GROWING TOGETHER

BIL: VRS/2018-2019

16th July, 2018

To,
M/s BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Scrip Name: BALKRISI/ Scrip Code: 502355

Scrip Name/Code : BALKRISIND

Dear Sir/Madam,

Sub: Submission of 56th Annual Report for the Financial Year 2017-2018

With Reference to the captioned subject, please find enclosed herewith 56th Annual Report for Financial Year 2017-2018 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, duly approved and adopted by the members of the Company at the 56th Annual General Meeting held on 14th July, 2018.

We request you to kindly take on record and oblige.

Thanking you,

Yours faithfully,
For Balkrishna Industries Limited

V R Shah

Vipul Shah
Director & Company Secretary
DIN NO: 05199526

Enclosed : As above

Balkrishna Industries Limited

CIN : L99999MH1961PLC012185
Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra
Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013
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 56th Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

Day : Saturday

Date : 14th July, 2018

Time : 11:30 a.m.

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 Standalone Financial Statement of the Company for the financial year ended 31st March, 2018, 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, 2018, together with the Report of the Auditors thereon.
2. To confirm 1st Interim Dividend of ₹ 2.50 per equity share, 2nd Interim Dividend of ₹ 2.50 per equity share and 3rd Interim Dividend of ₹ 1.50 per equity share, aggregating to ₹ 6.50 per equity share, already paid for the financial year ended 31st March, 2018 and to declare a Final Dividend on Equity Shares for the financial year 2017-2018.
3. To appoint a Director in place of Mr. Vipul Shah (DIN:05199526), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Pannkaj Ghadiali as a Director and as an Independent Director.

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, Mr. Pannkaj Ghadiali (DIN:00003462), who was appointed as an Additional Director of the Company with effect from 8th November, 2017 by the Board of Directors and who holds office upto the date of 56th Annual General Meeting of the Company under Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Pannkaj Ghadiali's candidature for the office of Director, be and is hereby appointed a Director of the Company.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Pannkaj Ghadiali, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 8th November, 2017 upto 7th November, 2022, be and is hereby approved"

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) 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 or 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. A proxy form is sent herewith. Proxies submitted on behalf of companies, must be supported by an appropriate resolution / authority, as applicable.

2. Information under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking appointment / re-appointment at the AGM, forms integral part of the notice. The concerned Director has furnished the requisite declarations for his appointment / re-appointment and his brief profile forms part of the explanatory statement.
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 remote 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, ("Act") 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 their copy of Annual Report, the Attendance slip duly completed and signed mentioning therein details of DP ID and Client ID/Folio No, to the meeting.
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 are open for inspection at the Registered or Corporate Office of the Company during normal business hours (11.00 a.m to 5.00 p.m) on all working days up to the date of the 56th AGM of the Company.
10. The Company has notified closure of Register of Members and Share Transfer Books from Wednesday, 11th July, 2018 to Thursday, 12th July, 2018 (both days inclusive) for the purpose of 56th AGM and for payment of final dividend on Equity shares of the Company for year ended 31st March, 2018, 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 on or after 14th July, 2018, to the members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as at the close of business hours on Tuesday, 10th July, 2018.
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. In order to receive the dividend without loss of time, Members are requested to update their correct Bank Account Number,

including 9 digit MICR Code and 11 digit IFSC code, E-mail ID and Mobile number along with cancelled cheque to update the Bank details. 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 send their NECS Mandate form in the format available for download on the Company's website www.bkt-tires.com, duly filled in, to the Company's Registrar & Share Transfer Agent i.e Karvy Computershare Private Limited ("Karvy").

12. The Company has transferred the unpaid or unclaimed dividend declared up to financial years 2009-2010, on due date to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPFA Rules") the Company has uploaded the details of Unpaid / Unclaimed dividend amounts lying with the Company as on 9th September, 2017 (date of last AGM) on website of the Company viz: www.bkt-tires.com and also on website of the Ministry of Corporate Affairs.

13. Unclaimed / Unpaid Dividend for Financial Year 2010-2011, will fall due for transfer to said IEPF on 12th September, 2018. The Company has sent out individual communication to the concerned Members whose dividend are liable to be transferred to IEPF on 12th September, 2018, to take immediate action in the matter. Those members who have so far not encashed their dividend warrants from the Financial Year 2010-2011, are requested to contact the Company's Registrar and Share Transfer Agent – Karvy, at the earliest.

    As per Section 124(6) of the Act read with the IEPFA Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are required to be transferred to an Demat Account opened pursuant to IEPFA Rules. 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 such Demat Account without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to such Demat Account. During the Financial Year 2017-18, the Company has transferred 2,94,055 equity shares to such Demat Account. After the transfer of such shares the Company has allotted Bonus Shares in the ratio 1: 1, post issue of Bonus shares, the total shares lying in said demat account was 5,88,110. Upon transfer, the Shareholders will be able to claim these equity shares pursuant to IEPFA Rules by making an online application in Form IEPF-5, the details of which are available at www.iepf.gov.in.

    The unclaimed or unpaid dividend and Shares which have already been transferred can be claimed back by the Members from IEPF pursuant to IEPFA Rules, by following the procedure given on its website i.e. www.iepf.gov.in.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of details relating to Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.

15. Electronic copy of the Notice of the 56th AGM 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 56th AGM 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 56th AGM and the Annual Report for year 2017-2018 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered or Corporate Office for inspection during normal business hours on working days. 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 designated investor email id: shares@bkt-tires.com or to Company Registrar's email id:einward.ris@karvy.com.

17. Members who have not registered their e-mail address so far, are requested to register the same 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. The said form can be downloaded from the Company's website www.bkt-tires.com. Members holding shares in physical form may submit the same to Company Registrar's i.e Karvy. Members holding shares in electronic form may submit the same to their respective depository participant / Company.

19. A route map giving directions to reach the venue of the 56th AGM 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 Listing Regulations, the Company provides to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 56th 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 AGM ("remote e-voting") provided by Karvy.

    II. The facility for voting through ballot paper shall also be made available at the AGM 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 AGM may also attend the AGM but shall not be entitled to cast their votes again.

    IV. The remote e-voting period commences on Wednesday, 11th July, 2018 (9:00 a.m. IST) and ends on Friday, 13th July, 2018 (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 7th July, 2018, 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: 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 Members receives the email, he or she will need to go through the following steps to complete the e-voting process:

        (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.

        (ii) Enter the login credentials (i.e. User ID and password) which will be sent separately. Your Folio No./DP ID – Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

        (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 (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you 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. If you are holding shares in Demat form and had logged on to https://evoting.karvy.com and casted your vote earlier for any other Company, then your existing login id and password are to be used.

(vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date i.e 7th July, 2018, 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).

(xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: mnbhalekar@rediffmail.com or shares@bkt-tires.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the abovementioned documents should be in the naming format "Balkrishna Industries Limited_EVENT NO."

(xiii) In case a member receives physical copy of the Notice of AGM [for members whose email IDs are not registered or have requested the physical copy]: Initial password is provided in below format at the bottom of the Attendance Slip for the AGM:

EVENT (E-Voting Event Number)	USER ID	Password

Please follow all steps from Sr. No. (i) to Sr. No. (xii) 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 or contact Ms. Krishna Priya Maddula of Karvy at +91 40 6716 2222/ 6716 1533 or at 1800 345 4001 (Toll free) or at Fax No: +91 40 2300 1153 or at email id: 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. 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 7th July, 2018.

XI. 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. 7th July, 2018, 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/she can use his/her 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 +91-9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXXX1234567890

XII. Mr. Murlidhar Bhalekar, Practising Company Secretary has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the e-voting process and voting at the meeting in a fair and transparent manner.

XIII. 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 AGM but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes caste at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result declared along with the consolidated Scrutinizer's Report will be placed on website of the Company www.bkt-tires.com and on website of Karvy at: https://evoting.karvy.com. The result will be simultaneously be communicated to the Stock Exchanges.

XV. The Results declared along with the report of the Scrutinizer 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 BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.

XVI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e. 14th July, 2018.

By order of Board of Directors
For Balkrishna Industries Limited

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY
DIN: 05199526

Place : Mumbai,
Dated : 17th May, 2018

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

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

Item No.4:

Considering the recommendation of the Nomination and Remuneration Committee, Mr. Pannkaj Ghadiali was appointed as an Additional Director of the Company with effect from 8th November, 2017 by the Board of Directors under Section 161 of the Act and Article 128 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Pannkaj Ghadiali holds office upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. Mr. Pannkaj Ghadiali has given declarations to the Board that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. He further informed that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Act. As required under Regulation 36 of the Listing Regulations, his brief resume is furnished and forms a part of this Notice.

Mr. Pannkaj Ghadiali has more than 35 years of experience in the field of accountancy and auditing. He possesses outstanding exposure as a Practicing Chartered Accountant of varied Industries in India and abroad.

In the opinion of the Board, the Mr. Pannkaj Ghadiali fulfils the conditions for his appointment as an Independent Director as specified in the Act, Listing Regulations and the Rules made thereunder. Mr. Pannkaj Ghadiali is Independent of the management.

Accordingly, it is proposed to appoint Mr. Pannkaj Ghadiali as an Independent Director for a term of 5 consecutive years from 8th November, 2017 to 7th November, 2022, in terms of Section 149 and other applicable provisions of the Act and Regulation 25 of Listing Regulations. Pursuant to the provisions of Section 149(13) of the Act, Mr. Pannkaj Ghadiali will not be liable to retire by rotation. The terms and conditions of his appointment shall be open for inspection by the members at the Registered / Corporate Office during normal business hours on any working day of the Company.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Director as an Independent Director is now being placed before the members for their approval.

The Board considers that the proposed appointment of Mr. Pannkaj Ghadiali as an Independent Director, given his vast experience and knowledge in diverse areas, will be in the best interest of the Company. The Board recommends the Resolution at Item No.4 of the accompanying Notice for approval by the members of the Company.

Except Mr. Pannkaj Ghadiali, none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in the Resolutions.

By order of Board of Directors
For Balkrishna Industries Limited

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY
DIN: 05199526

Place : Mumbai,
Dated : 17th May, 2018

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

Name of the Director	**Mr. Pannkaj Ghadiali**	**Mr. Vipul Shah**
Director Identification Number	00003462	05199526
Qualification	Chartered Accountant	B.Com, Diploma in Business Management Company Secretary (ACS)
Date of Birth (Age)	08.05.1956 (62 years)	02.03.1963 (55 years)
Date of appointment on the Board	8.11.2017	11.02.2012
Experience and Expertise	He has more than 35 years of experience in the field of accountancy and auditing. He possesses outstanding exposure as a Practicing Chartered Accountant of varied Industries in India and abroad.	He has experience of over 32 years in the areas of Company secretarial compliances, Finance and Accounts.
Number of Meetings of the Board attended during the year	3 out of 3	5 out of 5
List of Directorship / Membership / Chairmanship of Committees of other Board	**Directorship:** Goldiam International Limited (Listed) Sureprep (India) Private Limited **Membership/Chairmanship of Committees of Other Board:** Goldiam International Limited Member of Audit Committee and Nomination and Remuneration Committee	**Directorship:** Thristha Synthetics Limited **Membership/Chairmanship of Committees of Other Board:** NIL
No. of shares held in the Company	NIL	NIL
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	He is not related to any of the 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 appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time. Details of his remuneration for financial year 2017-2018 is provided in Corporate Governance Report.	The terms and conditions of re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time. Details of his remuneration for financial year 2017-2018 is provided in Corporate Governance Report.

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 56th Annual General Meeting of the Company held on Saturday, 14th July, 2018 at 11:30 a.m., 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

FORM MGT-11
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 a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company to be held on Saturday, the 14th July, 2018, at 11:30 a.m. 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: a. the audited standalone financial statement of the Company for the financial year ended 31st March, 2018, 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, 2018, together with the report of the Auditors thereon.		
2	To confirm Interim Dividends of 325% (₹ 6.50 per equity share) already paid for the financial year ended 31st March, 2018 and to declare the Final Dividend for the financial year ended 31st March, 2018.		
3	To appoint a Director in place of Mr. Vipul Shah (DIN: 05199526), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
4	To appoint Mr. Pannkaj Ghadiali (DIN: 00003462) as a Independent Director for a period of five years w.e.f. 8th November, 2017 to 7th November, 2022.		

Signed this ..... day of 2018

Affix 1/- Rupee Revenue Stamp

Member's Folio/DP ID - Client ID No.....

Signature of the Member ..... Signature of the Proxy.....

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 commencement of 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

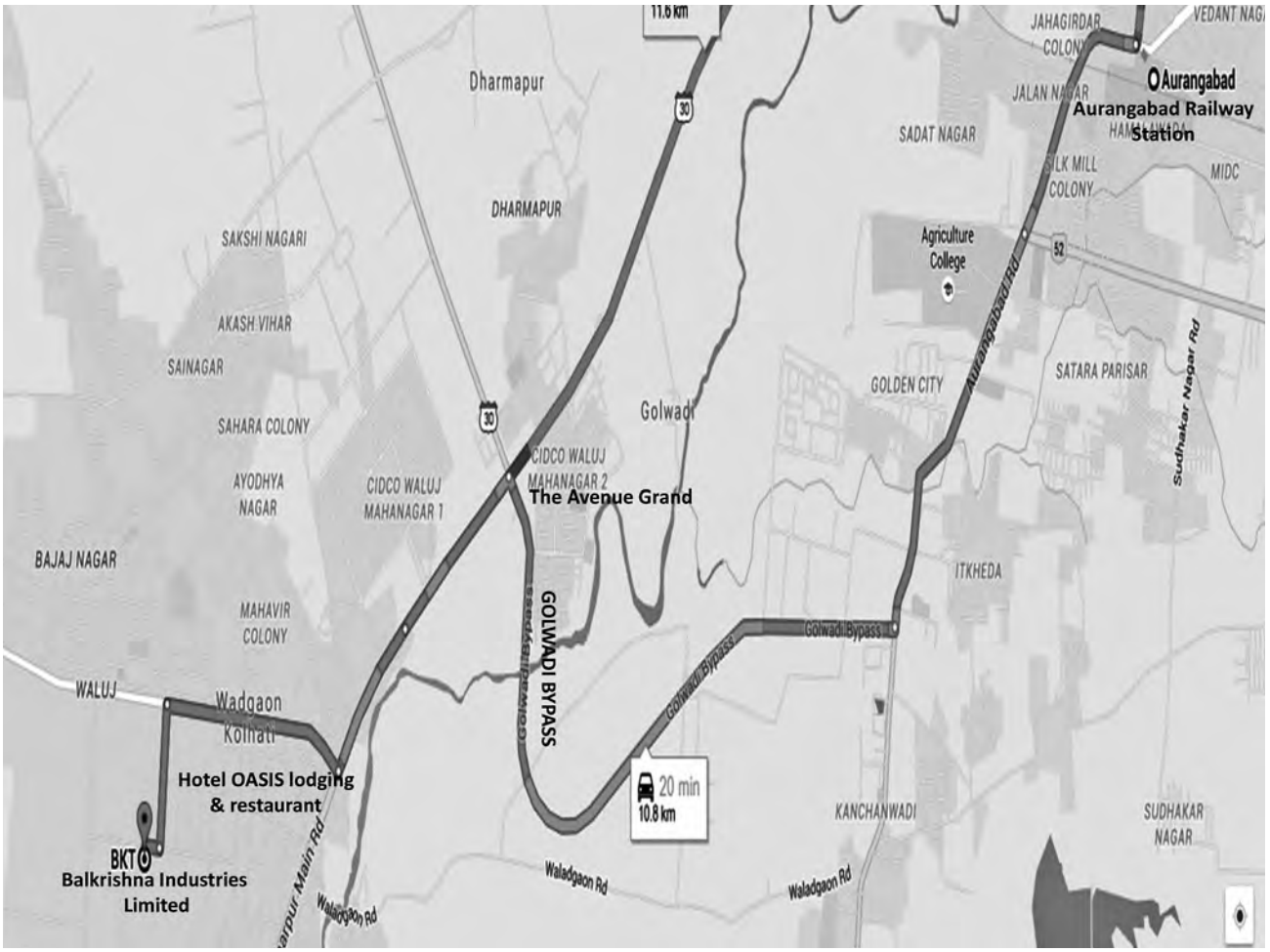
ELECTRONIC VOTING PARTICULARS		
Electronic Voting Event Number (EVEN)	**User ID**	**Password**
3782		

Notes: Please refer to the instructions given in the Notice of the 56th Annual General Meeting under the Heading 'Voting through electronic means'. The E-voting period commences on Wednesday, the11th July, 2018 (9:00 a.m. IST) and ends on Friday, the 13th July, 2018 (5:00 p.m. IST).

Details of Venue of the 56th 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



BKT

GROWING TOGETHER



56th Report Annual

2017-2018

Balkrishna Industries Limited



Lord Ganesha

Contents

- Company Information.....01
- Financial Highlights.....02
- Directors' Report & Management Discussion and Analysis.....03
- Business Responsibility Report.....23
- Corporate Governance Report.....28
- Independent Auditor's Report on Financial Statement 42
- Balance Sheet.....46
- Statement of Profit and Loss.....47
- Statement of Changes in Equity.....48
- Cash Flow Statement.....49
- Notes to the Financial Statements.....50
- Independent Auditor's Report on Consolidated Financial Statement 83
- Consolidated Balance Sheet.....86
- Consolidated Statement of Profit and Loss.....87
- Consolidated Statement of Changes in Equity.....88
- Consolidated Cash Flow Statement.....89
- Notes to the Consolidated Financial Statements.....90

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

KHURSHED DOONGAJI

LAXMIDAS MERCHANT

SANJAY ASHER

ASHOK SARAF

PANNKAJ GHADIALI
(w.e.f. 8th November, 2017)

SACHIN NATH CHATURVEDI
(Till 12th October, 2017)

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 TOKYO-MITSUBISHI UFJ, LTD.

MIZUHO BANK LTD.

AUDITORS:

STATUTORY:

M/s. N.G.THAKRAR & CO.
Chartered Accountants

INTERNAL:

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 – 400 013
(Maharashtra)

SECRETARIAL:

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

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,
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)

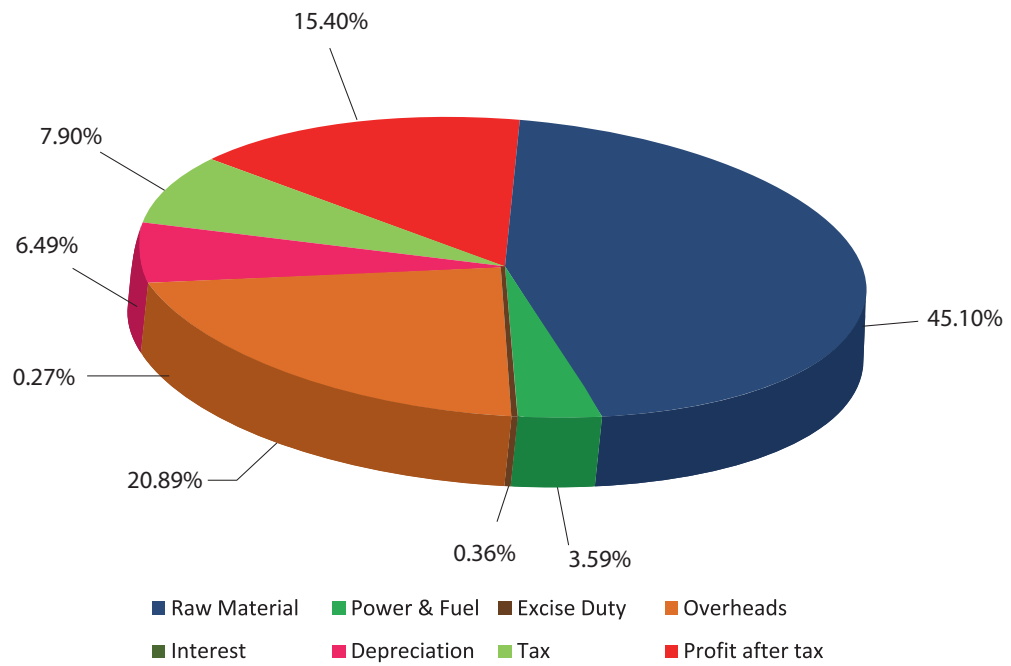
(₹ In Lakhs)

Particulars	Ind AS			I GAAP	
Year ended 31st March	**2018**	2017	2016	2015	2014
Revenue From Operations	**4,46,446**	3,78,466	3,27,252	3,77,991	3,57,671
Other Income	**33,621**	24,961	14,896	27,980	1,384
Total Income	**4,80,067**	4,03,427	3,42,148	4,05,971	3,59,055
PBIDT	**1,44,289**	1,38,154	98,710	1,01,416	90,763
PBDT	**1,42,983**	1,36,010	94,763	96,775	88,266
Depreciation	**31,134**	30,383	28,217	24,020	16,496
PBT	**1,11,849**	1,05,627	66,546	72,755	71,770
Taxes	**37,924**	34,069	22,689	23,874	22,933
PAT	**73,925**	71,558	43,857	48,881	48,837
Dividend	***400%**	400%	275%	120%	100%
Earning per Share of ₹ 2 each	****38.24**	**37.02	45.37	51.55	50.53

*The Board has declared and paid 1st Interim Dividend of ₹ 2.50 per equity share, 2nd Interim Dividend of ₹ 2.50 per equity share and 3rd Interim Dividend of ₹ 1.50 per equity share, aggregating to ₹ 6.50 per equity shares and recommended Final Dividend of ₹ 1.50 per equity share for the financial year ended 31st March, 2018.

**On 27th December, 2017, the Company has allotted 9,66,58,595 Equity Shares of ₹ 2 each as fully Paid Up Bonus Shares in the ratio of 1:1 to all registered Shareholders, as on record date by Capitalisation of Reserves. Consequently, in accordance with Ind AS-33' Earning Per Share' have been adjusted to give effect to the aforesaid issue of Bonus Shares.

RUPEES EARNED / SPENT (%)



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 56th Annual Report of Balkrishna Industries Limited (the "Company") along with the audited financial statements for the financial year ended 31st March, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year ended	Previous Year ended	**Current Year ended**	Previous Year ended
	31st March, 2018	31st March, 2017	**31st March, 2018**	31st March, 2017
Revenue from Operations	**4,46,446**	3,78,466	**4,46,097**	3,78,011
Other Income	**33,621**	24,961	**33,975**	25,363
Total Income	**4,80,067**	4,03,427	**4,80,072**	4,03,374
Gross Profit	**1,42,983**	1,36,010	**1,42,744**	1,36,260
Less: Depreciation	**31,134**	30,383	**31,140**	30,400
Profit before tax	**1,11,849**	1,05,627	**1,11,604**	1,05,860
Less: Provision for tax				
Current Tax	**36,903**	29,553	**37,002**	29,666
Deferred Tax	**1,021**	4,516	**1,023**	4,509
Profit after tax	**73,925**	71,558	**73,579**	71,685

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company is primarily engaged into Specialty "Off Highway Tire segment" which is consisting of Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and All-Terrain Vehicle Tires (ATVs) etc;

This segment is highly technical & capital incentive and known as "large varieties low volume segment" where any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers worldwide. 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.

The growth rate in "Off Highway Tires Segment" is ranging between 4-5%. The industry is witnessing positive momentum for the last 2 years.

3. OPERATIONS AND STATE OF AFFAIRS:

Standalone: During the year under consideration on Standalone basis, your Company achieved a Revenue from Operations of ₹ 4,46,446 Lakhs as against ₹ 3,78,466 Lakhs during previous financial year. Earnings before Interest, Depreciation and Tax (EBITDA) has increased to ₹ 1,44,289 Lakhs from ₹1,38,154 Lakhs during previous financial year and Net profit has increased to ₹ 73,925 Lakhs from ₹ 71,558 Lakhs during previous financial year. Around 85% of our revenue is generated through exports.

Consolidated: During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 4,46,097 Lakhs as against ₹ 3,78,011 Lakhs during previous financial year. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,44,131 Lakhs from ₹ 1,38,460 Lakhs during previous financial year and Net profit has increased to ₹ 73,579 Lakhs from ₹ 71,685 Lakhs during previous financial year.

The Hon'ble National Company Law Tribunal (NCLT) Mumbai bench, has sanctioned the Scheme of Amalgamation of BKT EXIM Limited (100% wholly owned Subsidiary Company) with Balkrishna Industries Limited, on 24th January, 2018 and a copy of the NCLT order was received by the Company on 9th February, 2018, which the Board has taken on Record. The financial impact has been considered in the year-end figures of the Company. The appointment date of the scheme was 1st April, 2015.

