma in Business Management, Company Secretary (ACS) |
| Date of Birth (Age) | 02.12.1960 (56 years) | 02.03.1963 (54 years) |
| Date of appointment on the Board | 30.05.2012 | 11.02.2012 |
| Experience and Expertise | She is an industrialist having varied experience of over 21 years in textile industry and 5 years of experience in tyre industry. | He has experience of over 31 years in the areas of company secretarial compliances, finance and accounts. |
| Number of Meetings of the Board attended during the year | 5 out of 5 | 5 out of 5 |
| Directorship / Membership / Chairmanship of Committees of other Board held in other public companies (excluding foreign companies, private companies & Section 8 companies) | Clothing Culture Ltd. - Executive Director | BKT EXIM Ltd. - Director<br>Thristha Synthetics Ltd. - Director |
| No. of shares held in the Company | 28,04,215 Equity shares | NIL |
| Names of the listed entities in which person also holds the directorship and the membership of Committees of the Board | NIL | NIL |
| Disclosure of relationship between Directors and 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. | He is not related to any of the director or Key Managerial Personnel of the Company. |
| Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person | The terms and conditions of re-appointment is as per the Nomination and Remuneration Policy of the Company. She has drawn sitting fees of Rs. 1,65,000/- for financial year 2016-2017. | The terms and conditions of re-appointment is as per the Nomination and Remuneration Policy of the Company. He has drawn remuneration of Rs. 49,20,113/- for financial year 2016-2017. |

# Balkrishna Industries Limited

**ATTENDANCE SLIP**

**CIN : L99999MH1961PLC012185**
**Regd. Office :** B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra
**Corp. Office:** BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013
**Tel.:** + 91-22-66663800 | **Fax :** +91-22-66663898/99 | **Email:** shares@bkt-tires.com
**Website:** www.bkt-tires.com

Sr. No.:

Shares:

I / We hereby record my / our presence at the 55th Annual General Meeting of the Company held on Saturday, 9th September, 2017 at 12:00 Noon. at B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra.

................................................................ ......................................................................... ..................................................................

Member's Folio/DP ID - Client ID No. Member's / Proxy's name in Block Letters Member's / Proxy's Signature

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

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

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

# Balkrishna Industries Limited

**PROXY FORM**

**CIN : L99999MH1961PLC012185**
**Regd. Office :** B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra
**Corp. Office:** BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013
**Tel.:** + 91-22-66663800 | **Fax :** +91-22-66663898/99 | **Email:** shares@bkt-tires.com
**Website:** www.bkt-tires.com

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

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

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

as my/our proxy to attend and vote (on poll ) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company to be held on Saturday, the 9th September, 2017, at 12:00 Noon at B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars of Resolution | Option | |
|---|---|---|---|
| **Ordinary Business:** | | **For** | **Against** |
| 1 | To consider and adopt:<br>a. the audited financial statement of the Company for the financial year ended 31st March, 2017, together with the reports of the Board of Directors and Auditors thereon; and<br>b. the audited consolidated financial statement of the Company for the financial year ended 31st March, 2017 together with report of the Auditors thereon. | | |
| 2 | To confirm Interim Dividend of 275% (Rs.5.50 per equity share) already paid for the financial year ended 31st March, 2017 and to declare the Final Dividend for the financial year ended 31st March, 2017. | | |
| 3 | Re-appointment of Mrs. Vijaylaxmi Poddar (DIN : 00160484) as a Director of the Company, liable to retire by rotation and being eligible, offers herself for re-appointment. | | |
| 4 | Appointment of M/s. N G Thakrar & Co., Chartered Accountant as Statutory Auditors of the Company. | | |
| **Special Business:** | | | |
| 5 | To re-appoint Mr. Vipul Shah (DIN: 05199526) as a Whole Time Director designated as Director & Company Secretary for a period of five years w.e.f. 11th February, 2017 to 10th February, 2022. | | |
| 6 | Service of Documents to members of the Company pursuant to Section 20 of the Companies Act, 2013. | | |

Signed this ................. day of ...................... 2017

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

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

Affix 1/- Rupee Revenue Stamp

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

## E-VOTING PARTICULARS

| ELECTRONIC VOTING PARTICULARS | | |
|---|---|---|
| **Electronic Voting Even Number (EVEN)** | **User ID** | **Password** |
| 3071 | | |

Notes: Please refer to the instructions given in the Notice of the 55th Annual General Meeting under the Heading 'Voting through electronic means'. The E-voting period commences on Wednesday, the 6th September, 2017 (9:00 a.m. IST) and ends on Friday, the 8th September, 2017 (5:00 p.m. IST).

## Details of Venue of the Annual General Meeting of Balkrishna Industries Limited

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

### ROUTE MAP