4. EXPORT HOUSE STATUS:

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

5. CARBON BLACK PROJECT:

During the year under consideration, the Company started facing lot of challenges in sourcing of one of the raw material i.e. "Carbon Black" due to its shortage. The rising crude prices added fuel to the fire. In order to ensure the uninterrupted supply of the Carbon Black, the Company decided to set up a Carbon Black Project of 60,000 MTs capacity at its Bhuj Plant, mainly for captive use. The capital outlay on this project is estimated at ₹ 15,000 Lakhs and the project is likely to be commissioned by end of current financial year.

6. DIVIDEND:

The Directors have declared and paid Interim Dividends of 325% (₹ 6.50 per equity share) and pleased to recommend Final Dividend of 75% (₹ 1.50 per equity share) of ₹ 2 each for the year 2017-2018.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Board has approved and adopted a Dividend Distribution Policy and can be accessed on the Company's website at the link https://www.bkt-tires.com/en/investors-desk/shareholding-info.

7. BONUS SHARES:

The Board of Directors at its Meeting held on 8th November, 2017 approved issue of bonus shares, in the ratio of 1:1, i.e. 1 (One) bonus equity share of ₹ 2 each for every 1 (One) existing equity shares of ₹ 2 each fully paid-up held as on the record date, by capitalising a sum not exceeding ₹ 1,933 Lakhs from Reserves, subject to approval by the Shareholders through Postal Ballot. Pursuant to approval by the Shareholders through the Postal ballot on 15th December, 2017, the Company had on 27th December, 2017 allotted 9,66,58,595 equity shares of ₹ 2 each as fully paid up bonus equity shares to the Shareholders whose names appeared on Register of Members on record date. The shares so allotted shall rank pari-passu with existing equity shares of the Company.

8. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2017 was ₹ 1,933 Lakhs. During the year under review the Company has allotted 9,66,58,595 equity shares of ₹ 2 each ranking pari-passu with existing equity shares. Consequent to such allotment of bonus equity shares, the share capital of the Company stands increased to ₹ 3,866 Lakhs divided into 19,33,17,190 equity shares of ₹ 2 each. As on 31st March, 2018, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2018 none of the Directors of the Company hold convertible instruments.

9. RESERVES:

The Company proposes to transfer ₹ 30,680 Lakhs to General Reserves.

10. OUTLOOK FOR THE CURRENT YEAR 2018-2019:

The Company's earnings are mainly generated through exports. The overall business environment across the globe has been good in past few years, due to revival in commodity cycle and overall better agricultural activities across the globe. The business environment across the globe looks challenging as some geographies are growing while few have started showing sign of coolingness in their economic activities. Geopolitical situation, protectionism measures by some countries, rising crude prices and rising interest rate have casted shadow on the overall global business environment and therefore the business environment looks more 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 its product range. With all these measures, your Company is endeavoring to promote reasonable growth in sales during the Current Year.

11. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, 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.

12. 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 set up an all-steel OTR Radial tyre plant and have 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.

Of late, all the tyre Company including your Company is facing the heat of shortage of carbon black not only locally but globally. We are witnessing unfavorable demand supply scenario in carbon black which has led to increase in carbon black prices by more than 20%. The continuous rise in crude prices has added fuel to the fire. Despite all these challenges, your Company is managing the situation to ensure that there is no production loss due to shortage of carbon black.

13. RISKS / CONCERNS AND RISK MITIGATION:

Risk is an integral and unavoidable component of business. In today's challenging and competitive environment, mitigating risks is imperative. Common risks include: regulations, competition, business risk, technology obsolescence, investments, and retention of talent. Business risk, interalia, further includes financial risk, political risk and legal risk. For managing risks more efficiently, the Company has identified key risks that can have a critical impact on the Company's performance. The Company has identified inter-alia following risks:

Operational Risk:

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

Fluctuation in Raw Material prices:

The Company's major raw material is Natural Rubber, which is an agricultural commodity and actively traded on the commodities exchanges. The demand supply situation of Natural Rubber has been favorable to the users which has kept its prices under check.

Though we see volatility in its pricing, we do not foresee any major increase in its prices in the near to medium term unless some unforeseen thing happen. The prices of other raw materials which are crude derivatives have been on upswing in the backdrop of rising crude prices. The prices of carbon black have been disproportionately high because of its shortage across the globe.

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. The timely sourcing of carbon black is ensured by procuring it from different geographies.

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.

Market Risk:

Around 85% of the Company revenue is generated through exports which is made to different geographies. Almost 1/3rd of the Company's revenue is generated through a product category which is cyclical in nature and therefore your Company is exposed to market risk.

Your Company manages this risk by expanding its presence in different markets, deeper penetration into existing markets and by launching new products. Furthermore, the Company spends requisite amount on marketing and promotional activities to ensure customer retention and brand-building.

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.

14. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company has a well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures. Internal control systems are an integral part of your Company's Corporate Governance structure. These have been designed to provide reasonable assurance with regard to inter-alia **a.** recording and providing reliable financial and operational information; **b.** complying with the applicable statutes; **c.** safeguarding assets from unauthorized use; **d.** executing transactions with proper authorization, and ensuring compliance with corporate policies **e.** Prevention and detection of Frauds / errors; **f.** Continuous updating of IT systems. The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2018.

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

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 Regulation 18 of Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of 31st March, 2018, the Company's internal financial controls were adequate and operating effectively.

15. 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.

16. SUBSIDIARY COMPANIES:

The Board of Directors of the Company, on 18th May, 2016, have approved the Scheme of Amalgamation of its wholly owned subsidiary Company M/s. BKT Exim Limited into 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 Hon'ble Bombay High Court, which was transferred to the Hon'ble National Company Law Tribunal (NCLT). NCLT has approved the Scheme of Amalgamation on 24th January, 2018 and on filing the NCLT Order with the Registrar of Companies, Mumbai, the Scheme became effective on 21st February, 2018. The appointment date of the scheme was 1st April, 2015.

At the end of the year under review, the Company had following wholly owned subsidiary companies namely BKT Tyres Limited, Thristha Synthetics Limited and following Overseas Subsidiary Companies namely 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 Company does not have any material subsidiary whose net worth or income exceeds 20% of the consolidated net worth or income respectively of the holding Company in the immediately preceding financial year. A policy on material subsidiaries has been formulated by the Company and posted on the

website of the Company and can be accessed on the Company's website at the link: https://www.bkt-tires.com/en/investors-desk/shareholding-info.

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

17. 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, 2018, 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, 2018 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.

18. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board and can be accessed on the Company's website at the link: https://www.bkt-tires.com/en/investors-desk/shareholding-info. Members can refer Note no. 43 to the Standalone 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 proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval.

19. CORPORATE SOCIAL RESPONSIBILITY:

The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - II.** The Board of Directors has formed a committee on CSR in accordance with Companies Act, 2013. The composition of the same has been given in Corporate Governance Report. The CSR policy of the Company is available on the Company's website and can be accessed on the Company's website at the link: https://www.bkt-tires.com/en/investors-desk/shareholding-info. During the year, the Company has spent ₹ 1,655 Lakhs on CSR activities.

20. RISK MANAGEMENT:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. The policy aims to ensure resilience for sustainable growth and sound corporate governance by having an identified process of risk identification and management in compliance with the provisions of the Companies Act, 2013. 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.

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

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

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sachin Nath Chaturvedi, ceased to be Director from the Board of Company w.e.f 13th October, 2017, as he has incurred disqualification under Section 164(2) of Companies Act, 2013 and he has vacated his office under Section 167 of Companies Act, 2013. Your Directors place on record his appreciation of the guidance given and services rendered by Mr. Sachin Nath Chaturvedi during his tenure as Independent Director of the Company.

During the year under review, on the recommendation received from the Nomination & Remuneration Committee, the Board had appointed Mr. Pannkaj Ghadiali as an Additional Director with effect from 8th November, 2017 and who holds office upto the date of the forthcoming 56th Annual General Meeting ("AGM"). Mr. Pannkaj Ghadiali is eligible to be appointed as an Independent Director. It is proposed to appoint Mr. Pannkaj Ghadiali as an Independent Director, not liable to retire by rotation, for a period of five years from date of appointment.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vipul Shah, Whole Time Director, designated as Director & Company Secretary of the Company, retires by rotation at the ensuing AGM and being eligible seeks re-appointment. The Board recommends his re-appointment.

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

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

The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, 2015 and accordingly, the Report on Corporate Governance forms a part of this Annual Report.

22. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

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

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

(i) Criteria for Appointment of Managing 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.

23. PERFORMANCE EVALUATION:

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

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.

The Nomination and Remuneration Committee had evaluated 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.

Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated. A meeting of the Independent Directors, with Mr. Pannkaj Ghadiali as the Chairman, was held on 24th March, 2018, to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board. The same 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.

24. AUDITORS:

Statutory Auditor:

Pursuant to Section 139 of the Companies Act, 2013, the Company at its AGM held on 9th September, 2017 had appointed M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W) as the Statutory Auditors 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 AGM till the conclusion of 60th AGM of the Company (from financial year 2018 to financial year 2022).

Internal Auditor:

The Board has appointed M/s. Dilip A. Jain & Associates as an Internal Auditors for the Financial year 2017-18 under Section 138 of the Companies Act, 2013 and they have completed the Internal Audit as per the scope as defined by the Audit Committee.

Secretarial Auditor:

The Company has appointed Mr. G.B.B. Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2017-18 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed herewith marked as **Annexure - III.**

Cost Auditor:

The Company's revenue from exports, in foreign exchange, around 85% per cent of Company's total revenue. Pursuant to Rule 4 of the Companies (Cost Records and Audit) Rules, 2014 of Companies Act, 2013 as amended from time to time, Cost Audit is not applicable to the Company for the financial year 2017-18.

25. AUDITOR'S QUALIFICATION:

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

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

26. INDUSTRIAL RELATIONS:

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

27. 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.

28. 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: https://www.bkt-tires.com/en/investors-desk/shareholding-info.

ii. Audit Committee:

The Audit Committee comprised of Four Independent Non-Executive Directors viz. Mr. Pannkaj Ghadiali (Chairman), Mr. Khurshed Doongaji, Mr. Ashok Saraf and Mr. Laxmidas Merchant. 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, 47 & 50 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.

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 Rule 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) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Report.

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

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

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

x. Business Responsibility Report:

As mandated by Regulations 34(2)(f) of Listing Regulations, 2015, Business Responsibility Report, of the Company for the year ended 31st March, 2018, describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure - VII**.

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

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

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

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. None of the managerial personnel i.e. Managing Director, Joint Managing Director and Whole-time Director of the Company are in receipt of remuneration / commission from Subsidiary Companies of the Company.
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.

29. CAUTIONARY STATEMENTS:

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

30. ACKNOWLEDGEMENT:

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

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 : 17th May, 2018

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR
DIN: 00089984

ANNEXURE - I

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture.

Part "A": Subsidiaries

Sr. No.	Particulars	1	2	3	4	5	6
		₹ In Lakhs					
1	Name of the Subsidiary	BKT TYRES LIMITED	THRISTHA SYNTHETICS LIMITED	BKT EXIM US, INC *	BKT EUROPE S.R.L.	BKT USA INC	BKT TIRES (CANADA) INC
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting period of the above subsidiaries is the same as that of the holding Company i.e. 01st April, 2017 to 31st March, 2018					
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
4	Share Capital	5.00	5.00	36.59	5.50	0.70	2.68
5	Reserves & Surplus	1.22	0.97	84.43	124.54	495.40	65.63
6	Total Assets	6.32	4.10	3,499.31	6,087.51	549.22	120.66
7	Total Liabilities	0.10	0.07	3,378.30	5,957.47	53.12	52.35
8	Investment	NIL	NIL	NIL	NIL	NIL	NIL
9	Turnover (include other income)	NIL	NIL	4,721.22	8,641.48	2,334.08	649.24
10	Profit Before Taxation	(0.13)	(0.08)	97.60	47.40	69.92	32.26
11	Provision of Tax	NIL	NIL	33.11	32.15	24.30	10.80
12	Profit/(Loss) After Taxation	(0.13)	(0.08)	64.49	15.25	45.62	21.46
13	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
14	% of Shareholding	100%	100%	100%	100%	100%	100%

Notes:

*Including figures of BKT TIRES INC.

#Exchange Rate
1 EURO = ₹ 80.6222
1 USD = ₹ 65.0441
1 CAD = ₹ 50.2348

1. **Part B** of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2018.
2. The Board of Directors of the Company, on 18th May, 2016, have approved the Scheme of Amalgamation of its wholly owned subsidiary company M/s. BKT Exim Limited into 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 Hon'ble Bombay High Court, which was transferred to the Hon'ble National Company Law Tribunal (NCLT). NCLT has approved the Scheme of Amalgamation on 24th January, 2018 and on filing the NCLT Order with the Registrar of Companies, Mumbai, the Scheme became effective on 21st February, 2018.

For and on behalf of the Board of Directors

ARVIND PODDAR	**CHAIRMAN & MANAGING DIRECTOR**
RAJIV PODDAR	**JOINT MANAGING DIRECTOR**
VIPUL SHAH	**DIRECTOR & COMPANY SECRETARY**

BASANT BANSAL
DIRECTOR (FINANCE)

Mumbai,
Dated: 17th May, 2018

ANNEXURE – II

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2017-18

[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 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:

   Corporate Social Responsibility (CSR) forms an important part of the Company's overall philosophy of giving back to the Society. The CSR vision of the Company is "Promotion of Education, Health, 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 case of any natural disaster or calamity (viz. floods, earthquake etc.). Company 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.

   The CSR Policy of the Company is stated hereinbelow: WEBLINK https://www.bkt-tires.com/en/investors-desk/shareholding-info

2. The Composition of Corporate Social Responsibility Committee:

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

Name	Category	Designation
Mrs. Vijaylaxmi Poddar*	Non-Executive Non–Independent Director	Chairperson
Mr. Rajiv Poddar*	Executive Non–Independent Director	Member
Mr. Vipul Shah*	Executive Non–Independent Director	Member
Mr. Sanjay Asher	Non-Executive Independent Director	Member
Mr. Arvind Poddar**	Executive Non–Independent Director	-
Mr. Laxmidas Merchant**	Non-Executive Independent Director	-
Mr. Khurshed Doongaji**	Non-Executive Independent Director	-
Mr. Sachin Nath Chaturvedi***	Non-Executive Independent Director	-

   *The above Committee was reconstituted on 25th May, 2017, Mrs. Vijaylaxmi Poddar was appointed as the Chairperson and Mr. Rajiv Poddar & Mr. Vipul Shah was appointed as Member of the Committee.

   **Mr. Arvind Poddar, Mr. Laxmidas Merchant and Mr. Khurshed Doongaji ceased to be the Member of the Committee w.e.f 25th May, 2017.

   ***Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013 has vacated his office as a director of the Company and consequently has ceased to be the member of the Committee w.e.f. from 13th October, 2017.

3. Average net profit of the Company for last three financial years: ₹ 82,696 Lakhs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 1,654 Lakhs.
5. Details of CSR spent during the financial year: ₹ 1,655 Lakhs.
   (a) Total amount to be spent for the financial year: ₹ 1,654 Lakhs.
   (b) Amount unspent, if any: NIL
   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects / Activities Identified	Sector Covered	District and State where Project/ Program was undertaken	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*
				₹ In Lakhs			
1	Provision of Mid-Day meals for 1,10,000 school children	Healthcare / Education	Vrindavan, Lucknow (U.P), Ahmedabad, Surat (Gujarat), Jaipur, Nathdwara (Rajasthan), Bhilai (Chattisgarh)	1,045	1,021	1,045	1,021
2	Construction of Kitchen with capacity to serve approx. 50,000 meals a day	Healthcare	Tal: Bhuj Dist Kutch (Gujarat)	600	300	600	300
3	Adoption of 41 Government Schools	Education	Dist: Villupuram (Tamil Nadu)	105	34	105	34

Sr. No.	CSR Projects / Activities Identified	Sector Covered	District and State where Project/ Program was undertaken	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*
				₹ In Lakhs			
4	Sponsored Medical Equipment	Healthcare	Mumbai (Maharashtra)	20	8	20	8
5	Children Palliative care - Care for children with life limiting illness	Healthcare	Aurangabad (Maharashtra)	10	10	10	10
6	Support to Indian Cancer Society (ICCF)	Healthcare	Mumbai (Maharashtra)	56	56	56	56
7	Vocational Training to Person with Disability	Education	Matunga, Mumbai (Maharashtra)	7	7	7	7
8	Free Meals to Cancer Patients	Healthcare	Vashi, Navi Mumbai (Maharashtra)	4	4	4	4
9	Setting up MAC computer Lab in Media college	Education	Deviprasad Goenka Management college of Media Studies, Mumbai (Maharashtra)	100	100	100	100
10	Construct the school infrastructure	Education	Yashwant Nizab High school, shirgaon, Palghar (Maharashtra)	21	21	21	21
11	Diagnosis and treatment of various critical illness of children	Healthcare	Municipal and Government Hospital, Mumbai (Maharashtra)	10	10	10	10
12	Medical and Hospital treatment support to needy and underprivileged patients	Healthcare	Gujarat Cancer Research Institute, Ahmedabad (Gujarat)	10	10	10	10
13	Treatment and rehabilitation of individuals for mental illness and emotional disorders	Healthcare	Mumbai (Maharashtra)	1	1	1	1
14	Distribute Woolen clothes to poor school children	Healthcare/ Education	Alwar (Rajasthan)	1	1	1	1
15	School Amenities - Water coolers, Library Kits and cupboard provided in primary schools	Education	Ajrakhpur, Kandherai, Dagada, Keshavnagar, Mamuaara, and Varnora Paddhar, Chaparadi, Dhaneti Lodai, Kanaiyabe villages of Bhuj (Gujarat)	12	12	12	12
16	Boundary wall, Godown for fodders stock, street lights, Roads, Drainage and other works	Rural Development	Various villages of Bhuj(Gujarat)	60	60	60	60
Total				**2,062**	**1,655**	**2,062**	**1,655**

*Details of the Implementing agencies are 1&2. The Akshay Patra Foundation, Bangalore; 3. ISHA Education, Coimbatore; 4. Nair Hospital, Mumbai; 5. Tata Memorial Centre, Mumbai; 6. Indian Cancer Society, Mumbai; 7. Shree Shankara Hindu Mission, Mumbai; 8. Deepshikha, Navi Mumbai; 9. Rajasthani Sammelan Education Trust, Mumbai; 10. Nargis Dutt Foundation, Mumbai; 11. Healing Touch, Mumbai; 12. Cankids Kidscan, Mumbai; 13. Manav Foundation, Mumbai; 14. Srajak Sansthan, Alwar (Rajasthan); 15. 100% Contribution by Industrial Unit (Direct); 16. 100% Contribution by Industrial Unit (Direct).

6. The Company was required to spend ₹ 1,654 Lakhs during the year and spent ₹ 1,655 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.

VIJAYLAXMI PODDAR
CHAIRPERSON OF CSR COMMITTEE
DIN: 00160484

RAJIV PODDAR
JOINT MANAGING DIRECTOR
DIN: 00160758

ANNEXURE – III

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2018

[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, 2018 (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, 2018, 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;
  (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) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

I further report that

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

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

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

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

I further report that during the audit period:

(i) 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 into 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). NCLT has approved the Scheme of Amalgamation on January 24, 2018 and on filing the NCLT Order with the Registrar of Companies, Mumbai, the Scheme became effective on February 21, 2018.
(ii) The Company has on December 27, 2017 issued and allotted 9,66,58,595 Equity Shares of ₹ 2/- each as fully paid up bonus equity shares, in the ratio of 1(one) fully paid up bonus equity share of ₹ 2/- each for every 1 (one) existing equity share of ₹ 2/- each held, to the members eligible to receive bonus equity shares of the Company, whose name appeared in the Register of Members and Register of Beneficial Owners as on December 23, 2017.

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

Place : Mumbai,
Dated: 17th May, 2018.

'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,
Dated: 17th May, 2018.

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

Few examples are: Installation of LED Street lights in place of conventional lights, VFD on various equipment's to reduce power, Installed Air boosters in compressed air line, Installed energy efficient pumps at cooling towers.

During the year the Company has received following awards for energy conservation:

- Rajasthan Energy Conservation Award (RECA-2017) in Energy Conservation as ''CERTIFICATE OF RECOGNITION'' from Government of Rajasthan, Department of Energy.
- 12th State Level Award for Excellence in Energy Conservation and Management as ''CERTIFICATE OF MERIT'' from Government of Maharashtra, Maharashtra Energy Development Agency.

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

The company has installed solar power plant of 1MW each at Chopanki and at Bhuj Plants.

(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.
(c) Cost Reduction.
(d) Flexibility for alternate source of energy.

(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; NA

(iv) the expenditure incurred on Research and Development (₹ in Lakhs)

(a) Capital : 1,633
(b) Revenue : 1,600

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

(a) Foreign Exchange used : 1,95,215
(b) Foreign Exchange earned : 3,59,158

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 17th May, 2018

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE - V

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[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 Unit : Balkrishna Industries Limited Karvy Selenium Tower B, Plot 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 Mumbai address (for shareholder services) : B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg Behind BSE Ltd, Fort, Mumbai - 400 001 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 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)
2	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)
3	BKT EUROPE S.R.L.	Viale Della Repubblica, 133 20831 Seregmo (MB) Italy	NA	Subsidiary Company	100%	Section 2(87)
4	BKT USA INC	2660 West Market St. Suite 100 Fairlawn (Akron) OH 44333, USA	NA	Subsidiary Company	100%	Section 2(87)
5	BKT TIRES (CANADA) INC	55 York Street, Suite 401, Toronto,Ontario M5J 1R7, Canada	NA	Subsidiary Company	100%	Section 2(87)
6	BKT EXIM US,INC	960 Holmdel Road, Suite 2-02 Holmdel, NJ 07733	NA	Subsidiary Company	100%	Section 2(87)
7	BKT TIRES, INC	960 Holmdel Road, Suite 2-02 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	52551740	-	52551740	54.37	112695480	-	112695480	58.30	3.93
b Central Govt.	-	-	-	-	-	-	-	-	-
c State Govt.(s)	-	-	-	-	-	-	-	-	-
d Bodies Corporate	270	-	270	0.00	540	-	540	0.00	0.00
e Banks/ FI	-	-	-	-	-	-	-	-	-
f Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**52552010**	**-**	**52552010**	**54.37**	**112696020**	**-**	**112696020**	**58.30**	**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)	**52552010**	**-**	**52552010**	**54.37**	**112696020**	**-**	**112696020**	**58.30**	**3.93**
B Public Shareholding									
1) Institutions									
a Mutual Funds/ UTI	12759446	-	12759446	13.21	21756397	-	21756397	11.25	(1.96)
b Banks/ FI	21464	-	21464	0.02	115491	-	115491	0.06	0.04
c Central Govt.	-	-	-	-	-	-	-	-	-
d State Govt.(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	-	-	-	-	-	-	-	-	-
g FII	17682470	-	17682470	18.29	34112816	-	34112816	17.65	(0.64)
h Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	**30463380**	**-**	**30463380**	**31.52**	**55984704**	**-**	**55984704**	**28.96**	**(2.56)**
2) Non-Institutions									
a Bodies Corporates									
i. Indian	1932340	1500	1933840	2.00	5659669	3000	5662669	2.93	0.93
ii. Overseas	-	-	-	-	-	-	-	-	-
b Individuals									
i. Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4415782	1015745	5431527	5.62	10307147	943180	11250327	5.82	0.20
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	4928165	459600	5387765	5.57	4730553	1089000	5819553	3.01	(2.56)
c Others (specify)									
i. Non-Resident Indian	308850	-	308850	0.32	746272	-	746272	0.39	0.07
ii. HUF	-	-	-	-	-	-	-	-	-
iii. IEPF	-	-	-	-	588110	-	588110	0.30	0.30
iv. Overseas corporate Bodies	-	-	-	-	-	-	-	-	-
v. Foreign Nationals	-	-	-	-	-	-	-	-	-
vi. Clearing Members	579198	-	579198	0.60	211647	-	211647	0.11	(0.49)
vii. Trust	2025	-	2025	0.00	357888	-	357888	0.18	0.18
viii.Foreign Bodies	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	**12166360**	**1476845**	**13643205**	**14.11**	**22601286**	**2035180**	**24636466**	**12.74**	**(1.37)**
Total Public Shareholding (B)= (B)(1) + (B)(2)	**42629740**	**1476845**	**44106585**	**45.63**	**78585990**	**2035180**	**80621170**	**41.70**	**(3.93)**
Total (A+B)	**95181750**	**1476845**	**96658595**	**100.00**	**191282010**	**2035180**	**193317190**	**100.00**	**0.00**
C Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**.**	**-**
Grand Total (A+B+C)	**95181750**	**1476845**	**96658595**	**100.00**	**191282010**	**2035180**	**193317190**	**100.00**	**0.00**

* During the year the Company has on 27th December, 2017 allotted 9,66,58,595 Equity Shares of ₹ 2/- each as fully paid up bonus equity shares, in the ratio of 1:1 i.e (one) fully paid up bonus equity share of ₹ 2/- each for every (one) existing equity share of ₹ 2/- each fully paid up, to the members eligible to receive bonus equity shares of the Company, whose name appeared in the Register of Members and Register of Beneficial Owners as on 23rd December, 2017.

(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 Arvind Kumar Poddar	23984790	24.81	-	53577010	27.72	-	2.91
2	Vijaylaxmi Arvindkumar Poddar	2804215	2.91	-	1000	0.00	-	(2.91)
3	Rameshkumar Dharaprasad Poddar	300	0.00	-	600	0.00	-	0.00
4	Arvindkumar Mahabirprasad Poddar	500	0.00	-	1000	0.00	-	0.00
5	AKP Enterprises LLP	125	0.00	-	250	0.00	-	0.00
6	RAP Enterprises LLP	125	0.00	-	250	0.00	-	0.00
7	Khushboo Rajiv Poddar	500	0.00	-	7593000	3.93	-	3.93
8	GPP Enterprises LLP	100	0.00	-	200	0.00	-	0.00
9	Rishabh Sureshkumar Poddar	718915	0.74	-	2790180	1.44	-	0.70
10	Shyamlata Sureshkumar Poddar	676675	0.70	-	1000	0.00	-	(0.70)
11	VKP Enterprises LLP	24116440	24.95	-	48232880	24.95	-	0.00
12	TMP Enterprises LLP	246680	0.26	-	493360	0.26	-	0.00
13	PKP Enterprises LLP	125	0.00	-	250	0.00	-	0.00
14	HSP Enterprises LLP	125	0.00	-	250	0.00	-	0.00
15	DPP Enterprises LLP	125	0.00	-	250	0.00	-	0.00
16	Pawankumar Dharaprasad Poddar	300	0.00	-	600	0.00	-	0.00
17	Ashadevi Rameshkumar Poddar	100	0.00	-	200	0.00	-	0.00
18	Avnish Pawankumar Poddar	100	0.00	-	200	0.00	-	0.00
19	Dharaprasad Ramrikhdas Poddar	200	0.00	-	400	0.00	-	0.00
20	Madhudevi Pawankumar Poddar	100	0.00	-	200	0.00	-	0.00
21	Vibhadevi Shrikishan Poddar	100	0.00	-	200	0.00	-	0.00
22	Shrikishan Dharaprasad Poddar	300	0.00	-	600	0.00	-	0.00
23	Sangeeta Pramodkumar Poddar	200	0.00	-	400	0.00	-	0.00
24	Harshit Shrikishan Poddar	100	0.00	-	200	0.00	-	0.00
25	Ankit Pramodkumar Poddar	100	0.00	-	200	0.00	-	0.00
26	Anurag Pramodkumar Poddar	100	0.00	-	200	0.00	-	0.00
27	Geetadevi Dharaprasad Poddar	100	0.00	-	200	0.00	-	0.00
28	Gaurav Pramod Podar	100	0.00	-	200	0.00	-	0.00
29	Abhishek S Poddar	100	0.00	-	200	0.00	-	0.00
30	Balgopal Holdings and Traders Ltd	50	0.00	-	100	0.00	-	0.00
31	Poddar Brothers Investments Private Ltd	50	0.00	-	100	0.00	-	0.00
32	S P Finance and Trading Ltd	50	0.00	-	100	0.00	-	0.00
33	Vishal Furnishings Ltd	50	0.00	-	100	0.00	-	0.00
34	Sanchna Trading & Finance Ltd	35	0.00	-	70	0.00	-	0.00
35	S P Investrade (India) Ltd	35	0.00	-	70	0.00	-	0.00
Total		**52552010**	**54.37**	**-**	**112696020**	**58.30**	**-**	**3.93**

* During the year the Company has on 27th December, 2017 allotted 9,66,58,595 Equity Shares of ₹ 2/- each as fully paid up bonus equity shares, in the ratio of 1:1 i.e (one) fully paid up bonus equity share of ₹ 2/- each for every (one) existing equity share of ₹ 2/- each fully paid up, to the members eligible to receive bonus equity shares of the Company, whose name appeared in the Register of Members and Register of Beneficial Owners as on 23rd December, 2017.

(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 (01/04/2017)/ end of year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
	At the beginning of the year	52552010	54.37	01-Apr-17				
	Khushboo Rajiv Poddar	-	-	19-Dec-17	3796000	(Off Market Purchase)	56348010	58.30
		-	-	5-Jan-18	56348010	Bonus	112696020	58.30
	At the end of the year	112696020	58.30	31-Mar-18				

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 (01/04/2017)/end of year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Rajiv Arvind Kumar Poddar	23984790	24.81	01-Apr-17				
		-	-	19-Dec-17	2803715	Transfer (Inter Se Transfer)	26788505	27.72
		-	-	5-Jan-18	26788505	Bonus	53577010	27.72
		53577010	27.72	31-Mar-18				
2	Vijaylaxmi Arvindkumar Poddar	2804215	2.91	01-Apr-17				
		-	-	19-Dec-17	(2803715)	Transfer (Inter Se Transfer)	500	0.00
		-	-	5-Jan-18	500	Bonus	1000	0.00
		1000	0.00	31-Mar-18				
3	Rishabh Sureshkumar Poddar	718915	0.74	01-Apr-17				
		-	-	19-Dec-17	676175	Transfer (Inter Se Transfer)	1395090	1.44
		-	-	5-Jan-18	1395090	Bonus	2790180	1.44
		2790180	1.44	31-Mar-18				
4	Shyamlata Sureshkumar Poddar	676675	0.70	01-Apr-17				
		-	-	19-Dec-17	(676175)	Transfer (Inter Se Transfer)	500	0.00
		-	-	5-Jan-18	500	Bonus	1000	0.00
		1000	0.00	31-Mar-18				

(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 (01/04/2017)/end of year (31/03/2018)	% of total shares of the Company				No. of Shares	% of total shares of the company
1	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	8678541	8.98	1-Apr-17				
				16-Jun-17	(6100)	Transfer	8672441	8.97
				23-Jun-17	(740)	Transfer	8671701	8.97
				30-Jun-17	(24460)	Transfer	8647241	8.95
				7-Jul-17	(33200)	Transfer	8614041	8.91
				14-Jul-17	(83500)	Transfer	8530541	8.83
				21-Jul-17	(42000)	Transfer	8488541	8.78
				11-Aug-17	(23289)	Transfer	8465252	8.76
				25-Aug-17	(463600)	Transfer	8001652	8.28
				1-Sep-17	(118686)	Transfer	7882966	8.16
				22-Sep-17	(25000)	Transfer	7857966	8.13
				29-Sep-17	(141500)	Transfer	7716466	7.98
				6-Oct-17	(81500)	Transfer	7634966	7.90
				27-Oct-17	(5000)	Transfer	7629966	7.89
				10-Nov-17	300000	Transfer	7929966	8.20
				10-Nov-17	(300000)	Transfer	7629966	7.89
				17-Nov-17	33000	Transfer	7662966	7.93
				17-Nov-17	(209000)	Transfer	7453966	7.71
				24-Nov-17	(95000)	Transfer	7358966	7.61
				15-Dec-17	(64560)	Transfer	7294406	7.55
				5-Jan-18	40000	Transfer	7334406	7.59
				5-Jan-18	7299406	Bonus	14633812	7.57
				12-Jan-18	20000	Transfer	14653812	7.58
				19-Jan-18	20000	Transfer	14673812	7.59
				9-Feb-18	839000	Transfer	15512812	8.02
				9-Feb-18	(700000)	Transfer	14812812	7.66
				16-Feb-18	35000	Transfer	14847812	7.68
				16-Feb-18	(103000)	Transfer	14744812	7.63
				23-Feb-18	(200000)	Transfer	14544812	7.52
				2-Mar-18	(102000)	Transfer	14442812	7.47
				9-Mar-18	896500	Transfer	15339312	7.93
				9-Mar-18	(1761900)	Transfer	13577412	7.02
				23-Mar-18	(167700)	Transfer	13409712	6.94
		13409712	6.94	31-Mar-18				

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning (01/04/2017)/end of year (31/03/2018)	% of total shares of the Company				No. of Shares	% of total shares of the company
2	MANOJ H MODI	3796000	3.93	1-Apr-17				
				19-Dec-17	(3796000)	Transfer	0	0.00
		0	0.00	31-Mar-18				
3	AMANSA HOLDINGS PRIVATE LIMITED	2112839	2.19	1-Apr-17				
				14-Apr-17	(112839)	Transfer	2000000	2.07
				21-Apr-17	(20695)	Transfer	1979305	2.05
				28-Apr-17	(455938)	Transfer	1523367	1.58
				5-May-17	(38785)	Transfer	1484582	1.54
				2-Jun-17	(151)	Transfer	1484431	1.54
				18-Aug-17	17440	Transfer	1501871	1.55
				8-Dec-17	(38283)	Transfer	1463588	1.51
				5-Jan-18	1463588	Bonus	2927176	1.51
				12-Jan-18	(95380)	Transfer	2831796	1.46
		2831796	1.46	31-Mar-18				
4	SBI MAGNUM GLOBAL FUND	500000	0.52	1-Apr-17				
				28-Apr-17	250000	Transfer	750000	0.78
				14-Jul-17	(20000)	Transfer	730000	0.76
				28-Jul-17	90900	Transfer	820900	0.85
				22-Sep-17	7500	Transfer	828400	0.86
				13-Oct-17	86909	Transfer	915309	0.95
				13-Oct-17	(86909)	Transfer	828400	0.86
				24-Nov-17	(24708)	Transfer	803692	0.83
				1-Dec-17	(15292)	Transfer	788400	0.82
				15-Dec-17	(42000)	Transfer	746400	0.77
				22-Dec-17	17200	Transfer	763600	0.79
				29-Dec-17	49600	Transfer	813200	0.84
				5-Jan-18	763600	Bonus	1576800	0.82
				19-Jan-18	5000	Transfer	1581800	0.82
				2-Mar-18	5000	Transfer	1586800	0.82
		1586800	0.82	31-Mar-18				
5	MAWER GLOBAL SMALL CAP FUND	1566140	1.62	1-Apr-17				
				14-Apr-17	(120084)	Transfer	1446056	1.50
				21-Apr-17	(82847)	Transfer	1363209	1.41
				28-Apr-17	(211039)	Transfer	1152170	1.19
				5-May-17	(32659)	Transfer	1119511	1.16
				14-Jul-17	(102579)	Transfer	1016932	1.05
				21-Jul-17	(22613)	Transfer	994319	1.03
				28-Jul-17	(85117)	Transfer	909202	0.94
				4-Aug-17	(30921)	Transfer	878281	0.91
				11-Aug-17	(54159)	Transfer	824122	0.85
				18-Aug-17	(29498)	Transfer	794624	0.82
				25-Aug-17	(71523)	Transfer	723101	0.75
				27-Oct-17	(42946)	Transfer	680155	0.70
				31-Oct-17	(8229)	Transfer	671926	0.70
				3-Nov-17	(57325)	Transfer	614601	0.64
				5-Jan-18	614601	Bonus	1229202	0.64
				19-Jan-18	(111165)	Transfer	1118037	0.58
		1118037	0.58	31-Mar-18				
6	SEAFARER OVERSEAS GROWTH AND INCOME FUND	1500000	1.55	1-Apr-17				
				27-Oct-17	(37261)	Transfer	1462739	1.51
				3-Nov-17	(87739)	Transfer	1375000	1.42
				10-Nov-17	(125000)	Transfer	1250000	1.29
				17-Nov-17	(63700)	Transfer	1186300	1.23
				24-Nov-17	(194849)	Transfer	991451	1.03
				1-Dec-17	(99837)	Transfer	891614	0.92
				8-Dec-17	(91614)	Transfer	800000	0.83
				15-Dec-17	(100000)	Transfer	700000	0.72
				22-Dec-17	(25000)	Transfer	675000	0.70
				5-Jan-18	675000	Bonus	1350000	0.70
				12-Jan-18	(151700)	Transfer	1198300	0.62
				19-Jan-18	(143073)	Transfer	1055227	0.55
				2-Feb-18	(26776)	Transfer	1028451	0.53
				16-Feb-18	(4942)	Transfer	1023509	0.53
				23-Feb-18	(1005)	Transfer	1022504	0.53
				9-Mar-18	(1461)	Transfer	1021043	0.53
				16-Mar-18	(123278)	Transfer	897765	0.46
				23-Mar-18	(27765)	Transfer	870000	0.45
		870000	0.45	31-Mar-18				

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning (01/04/2017)/end of year (31/03/2018)	% of total shares of the Company				No. of Shares	% of total shares of the company
7	GOVERNMENT PENSION FUND GLOBAL	1476413	1.53	1-Apr-17				
				7-Apr-17	400000	Transfer	1876413	1.94
				5-Jan-18	(38097)	Transfer	1838316	1.90
				5-Jan-18	1876413	Bonus	3714729	1.92
				12-Jan-18	(70058)	Transfer	3644671	1.89
				26-Jan-18	(1162)	Transfer	3643509	1.88
				2-Feb-18	(34622)	Transfer	3608887	1.87
				9-Feb-18	(113033)	Transfer	3495854	1.81
				16-Feb-18	(80787)	Transfer	3415067	1.77
				16-Mar-18	1732	Transfer	3416799	1.77
				23-Mar-18	60641	Transfer	3477440	1.80
		3477440	1.80	31-Mar-18				
8	ICICI PRUDENTIAL VALUE DISCOVERY FUND	1456489	1.51	1-Apr-17				
				7-Apr-17	(76355)	Transfer	1380134	1.43
				14-Apr-17	(97445)	Transfer	1282689	1.33
				21-Apr-17	(71426)	Transfer	1211263	1.25
				28-Apr-17	(111263)	Transfer	1100000	1.14
				12-May-17	(23282)	Transfer	1076718	1.11
				19-May-17	(163248)	Transfer	913470	0.95
				2-Jun-17	(100)	Transfer	913370	0.94
				9-Jun-17	(5000)	Transfer	908370	0.94
				28-Jul-17	(244054)	Transfer	664316	0.69
				27-Oct-17	(410658)	Transfer	253658	0.26
				5-Jan-18	253658	Bonus	507316	0.26
				30-Mar-18	(57000)	Transfer	450316	0.23
		450316	0.23	31-Mar-18				
9	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	455951	0.47	1-Apr-17				
				26-May-17	455951	Transfer	911902	0.94
				26-May-17	(455951)	Transfer	455951	0.47
				9-Jun-17	(3966)	Transfer	451985	0.47
				16-Jun-17	(497)	Transfer	451488	0.47
				23-Jun-17	(15537)	Transfer	435951	0.45
				30-Jun-17	254	Transfer	436205	0.45
				30-Jun-17	(134)	Transfer	436071	0.45
				7-Jul-17	(14844)	Transfer	421227	0.44
				14-Jul-17	(518)	Transfer	420709	0.44
				21-Jul-17	(45)	Transfer	420664	0.44
				11-Aug-17	15496	Transfer	436160	0.45
				18-Aug-17	20000	Transfer	456160	0.47
				8-Sep-17	50000	Transfer	506160	0.52
				22-Sep-17	25647	Transfer	531807	0.55
				29-Sep-17	15888	Transfer	547695	0.57
				6-Oct-17	9112	Transfer	556807	0.58
				17-Nov-17	(50133)	Transfer	506674	0.52
				1-Dec-17	133	Transfer	506807	0.52
				15-Dec-17	(3954)	Transfer	502853	0.52
				22-Dec-17	(17825)	Transfer	485028	0.50
				29-Dec-17	43558	Transfer	528586	0.55
				5-Jan-18	32469	Transfer	561055	0.58
				5-Jan-18	485028	Bonus	1046083	0.54
				26-Jan-18	50000	Transfer	1096083	0.57
				2-Feb-18	50000	Transfer	1146083	0.59
				9-Feb-18	56633	Transfer	1202716	0.62
				23-Feb-18	18367	Transfer	1221083	0.63
				9-Mar-18	49346	Transfer	1270429	0.66
				16-Mar-18	654	Transfer	1271083	0.66
				23-Mar-18	9912	Transfer	1280995	0.66
				30-Mar-18	16388	Transfer	1297383	0.67
		1297383	0.67	31-Mar-18				

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares at the beginning (01/04/2017)/end of year (31/03/2018)	% of total shares of the Company				No. of Shares	% of total shares of the company
10	FRANKLIN INDIA BALANCED FUND	1286297	1.33	1-Apr-17				
				7-Apr-17	(38500)	Transfer	1247797	1.29
				15-Dec-17	(25173)	Transfer	1222624	1.26
				22-Dec-17	(124647)	Transfer	1097977	1.14
				5-Jan-18	1097977	Bonus	2195954	1.14
				23-Feb-18	(9500)	Transfer	2186454	1.13
				23-Mar-18	(125212)	Transfer	2061242	1.07
				30-Mar-18	(50500)	Transfer	2010742	1.04
		2010742	1.04	31-Mar-18				
11	INVESCO INDIA EQUITY FUND	0	0.00	1-Apr-17				
				22-Sep-17	47000	Transfer	47000	0.05
				29-Sep-17	128000	Transfer	175000	0.18
				6-Oct-17	70000	Transfer	245000	0.25
				13-Oct-17	121439	Transfer	366439	0.38
				20-Oct-17	73505	Transfer	439944	0.46
				27-Oct-17	45000	Transfer	484944	0.50
				3-Nov-17	30056	Transfer	515000	0.53
				10-Nov-17	90000	Transfer	605000	0.63
				8-Dec-17	(15000)	Transfer	590000	0.61
				15-Dec-17	(45000)	Transfer	545000	0.56
				5-Jan-18	545000	Bonus	1090000	0.56
				16-Mar-18	40000	Transfer	1130000	0.58
		1130000	0.58	31-Mar-18				
12	FRANKLIN TEMPLETON INVESTMENT FUNDS	483495	0.50	1-Apr-17				
				6-Oct-17	78228	Transfer	561723	0.58
				5-Jan-18	561723	Bonus	1123446	0.58
		1123446	0.58	31-Mar-18				
13	MAWER GLOBAL EQUITY FUND	779343	0.81	1-Apr-17				
				5-Jan-18	779343	Bonus	1558686	0.81
				9-Feb-18	(79428)	Transfer	1479258	0.77
		1479258	0.77	31-Mar-18				
14	SOMERSET SMALL MID CAP EM ALL COUNTRY FUND LLC	696930	0.72	1-Apr-17				
				6-Oct-17	(80419)	Transfer	616511	0.64
				22-Oct-17	(117058)	Transfer	499453	0.52
				29-Dec-17	(112086)	Transfer	387367	0.40
				5-Jan-18	616511	Bonus	1003878	0.52
				2-Feb-18	(138412)	Transfer	865466	0.45
				9-Feb-18	(223744)	Transfer	641722	0.33
		641722	0.33	31-Mar-18				

(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 (01/04/2017)/end of year (31/03/2018)	%of total shares of the Company				No. of shares	% of total shares of the Company
A	**DIRECTORS**							
1	Arvind Poddar Chairman & Managing Director	500	0.00					
				5-Jan-18	500	Bonus	1000	0.00
		1000	0.00	31-Mar-18				
2	Rajiv Poddar Joint Managing Director	23984790	24.81	01-Apr-17				
		-	-	19-Dec-17	2803715	Transfer (Inter Se Transfer)	26788505	27.72
		-	-	5-Jan-18	26788505	Bonus	53577010	27.72
		53577010	27.72	31-Mar-18				
3	Vijaylaxmi Poddar	2804215	2.91	01-Apr-17				
	Non-Executive Non- Independent Director	-	-	19-Dec-17	(2803715)	Transfer (Inter Se Transfer)	500	0.00
		-	-	5-Jan-18	500	Bonus	1000	0.00
		1000	0.00	31-Mar-18				
4	Vipul Shah Whole Time Director (Director & Company Secretary)	-	-	01-Apr-17	-	-	-	-
		-	-	31-Mar-18	-	-	-	-

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01/04/2017)/end of year (31/03/2018)	%of total shares of the Company				No. of shares	% of total shares of the Company
5	Pannkaj Ghadiali *	-	-	08-Nov-17	-	-	-	-
	Non-Executive Independent Director	-	-	31-Mar-18	-	-	-	-
6	Laxmidas Merchant	-	-	01-Apr-17	-	-	-	-
	Non-Executive Independent Director	-	-	31-Mar-18	-	-	-	-
7	Sanjay Asher	-	-	01-Apr-17	-	-	-	-
	Non-Executive Independent Director	-	-	31-Mar-18	-	-	-	-
8	Ashok Saraf	-	-	01-Apr-17	-	-	-	-
	Non-Executive Independent Director	-	-	31-Mar-18	-	-	-	-
9	Khurshed Doongaji	-	-	01-Apr-17	-	-	-	-
	Non-Executive Independent Director	-	-	31-Mar-18	-	-	-	-
10	Sachin Nath Chaturvedi **	-	-	01-Apr-17	-	-	-	-
	Non-Executive Independent Director	-	-	12-Oct-17	-	-	-	-
B	KEY MANAGERIAL PERSONNEL(KMPs)							
1	Basant Bansal	-	-	01-Apr-17	-	-	-	-
	Director (Finance)	-	-	31-Mar-18	-	-	-	-

* Pannkaj Ghadiali was appointed as an Independent Director w.e.f 8th November, 2017.

** Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013 and he vacated his office as a director of the Company w.e.f 13th October, 2017 under Section 167 of the Companies Act, 2013.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment for financial year 2017-18:

(₹ In Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
i) Principal Amount	1,06,950	29,165	-	1,36,115
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	47	-	-	47
Total (i+ii+iii)	**1,06,997**	**29,165**	**-**	**1,36,162**
Change in Indebtedness during the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposit**	**Total Indebtedness**
Addition	85,280	1,44,010	-	2,29,290
Reduction	1,45,489	1,36,386	-	2,81,875
Net Change	**(60,209)**	**7,624**	**-**	**(52,585)**
Indebtedness at the end the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
i) Principal Amount	46,756	36,789	-	83,545
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32	-	-	32
Total (i+ii+iii)	**46,788**	**36,789**	**-**	**83,577**

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
		(₹ in Lakhs)			
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	525	420	55	1,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	4	1	0	5
	(c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	3,000	2,400	-	5,400
	as % of profit	2.65%	2.12%	-	4.77%
	Others Specify	-	-	-	-
	Total (A)	**3,529**	**2,821**	**55**	**6,405**
	Ceiling as per the Act	₹ 11,319 Lakhs (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013.			

*Mr. Vipul Shah retires by rotation and seeking re-appointment in the 56th Annual General Meeting of the Company.

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	Mr. Pannkaj Ghadiali	Total
		(₹ In Lakhs)						
	Fee for attending board / committee meetings	2	2	1	3	2	1	11
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	**2**	**2**	**1**	**3**	**2**	**1**	**11**
	Other Non-Executive Directors	**Mrs. Vijaylaxmi Poddar**						
	Fee for attending board / committee meetings	1	-	-	-	-	-	1
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**1**	**-**	**-**	**-**	**-**	**-**	**1**
	Total (B)= 1+2	**3**	**2**	**1**	**3**	**2**	**1**	**12**
	Total Managerial Remuneration							**6,417**
	Overall Ceiling as per the Act	₹ 12,451 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. Basant Bansal (₹ In Lakhs)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	137
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1
	(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	**138**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There are no Penalties, Punishment or Compounding of Offences during the year ended 31st March, 2018.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 17th May, 2018

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE - VI

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

1 Ratio of the remuneration of each Whole Time Director to the median remuneration of the employees of the Company for the financial year 2017-18, 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	847	(0.27)
2	Mr. Rajiv Poddar	Joint Managing Director	675	(1.80)
3	Mr. Vipul Shah	Director & Company Secretary	*14	*20.88
4	Mr. Basant Bansal	Director (Finance)	*34	*14.02

* Increase in Gratuity provision due to increase in Gratuity Ceiling is not considered.

2 The percentage increase in median remuneration of employees in the financial year is 4.94%

3 There were 2,712 employees as on 31st March, 2018.

4 Average percentage increase already made in the salaries of employees was 11% other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration is (0.51%).

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 approved by the shareholders. The details of remuneration (Sitting Fees) of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated: 17th May, 2018

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

Annexure - VII

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

Balkrishna Industries Limited (BIL) is ecstatic to communicate its performance on the non-financial aspects through its Business Responsibility Report (BRR).

Securities and Exchange Board of India (SEBI) in 2015 mandated the top 500 listed companies by market capitalization to publish a 'Business Responsibility Report' as part of the annual report. This is in line with the Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015 (SEBI LODR).

The report outlines the organization's performance from the environmental, social and governance perspective.

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	2017-18
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 (as in balance sheet)	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) ii. Number of National Locations	Company's International Locations are at USA, Italy and Canada. Corporate office at Mumbai Four Tyre manufacturing locations (Two in Rajasthan, One in Gujarat & One in Maharashtra). In addition to this One Mould unit in Maharashtra and One Wind Power unit in Rajasthan for Captive use.
10.	Markets served by the Company - Local, State, National, International.	The Company sells its products in India as well as 130 countries worldwide through its distributors.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid Up Capital (INR)	₹ 3,866 Lakhs
2.	Total Turnover (INR)	₹ 4,46,446 Lakhs
3.	Total profit after taxes (INR)	₹ 73,925 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	₹ 1,655 Lakhs which constitute more than 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 and Rural Development

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?
   Yes, the information of list of subsidiaries is given in Annexure – I to the Director's Report.
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 activities 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. Khurshed Doongaji	00090939	Chairman of BR Committee, Independent Director
Mr. Arvind Poddar	00089984	Member
Mr. Laxmidas Merchant	00007722	Member
Mr. Sanjay Asher	00008221	Member
Mr. Rajiv Poddar	00160758	Member

Mr. Sachin Nath Chaturvedi was Chairman of BR Committee and he being disqualified under section 164(2) of the Companies Act, 2013 has vacated his office as a director of the Company w.e.f from 13th October, 2017 under Section 167 of the Companies Act, 2013.

b) Details of the Business Responsibility head:

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00090939
2.	Name	Mr. Khurshed Doongaji
3.	Designation	Independent Director
4.	Telephone number	022-66663800
5.	Email id	shares@bkt-tires.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? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

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 it-self in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or man-power resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

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

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

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

Yes, the Company publishes its BR Report annually. The hyperlink is https://www.bkt-tires.com/en/investors-desk/annual-reports.

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?

No, the Company policy relating to ethics, bribery and corruption covers all its employees and business associates. Also the Company has a well-defined Supplier Code of Conduct which clearly lays down our expectations in line with the organisations principles and ethical values.

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

During 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.

It is our constant endeavour to make our product and its associated process socially and environmentally responsible. We enhance the product design in a way that would minimize our social and environmental footprint. Rubber tyres being the only product which the Company manufactures, we ensure that the same is compliant REACH (Registration, Evaluation, Authorisation and Restriction of Chemical) Certification.

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

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

Company has taken several initiatives at the production stage itself for process optimization, some of our key initiatives are as below:

- Use of coal which has low sulphur content in place of pet coke which also serves as an alternate fuel for steam generation;
- Isolation of the generator rooms by using acoustic panels to reduce the noise levels;
- Installation of VFD drivers on equipment and energy efficient pumps on cooling towers;
- Installation of LED lights on ongoing basis coupled with several other interventions has helped us to reduce the power requirement by 35.28 KWh/ton;
- Chartless recorders are used in Tire Curing Presses and paperless PMS system for employee evaluation in order to reduce the paper consumption;
- Use of Condensate Recovery system to recycle energy in the process.

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

Not applicable. As our products are used as tyres in off-highway vehicles.

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

Yes, the Company follows a very structured procedure while collaborating with any local supplier or vendor. Our business exports majority of the products, making it important for us to meet the international requirements on Quality. While collaborating with any supplier, we conduct a thorough check on the quality of the raw material provided by the third party. This involves laboratory checks and other inspections. Once we obtain a clearance on the same the third party is placed on a probation for a certain period to ensure consistency before the signing a permanent contract.

We conduct regular audits at supplier's facilities to check the compliance of the facility as per ISO 9001/14001 certification. In case of any deviations, we suggest suppliers to follow company's guidelines for sustainable practices.

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

Yes. Although the Company imports 70% of the raw material to meet the International business requirement, we also encourage local sourcing as and when feasible.

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

Yes, we have installed Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) to recycle effluent from the manufacturing facilities which decreases our dependency on the raw water or ground water, further helping in cost savings. The Company also recycles second reject Reverse Osmosis (RO) water for horticulture and also ensures that all the e-waste is disposed via Government authorized vendors.

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

1 Please indicate the Total number of employees - 2,712

2 Please indicate the Total number of employees hired on temporary/contractual/casual basis - 5,153

3 Please indicate the Number of permanent women employees - 23

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 at our Aurangabad plant, Maharashtra.

6 What percentage of your permanent employees is members of this recognized employee association?

47% of the employees at our Aurangabad plant are member of such employee association.

7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Category	Percentage who have received training
Management Employees (including women)	99%
Non-management employees	78%
Casual/Temporary/Contractual Employees	100%

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

1 Has the company mapped its internal and external stakeholders?

Yes, the Company has identified and mapped all its key internal and external stakeholders such as Employees, Distributors, Suppliers, Vendors, Customers, Communities, Investors and Government Regulators.

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

Yes, Company in collaboration with external agency undertakes various initiatives for the disadvantages, vulnerable and marginalized stakeholders. We also support various programs for children and other communities in regards to educational and healthcare requirements.

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, we have carried out various initiatives for the disadvantaged, vulnerable and marginalized stakeholders and few of them are Mid-day meal, providing stationary to the underprivileged students, vocational trainings for the differently abled people, etc.

Healthcare, being our major focus area, we strive to support the underprivileged people with right medical assistance and also support hospitals by providing them with medical equipments.

In our endeavour to provide constant support to those who are in need we regularly engage with them and understand their feedback to improve our ongoing projects.

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?

Yes, Company's supplier code of conduct lays down standards and guidelines for suppliers, vendors and other business associates to ensure protection of human right while they do business.

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

We have not received any complaints in the previous financial year.

Company has stringent mechanisms to monitor human right issues. Our policies like Whistle-Blower and Prevention of Sexual Harassment provides stakeholders a medium to communicate violations effectively. Company strives to provide a safe and worry-free environment to all employees and business associates.

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

1 Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, the Company has a defined Environment policy which is applicable to its employees, suppliers, business associates and other relevant stakeholders, we encourage our value chain partners to adopt our Environment Management Systems.

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

Yes, Company understands the global issues such as climate change and has incorporated possible actions to address it. We have taken various initiatives to contribute towards mitigation of the environmental impacts due to its business operation. Use of Low sulphur alternate fuel for steam generate and Condensate Recovery system in Boiler for energy generation are few examples which helps us to reduce our environmental footprint.

3 Does the company identify and assess potential environmental risks?

Yes, 3 of our facilities have ISO14001:2015 certification which helps company in identifying environmental risks and develop strategies in the view of mitigating them.

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

Yes, Company has installed a Wind farm which is connected to State Electricity Grid in West of Jaisalmer Town, of Rajasthan. This wind farm, has 4 wind turbine generators with a capacity of 1.25 MW each with a total capacity of 5 MW as per the 20 year Wheeling and Banking agreement with Jaipur Vidyut Vitaran Nigam Limited (JVVNL). Post assessment survey of the project as per VCS (Verified Carbon Standards) reveals that 24,911 Verified Carbon Units (VCU's) were issued in favor of 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.

Yes, company proactively takes initiatives towards energy efficiency and also invests in renewable projects. In the reporting year we have undertaken various initiatives to reduce our environmental footprint such as,

- Installation of solar power plant of 1MW each a Chopanki and at Bhuj Plants;
- Developing a greenbelt by planting 12,600 trees;
- Energy efficient pump installation in cooling tower saving 48,300 Kwh/month;
- Replacement of conventional lights with solar tubes and LED lights saving 13,492 KWh per month;
- Separation of vacuum dewatering in the Tire Curing area thereby reducing the steam consumption by 4,519 KWh per month;
- Replacement of furnace oil (FO) with high speed diesel (HSD) as a fuel in DG sets to reduce toxic gases.

6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All the emissions generated as a result of our business activities are within the limits prescribed by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB)

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

We do not have any pending show cause notices from CPCB or SPCB as on 31st March, 2018.

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.

We are members of the following organizations:

- Federation of Indian Export Organizations (FIEO)
- Chemical and Allied Export Promotion Council of India (CAPEXIL)
- Bombay Chamber of Commerce (BCC)
- 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)

The Company has lobbied through above mentioned associations for betterment, improvement and advancement of the sectors in the interest of the industry. This has helped us to receive updates on various Government notifications and legislative changes in the areas of Exim Trade, GST and Customs etc. for discussing issues on import-export activities with the 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, we believe in inclusive growth and have always been committed to contributing to the community. The various initiatives undertaken in the reporting year are included in the Director's Report of our annual report FY 2017-18.

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

Company undertakes various initiatives for betterment of the society by collaborating external agencies like Akshay Patra Foundation, ISHA Education, Nair hospital, Shri Shankara Hindu Mission, TATA Memorial Centre, Indian Cancer Society, Deepshika, Rajasthani Sammelan Education Trust, Nargis Dutt Foundation, Healing Touch, Cankids Kidscan, Manav foundation and Srajak Sansthan.

By collaborating with above agencies we are also able to track the progress of the activities and gauge the impact.

3 Have you done any impact assessment of your initiative?

Company strives to ensure and create a profound impact through the various initiatives. Our regular engagements with beneficiaries assists us to assess the impact of the activity and serves as a way forward for our future programmes.

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 (₹ In Lakhs)
Healthcare	1,421
Education	174
Rural Development	60
Total	**1,655**

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.

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

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

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

One consumer case is pending as on 31st March 2018.

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

Yes, Company engraves all the relevant information on the product, in the view of customer awareness and end user safety.

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 stakeholder 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?

We carry out spot survey at trade-fair and exhibitions to understand customer feedback for our product, we also carry out half yearly survey with our distributors to understand the market needs.

CORPORATE GOVERNANCE REPORT

Corporate Governance is the application of best management practices, compliance in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. It is a structure and the associations which govern corporate direction and performance. The board of directors have dominant role in Corporate Governance. Corporate Governance is the system of rules, practices and processes by which a Company is directed and controlled. Corporate Governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Core Fundamentals of Corporate Governance includes transparency, accountability, reporting and independence.

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and Companies Act, 2013 ("the Act") as applicable, with regard to corporate governance .

GOVERNANCE STRUCTURE

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

a. Board of Directors: The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

b. Committees of the Board: The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for noting.

2. COMPOSITION OF THE BOARD OF DIRECTORS:

i. As on 31st March, 2018, the Company has Nine Directors. Out of the Nine Directors, Six (i.e. 67%) are Non-Executive Directors out of which Five (i.e. 56%) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

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

iii. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of the Independent Director is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act.

iv. During the financial year 2017-18 the Board of Directors met five times i.e., 25th May, 2017; 29th July, 2017; 8th November, 2017; 14th February, 2018 and 24th March, 2018. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by The Institute of Company Secretaries of India.

The necessary quorum was present for all the meetings.

v. In case of business exigencies, the Board's approval is taken through circular resolution/s. The circular resolution/s are noted at the subsequent Board Meeting.

vi. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2017-18 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Category of Director	Board meetings attended during the year	Whether attended last Annual General Meeting	No. of Directorships held in other public companies as on 31st March, 2018	No. of Committee positions held in other public companies as on 31st March, 2018	
					Chairman	Member
Mr. Arvind Poddar DIN: 00089984	Chairman & Managing Director	5	Present	-	-	-
Mr. Khurshed Doongaji DIN: 00090939	Non-Executive Independent Director	5	Present	1	2	-
Mr. Sanjay Asher DIN: 00008221	Non-Executive Independent Director	3	Leave Sought	9	5	5
Mr. Ashok Saraf DIN: 01627873	Non-Executive Independent Director	5	Present	-	-	-
Mr. Laxmidas Merchant DIN: 00007722	Non-Executive Independent Director	5	Leave Sought	2	-	-
Mrs. Vijaylaxmi Poddar DIN: 00160484	Non-Executive Non- Independent Director	4	Leave Sought	1	-	-
Mr. Rajiv Poddar DIN: 00160758	Joint Managing Director	5	Present	-	-	-
Mr. Vipul Shah DIN: 05199526	Director & Company Secretary	5	Present	1	-	-
Mr. Pannkaj Ghadiali* DIN: 00003462	Non-Executive Independent Director	3	NA	1	-	1
Mr. Sachin Nath Chaturvedi** DIN: 00553459	Non-Executive Independent Director	2	Present	-	-	-

* Mr. Pannkaj Ghadiali was appointed as an Independent Director w.e.f 8th November, 2017.

** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company w.e.f. 13th October, 2017 under Section 167 of the Companies Act, 2013.

Information placed before the Board

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

Post Meeting Mechanism

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

Board Support

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

Compliance with the Code of Conduct:

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

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 2017-2018.

Prohibition of Insider Trading:

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

The Company has adopted the 'Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, Key Managerial Personnel, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Vipul Shah is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website viz https://www.bkt-tires.com/en/investors-desk/shareholding-info.

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

Shares held by Non – Executive Directors as on 31st March, 2018:

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

The Company has not issued any convertible instruments.

viii. 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.

ix. Familiarisation programme for Independent Directors:

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains his role, function, duties and responsibilities in the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Further on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries business and operations, industry, strategy, finance and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website, viz. https://www.bkt-tires.com/en/investors-desk/shareholding-info.

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, Business Responsibility Committee and Committee for Bonus Issue of Shares. Each of the said Committee has been mandated to operate within a given framework.

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:

1) To review and recommend the financial statements of the company;
2) To review reports of the Internal Auditors quarterly;
3) 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 Listing Regulation and section 177 of Companies Act, 2013 read with rules made thereof.

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

COMPOSITION OF THE AUDIT COMMITTEE:

Name of the Director	Category of Director	Designation
Mr. Pannkaj Ghadiali *	Non - Executive Independent Director	Chairman
Mr. Khurshed Doongaji	Non - Executive Independent Director	Member
Mr. Ashok Saraf *	Non - Executive Independent Director	Member
Mr. Laxmidas Merchant *	Non - Executive Independent Director	Member
Mr. Rajiv Poddar **	Executive Non –Independent Director	-
Mr. Sachin Nath Chaturvedi ***	Non - Executive Independent Director	-

* The above Committee was reconstituted on 8th November, 2017. Mr. Pannkaj Ghadiali was appointed as the Chairman, Mr. Ashok Saraf and Mr. Laxmidas Merchant was appointed as Member of the Committee

** Mr. Rajiv Poddar ceased to be the Member of the Committee w.e.f 8th November, 2017.

*** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013 has vacated his office as a director of the Company and consequently has ceased to be the Chairman of the Committee w.e.f. 13th October, 2017.

All the members are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Pannkaj Ghadiali (Chairman) and Mr. Laxmidas Merchant (Member) are Chartered Accountants. 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.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above Committee met four times during the financial year 2017-18. The meetings were held on 25th May, 2017; 29th July, 2017; 8th November, 2017 and 14th February, 2018. The maximum gap between two meetings was less than one hundred and twenty days.

Name of the Director	Meetings Attended
Mr. Pannkaj Ghadiali (w.e.f 8th November, 2017)	1
Mr. Khurshed Doongaji	4
Mr. Ashok Saraf (w.e.f 8th November, 2017)	1
Mr. Laxmidas Merchant (w.e.f 8th November, 2017)	1
Mr. Rajiv Poddar (upto 8th November, 2017)	3
Mr. Sachin Nath Chaturvedi (upto 12th October, 2017)	2

Mr. Sachin Nath Chaturvedi, then the Chairman of the Audit committee at the time of last Annual General Meeting held on 9th September, 2017 was present in the said AGM.

4. NOMINATION AND REMUNERATION COMMITTEE:

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

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

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 of directors their appointment and removal;

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:

Name of the Director	Category of Director	Designation
Mr. Ashok Saraf *	Non - Executive Independent Director	Chairman
Mr. Khurshed Doongaji	Non - Executive Independent Director	Member
Mr. Sanjay Asher*	Non - Executive Independent Director	Member
Mr. Pannkaj Ghadiali *	Non - Executive Independent Director	Member
Mr. Sachin Nath Chaturvedi **	Non - Executive Independent Director	-

* The above Committee was reconstituted on 8th November, 2017. Mr. Ashok Saraf was appointed as the Chairman, Mr. Sanjay Asher and Mr. Pannkaj Ghadiali was appointed as the Members of the Committee.

** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company and consequently has ceased to be the Chairman of the Committee w.e.f. 13th October, 2017.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met three times during the financial year 2017-18. The meetings were held on 25th May, 2017; 8th November, 2017 and 24th March, 2018.

Name of the Director	Meetings Attended
Mr. Ashok Saraf	3
Mr. Khurshed Doongaji	3
Mr. Sanjay Asher (w.e.f 8th November, 2017)	Leave sought
Mr. Pannkaj Ghadiali (w.e.f 8th November, 2017)	1
Mr. Sachin Nath Chaturvedi (upto 12th October, 2017)	1

Mr. Sachin Nath Chaturvedi, then the Chairman of the Nomination and Remuneration Committee at the time of last Annual General meeting held on 9th September, 2017 was present in the said AGM.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

5. REMUNERATION OF DIRECTORS:

a) Remuneration Policy:

The Remuneration Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company. The remuneration policy is in consonance with the existing industry practice The Nomination and Remuneration Policy is displayed on the Company's website viz https://www.bkt-tires.com/en/investors-desk/shareholding-info

b) Remuneration to Non-Executive Directors:

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

(₹ In Lakhs)

Name of the Director	Sitting Fees
Mr. Sachin Nath Chaturvedi*	2
Mr. Khurshed Doongaji **	3
Mr. Sanjay Asher**	1
Mr. Ashok Saraf**	2
Mr. Laxmidas Merchant**	2
Mr. Pannkaj Ghadiali***	1
Mrs. Vijaylaxmi Poddar	1
Total	**12**

* Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company w.e.f. 13th October, 2017.

** 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.

*** The term of Appointment is for Five Consecutive year from 8th November, 2017 to 7th November, 2022 subject to the approval of the members in 56th Annual General Meeting.

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

The appointment and remuneration of Directors (Executive and Non-Executive)/ Key Managerial Personnel/ Senior Management Personnel/ Other Employees is governed by the recommendation of the Remuneration and Nomination Committee, Resolutions passed by the Board of Directors and Shareholders (Directors - Executive and Non-Executive) of the Company. Payment of remuneration to Executive Directors is as per their terms of appointment read with Company's Remuneration Policy. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

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

The details of the remuneration of Directors for the year ended 31st March, 2018 are given below:

(₹ In Lakhs)

Name of the Director	Salary	Perquisites and allowances #	Commission **	Total	Service Contract
Mr. Arvind Poddar	300	300	3,000	3,600	1st August, 2016 to 31st July, 2021
Mr. Rajiv Poddar	240	228	2,400	2,868	22nd January, 2014 to 21st January, 2019
Mr. Vipul Shah*	23	*** 37	NIL	60	11th February, 2017 to 10th February, 2022
Total	**563**	**565**	**5,400**	**6,528**	

* Mr. Vipul Shah retires by rotation and seeking re-appointment in the 56th Annual General Meeting of the Company.

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

** The Commission to the Chairman & Managing Director /Joint Managing Director will be paid after financial statements are approved by the Shareholders at the 56th Annual General Meeting of the Company scheduled to be held on 14th July, 2018.

*** Increase in Provision of Gratuity due to increase in Gratuity Ceiling is not considered.

- 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.
- 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 in compliance with Section 178(5) of the Act and Regulation 20 of Listing Regulations. The said committee deals with all matters relating to Shareholders'/Investors' Grievance and its redressal and approval of transfer of shares and issue of duplicate/split/consolidation/transmission of share certificates.

COMPOSITION OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Name of the Director	Category of Director	Designation
Mr. Ashok Saraf *	Non - Executive Independent Director	Chairman
Mr. Khurshed Doongaji	Non - Executive Independent Director	Member
Mr. Vipul Shah	Executive Non –Independent Director	Member
Mr. Pannkaj Ghadiali*	Non - Executive Independent Director	Member
Mr. Sachin Nath Chaturvedi **	Non - Executive Independent Director	-

* The above Committee was reconstituted on 8th November, 2017. Mr. Ashok Saraf was appointed as the Chairman and Mr. Pannkaj Ghadiali was appointed as the Member of the Committee.

** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company and consequently has ceased to be the Chairman of the Committee w.e.f. 13th October, 2017.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met four times during the financial year 2017-18. The meetings were held on 25th May, 2017; 29th July, 2017; 8th November, 2017 and 14th February, 2018.

Name of the Director	Meetings Attended
Mr. Ashok Saraf (w.e.f 8th November, 2017)	1
Mr. Khurshed Doongaji	4
Mr. Vipul Shah	4
Mr. Pannkaj Ghadiali (w.e.f 8th November, 2017)	1
Mr. Sachin Nath Chaturvedi (upto 12th October, 2017)	2

COMPLIANCE OFFICER:

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

During the year, No Complaints/queries were received. There was no complaint pending as on 31st March, 2018.

As at 31st March 2018, there was no Share Transfer pending for Registration for more than 15 days.

7. OTHER COMMITTEES OF THE BOARD:

a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The Corporate Social Responsibility Committee promotes a culture that emphasizes and sets high standards for corporate social responsibility and reviews the implementation Plan. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. And any such other responsibilities as given under Section 135 of the Act, read with Schedule VII of the Act.

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

1. To frame the CSR policy and its review from time to time;
2. To ensure effective implementation and monitoring of CSR activities as per the approved policy, plans and budget;
3. To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Name of the Director	Category of Director	Designation
Mrs. Vijaylaxmi Poddar*	Non- Executive Non –Independent Director	Chairperson
Mr. Rajiv Poddar*	Executive Non –Independent Director	Member
Mr. Vipul Shah*	Executive Non –Independent Director	Member
Mr. Sanjay Asher	Non - Executive Independent Director	Member
Mr. Arvind Poddar**	Executive Non –Independent Director	-
Mr. Laxmidas Merchant**	Non - Executive Independent Director	-
Mr. Khurshed Doongaji**	Non - Executive Independent Director	-
Mr. Sachin Nath Chaturvedi***	Non - Executive Independent Director	-

* The above Committee was reconstituted on 25th May, 2017. Mrs. Vijaylaxmi Poddar was appointed as the Chairperson, Mr. Rajiv Poddar, and Mr. Vipul Shah was appointed as Member of the Committee.

** Mr. Arvind Poddar, Mr. Laxmidas Merchant and Mr. Khurshed Doongaji ceased to be the Member of the Committee w.e.f 25th May, 2017.

*** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company and consequently has ceased to be the member of the Committee w.e.f. 13th October, 2017.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met four times during the financial year 2017-18. The meetings were held on 25th May, 2017; 29th July, 2017; 8th November, 2017 and 14th February, 2018.

Name of the Director	Meetings Attended
Mrs. Vijaylaxmi Poddar	3
Mr. Rajiv Poddar (w.e.f 25th May, 2017)	3
Mr. Vipul Shah (w.e.f 25th May, 2017)	3
Mr. Sanjay Asher	2
Mr. Sachin Nath Chaturvedi (upto 12th October, 2017)	2
Mr. Arvind Poddar (upto 25th May, 2017)	1
Mr. Laxmidas Merchant (upto 25th May, 2017)	1
Mr. Khurshed Doongaji (upto 25th May, 2017)	1

b. BUSINESS RESPONSIBILITY COMMITTEE

The Board in its meeting held on 25th May, 2017, re-constituted the committee into two. 1) Business Responsibility Committee and 2) Corporate Social Responsibility Committee for better governance. This Committee observes practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

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

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

COMPOSITION OF THE BUSINESS RESPONSIBILITY COMMITTEE:

Name of Director	Category of Director	Designation
Mr. Khurshed Doongaji*	Non - Executive Independent Director	Chairman
Mr. Arvind Poddar	Executive Non –Independent Director	Member
Mr. Laxmidas Merchant	Non - Executive Independent Director	Member
Mr. Sanjay Asher	Non - Executive Independent Director	Member
Mr. Rajiv Poddar*	Executive Non –Independent Director	Member
Mrs. Vijaylaxmi Poddar**	Non - Executive Non-Independent Director	-
Mr. Sachin Nath Chaturvedi***	Non - Executive Independent Director	-

* The above Committee was reconstituted on 25th May, 2017. Mr. Khurshed Doongaji was appointed as the Chairman and Mr. Rajiv Poddar was appointed as the Member of the Committee.

** Mrs. Vijaylaxmi Poddar ceased to be the Member of the Committee w.e.f 25th May, 2017.

*** Mr. Sachin Nath Chaturvedi being disqualified under section 164(2) of the Companies Act, 2013, has vacated his office as a director of the Company and consequently has ceased to be the Chairman of the Committee w.e.f. 13th October, 2017.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met annually during the financial year 2017-18 on 25th May, 2017.

Name of the Director	Meeting Attended
Mr. Khurshed Doongaji	1
Mr. Arvind Poddar	1
Mr. Laxmidas Merchant	1
Mr. Sanjay Asher	Leave Sought
Mr. Rajiv Poddar (w.e.f 25th May, 2017)	NA
Mrs. Vijaylaxmi Poddar (upto 25th May, 2017)	1
Mr. Sachin Nath Chaturvedi (upto 12th October, 2017)	1

c. FINANCE COMMITTEE

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

1. To approve the borrowings of monies upto limit of ₹ 5,00,000 Lakhs 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;
2. 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;
3. 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;
4. To renew the existing credit facilities granted by the bankers to the Company.

COMPOSITION OF THE COMMITTEE:

Name of the Director	Category of Director	Designation
Mr. Arvind Poddar	Executive Non –Independent Director	Chairman
Mr. Rajiv Poddar	Executive Non –Independent Director	Member
Mr. Vipul Shah	Executive Non –Independent Director	Member

Mr. Basant Bansal - Director (Finance) is a permanent invitee to the Finance Committee Meetings.

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met six times during the financial year 2017-18. The meetings were held on 22nd June, 2017, 07th October, 2017, 27th November, 2017, 21st December, 2017, 26th February, 2018 and 15th March, 2018 where all the members of the Committee were present for the said meetings.

d. MEETING OF INDEPENDENT DIRECTORS

Pursuant Schedule IV to the Act, the Company's Independent Directors met annually on 24th March, 2018 during the financial year 2017-18 without the attendance of non-independent directors and members of the management, inter alia, to:

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

Mr. Pannkaj Ghadiali was unanimously appointed as the Chairman of the meeting of Independent Directors.

e. COMMITTEE FOR BONUS ISSUE OF SHARES

The Board of Directors has constituted a Committee for the purpose of issue and allotment of 9,66,58,595 Equity Shares of ₹ 2/- each as fully paid up bonus equity shares, in the ratio of 1(one) fully paid up bonus equity share of ₹ 2/- each for every 1(one) existing equity share of ₹ 2/- each fully paid up to the shareholders of the Company holding shares as on record date 23rd December, 2017.

COMPOSITION OF THE COMMITTEE:

Name of the Director	Category of Director	Designation
Mr. Arvind Poddar	Executive Non –Independent Director	Chairman
Mr. Rajiv Poddar	Executive Non –Independent Director	Member
Mr. Vipul Shah	Executive Non –Independent Director	Member

MEETINGS AND ATTENDANCE OF COMMITTEE DURING THE YEAR:

The above committee has met twice during the financial year 2017-18. The meetings were held on 11th December, 2017 and 27th December, 2017 where all the members of the Committee were present for the said meetings.

8. GENERAL BODY MEETING:

a. Details of the last three Annual General Meetings:

Year	Location	Date	Time	Special Resolution Passed
2014-2015 53RD AGM	Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar – 401506	11th July, 2015	11:30 a.m.	No Special Resolutions were passed.
2015-2016 54TH AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	06th August, 2016	12:00 Noon	No Special Resolutions were passed.
2016-2017 55TH AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	09th September, 2017	12:00 Noon	Service of documents to members of the company pursuant to Section 20 of the Companies Act, 2013.

b. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:

During the year under review, the Company has passed 1 (one) resolution as Special Resolution through Postal Ballot in accordance to the procedure prescribed in Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014 through notice of postal ballot dated 13th November, 2017 for issuance of Bonus Shares of the Company, the results of which were announced on 15th December, 2017. Mr. G.B.B. Babuji (Membership No. FCS 1182), Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid Votes	
	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Number of members voted through electronic voting system and through Physical ballot form	Number of valid Votes cast (Shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Approval for Issue of Bonus Shares of the Company	411	8,12,78,075	99.9999	3	52	0.0001	26	21,286

c. Procedure for postal ballot:

The Company conducted the 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"). The Company had completed the dispatch of the Postal Ballot Notice dated 13th November, 2017 along with the Explanatory Statement, postal ballot form and self-addressed Prepaid business reply envelopes on 15th November, 2017 to the shareholders who had not registered their e-mail IDs with the Company/ Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/ Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from 16th November, 2017 (9.00 a.m. IST) to 15th December, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through evoting in a fair and transparent manner, the scrutinizer i.e. Mr. G.B.B. Babuji submitted his report to the Company and the results of the postal ballot were announced by the Company on 15th December, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website.

d. Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot.

9. 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 Exchanges for dissemination. A Directors' Report & Management Discussion and Analysis Report is a part of the Company's Annual Report.

10. GENERAL SHAREHOLDER INFORMATION:

a. ANNUAL GENERAL MEETING:

Date	14th July, 2018
Time	11.30 A.M
Venue	Registered Office of the Company at B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad – 431 136

b. FINANCIAL YEAR : 1st April, 2017 to 31st March, 2018

Financial Calendar:

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	On or before 14th August, 2018
2.	Second Quarter & Half Yearly Results	On or before 14th November, 2018
3.	Third Quarter & Nine-months Results	On or before 14th February, 2019
4.	Fourth Quarter & Annual Results	On or before 30th May, 2019.

c. BOOK CLOSURE DATE: From Wednesday, the 11th July, 2018 to Thursday, the 12th July, 2018 (both days inclusive).

d. DIVIDEND PAYMENT DATE:

During the year under review the company has paid following Interim dividends

Interim Dividend	Dividend Payment date	At the rate
1st Interim Dividend	11th August, 2017	₹ 2.50 per equity share
2nd Interim Dividend	21st November, 2017	₹ 2.50 per equity share
3rd Interim Dividend	26th February, 2018	₹ 1.50 per equity share

The Board of Directors at their Meeting held on 17th May, 2018 has recommended final dividend of ₹ 1.50 equity share for financial year 2017-2018, subject to the approval from shareholders. The dividend if declared at the Annual General Meeting shall be paid on or after 14th July, 2018 but within the statutory time limit.

Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/ unpaid dividend are available on the website of the Company viz https://www.bkt-tires.com/en/investors-desk/shareholding-info.

Details of Unclaimed dividend as on 31st March, 2018 and due date of transfer is as follows:

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
Final Dividend	2010-2011	06th August, 2011	12th September, 2018
Final Dividend	2011-2012	1st September, 2012	07th October, 2019
Final Dividend	2012-2013	21st September, 2013	29th October, 2020
Final Dividend	2013-2014	13th September, 2014	20th October, 2021
Final Dividend	2014-2015	11th July, 2015	17th August, 2022
Interim Dividend	2015-2016	9th March, 2016	15th April, 2023
1st Interim Dividend	2016-2017	10th September, 2016	17th October, 2023
2nd Interim Dividend	2016-2017	30th November, 2016	06th January, 2024
3rd Interim Dividend	2016-2017	10th February, 2017	19th March, 2024
Final Dividend	2016-2017	09th September, 2017	14th October, 2024
1st Interim Dividend	2017-2018	29th July, 2017	02nd September, 2024
2nd Interim Dividend	2017-2018	08th November, 2017	13th December, 2024
3rd Interim Dividend	2017-2018	14th February, 2018	21st March, 2025

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years.

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPFA Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPFA Rules.

The Company has sent out individual communication to the concerned Members whose Dividend are liable to be transferred to IEPFA on 12th September, 2018 to take immediate action in the matter. As required under the IEPFA Rules, the Company has also published a Notice informing the Members' who have not claimed their Dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPF.

During the year under review, the Company has transferred Unclaimed Dividend and Shares to 'Investor Education and Protection Fund' on 30th May, 2017 and 20th December, 2017 respectively.

Nodal Officer

Mr. Vipul Shah, Director and Company Secretary of the Company was appointed as the Nodal Officer for the purpose of Coordination with the IEPF Authority as to ensure processing and verification of claims by the Shareholders in time bound manner.

e. COMPANY'S SHARES ARE LISTED ON:

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

Annual listing fee as applicable for the year 2018-19 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

f. STOCK CODES/SYMBOL:

BSE : 502355 NSE : BALKRISIND

ISIN No. : INE787D01026

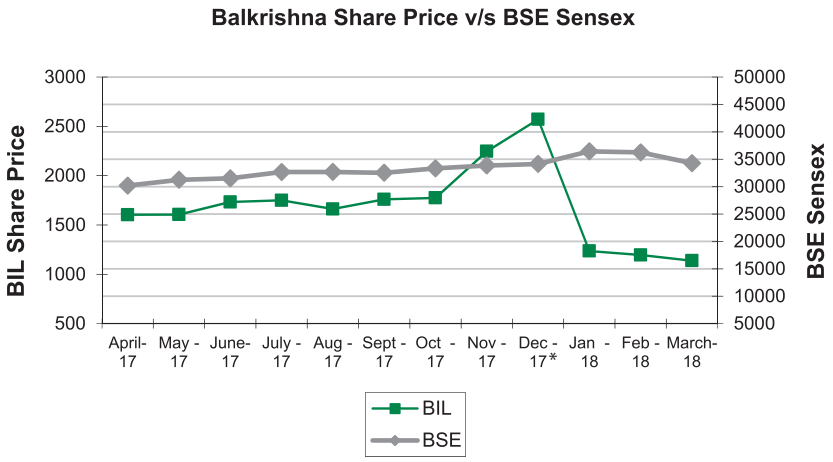
g. MARKET PRICE DATA (In ₹):

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April-2017	1603.90	1382.75	1583.30	1380.00
May-2017	1606.00	1425.35	1605.95	1425.00
June-2017	1733.00	1476.45	1732.00	1475.00
July-2017	1750.00	1587.20	1743.00	1580.65
August-2017	1662.00	1440.00	1664.35	1437.00
September-2017	1760.00	1580.00	1764.70	1580.00
October-2017	1774.80	1613.00	1755.00	1610.00
November-2017	2247.15	1719.95	2246.00	1713.25
December-2017*	2571.25	1138.00	2548.40	1137.00
January-2018	1236.05	1089.95	1238.30	1088.10
February-2018	1196.05	1011.00	1198.00	975.35
March-2018	1138.20	1002.60	1137.90	1002.55

*The Company has issued Bonus Share in the ratio 1:1 on 27th December, 2017, Shares become Ex-Bonus w.e.f 21st December, 2017.

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

h. PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX :



*The Company has issued Bonus Share in the ratio 1:1 on 27th December, 2017, Shares become Ex-Bonus w.e.f 21st December, 2017.

{Source: www.bseindia.com}

i. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTORS REPORT SHALL EXPLAIN THE REASON THEREOF:

Not Applicable

j. REGISTRAR AND SHARE TRANSFER AGENT:

Name and Address : Karvy Computershare Pvt. Ltd
(Unit: Balkrishna Industries Limited)
Karvy Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District, Nanakramguda
HYDERABAD – 500 032
Telephone: +91 40 6716 2222
Fax: +91 40 2342 0814
E-mail: einward.ris@karvy .com
Website www.karvycomputershare.com

Mumbai address (for shareholder services):
B-24, Rajabhadur Mansion, 6, Ambalal Doshi Marg
Behind BSE Ltd, Fort, Mumbai - 400 001
Phone: +91 022 66235454

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

k. SHARE TRANSFER SYSTEM:

Share transfer 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, 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 under Regulation 40(10).

l. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
Upto 500	32463	90.05	2263509	1.17
501 - 1000	1281	3.55	976801	0.51
1001 - 2000	780	2.16	1183852	0.61
2001 - 3000	379	1.05	1002921	0.52
3001 - 4000	202	0.56	729802	0.38
4001 - 5000	119	0.33	546722	0.28
5001 - 10000	301	0.84	2107582	1.09
10001 & Above	525	1.46	184506001	95.44
Total	**36050**	**100.00**	**193317190**	**100.00**

Categories of Shareholding as on 31st March, 2018:

Categories of Shareholders	No. of Shares	% of Total Shares
Promoter and Promoter Group (A)	**112696020**	**58.30**
Public Shareholding (B)		
Mutual Funds/UTI	21106530	10.92
Financial Institutions/Banks	115491	0.06
Bodies Corporate	5662669	2.93
Individuals	17069880	8.83
Any Other		
NRI's	746272	0.39
Trust	357888	0.18
Foreign Portfolio Investor	34112816	17.64
Clearing Members	211647	0.11
Alternative Investment Fund	649867	0.34
IEPF	588110	0.30
Total Public Shareholding (B)	**80621170**	**41.70**
Total Shareholding (A+B)	**193317190**	**100.00**

m. 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, 2018, 98.95% of Company's Shares were dematerialized.

n. OUTSTANDING ADR'S / GDR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

Not Applicable.

o. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

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

p. PLANT LOCATIONS:

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

q. 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

11. OTHER DISCLOSURES:

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2017-18 were on arm's length basis. During the year, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the Policy on materiality of related party transactions and dealing with related party transactions. The policy on materiality of related party transactions has been displayed on the Company's website https://www.bkt-tires.com/en/investors-desk/shareholding-info.

Details of Transactions with related parties have also been disclosed in Note no. 43 of Standalone Financial Statements.

A summary statement of all related parties transactions are placed periodically before the Audit Committee of the Company for its review and approval.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with all requirements specified under Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

c. Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Vigil Mechanism/ Whistle Blower Policy is displayed on the Company's website viz. https://www.bkt-tires.com/en/investors-desk/shareholding-info

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirement:

The Company has complied with all mandatory requirements of Listing Regulations, in respect of Corporate Governance. The following non-mandatory requirements have been adopted by the company:

i. Auditor's Report does not contain any qualifications.

ii. The Company is in the regime of financial statements with unmodified audit opinion.

e. Subsidiary Companies:

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company https://www.bkt-tires.com/en/investors-desk/shareholding-info.

The Audit Committee periodically reviews the financial statements and investments made by the unlisted Subsidiary Companies. Also all the minutes of the Board Meetings along with the statements of transactions and arrangements entered into with the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

The Board of Directors of the Company, on 18th May, 2016, have approved the Scheme of Amalgamation of its wholly owned subsidiary Company M/s. BKT Exim Limited into 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 Hon'ble Bombay High Court, which was transferred to the Hon'ble National Company Law Tribunal (NCLT). NCLT has approved the Scheme of Amalgamation on 24th January, 2018 and on filing the NCLT Order with the Registrar of Companies, Mumbai, the Scheme became effective on 21st February, 2018. The appointment date of the scheme was 1st April, 2015.

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

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

12. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out 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.

13. RISK MANAGEMENT:

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

14. ACCOUNTING TREATMENT:

Disclosure of accounting treatment different from accounting standards: None

15. DISCRETIONARY REQUIREMENTS:

The Company has adopted discretionary requirements as specified in Part E of Schedule II to the extent of the auditors' report on statutory financial statements of the Company are unqualified.

16. 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 2017-2018 is in compliance with the requirements of Corporate Governance under Regulation 27(2) of Listing Regulation.

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 17th May, 2018

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, 2018.

For Balkrishna Industries Limited

Place : Mumbai;
Dated: 17th May, 2018

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

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, 2018 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 | **For Balkrishna Industries Limited**

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

BASANT BANSAL
DIRECTOR (FINANCE)

Place : Mumbai,
Dated: 17th May, 2018

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
BALKRISHNA INDUSTRIES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 15th September, 2017.
2. This report contains details of compliance of conditions of Corporate Governance by Balkrishna Industries Limited ('the Company') for the year ended 31st March, 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

3. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31st March,2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

PLACE: Mumbai,
DATE: 17th May, 2018

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Balkrishna Industries Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, 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.

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 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the internal financial controls, with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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 financial statements;

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

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

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

PLACE: Mumbai
DATE: 17th May, 2018

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2018, we report that:

(i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, physical verification of these fixed assets is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs , Duty of Excise, Value added Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2018 outstanding for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Duty of Customs, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (₹in lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act	Income Tax	207	2004-05	Supreme Court
Sales Tax Act	Sales Tax (Including Interest and Penalty)	3	2004-05	High Court
		61	2011-12	Tribunal
		141	1996-97 & 2012-2014	Commissioner (Appeals)
		5	2013-14	Assessing Authority
Customs Act	Custom Duty (Including Interest and Penalty)	4714	2012-2014	Supreme Court
		399	2012-13 & 2015-16	CESTAT
		25	2015-16	Commissioner
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	126	2002-2006	Supreme Court
		262	2003-2010	High Court
		409	2006-2015	Tribunal
		207	2012-2017	Commissioner (Appeals)
		198	1994-1996 & 2016-17	Assessing Authority

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

(ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

PLACE: Mumbai
DATE: 17th May, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls, with reference to financial statements as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PLACE: Mumbai
DATE: 17th May, 2018

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

BALANCE SHEET

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2018		As at 31st March 2017
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2	**2,79,453**		2,79,281
(b) Capital Work-in-Progress	2	**11,828**		10,967
(c) Investment Property	3	**5,107**		5,179
(d) Intangible Assets	4	**344**		399
(e) Financial Assets				
i) Investments	5	**62,005**		88,794
ii) Other Financial Assets	6	**802**		4,021
(f) Income tax Assets (Net)	7	**8,117**		7,219
(g) Other Non-Current Assets	8	**18,465**		8,482
TOTAL NON CURRENT ASSETS			**3,86,121**	4,04,342
2 CURRENT ASSETS				
(a) Inventories	9	**59,419**		45,969
(b) Financial Assets				
i) Investments	10	**48,318**		46,180
ii) Trade Receivables	11	**50,193**		41,219
iii) Cash and Cash Equivalents	12	**1,761**		1,149
iv) Other Bank Balances	13	**697**		221
v) Loans	14	**1,408**		2,391
vi) Other Financial Assets	15	**8,834**		17,543
(c) Other Current Assets	16	**27,718**		16,550
TOTAL CURRENT ASSETS			**1,98,348**	1,71,222
TOTAL ASSETS			**5,84,469**	5,75,564
II EQUITY AND LIABILITIES				
EQUITY				
(a) Share Capital	17	**3,866**		1,933
(b) Other Equity	18	**4,05,657**		3,53,190
TOTAL EQUITY			**4,09,523**	3,55,123
LIABILITIES				
1 NON- CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	19	**250**		21,884
ii) Other Financial Liabilities	20	**1**		1
(b) Provisions	21	**1,297**		1,260
(c) Deferred Tax Liabilities (Net)	22	**32,888**		35,287
(d) Other Non-Current Liabilities	23	**877**		1,507
TOTAL NON CURRENT LIABILITIES			**35,313**	59,939
2 CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	24	**61,607**		54,846
ii) Trade Payable	25	**39,739**		36,334
iii) Other Financial Liabilities	26	**26,769**		64,107
(b) Other Current Liabilities	27	**10,776**		4,653
(c) Provisions	28	**742**		562
TOTAL CURRENT LIABILITIES			**1,39,633**	1,60,502
TOTAL EQUITY AND LIABILITIES			**5,84,469**	5,75,564

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1 TO 54**

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

STATEMENT OF PROFIT AND LOSS

(₹ In Lakhs)

	Particulars	Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
I	**Revenue From Operations**	29	**4,46,446**	3,78,466
II	**Other Income**	30	**33,621**	24,961
III	**Total Income (I+II)**		**4,80,067**	4,03,427
IV	**Expenses :**			
	Cost of Materials Consumed	31	**2,16,521**	1,57,305
	Purchases of Stock-in-Trade	32	**2,762**	780
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	**(4,298)**	47
	Employee Benefits Expense	34	**24,878**	22,429
	Finance Cost	35	**1,306**	2,144
	Depreciation and Amortisation Expense	36	**31,134**	30,383
	Other Expenses	37	**95,915**	84,712
	Total Expenses		**3,68,218**	2,97,800
V	**Profit Before Tax (III-IV)**		**1,11,849**	1,05,627
VI	**Tax Expenses**			
	Current tax		**36,903**	29,553
	Deferred tax		**1,021**	4,516
	Total Tax Expenses		**37,924**	34,069
VII	**Profit After Tax (V-VI)**		**73,925**	71,558
VIII	**Other Comprehensive Income**			
1	i) Items that will not be reclassified to profit or loss :			
	Remeasurements of Defined Benefit Plans		**49**	(659)
	ii) Income Tax		**(14)**	228
2	i) Items that will be reclassified to profit or loss :			
	The effective portion of gain and losses on hedging instruments in a cash flow hedge		**(10,005)**	18,365
	ii) Income Tax		**3,435**	(6,356)
	Total Other Comprehensive Income (1+2)		**(6,535)**	11,578
IX	**Total Comprehensive Income (VII+VIII)**		**67,390**	83,136
X	**Earnings per equity share:**			
	Basic and Diluted		**38.24**	37.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS **1 TO 54**

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance at the 1st April 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
Changes in equity share capital	9,66,58,595	1,933
Balance as at 31st March 2018	19,33,17,190	3,866

(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	Total other equity
Balance at the 1st April 2016	1,253	2,20,000	55,424	(222)	NIL	2,76,455
Total Comprehensive						
Profit for the year	NIL	NIL	71,558	NIL	NIL	71,558
Other comprehensive income for the year	NIL	NIL	NIL	(431)	12,009	11,578
Income Tax of Earlier Years	NIL	NIL	5	NIL	NIL	5
Transactions with owners of the company						
Interim Dividend on Equity Shares	NIL	NIL	(5,316)	NIL	NIL	(5,316)
Interim Dividend Distribution Tax	NIL	NIL	(1,082)	NIL	NIL	(1,082)
Dividend on Equity Shares	NIL	NIL	NIL	NIL	NIL	NIL
Dividend Distribution Tax	NIL	NIL	NIL	NIL	NIL	NIL
Dividend Distribution Tax of earlier year	NIL	NIL	(8)	NIL	NIL	(8)
Transferred to General Reserve	NIL	NIL	(50,000)	NIL	NIL	(50,000)
Transferred from Retained Earnings	NIL	50,000	NIL	NIL	NIL	50,000
Balance as at 31st March 2017	**1,253**	**2,70,000**	**70,581**	**(653)**	**12,009**	**3,53,190**
Total Comprehensive						
Profit for the year	NIL	NIL	73,925	NIL	NIL	73,925
Other comprehensive income for the year	NIL	NIL	NIL	35	(6,570)	(6,535)
Income Tax of Earlier Years	NIL	NIL	(775)	NIL	NIL	(775)
Transactions with owners of the company						
Interim Dividend on Equity Shares	NIL	NIL	(7,733)	NIL	NIL	(7,733)
Interim Dividend Distribution Tax	NIL	NIL	(1,574)	NIL	NIL	(1,574)
Dividend on Equity Shares	NIL	NIL	(2,416)	NIL	NIL	(2,416)
Dividend Distribution Tax on Equity Shares	NIL	NIL	(492)	NIL	NIL	(492)
On account of Bonus Shares	(1,253)	(680)	NIL	NIL	NIL	(1,933)
Transferred to General Reserve	NIL	NIL	(30,680)	NIL	NIL	(30,680)
Transferred from Retained Earnings	NIL	30,680	NIL	NIL	NIL	30,680
Balance as at 31st March 2018	**NIL**	**3,00,000**	**1,00,836**	**(618)**	**5,439**	**4,05,657**

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	Year Ended 31st March 2018		Year Ended 31st March 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		**1,11,849**		1,05,627
Adjustment for :				
Depreciation and Amortisation	**31,134**		30,383	
Provision for Doubtful advances	**660**		NIL	
Mark to market gain on fair valuation of foreign exchange forward contracts	**NIL**		1,135	
Net mark to market gain on investments	**(2,437)**		(9,729)	
Income from Investments	**(3,644)**		(1,170)	
Finance Cost	**1,306**		2,144	
Interest Income including on investments	**(710)**		(1,425)	
(Profit)/Loss on Sale of Property, Plant and equipment	**(10)**		(92)	
Property, Plant and equipment Discarded (Previous year ₹ 7,507)	**4**		0	
Unrealised Foreign Exchange differences (Gain)/Loss	**(1,811)**		281	
Acturial gains/(losses) reclassified to OCI	**49**		(659)	
Export Incentive on account of EPCG	**(1,186)**		(324)	
Retiring Gratuity	**422**		874	
Leave Encashment	**301**		59	
		24,078		21,477
Operating profit before working capital changes		**1,35,927**		1,27,104
Adjustment for:				
Trade and other receivables	**(17,072)**		(5,065)	
Other Financial Assets	**(476)**		(55)	
Inventories	**(13,450)**		(7,198)	
Trade payables	**9,484**		986	
		(21,514)		(11,332)
Cash generated from operations		**1,14,413**		1,15,772
Direct taxes paid		**(38,576)**		(31,250)
Gratuity paid		**(389)**		(235)
Leave Encashment paid		**(117)**		(106)
Net cash from Operating Activities		**75,331**		84,181
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and equipment	**(41,988)**		(18,488)	
Sale of Property, Plant and equipment	**894**		2,359	
Purchase of Investments	**(1,18,241)**		(2,54,233)	
Sale of Investments	**1,48,732**		2,13,786	
Inter Corporate Loan Refund Received	**450**		1,577	
Interest received	**720**		1,497	
Dividend Received on Investments	**242**		135	
Net cash used in Investing Activities		**(9,191)**		(53,367)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds/(Repayment) of Short Term Borrowings (Net)	**(3,377)**		7,970	
Proceeds from Long Term Borrowings	**18,334**		8,893	
Repayment of Long Term Borrowings	**(67,041)**		(69,852)	
Dividend paid (including tax thereon)	**(12,124)**		(6,444)	
Finance Cost paid	**(1,321)**		(2,188)	
Net Cash from Financing Activities		**(65,529)**		(61,621)
Net Increase in cash and cash equivalent		**611**		(30,807)
Exchange difference on cash and cash equivalent		**1**		(3)
Cash and cash equivalent as at the beginning of the year		**1,149**		31,959
Cash and cash equivalent as at the end of the year		**1,761**		1,149

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

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

NATWAR THAKRAR
Partner
Membership No.036213

BASANT BANSAL
Director (Finance)

Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. (a) General information

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

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

(b) Significant Accounting policies

(a) Basis of preparation

(i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Financial instruments measured at fair value through profit and loss
2. Financial instruments measured at fair value through other comprehensive income
3. Defined benefit plans – plan assets measured at fair value

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (₹), 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 recognises 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 twelve 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:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, Ministry of Corporate Affairs("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency The amendment will come into force from 1st April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1st April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1st April 2018.

The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect, if any, on adoption of Ind AS 115 is expected to be insignificant"

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	*For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Property, Plant and Equipment										
Tangible Assets:										
(a) Land										
Freehold	3,702	473	NIL	4,175	NIL	NIL	NIL	NIL	4,175	3,702
Leasehold	1,903	NIL	159	1,744	48	23	4	67	1,677	1,855
(b) Buildings	89,137	8,575	NIL	97,712	6,086	3,901	NIL	9,987	87,725	83,051
(c) Plant and Equipment	2,23,444	19,941	990	2,42,395	47,717	24,662	370	72,009	1,70,386	1,75,727
(d) Furniture and Fixtures	5,590	1,121	NIL	6,711	953	658	NIL	1,611	5,100	4,637
(e) Vehicles	1,798	390	178	2,010	494	271	65	700	1,310	1,304
(f) Office Equipment	593	208	#0	801	222	127	##0	349	452	371
(g) Others:										
Electric Installations	10,505	1,127	3	11,629	2,569	1,246	2	3,813	7,816	7,935
Air Conditioners	684	276	$0	960	238	155	$$0	393	567	446
Computer	544	131	1	674	291	138	1	428	246	253
TOTAL PROPERTY, PLANT AND EQUIPMENT	**3,37,900**	**32,243**	**1,331**	**3,68,811**	**58,618**	**31,181**	**442**	**89,357**	**2,79,453**	**2,79,281**
CAPITAL WORK IN PROGRESS									**11,828**	10,967

* Including Depreciation capitalised ₹ 230 Lakhs.

₹ 23,897, ## ₹ 19,412, $ ₹ 29,202 & $$ ₹ 29,137.

PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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	8,042	NIL	89,137	2,632	3,454	NIL	6,086	83,051	78,463
(c) Plant and Equipment	2,09,964	13,693	213	2,23,444	23,399	24,371	53	47,717	1,75,727	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	81	1,798	249	270	24	494	1,304	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	5	2,569	7,935	8,027
Air Conditioners	420	264	NIL	684	105	133	NIL	238	446	315
Computer	397	147	1	544	138	153	NIL	291	253	260
TOTAL PROPERTY, PLANT AND EQUIPMENT	**3,13,742**	**24,474**	**318**	**3,37,900**	**28,336**	**30,364**	**82**	**58,618**	**2,79,281**	**2,85,406**
CAPITAL WORK IN PROGRESS									10,967	23,107

* Including Depreciation capitalised ₹ 225 Lakhs.

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Buildings	5,348	NIL	NIL	5,348	169	72	NIL	241	5,107	5,179
TOTAL INVESTMENT PROPERTY	5,348	NIL	NIL	5,348	169	72	NIL	241	5,107	5,179

INVESTMENT PROPERTY AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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	4,538	71	5,347	22	148	2	168	5,179	858
TOTAL INVESTMENT PROPERTY	880	4,538	71	5,347	22	148	2	168	5,179	858

During the Financial year 2016-17 under Property Plant and Equipment- building an amount of ₹ 4538 Lakhs and also the accumulated depreciation of ₹127 Lakhs has been re-grouped to investment property.

i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year ended 31st March,2018	Year ended 31st March,2017
Rental income derived from investment properties	**404**	158
Direct operating expenses (including repair and maintenance) generating rental income	**(33)**	(24)
Profit from investment properties before depreciation	**371**	134
Depreciation	**72**	42
Profit from investment properties	**299**	92

ii) Fair value

(₹ in Lakhs)

	Year ended 31st March,2018	Year ended 31st March,2017
Investment property	**16,352**	15,069

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 AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Computer software	556	46	NIL	602	157	110	NIL	267	335	399
Trademark	NIL	10	NIL	10	NIL	1	NIL	1	9	NIL
TOTAL INTANGIBLE ASSETS	**556**	**56**	**NIL**	**612**	**157**	**111**	**NIL**	**268**	**344**	**399**

INTANGIBLE ASSETS AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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**

(₹ in Lakhs)

NOTE NO.5	Units	As at 31st March 2018		As at 31st March 2017
INVESTMENTS (NON-CURRENT) :				
A Investments in Equity Instruments at Cost				
(Fully paid up Shares)				
Unquoted:				
(In 100 % Subsidiaries Companies)				
50,000 Shares of BKT Tyres Ltd. (of ₹ 10 each)		**5**		5
50,000 Shares of Thristha Synthetics Ltd. (of ₹10 each)		**5**		5
BKT EUROPE S.R.L.		**5**		5
1,000 Shares of BKT USA INC		**1**		1
5,000 Shares of BKT Tires (Canada) Inc		**3**		3
6,000 Shares of BKT Exim US Inc.		**37**		37
			56	56
B Investment carried at amortised cost				
(a) Investment in Preference Shares				
(Fully paid up Shares)				
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	2,80,000	**2,837**		NIL
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	2,00,000	**2,000**		NIL
11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of ₹ 10 each		**51**		47
			4,888	47
(b) Investments in Government Securities				
In 6 Year National Saving Certificates		**0**		0
(31st March 2018 ₹ 20,000, 31st March, 2017 ₹ 20,000)				
Quoted:				
(c) Investment in Tax Free Bonds (at amortised cost)				
7.35 % NABARD Tax Free Bonds SR-IIA	50,099	**501**		501
7.35 % IRFC Tax Free Bonds SR-108	58,783	**588**		588
7.39% HUDCO Tax Free Bond	2,50,000	**2,597**		2,605
7.14 % NHAI Tax Free Bond	2,85,698	**2,934**		2,943
			6,620	6,637
C Investment carried at fair value through Profit and Loss				
(a) Investment in Debenture (Non Convertible)				
Ecap Equities Ltd.	2,500	**2,674**		NIL
Edelweiss Assets Reconstruction co. Ltd	1,486	**1,559**		NIL
			4,233	NIL
Unquoted:				
(b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7	69,87,283		**702**	NIL
Quoted:				
(c) Investment in Mutual fund				
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	50,00,000	**501**		501
HDFC Charity Fund for Cancer Cure - Arbitrage Plan Direct Option -100% Dividend Donation	50,00,000	**501**		501
HDFC Housing Opportunity	1,00,00,000	**964**		NIL
HDFC Fixed Maturity Plan Series 35/36/37/39 Direct Growth (As at 31st March 2017 Units 35,80,00,000)	37,30,00,000	**43,540**		39,241
Unquoted:				
HDFC Gilt Fund - Long Term Plan	5,16,24,449	**NIL**		17,716
SBI Megnum Gilt Fund Long Term Plan	6,42,38,971	**NIL**		24,095
			45,506	82,054
			62,005	88,794
Aggregate amount of quoted investments and market value thereof			**56,359**	46,880
Aggregate amount of unquoted investments.			**5,646**	41,914

(₹ in Lakhs)

NOTE NO. 6	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL ASSETS (NON-CURRENT)		
Derivative Assets	**NIL**	3,311
Security Deposits	**802**	710
	802	4,021

(₹ in Lakhs)

NOTE NO. 7	As at 31st March 2018	As at 31st March 2017
INCOME TAX ASSETS (NET)		
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	**8,117**	7,219
	8,117	7,219

(₹ in Lakhs)

NOTE NO.8	As at 31st March 2018	As at 31st March 2017
OTHER NON CURRENT ASSETS		
(a) Capital Advances	**18,365**	8,379
(b) Others loans and advances		
Prepaid expenses	**100**	98
Others	**NIL**	5
	18,465	8,482

(₹ in Lakhs)

NOTE NO.9	As at 31st March 2018	As at 31st March 2017
INVENTORIES :		
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	**29,688**	22,083
(b) Work-in-Progress	**5,661**	4,748
(c) Finished Goods	**18,148**	15,241
(d) Stock-in-Trade	**610**	132
(e) Stores and Spares	**4,567**	3,573
(f) Others - Packing Materials and Fuel	**745**	192
	59,419	45,969

(₹ in Lakhs)

NOTE NO.10	Units	As at 31st March 2018		As at 31st March 2017
INVESTMENTS (CURRENT)				
Investment carried at fair value through Profit and Loss				
(a) In Mutual Fund				
Quoted:				
HDFC Fixed Maturity Plan Series 31 Growth	1,50,00,000	**NIL**		1,895
SBI Debt Fund Series -A26 Direct Growth	1,50,00,000	**NIL**		1,890
LIC Nomura MF Fixed Maturity Plan Series 85 Direct Growth Plan	2,00,00,000	**NIL**		2,515
Unquoted:				
Axis Treasury Advantage Fund - Growth	10,924	**NIL**		202
Axis Enhance Arbitrage Fund - Growth	1,32,86,970	**NIL**		1,619
IDFC Ultra Short Term Fund Growth (As at 31st March 2017 Units 30,36,453)	28,61,012	**709**		703
IDFC Arbitrage Fund - Growth	19,32,150	**NIL**		409
IDFC Government Securities Fund Investment Plan - Growth	9,97,944	**NIL**		204
ICICI Prudential Ultra Short Term - Direct Plan - Growth (As at 31st March 2017 Units 1,34,72,880)	16,40,815	**300**		2,306
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	2,27,51,213	**NIL**		5,061
ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth	6,80,552	**NIL**		397
HDFC Gilt Fund - Long Term Plan	5,16,24,449	**18,466**		NIL
HDFC Cash management Fund - Treasury Advantage Plant -Direct Plan-Retail	34,36,581	**1,305**		NIL
HDFC Arbitrage Fund Wholesale Plan	6,07,39,068	**NIL**		7,537
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Growth (As at 31st March 2017 Units 15,66,046)	5,05,694	**154**		444
HDFC Liquid Fund (As at 31st March 2017 Units 4,302)	4,032	**138**		138
Aditya Birla Sun Life Cash Manager -Direct-Growth	5,55,70,757	**2,223**		NIL
Birla Sun Life Enhanced Arbitrage Fund - Direct Plan - Growth	1,82,83,339	**NIL**		3,153
Birla Sun Life Floating Rate Fund Long Term Plan - Direct Plan -Growth	12,42,140	**NIL**		2,493
Kotak Equity Arbitrage Fund - Growth	94,07,175	**NIL**		2,250
SBI Arbitrage Opportunity Fund - Growth	32,59,860	**NIL**		712
BNP Paribas Enhanced Arbitrage Fund - Direct Plan - Growth	3,37,88,837	**NIL**		3,452
UTI Spread Fund - Growth	17,89,664	**NIL**		403
L&T Ultra Short Term Fund - Growth	11,18,610	**NIL**		301
TATA Ultra Short Term Fund -Growth	52,604	**NIL**		1,306
SBI Magnum Gilt Fund Long Term Plan	6,42,38,971	**25,023**		NIL
			48,318	39,390

(₹ in Lakhs)

NOTE NO.10	Units	As at 31st March 2018		As at 31st March 2017
(b) Investment in Debenture				
Quoted:				
Citicorp Finance (India) Limited NCD Series 583 Alt1	3,500	**NIL**		3,724
Citicorp Finance (India) Limited NCD Series 621 Alt3	1,000	**NIL**		1,050
Citicorp Finance (India) Limited NCD Series 621 Alt2	1,000	**NIL**		1,009
Citicorp Finance (India) Limited NCD Series 621 Alt1	1,000	**NIL**		1,007
			NIL	6,790
			48,318	46,180
Aggregate amount of quoted investments and Market value thereof			**NIL**	13,090
Aggregate amount of Unquoted investments			**48,318**	33,090

(₹ in Lakhs)

NOTE NO.11	As at 31st March 2018	As at 31st March 2017
TRADE RECEIVABLES		
Secured Considered good	**14,463**	15,384
Unsecured Considered good	**35,730**	25,835
	50,193	41,219

(₹ in Lakhs)

NOTE NO.12	As at 31st March 2018	As at 31st March 2017
CASH AND CASH EQUIVALENTS		
Balances with banks	**1,733**	1,116
Cash on hand	**28**	32
In Fixed Deposit	**NIL**	1
	1,761	1,149

(₹ in Lakhs)

NOTE NO.13	As at 31st March 2018	As at 31st March 2017
OTHER BANK BALANCES		
Unpaid Dividend	**178**	87
Margin Money (Including Fixed Deposit)#	**519**	134
#(Held against guarantee and other commitments)	**697**	221

(₹ in Lakhs)

NOTE NO.14	As at 31st March 2018	As at 31st March 2017
LOANS		
Unsecured		
Loans and advances to other than related parties		
Considered good	**990**	2,100
Considered Doubtful	**660**	NIL
	1,650	2,100
Less: Provision for doubtful advance	**660**	NIL
	990	2,100
Loans and advances to employees (considered good)	**418**	291
	1,408	2,391

(₹ in Lakhs)

NOTE NO.15	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	**8,448**	17,147
Interest accrued on Investments	**277**	277
Interest accrued on Deposits and Loans	**108**	119
Income accrued on Investments	**1**	NIL
	8,834	17,543

(₹ in Lakhs)

NOTE NO.16	As at 31st March 2018	As at 31st March 2017
OTHER CURRENT ASSETS		
Advance Payment to Suppliers	**13,639**	6,428
GST/Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	**13,505**	10,122
Prepaid Expenses	**574**	NIL
	27,718	16,550

(₹ in Lakhs)

NOTE NO.17	As at 31st March 2018	As at 31st March 2017
SHARE CAPITAL		
Authorised :		
44,50,00,000 Equity Shares of ₹2 each	**8,900**	8,900
20,00,000 Redeemable Preference Shares of ₹10 each	**200**	200
	9,100	9,100
Issued Subscribed and fully paid up:		
19,33,17,190 (Previous Year 9,66,58,595) Equity Shares of ₹2 each fully paid up	**3,866**	1,933
	3,866	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 2018**		As at 31st March 2017	
	Number of shares	**Amount (₹ in Lakhs)**	Number of shares	Amount (₹ in Lakhs)
Balance at the beginning of the year	**9,66,58,595**	**1,933**	9,66,58,595	1,933
Issue and Allotment of Bonus Equity Shares on 27th Dec 2017 in ratio of 1:1	**9,66,58,595**	**1,933**	NIL	NIL
Balance at the end of the year	**19,33,17,190**	**3,866**	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
VKP ENTERPRISES LLP	**4,82,32,880**	2,41,16,440
% Holding	**24.95**	24.95
RAJIV A PODDAR	**5,35,77,010**	2,39,84,790
% Holding	**27.72**	24.81

(₹ in Lakhs)

NOTE NO.18		As at 31st March 2018		As at 31st March 2017
OTHER EQUITY				
a.	**Securities Premium Account**			
	Opening Balance	**1,253**		1,253
	Less: Movement during the year on account of Issue of Bonus shares	**1,253**		NIL
	Closing Balance		**NIL**	1,253
b.	**Other Reserve (General Reserve)**			
	Opening Balance	**2,70,000**		2,20,000
	Add: Transferred from Profit and Loss account	**30,680**		50,000
	Less: On account of Issue of Bonus Shares	**680**		NIL
	Closing Balance		**3,00,000**	2,70,000
c.	**Retained Earnings**			
	Opening Balance	**70,581**		55,424
	Add: Net Profit for the current year	**73,925**		71,558
	Less: Interim Dividend	**7,733**		5,316
	Less: Tax on Interim Dividend	**1,574**		1,082
	Less: Dividend on equity shares	**2,416**		NIL
	Less: Tax on equity dividend	**492**		NIL
	Less: Transfer to General Reserve	**30,680**		50,000
	Less: Tax on Dividend of Earlier Year	**NIL**		8
	Add/(Less): Income Tax of Earlier Years	**(775)**		5
	Closing Balance		**1,00,836**	70,581

(₹ in Lakhs)

NOTE NO.18	As at 31st March 2018		As at 31st March 2017
d. Remeasurements of the net defined benefit plans			
Opening Balance	**(653)**		(222)
Movement during the year	**35**		(431)
Closing Balance		**(618)**	(653)
e. Effective portion of cash flow hedges			
Opening Balance	**12,009**		NIL
Movement during the year	**(6,570)**		12,009
Closing Balance		**5,439**	12,009
		4,05,657	3,53,190

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 return on plan assets (excluding interest income)

Cash flow hedging reserve

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

(₹ in Lakhs)

NOTE NO.19	As at 31st March 2018	As at 31st March 2017
BORROWINGS (NON-CURRENT)		
Secured		
From banks	**NIL**	21,596
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)	**250**	288
	250	21,884
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

(₹ in Lakhs)

NOTE NO.20	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL LIABILITIES (NON-CURRENT)		
Distributors/Dealers Deposit	**1**	1
	1	1

(₹ in Lakhs)

NOTE NO.21	As at 31st March 2018	As at 31st March 2017
PROVISIONS (NON-CURRENT)		
Provision for employee benefits		
Gratuity	1,037	1,003
Leave Encashment	260	257
	1,297	1,260

(₹ in Lakhs)

NOTE NO.22	As at 31st March 2018	As at 31st March 2017
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of :		
Depreciation	**33,545**	36,095
Deferred Tax Assets on account of :		
Expenses allowable for tax purpose when paid	**657**	808
Net Deferred Tax Liability	**32,888**	35,287

(₹ in Lakhs)

NOTE NO.23	As at 31st March 2018	As at 31st March 2017
OTHER NON CURRENT LIABILITIES		
Deferred Income (Export Incentive)	877	1,507
	877	1,507

(₹ in Lakhs)

NOTE NO.24	As at 31st March 2018	As at 31st March 2017
BORROWINGS (CURRENT)		
Secured		
From Banks	**25,091**	25,982
Unsecured		
From Banks	**36,516**	28,864
	61,607	54,846
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

(₹ in Lakhs)

NOTE NO.25	As at 31st March 2018	As at 31st March 2017
TRADE PAYABLES		
Trade Payables (including Acceptances)	**39,739**	36,334
	39,739	36,334
(Refer Note No. 45 for details of Dues to Micro and Small Enterprises)		

(₹ in Lakhs)

NOTE NO.26	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL LIABILITIES (CURRENT)		
Interest accrued but not due	**32**	47
Current maturity of Long Term debt	**21,688**	59,385
Unpaid Dividend	**178**	87
Other Payable (capital creditors)	**4,782**	4,588
Derivative liabilities	**89**	NIL
	26,769	64,107

(₹ in Lakhs)

NOTE NO.27	As at 31st March 2018	As at 31st March 2017
OTHER CURRENT LIABILITIES		
Income received in advance	**2,229**	2,382
Security Deposit	**2,245**	45
Statutory dues towards TDS/GST/VAT/CST/Service Tax etc.	**6,302**	2,226
	10,776	4,653

(₹ in Lakhs)

NOTE NO.28	As at 31st March 2018	As at 31st March 2017
PROVISIONS (CURRENT)		
Provision for employee benefits		
Leave Encashment	742	562
	742	562

(₹ in Lakhs)

NOTE NO.29	Year Ended 31st March 2018		Year Ended 31st March 2017
REVENUE FROM OPERATIONS			
Sale of Products		4,36,988	3,71,840
Other Operating Revenue:			
Export Incentives	7,824		5,724
Scrap Sales	1,400		751
Others	234		151
		9,458	6,626
Total Revenue from Operation		4,46,446	3,78,466

(₹ in Lakhs)

NOTE NO.30	Year Ended 31st March 2018		Year Ended 31st March 2017
OTHER INCOME			
Interest Income on:			
Non Current Investments	449		410
Deposits/Loans and Advances	261		1,015
		710	1,425
Net gain on foreign currency transaction and translation		26,338	12,282
Dividend Income on investments in mutual fund		242	135
Net gain on sale of Non Current Investments		2,094	NIL
Net gain on sale of Current Investments		1,308	1,035
Net mark to market gain on Investments		2,437	9,729
Profit on sale of Property, Plant and Equipment		10	92
Other non-operating income		482	263
		33,621	24,961

(₹ in Lakhs)

NOTE NO.31	Year Ended 31st March 2018	Year Ended 31st March 2017
COST OF MATERIAL CONSUMED		
Raw Material Consumed	2,16,521	1,57,305
	2,16,521	1,57,305

(₹ in Lakhs)

NOTE NO.32	Year Ended 31st March 2018	Year Ended 31st March 2017
PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	2,762	780
	2,762	780

(₹ in Lakhs)

NOTE NO.33	Year Ended 31st March 2018	Year Ended 31st March 2017
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock :		
Work-in-Progress	4,748	3,977
Stock in Trade	132	85
Finished Goods	15,241	16,106
	20,121	20,168
Less :		
Closing Stock :		
Work-in-Progress	5,661	4,748
Stock in Trade	610	132
Finished Goods	18,148	15,241
	24,419	20,121
Net (Increase)/Decrease in Inventories	(4,298)	47

(₹ in Lakhs)

NOTE NO.34	Year Ended 31st March 2018	Year Ended 31st March 2017
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	**22,877**	20,890
Contribution to provident and other funds	**1,521**	1,170
Staff Welfare Expenses	**480**	369
	24,878	22,429

(₹ in Lakhs)

NOTE NO.35	Year Ended 31st March 2018	Year Ended 31st March 2017
FINANCE COST		
Interest expenses	**1,131**	1,792
Other borrowing cost	**175**	352
	1,306	2,144

(₹ in Lakhs)

NOTE NO.36	Year Ended 31st March 2018	Year Ended 31st March 2017
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation	**31,134**	30,383
	31,134	30,383

(₹ in Lakhs)

NOTE NO.37	Year Ended 31st March 2018	Year Ended 31st March 2017
OTHER EXPENSES:		
Consumption of stores and spare parts	**11,316**	9,981
Packing material consumed	**127**	100
Power and fuel(Net)	**17,229**	12,665
Freight and forwarding	**20,931**	16,656
Excise Duty	**1,718**	5,681
Excise duty on variation of Finished Goods	**NIL**	104
Labour/Job Charges	**10,484**	8,638
Water Charges	**397**	315
Repairs and Maintenance to Plant & Machinery	**3,496**	1,230
Repairs and Maintenance to Building	**4,630**	2,950
Repairs and Maintenance to Others	**736**	703
Insurance Charges	**1,032**	1,081
Rates and Taxes excluding taxes on income	**3,145**	1,673
Rent	**232**	226
Legal and Professional Charges	**2,390**	2,407
Advertisement, Publicity, Sales Promotion and Marketing Service expenses	**11,703**	14,947
Commission	**100**	257
Travelling Expenses	**1,535**	1,352
Directors Meeting Fees	**12**	12
Property, Plant and Equipment Discarded (Previous year ₹7,507)	**4**	0
Interest to Others	**96**	NIL
Contribution towards CSR Expenses	**1,655**	1,501
Provision for doubtful advances	**660**	NIL
Miscellaneous Expenses	**2,287**	2,233
	95,915	84,712

NOTE NO.38

(i) Tax Reconciliation

(a) The Income tax expense consists of the followings: (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current income tax	**36,903**	29,553
Deferred tax expense	**1,021**	4,516
Tax expense for the year	**37,924**	34,069

(b) Amounts recognised in other comprehensive income (₹ in Lakhs)

Particulars	Year ended 31st March, 2018			Year ended 31st March, 2017		
	Before tax	Tax (expense) /benefit	Net of tax	Before tax	Tax (expense) /benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	**49**	**(14)**	**35**	(659)	228	(431)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	**(10,005)**	**3,435**	**(6,570)**	18,365	(6,356)	12,009
	(9,956)	**3,421**	**(6,535)**	17,706	(6,128)	11,578

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows: (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before tax	**1,11,849**	1,05,627
Indian statutory income tax rate (%)	**34.608%**	34.608%
Expected income tax expenses	**38,709**	36,555
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income taxes	**(338)**	(194)
Additional allowances/deduction	**(41)**	(569)
Impact of differential tax rate	**(1,131)**	(1,885)
Permanent differences	**339**	134
Others (Net)	**386**	28
Total Income Tax expenses	**37,924**	34,069
Effective Tax Rate	**33.906%**	32.254%

(ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances (₹ in Lakhs)

Particulars				As at 31st March, 2018
	Net balance as at 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(24,977)	(625)	NIL	(25,602)
Investments	(3,460)	(321)	NIL	(3,781)
Derivatives	(723)	(7)	NIL	(730)
Employee benefits	808	99	(14)	893
Cash Flow Hedge	(6,356)	NIL	3,435	(2,921)
Provision for Doubtful Advances	NIL	231	NIL	231
Other items	(579)	(399)	NIL	(978)
Deferred tax assets /(liabilities)	**(35,287)**	**(1,022)**	**3,421**	**(32,888)**

(₹ in Lakhs)

Particulars				As at 31st March, 2017
	Net balance as at 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(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	(579)
Deferred tax assets /(liabilities)	(24,643)	(4,516)	(6,128)	(35,287)

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

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

NOTE NO. 39

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

Particulars	As at 31st March 2018							
	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	2,458	2,458	NIL	NIL	NIL	NIL
Mutual Fund	93,824	NIL	NIL	93,824	45,506	48,318	NIL	93,824
Debentures	4,233	NIL	NIL	4,233	4,233	NIL	NIL	4,233
Loans	NIL	NIL	1,408	1,408	NIL	NIL	NIL	NIL
Trade receivables	NIL	NIL	50,193	50,193	NIL	NIL	NIL	NIL
Other financial assets	NIL	NIL	386	386	NIL	NIL	NIL	NIL
Foreign exchange forward contracts	NIL	8,448	NIL	8,448	NIL	8,448	NIL	8,448
Preference shares and bonds	NIL	NIL	11,508	11,508	NIL	NIL	NIL	NIL
Alternate Investment Fund	702	NIL	NIL	702	NIL	702	NIL	702
Security deposit	NIL	NIL	802	802	NIL	NIL	NIL	NIL
Total	98,758	8,448	66,755	1,73,963	49,739	57,467	NIL	1,07,207
Financial Liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	NIL	NIL	21,938	21,938	NIL	NIL	NIL	NIL
Other financial liabilities	NIL	NIL	4,993	4,993	NIL	NIL	NIL	NIL
Short term borrowings	NIL	NIL	61,607	61,607	NIL	NIL	NIL	NIL
Trade payables	NIL	NIL	39,739	39,739	NIL	NIL	NIL	NIL
Foreign exchange forward contracts	NIL	89	NIL	89	NIL	89	NIL	89
Total	NIL	89	1,28,277	1,28,366	NIL	89	NIL	89

Particulars	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	1,370	1,370	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	2,391	2,391	NIL	NIL	NIL	NIL
Trade 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	2,093	18,365	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	1,30,327	18,365	52,771	2,01,463	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	4,724	4,724	NIL	NIL	NIL	NIL
Short term borrowings	NIL	NIL	54,846	54,846	NIL	NIL	NIL	NIL
Trade payables	NIL	NIL	36,334	36,334	NIL	NIL	NIL	NIL
Total	NIL	NIL	1,77,173	1,77,173	NIL	NIL	NIL	NIL

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 is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

Financial instruments measured at fair value

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

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Neither past due nor impaired	**29,020**	34,435
Past due but not impaired		
Past due 1–90 days	**20,829**	6,603
Past due 91–180 days	**271**	150
Past due 181–270 days	**22**	17
Past due 271–365 days	**41**	1
Past due more than 365 days	**10**	13
	50,193	41,219

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

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	(₹ in Lakhs)
Balance as at 1st April 2016	NIL
Impairment loss recognised	159
Amounts written off	159
Balance as at 31st March 2017	NIL
Impairment loss recognised	23
Amounts written off	23
Balance as at 31st March 2018	NIL

Concentration of credit risk

At 31st March 2018, the carrying amount of the Company's most significant customer is ₹ 14,264 lakhs (previous Year ₹ 8,855 lakhs)

Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The company has made provisions of ₹ 660 Lakhs as at 31st march 2018 in respect of such doubtful loans. The Company has no collateral securities in respect of said loans.

Investment in Debentures

The Company does not perceive any risk as these are issued by reputed financial institution.

Investment in mutual funds and bonds

The investment in mutual funds, Government bonds are entered into with credit worthy fund houses, Government of India and financial institution. The credit worthiness of these counter parties are evaluated by the management on an ongoing basis and is considered to be good. The Company does not expect any losses from non-performance by these counter-parties.

Derivatives

The derivatives are entered into with the banks with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the company's policy. Investment in surplus funds are made mainly in mutual funds with good returns and within approved credit ratings.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March, 2018, the Company had working capital of ₹ 58,715 lakhs, including cash and cash equivalents of ₹ 1,761 lakhs, and highly marketable current investments of ₹ 48,318 lakhs.

As at 31st March, 2017, the Company had working capital of ₹ 10,720 lakhs, including cash and cash equivalents of ₹ 1,149 lakhs, and highly marketable current investments of ₹ 46,180 lakhs.

Exposure to liquidity risk

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

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

(₹ in Lakhs)

As at 31st March 2018	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	**21,665**	**21,890**	**21,890**	**NIL**	**NIL**	**NIL**
Unsecured Long term loans and borrowings	**273**	**273**	**23**	**27**	**143**	**80**
Other financial liabilities	**1**	**1**	**NIL**	**NIL**	**NIL**	**1**
Current						
Secured Short term loans and borrowings	**25,091**	**25,091**	**25,091**	**NIL**	**NIL**	**NIL**
Unsecured Short term loans and borrowings	**36,516**	**36,516**	**36,516**	**NIL**	**NIL**	**NIL**
Trade payables	**39,739**	**39,739**	**39,739**	**NIL**	**NIL**	**NIL**
Other financial liabilities	**4,782**	**4,782**	**4,782**	**NIL**	**NIL**	**NIL**
Unpaid Dividend	**178**	**178**	**178**	**NIL**	**NIL**	**NIL**
Interest accrued but not due	**32**	**32**	**32**	**NIL**	**NIL**	**NIL**
Financial / corporate guarantee in respect of loan taken by subsidiary *	**NIL**	**3,299**	**3,299**	**NIL**	**NIL**	**NIL**
Derivative financial liabilities						
Current						
Forward exchange contracts	**89**	**89**	**89**	**NIL**	**NIL**	**NIL**

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 payables	36,334	36,334	36,334	NIL	NIL	NIL
Unpaid Dividend	87	87	87	NIL	NIL	NIL
Other financial liabilities	4,588	4,588	4,588	NIL	NIL	NIL
Interest accrued but not due	47	47	47	NIL	NIL	NIL
Financial / corporate guarantee in respect of loan taken by subsidiary *	NIL	2,971	2,971	NIL	NIL	NIL

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

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

iv. Market risk

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

a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the company. The function-

al currency of the company is Indian Rupees (₹). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of forecast sales over the following 12 to 18 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges.

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 of 31st March 2018:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 221.16 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EURO	INR	EURO 1 MILLION	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EURO	USD	EURO 11.08 MILLION	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as of 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

Exposure to currency risk

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

(₹ in Lakhs)

Amounts in ₹	As at 31st March 2018			As at 31st March 2017		
	EURO	USD	Others	EURO	USD	Others
Financial assets (A)						
Trade receivables	**26,887**	**11,959**	**NIL**	26,518	11,080	NIL
Cash and Cash Equivalents	**457**	**523**	**NIL**	5	360	NIL
	27,344	**12,482**	**NIL**	26,523	11,440	NIL
Financial liabilities (B)						
Secured Loans	**17,704**	**28,966**	**NIL**	12,794	94,166	NIL
Unsecured Loans	**31,973**	**1,481**	**NIL**	22,485	4,912	NIL
Interest on loans	**NIL**	**32**	**NIL**	NIL	47	NIL
Trade payables	**857**	**2,319**	**405**	713	1,757	73
	50,534	**32,798**	**405**	35,992	1,00,882	73
Net statement of financial position exposure (A-B)	**(23,190)**	**(20,316)**	**(405)**	(9,469)	(89,442)	(73)

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 Balance Sheet date.

(₹ in Lakhs)

Effect in ₹ As at 31st March, 2018	**Profit / (loss)**		
	Strengthening / Weakening %	**Strengthening**	**Weakening**
EURO	2%	(464)	464
USD	3%	(609)	609
Others	10%	(41)	41

Effect in ₹ As at 31st March, 2017	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EURO	2%	(189)	189
USD	3%	(2,683)	2,683
Others	10%	(7)	7

(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 50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed-rate instruments		
Financial assets	**13,017**	8,919
Financial liabilities	**(58,443)**	(53,309)
	(45,426)	(44,390)
Variable-rate instruments		
Financial liabilities	**(24,828)**	(82,505)
	(24,828)	(82,505)

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

(₹ in Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2018		
Variable-rate instruments	**(248)**	**248**
Sensitivity (Net)	**(248)**	**248**
As at 31st March, 2017		
Variable-rate instruments	(825)	825
Sensitivity (Net)	(825)	825

(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 2018 and 31st March 2017. The column 'net amount' shows the impact on the company's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2018						
Financial assets						
Derivative financial instruments	8,448	NIL	8,448	8,448	NIL	8,448
Total	**8,448**	**NIL**	**8,448**	**8,448**	**NIL**	**8,448**
Financial assets						
Derivative financial instruments	89	NIL	89	89	NIL	89
Total	**89**	**NIL**	**89**	**89**	**NIL**	**89**
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

NOTE NO.40

Hedge accounting

As part of its risk management strategy, the company endeavors to hedge its net foreign currency exposure of highly forecasted sale transactions for the next 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 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, 2018

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 2018

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Line item in the Balance Sheet where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	12.08 Million EURO 221.16 Million USD	8,448	89	Other Current financial Assets/ Liabilities	FY 2018-19	1 EURO = ₹ 81.14 1 USD = ₹ 70.24

Particulars	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2017-18	(10,005)	NIL	Not applicable	NIL	Not applicable

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

(₹ in Lakhs)

Particulars	Movement in Cash flow hedge reserve	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**12,009**	NIL
Effective portion of changes in fair value:		
Foreign currency risk	**(10,005)**	18,365
Net amount reclassified to profit or loss:		
Foreign currency risk	**NIL**	NIL
Tax on movements on reserves during the year	**3,435**	(6,356)
Closing balance	**5,439**	12,009

NOTE NO. 41

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising interest-bearing loans and borrowings less cash and cash equivalents, other bank deposits with banks and current investments.

The Company's net debt to equity ratio as at 31st March 2018 and 31st March 2017 was as follows.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-Current Borrowings	**NIL**	21,596
Current Borrowings	**61,607**	54,846
Current maturity of long term debt	**21,665**	59,372
Gross Debt	**83,272**	1,35,814
Less - Cash and Cash Equivalents	**1,761**	1,149
Less - Current Investments	**48,318**	46,180
Net debt	**33,193**	88,485
Total equity	**4,09,523**	3,55,123
Less : Hedging reserve	**5,438**	12,009
Equity	**4,04,085**	3,43,114
Net debt to Equity ratio	**0.08**	0.26

NOTE NO.42

Earning Per Share (EPS):

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit attributable to equity holders (₹ in lakhs)	**73,925**	71,558
Weighted average number of shares oustanding during the year	**19,33,17,190**	19,33,17,190
Nominal Value of Equity Shares (in ₹)	**2**	2
Earning Per Share Basic and Diluted (in ₹)	**38.24**	*37.02

* On 27th December, 2017, the Company allotted 9,66,58,595 Equity Shares of ₹ 2 each as fully paid-up Bonus Equity Shares in the ratio of 1:1 to all registered shareholders as on the record date by capitalisation of reserves. Consequently, in accordance with Ind AS 33 "Earnings per Share", figure for the year ended 31st March 2017 have been adjusted to give effect to the allotment of the Bonus Shares.

NOTE NO.43

Related Party Disclosures *

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr.Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance.

b) Relatives of Key Management Personnel :

Mrs. Vijayalaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Abhishek Bansal (upto 15th April, 2016), Mr. Gunal Bansal (w.e.f. 16th April, 2016)

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
Thristha Synthetics Limited	100% holding of Balkrishna Industries Limited
BKT Tyres Limited	100% holding of Balkrishna Industries Limited
BKT EUROPE S.R.L.	100% holding of Balkrishna Industries Limited
BKT USA INC.	100% holding of Balkrishna Industries Limited
BKT EXIM US, INC.	100% holding of Balkrishna Industries Limited
BKT TIRES (CANADA) INC.	100% holding of Balkrishna Industries Limited
Step down Subsidiary	
BKT TIRES, INC.	100% holding of BKT EXIM US, INC.

II Related Party Transactions$

(₹ in Lakhs)

Transactions	As at 31st March 2018			As at 31st March 2017		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials	**NIL**	**40**	**NIL**	NIL	53	NIL
Rent received	**NIL**	**47**	**NIL**	NIL	47	NIL
Recovery of Expenses	**NIL**	**30**	**NIL**	NIL	51	NIL
Rent/Lease Rent Paid	**102**	**NIL**	**NIL**	102	NIL	NIL
Vehicle Hiring Charges	**8**	**NIL**	**NIL**	7	NIL	NIL
Remuneration/Meeting Fees	**31**	**NIL**	**NIL**	35	NIL	NIL
Marketing Service Expenses	**NIL**	**NIL**	**7,778**	NIL	NIL	8,095
Guarantee Commission Received	**NIL**	**NIL**	**31**	NIL	NIL	25
Sale of goods/Materials	**NIL**	**NIL**	**8,563**	NIL	NIL	5,677
Guarantee given to Bank on behalf of subsidiary	**NIL**	**NIL**	**3,299**	NIL	NIL	2,971
Reimbursement of expenses	**NIL**	**NIL**	**10**	NIL	NIL	NIL

Particulars	Key Management Personnel		Relatives of (KMP)		Subsidiaries	
Outstanding Balances	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Remuneration payable (As at 31st March, 2018 outstanding for Relative of (KMP) is ₹ 16,800)	**5,401**	5,410	**0**	2	**NIL**	NIL
Trade Receivables	**NIL**	NIL	**NIL**	NIL	**4,588**	1,899
Trade Payables	**NIL**	NIL	**NIL**	NIL	**274**	330

III Key management personnel compensation

Key management personnel compensation comprised the following : (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short term employee benefits	**6,615**	6,588
Post-employment benefits	**41**	68
Other long-term benefits	**3**	30
Total	**6,659**	6,686

Terms and conditions of transactions with related parties

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

$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

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

(₹ in Lakhs)

NOTE NO.44	Year ended 31st March 2018	Year ended 31st March 2017
Leases - Operating leases as lessee:		
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	**232**	226
(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.45

a) As at 31st March,2018, 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.46

Employee Benefit obligations

(A) Defined Contribution Plan

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	**81**	81
Employees' Provident fund	**902**	823

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
	Gratuity (Funded plan)	Gratuity (Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	**3,001**	2,014
Amount recognised in profit and loss		
Current service cost	**303**	190
Past service cost	**101**	NIL
Interest cost	**219**	162
Amount recognised in other comprehensive income		

(₹ in Lakhs)

Particulars	As at 31st March 2018 Gratuity (Funded plan)	As at 31st March 2017 Gratuity (Funded plan)
Actuarial loss / (gain) arising from:		
Demographic assumptions	NIL	NIL
Financial assumptions	(170)	593
Experience adjustment	124	70
Other:		
Benefits paid	(114)	(27)
Closing defined benefit obligation	3,464	3,001
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	1,998	1,650
Amount recognised in profit and loss		
Interest income	146	133
Amount recognised in other comprehensive income:		
Actuarial gain / (loss) arising from:		
Return on Plan Assets, Excluding Interest Income	3	3
Other		
Contributions by employer	394	239
Benefits paid	(114)	(27)
Closing fair value of plan assets	2,427	1,998
Actual return on Plan Assets	149	136
(iii) Plan assets comprise the following		
	Unqouted	Unqouted
Insurance fund (100%)	2,427	1,998
(iv) Principal actuarial assumptions used		
Discount rate	7.78%	7.29%
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%	7.50%
(iv) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	3,464	3,001
Fair value of plan assets as at year end	2,427	1,998
Net (asset) / liability recognised as at year end	1,037	1,003
Recognised under :		
Long term provisions	1,037	1003
	1,037	1003

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	(159)	173	(151)	166
Employee turnover (0.5% movement) - Gratuity	6	(6)	(5)	5
Future salary growth (0.5% movement) - Gratuity	166	(154)	165	(151)

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

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March , 2018					
Defined benefit obligations (Gratuity)	456	132	676	1,315	2,579
Total	456	132	676	1,315	2,579
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

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, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 301 lakhs (31st March, 2017 : ₹ 59 lakhs).

(₹ in Lakhs)

NOTE NO.47	As at 31st March 2018	As at 31st March 2017
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	**6,555**	10,586
- Disputed income tax demands	**207**	207
- Others	**2**	NIL
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	**1,745**	1,493
c) Corporate Guarantee given by the Company:		
- To the President of India through commissioner of Custom	**1,81,403**	1,23,356
- To Bank against loan taken by subsidiary	**1,630**	1,621
d) Standby Letter of Credit issued by Company's banker for loan taken by subsidiary	**1,669**	1,350
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	**49,771**	16,416

(₹ in Lakhs)

NOTE NO.48	Year ended 31st March 2018	Year ended 31st March 2017
Payment to Auditors		
Statutory Auditors		
Audit Fees	**32**	30
For Tax Audit	**NIL**	7
For Taxation Matters	**5**	11
For Company Law matters	**2**	3
For Other services-Certification, etc.	**12**	12
Total	**51**	63

(₹ in Lakhs)

NOTE NO.49	Year ended 31st March 2018	Year ended 31st March 2017
Research and Development Cost/Expenditure		
- Revenue	**1,633**	1,456
- Capital	**1,600**	908
Total of Research and Development Cost/Expenditure	**3,233**	2,364

(₹ in Lakhs)

NOTE NO.50	As at 31st March, 2018	As at 31st March, 2017
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.	**25,091**	25,982

NOTE NO.50		As at 31st March, 2018	As at 31st March, 2017
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. (Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps)	**21,665**	43,170
b)	**ECB Loan USD 116.67 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)	**NIL**	37,799

NOTE NO.51

The Board of Directors of the Company, on 18th May, 2016, have approved the Scheme of Amalgamation of its wholly owned subsidiary company M/s. BKT Exim Limited into 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). NCLT has approved the Scheme of Amalgamation on 24th January, 2018 and on filing the NCLT Order with the Registrar of Companies, Mumbai, the Scheme became effective on 21st February, 2018. The appointed date was 1st April, 2015.

Pursuant to the Scheme:

(i) The assets, liabilities and reserves of BKT EXIM Ltd. has been vested with the Company and have been recorded at their book value.

(ii) The effect of the Scheme has been considered in these financial statements for the year ended 31st March, 2018 and 31st March, 2017.

(iii) The authorised share capital of the Company stands increased to ₹9,100 lakhs consisting of 44,50,00,000 Equity Shares of ₹ 2 each and 20,00,000 Redeemable Preference Shares of ₹10 each.

NOTE NO.52

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Total Expenditure towards CSR activity	1,655	1,501
Amount required to be spent u/s 135 of Companies Act 2013	1,654	1,500
Excess/(Short)	1	1

NOTE NO.53

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended a final dividend of ₹1.50 (75 %) per equity share of ₹ 2/-each. The cash outgo on account of final dividend and dividend tax will be ₹ 3,496 Lakhs.

NOTE NO.54

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 54

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

INDEPENDENT AUDITORS' REPORT To the Members of BALKRISHNA INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Balkrishna Industries Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated 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 statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 consolidated 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of the 5 foreign subsidiaries , whose financial statements reflect total assets of ₹ 9941 lakhs as at 31st March, 2018, total revenues of ₹ 8568 lakhs and net cash outflows amounting to ₹ 225 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, 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 financial statements.

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

(d) In our opinion, the aforesaid consolidated 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 Company as on 31st March, 2018 taken on record by the Board of Directors of the 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 31st March 2018 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 with reference to financial statements 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 financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group;

ii. the 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; and

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

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

PLACE: Mumbai
DATE: 17th May, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls, with reference to financial statements as at 31st March, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213

PLACE: Mumbai
DATE: 17th May, 2018

CONSOLIDATED BALANCE SHEET

(₹ In Lakhs)

Particulars	Note No.	As at 31st March 2018		As at 31st March 2017
I ASSETS				
1 NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	2	**2,79,501**		2,79,295
(b) Capital Work-in-Progress	2	**11,828**		10,967
(c) Investment Property	3	**5,107**		5,179
(d) Intangible Assets	4	**344**		399
(e) Financial Assets				
i) Investments	5	**61,949**		88,739
ii) Other Financial Assets	6	**812**		4,039
(f) Income Tax Assets (net)	7	**8,154**		7,204
(g) Other Non-Current Assets	8	**18,465**		8,497
TOTAL NON-CURRENT ASSETS			**3,86,160**	4,04,319
2 CURRENT ASSETS				
(a) Inventories	9	**61,887**		47,612
(b) Financial Assets				
i) Investments	10	**48,318**		46,180
ii) Trade Receivables	11	**47,963**		41,167
iii) Cash and Cash Equivalents	12	**2,646**		2,260
iv) Other Bank balances	13	**697**		221
v) Loans	14	**1,412**		2,393
vi) Other Financial Assets	15	**8,834**		17,543
(c) Other Current Assets	16	**29,904**		17,213
TOTAL CURRENT ASSETS			**2,01,661**	1,74,589
TOTAL ASSETS			**5,87,821**	5,78,908
II EQUITY AND LIABILITIES				
EQUITY				
(a) Share Capital	17	**3,866**		1,933
(b) Other Equity	18	**4,04,473**		3,52,353
TOTAL EQUITY			**4,08,339**	3,54,286
LIABILITIES				
1 NON CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	19	**250**		21,884
ii) Other Financial Liabilities	20	**1**		1
(b) Provisions	21	**1,297**		1,260
(c) Deferred Tax Liabilities (Net)	22	**32,887**		35,285
(d) Other Non-Current Liabilities	23	**877**		1,507
TOTAL NON-CURRENT LIABILITIES			**35,312**	59,937
2 CURRENT LIABILITIES				
(a) Financial Liabilities				
i) Borrowings	24	**64,809**		57,818
ii) Trade Payable	25	**40,925**		37,441
iii) Other Financial Liabilities	26	**26,769**		64,107
(b) Other Current Liabilities	27	**10,925**		4,757
(c) Provisions	28	**742**		562
TOTAL CURRENT LIABILITIES			**1,44,170**	1,64,685
TOTAL EQUITY AND LIABILITIES			**5,87,821**	5,78,908

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 TO 55

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ In Lakhs)

	Particulars	Note No.	Year Ended 31st March 2018	Year Ended 31st March 2017
I	**Revenue From Operations**	29	**4,46,097**	3,78,011
II	**Other Income**	30	**33,975**	25,363
III	**Total Income (I+II)**		**4,80,072**	4,03,374
IV	**Expenses :**			
	Cost of Materials Consumed	31	**2,16,521**	1,57,305
	Purchases of Stock-in-Trade	32	**2,923**	1,201
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	**(5,122)**	(543)
	Employee Benefits Expense	34	**27,992**	25,686
	Finance Cost	35	**1,387**	2,200
	Depreciation and Amortization Expense	36	**31,140**	30,400
	Other Expenses	37	**93,627**	81,265
	Total Expenses		**3,68,468**	2,97,514
V	**Profit Before Tax (III-IV)**		**1,11,604**	1,05,860
VI	**Tax Expense:**			
	Current tax		**37,002**	29,666
	Deferred tax		**1,023**	4,509
	Total Tax Expenses		**38,025**	34,175
VII	**Profit After Tax (V-VI)**		**73,579**	71,685
VIII	**Other Comprehensive Income**			
1	i) Items that will not be reclassified to profit or loss			
	Remeasurements of Defined Benefit Plans		**49**	(659)
	ii) Income Tax		**(14)**	228
2	i) Items that may be reclassified to profit or loss			
	The effective portion of gain and losses on hedging instruments in a cash flow hedge		(10,005)	18,365
	ii) Income Tax		3,435	(6,356)
	Total Other Comprehensive Income (1+2)		(6,535)	11,578
IX	**Total Comprehensive Income (VII +VIII)**		67,044	83,263
X	**Earnings per equity share:**		**38.06**	37.08
	Basic and Diluted			

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

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

STATEMENT OF CHANGES IN EQUITY

(a) Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at 1st April 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
Changes in equity share capital	9,66,58,595	1,933
Balance as at 31st March 2018	19,33,17,190	3,866

(b) Other Equity

Particulars	Reserves and Surplus				Statement of other comprehensive Income		
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	Total other equity
Balance as at 1st April 2016	**1,253**	**4**	**2,20,000**	**54,515**	**(222)**	**NIL**	**2,75,550**
Total Comprehensive							
Profit for the year	NIL	NIL	NIL	71,685	NIL	NIL	71,685
Other comprehensive income for the year	NIL	NIL	NIL	NIL	(431)	12,009	11,578
Income Tax of Earlier Years	NIL	NIL	NIL	(53)	NIL	NIL	(53)
Transactions with owners of the company							
Interim Dividend on Equity Shares	NIL	NIL	NIL	(5,316)	NIL	NIL	(5,316)
Interim Dividend Distribution Tax	NIL	NIL	NIL	(1,082)	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	(9)
Transferred to General Reserve	NIL	NIL	NIL	(50,000)	NIL	NIL	(50,000)
Transferred from Retained Earnings	NIL	NIL	50,000	NIL	NIL	NIL	50,000
Balance as at 31st March 2017	**1,253**	**4**	**2,70,000**	**69,740**	**(653)**	**12,009**	**3,52,353**
Total Comprehensive							
Profit for the year	NIL	NIL	NIL	73,579	NIL	NIL	73,579
Other comprehensive income for the year	NIL	NIL	NIL	NIL	35	(6,570)	(6,535)
Income Tax of Earlier Years	NIL	NIL	NIL	(776)	NIL	NIL	(776)
Transactions with owners of the company							
Interim Dividend on Equity Shares	NIL	NIL	NIL	(7,733)	NIL	NIL	(7,733)
Interim Dividend Distribution Tax	NIL	NIL	NIL	(1,574)	NIL	NIL	(1,574)
Dividend on Equity Shares	NIL	NIL	NIL	(2,416)	NIL	NIL	(2,416)
Dividend Distribution Tax	NIL	NIL	NIL	(492)	NIL	NIL	(492)
On account of Bonus Shares	(1,253)	NIL	(680)	NIL	NIL	NIL	(1,933)
Transferred to General Reserve	NIL	NIL	NIL	(30,680)	NIL	NIL	(30,680)
Transferred from Retained Earnings	NIL	NIL	30,680	NIL	NIL	NIL	30,680
Balance as at 31st March 2018	**NIL**	**4**	**3,00,000**	**99,648**	**(618)**	**5,439**	**4,04,473**

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars		Year Ended 31st March, 2018		Year Ended 31st March, 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Profit before Tax		**1,11,604**		1,05,860
	Adjustment for :				
	Depreciation and Amortisation	**31,140**		30,400	
	Provision for Doubtful advances	**660**		NIL	
	Mark to market gain on fair valuation of foreign exchange forward contracts	**NIL**		1,135	
	Net mark to market gain on Investments	**(2,437)**		(9,729)	
	Income from Investments	**(3,644)**		(1,170)	
	Finance Cost	**1,387**		2,200	
	Interest Income	**(711)**		(1,410)	
	(Profit)/Loss on Sale of Property, Plant and equipment	**(10)**		(68)	
	Property, Plant and equipment Discarded (Previous year ₹ 7,507)	**4**		0	
	Unrealised Foreign Exchange differences (Gain)/Loss	**(1,811)**		281	
	Actuarial gains/(losses) reclassified to OCI	**49**		(659)	
	Deferred Income (EPCG)	**(1,186)**		(324)	
	Retiring Gratuities	**422**		874	
	Leave Encashment	**301**		59	
			24,164		21,589
	Operating profit before working capital changes		**1,35,768**		1,27,449
	Adjustment for:				
	Trade and other receivables	**(14,186)**		(7,929)	
	Other Financial Assets	**(476)**		(55)	
	Inventories	**(14,275)**		(7,788)	
	Trade payables	**7,396**		4,659	
			(21,541)		(11,113)
	Cash generated from operations		**1,14,227**		1,16,336
	Direct taxes paid		**(38,727)**		(31,310)
	Gratuity paid		**(389)**		(235)
	Leave Encashment paid		**(117)**		(106)
	Net cash from Operating Activities		**74,994**		84,685
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and equipment	**(42,028)**		(18,490)	
	Sale of Property, Plant and equipment	**895**		402	
	Purchase of Investments	**(1,18,241)**		(2,54,233)	
	Sale of Investments	**1,48,733**		2,12,807	
	Inter Corporate Loan Refund Received	**450**		1,577	
	Interest received	**720**		1,497	
	Income Received on Investments	**242**		135	
	Net cash used in Investing Activities		**(9,229)**		(56,305)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Short Term Borrowings (Net)	**(3,147)**		8,265	
	Proceeds from Long Term Borrowings	**18,334**		8,893	
	Repayment of Long Term Borrowings	**(67,041)**		(67,364)	
	Dividend paid (including tax thereon)	**(12,124)**		(6,444)	
	Finance cost paid	**(1,402)**		(2,284)	
	Net Cash from Financing Activities		**(65,380)**		(58,934)
	Net increase in cash and cash equivalent		**385**		(30,554)
	Exchange difference on cash and cash equivalent		**1**		(16)
	Cash and cash equivalent as at the beginning of the year		**2,260**		32,830
	Cash and cash equivalent as at the end of the year		**2,646**		2,260

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

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

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

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: 17th May, 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1(a) General information

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

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

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

(b) Significant Accounting policies

(a) Basis of preparation

(i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:

1. Financial instruments measured at fair value through profit and loss
2. Financial instruments measured at fair value through other comprehensive income
3. Defined benefit plans – plan assets measured at fair value

(b) Basis of consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest either directly or through subsidiary
Direct Subsidiaries		
BKT Tyres Limited	India	100%
Thristha Synthetics Limited	India	100%
BKT EUROPE S.R.L.	Italy	100%
BKT TIRES (CANADA) INC.	Canada	100%
BKT USA INC.	USA	100%
BKT EXIM US, INC.	USA	100%
Step down Subsidiary		
BKT TIRES 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 (₹), 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, 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 invest-

ments 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.

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 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 derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

(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 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.

(p) 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.

(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 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.

(s) 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.

(t) 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.

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

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, Ministry of Corporate Affairs(""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency The amendment will come into force from 1st April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1st April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1st April 2018.

The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect, if any, on adoption of Ind AS 115 is expected to be insignificant"

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	*For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Property, Plant and Equipment										
Tangible assets										
(a) Land										
Freehold	3,702	473	NIL	4,175	NIL	NIL	NIL	NIL	4,175	3,702
Leasehold	1,903	NIL	159	1,744	48	23	4	67	1,677	1,855
(b) Buildings	89,138	8,576	NIL	97,714	6,086	3,901	NIL	9,987	87,727	83,051
(c) Plant and Equipment	2,23,445	19,941	991	2,42,395	47,717	24,662	370	72,009	1,70,386	1,75,728
(d) Furniture and Fixtures	5,604	1,121	NIL	6,725	962	661	NIL	1,623	5,102	4,642
(e) Vehicles	1,797	390	178	2,009	495	270	65	700	1,309	1,302
(f) Office Equipment	604	246	#0	850	228	129	##0	357	493	376
(g) Others:					-					
Electric Installations	10,505	1,127	3	11,629	2,570	1,246	2	3,814	7,815	7,935
Air Conditioners	683	276	$0	959	238	155	$$0	393	566	445
Computer	556	133	1	688	298	140	1	437	251	258
TOTAL PROPERTY, PLANT AND EQUIPMENT	**3,37,937**	**32,283**	**1,332**	**3,68,888**	**58,642**	**31,187**	**442**	**89,387**	**2,79,501**	**2,79,295**
CAPITAL WORK IN PROGRESS									11,828	10,967

* Including Depreciation capitalised ₹ 230 Lakhs

₹ 23,897, ## ₹ 19,412, $ ₹ 29,202 & $$ ₹ 29,137.

PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS AS AT 31ST MARCH 2017

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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	8,043	NIL	89,138	2,632	3,454	NIL	6,086	83,052	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	1,86,569
(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	8,027
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	24,478	354	3,37,937	28,351	30,381	90	58,642	2,79,295	2,85,464
CAPITAL WORK IN PROGRESS									10,967	23,107

* Including Depreciation capitalised ₹ 225 Lakhs

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Buildings	5,348	NIL	NIL	5,348	169	72	NIL	241	5,107	5,179
TOTAL INVESTMENT PROPERTY	**5,348**	**NIL**	**NIL**	**5,348**	**169**	**72**	**NIL**	**241**	**5,107**	**5,179**

INVESTMENT PROPERTY AT 31ST MARCH 2017

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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	4,538	70	5,348	22	148	1	169	5,179	858
TOTAL INVESTMENT PROPERTY	880	4,538	70	5,348	22	148	1	169	5,179	858

During the Financial year 2016-17 under Property Plant and Equipment- building an amount of ₹ 4,538 lakhs and also the accumulated depreciation of ₹127 lakhs has been re-grouped to investment property.

i) Amounts recognised in profit or loss for investment properties

(₹ in Lakhs)

Particulars	Year ended 31st March,2018	Year ended 31st March,2017
Rental income derived from investment properties	**404**	158
Direct operating expenses (including repair and maintenance) generating rental income	**(33)**	(24)
Profit from investment properties before depreciation	**371**	134
Depreciation	**72**	42
Profit from investment properties	**299**	92

ii) Fair value

	Year ended 31st March,2018	Year ended 31st March,2017
Investment property	**16,352**	15,069

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 AT 31ST MARCH 2018

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2017	Additions During the year	Deductions During the year	Balance As at 31st March 2018	Balance As at 1st April 2017	For the Year	Deductions During the year	Balance As at 31st March 2018	As At 31st March 2018	As At 31st March 2017
Computer software	556	46	NIL	602	157	110	NIL	267	335	399
Trademark	NIL	10	NIL	10	NIL	1	NIL	1	9	NIL
TOTAL INTANGIBLE	**556**	**56**	**NIL**	**612**	**157**	**111**	**NIL**	**268**	**344**	**399**

INTANGIBLE ASSETS AT 31ST MARCH 2017

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION (INCLUDING AMORTISATION)				(NET BLOCK)	
	Balance As at 1st April 2016	Additions During the year	Deductions 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	477	79	NIL	556	61	96	NIL	157	399	416

(₹ in Lakhs)

NOTE NO.5	Units	As at 31st March 2018		As at 31st March 2017
INVESTMENTS (NON CURRENT):				
A Investment carried at amortised cost				
Unquoted:				
(a) Investment in Preference Shares				
(Fully paid up Shares)				
7.50 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	2,80,000	**2,837**		NIL
7.15 % Preference Shares of Tata Capital Ltd. of ₹ 1,000 each	2,00,000	**2,000**		NIL
11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of VS Lignite Power Private Ltd. of ₹ 10 each		**51**		47
			4,888	47
(b) Investments in Government Securities				
In 6 Year National Saving Certificates			**0**	0
(31st March 2018 ₹20,000, 31st March, 2017 ₹20,000)				
Quoted:				
(c) Investment in Tax Free Bonds (at amortised cost)				
7.35 % NABARD Tax Free Bonds SR-IIA	50,099	**501**		501
7.35 % IRFC Tax Free Bonds SR-108	58,783	**588**		588
7.39% HUDCO Tax Free Bond	2,50,000	**2,597**		2,605
7.14 % NHAI Tax Free Bond	2,85,698	**2,934**		2,944
			6,620	6,638
B Investment carried at fair value through Profit and Loss				
(a) Investment in Debentures (Non Convertible)				
Edelweiss Assets Reconstruction co. Ltd	1,486	**1,559**		NIL
Ecap Equities Ltd.	2,500	**2,674**		NIL
			4,233	NIL
Unquoted:				
(b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7	69,87,283		**702**	NIL
(c) Investment in Mutual fund				
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	50,00,000	**501**		501
Quoted:				
HDFC Charity Fund for Cancer Cure - Arbitrage Plant Direct Option -100% Dividend Donation	50,00,000	**501**		501
HDFC Charity Fund for Cancer Cure - Debt Plan Direct Option - 100% Dividend Donation	1,00,00,000	**964**		NIL
HDFC Fixed Maturity Plan Series 35/36/37/39 Direct Growth	37,30,00,000	**43,540**		39,241
(As at 31st March 2017 Units 35,80,00,000)				
Unquoted:				
HDFC Gilt Fund - Long Term Plan	5,16,24,449	**NIL**		17,716
SBI Megnum Gilt Fund Long Term Plan	6,42,38,971	**NIL**		24,095
			45,506	82,054
			61,949	88,739
Aggregate amount of quoted investments and market value thereof			**56,359**	46,880
Aggregate amount of unquoted investments.			**5,590**	41,859

(₹ in Lakhs)

NOTE NO. 6	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL ASSETS (NON CURRENT)		
Derivative Assets	**NIL**	3,311
Security Deposits	**812**	728
	812	4,039

(₹ in Lakhs)

NOTE NO. 7	As at 31st March 2018	As at 31st March 2017
INCOME TAX ASSETS (NET)		
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	**8,154**	7,204
	8,154	7,204

(₹ in Lakhs)

NOTE NO.8	As at 31st March 2018	As at 31st March 2017
OTHER NON CURRENT ASSETS		
(a) Capital Advances	**18,365**	8,379
(b) Others loans and advances		
Prepaid expenses	**NIL**	20
Other Assets	**100**	98
	18,465	8,497

(₹ in Lakhs)

NOTE NO.9	As at 31st March 2018	As at 31st March 2017
INVENTORIES :		
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	**29,688**	22,083
(b) Work-in-Progress	**5,661**	4,748
(c) Finished Goods	**18,148**	16,884
(d) Stock-in-Trade	**3,077**	131
(e) Stores and Spares	**4,567**	3,573
(f) Others - Packing Materials and Fuel	**746**	193
	61,887	47,612

(₹ in Lakhs)

NOTE NO.10	UNITS	As at 31st March 2018	As at 31st March 2017
INVESTMENTS (CURRENT)			
Investment carried at fair value through Profit and Loss			
(a) In Mutual Fund			
Quoted:			
HDFC Fixed Maturity Plan Series 31 Growth	1,50,00,000	**NIL**	1,895
SBI Debt Fund Series -A26 Direct Growth	1,50,00,000	**NIL**	1,890
LIC Nomura MF Fixed Maturity Plan Series 85 Direct Growth Plan	2,00,00,000	**NIL**	2,515
Unquoted:			
Axis Treasury Advantage Fund - Growth	10,924	**NIL**	202
Axis Enhance Arbitrage Fund - Growth	1,32,86,970	**NIL**	1,619
IDFC Ultra Short Term Fund Growth	28,61,012	**709**	703
(As at 31st March 2017 Units 30,36,453)			
IDFC Arbitrage Fund - Growth	19,32,150	**NIL**	409
IDFC Government Securities Fund Investment Plan - Growth	9,97,944	**NIL**	204
ICICI Prudential Ultra Short Term - Direct Plan - Growth	16,40,815	**300**	2,306
(As at 31st March 2017 Units 1,34,72,880)			
ICICI Prudential Equity Arbitrage Fund - Direct Plan - Growth	2,27,51,213	**NIL**	5,061
ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth	6,80,552	**NIL**	397
HDFC Gilt Fund - Long Term Plan	5,16,24,449	**18,466**	NIL
HDFC Cash management Fund - Treasury Advantage Plant -Direct Plan-Retail	34,36,581	**1,305**	NIL
HDFC Arbitrage Fund Wholesale Plan	6,07,39,068	**NIL**	7,537
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Direct Plan - Growth (As at 31st March 2017 Units 15,66,046)	5,05,694	**154**	444
HDFC Liquid Fund (As at 31st March 2017 Units 4,302)	4,032	**138**	138
Aditya Birla Sun Life Cash Manager -Direct-Growth	5,55,70,757	**2,223**	NIL

(₹ in Lakhs)

NOTE NO.10	UNITS	As at 31st March 2018		As at 31st March 2017
Birla Sun Life Enhanced Arbitrage Fund - Direct Plan - Growth	1,82,83,339	NIL		3,153
Birla Sun Life Floating Rate Fund Long Term Plan - Direct Plan -Growth	12,42,140	NIL		2,493
Kotak Equity Arbitrage Fund - Growth	94,07,175	NIL		2,250
SBI Arbitrage Opportunity Fund - Growth	32,59,860	NIL		712
BNP Paribas Enhanced Arbitrage Fund - Direct Plan - Growth	3,37,88,837	NIL		3,452
UTI Spread Fund - Growth	17,89,664	NIL		403
L&T Ultra Short Term Fund - Growth	11,18,610	NIL		301
TATA Ultra Short Term Fund -Growth	52,604	NIL		1,306
SBI Magnum Gilt Fund Long Term Plan	6,42,38,971	25,023		NIL
			48,318	39,390
(b) Investment in Debenture				
Quoted:				
Citicorp Finance (India) Limited NCD Series 583 Alt1	3,500	NIL		3,724
Citicorp Finance (India) Limited NCD Series 621 Alt3	1,000	NIL		1,050
Citicorp Finance (India) Limited NCD Series 621 Alt2	1,000	NIL		1,009
Citicorp Finance (India) Limited NCD Series 621 Alt1	1,000	NIL		1,007
			NIL	6,790
			48,318	46,180
Aggregate amount of quoted investments and Market value thereof			NIL	13,090
Aggregate amount of Unquoted investments			48,318	33,090

(₹ in Lakhs)

NOTE NO.11	As at 31st March 2018	As at 31st March 2017
TRADE RECEIVABLES		
Secured Considered good	14,463	15,384
Unsecured Considered good	33,500	25,783
	47,963	41,167

(₹ in Lakhs)

NOTE NO.12	As at 31st March 2018	As at 31st March 2017
CASH AND CASH EQUIVALENTS		
Balances with banks	2,617	2,227
Cash on hand	29	32
In Fixed Deposit	NIL	1
	2,646	2,260

(₹ in Lakhs)

NOTE NO.13	As at 31st March 2018	As at 31st March 2017
OTHER BANK BALANCES		
Unpaid Dividend	178	87
Margin Money (Including Fixed Deposit)#	519	134
# (Held against guarantee and other commitments)	697	221

(₹ in Lakhs)

NOTE NO.14	As at 31st March 2018	As at 31st March 2017
LOANS		
Unsecured		
Loans and advances to other than related parties		
Considered good	990	2,100
Considered Doubtful	660	NIL
	1,650	2,100
Less: Provision for doubtful advance	660	NIL
	990	2,100
Loans and advances to employees (considered good)	422	293
	1,412	2,393

(₹ in Lakhs)

NOTE NO.15	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL ASSETS (CURRENT)		
Derivative Assets	**8,448**	17,147
Interest accrued on Investments	**277**	277
Interest accrued on Deposits and Loans	**108**	119
Income accrued on Investments	**1**	NIL
	8,834	17,543

(₹ in Lakhs)

NOTE NO.16	As at 31st March 2018	As at 31st March 2017
OTHER CURRENT ASSETS		
Advance Payment to Suppliers	**14,076**	6,438
Prepaid Expenses	**574**	NIL
GST/ Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	**15,254**	10,775
	29,904	17,213

(₹ in Lakhs)

NOTE NO.17	As at 31st March 2018	As at 31st March 2017
SHARE CAPITAL		
Authorised :		
44,50,00,000 Equity Shares of ₹ 2 each	**8,900**	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	**200**	200
	9,000	9,100
Issued Subscribed and fully paid up:		
19,33,17,190 (Previous Year 9,66,58,595) Equity Shares of ₹ 2 each fully paid up	**3,866**	1,933
	3,866	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 2018**		As at 31st March 2017	
	Number of shares	**Amount (₹ in Lakhs)**	Number of shares	Amount (₹ in Lakhs)
Balance at the beginning of the year	9,66,58,595	19,33,17,190	9,66,58,595	19,33,17,190
Issue and Allotment of Bonus Equity Shares on 27th Dec., 2017 in ratio of 1:1	9,66,58,595	19,33,17,190	NIL	NIL
Balance at the end of the year	19,33,17,190	38,66,34,380	9,65,58,595	19,33,17,190

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

Name of Shareholders	**No. of Shares held**	No. of Shares held
VKP ENTERPRISES LLP	**4,82,32,880**	2,41,16,440
% Holding	**24.95**	24.95
RAJIV A PODDAR	**5,35,77,010**	2,39,84,790
% Holding	**27.72**	24.81

(₹ in Lakhs)

NOTE NO.18		As at 31st March 2018		As at 31st March 2017
OTHER EQUITY				
a.	**Capital Reserve**			
	Opening Balance		**4**	4
	Closing Balance		**4**	4
b.	**Securities Premium Account**			
	Opening Balance	**1,253**		1,253
	Less: Movement during the year on account of Issue of Bonus shares	**1,253**		NIL
	Closing Balance		**NIL**	1,253
c.	**Other Reserve (General Reserve)**			
	Opening Balance	**2,70,000**		2,20,000
	Add: Transferred from Profit and Loss account	**30,680**		50,000
	Less: On account of Issue of Bonus Shares	**680**		NIL
	Closing Balance		**3,00,000**	2,70,000

(₹ in Lakhs)

NOTE NO.18	As at 31st March 2018		As at 31st March 2017
d. Retained earnings			
Opening Balance	**69,740**		54,515
Add: Net Profit for the current year	**73,579**		71,685
Less: Interim Dividend	**7,733**		5,316
Less: Tax on Interim Dividend	**1,574**		1,082
Less: Dividend on equity shares	**2,416**		NIL
Less: Tax on equity dividend	**492**		NIL
Less: Transfer to General Reserve	**30,680**		50,000
Less: Tax on Dividend of Earlier Year	**NIL**		9
Add/(Less): Income Tax of Earlier Years	**(776)**		53
Closing Balance		**99,648**	69740
Other Comprehensive Income (OCI) :			
e. Remeasurements of the net defined benefit plans			
Opening Balance	**(653)**		(222)
Movement during the year	**35**		(431)
Closing Balance		**(618)**	(653)
f. Effective portion of cash flow hedges			
Opening Balance	**12,009**		NIL
Movement during the year	**(6,570)**		12,009
Closing Balance		**5,439**	12,009
		4,04,473	3,52,353

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

Remeasurements of the net defined benefit Plans

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

Cash flow hedging reserve

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

(₹ in Lakhs)

NOTE NO.19	As at 31st March 2018	As at 31st March 2017
BORROWINGS (NON CURRENT)		
Secured		
from banks	**NIL**	21,596
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)	**250**	288
	250	21,884
(Refer Note No.50 for details of securities provided and repayment terms of above loans)		

(₹ in Lakhs)

NOTE NO.20	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL LIABILITIES (NON CURRENT)		
Distributors/Dealers Deposit	**1**	1
	1	1

(₹ in Lakhs)

NOTE NO.21	As at 31st March 2018	As at 31st March 2017
PROVISIONS (NON CURRENT)		
Provision for employee benefits		
Gratuity	**1,037**	1,003
Leave Encashment	**260**	257
	1,297	1,260

(₹ in Lakhs)

NOTE NO.22	As at 31st March 2018	As at 31st March 2017
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of :		
Depreciation	**33,544**	36,093
Deferred Tax Assets on account of :		
Expenses allowable for tax purpose when paid	**657**	808
Net Deferred Tax Liability	**32,887**	35,285

(₹ in Lakhs)

NOTE NO.23	As at 31st March 2018	As at 31st March 2017
OTHER NON CURRENT LIABILITIES		
Deferred Income (Export Incentive)	877	1,507
	877	1,507

(₹ in Lakhs)

NOTE NO.24	As at 31st March 2018	As at 31st March 2017
BORROWINGS - (CURRENT)		
Secured		
From Banks	**28,293**	28,954
Unsecured		
From Banks	**36,516**	28,864
	64,809	57,818
(Refer Note No.50 for details of securities provided and repayment terms of above loans)		

(₹ in Lakhs)

NOTE NO.25	As at 31st March 2018	As at 31st March 2017
TRADE PAYABLES		
Trade Payables (including Acceptances)	**40,925**	37,441
(Refer Note No.45 for details of Dues to Micro and Small Enterprises)	**40,925**	37,441

(₹ in Lakhs)

NOTE NO.26	As at 31st March 2018	As at 31st March 2017
OTHER FINANCIAL LIABILITIES (CURRENT)		
Interest accrued but not due	**32**	47
Current maturity of Long Term debt	**21,688**	59,385
Unpaid Dividend	**178**	87
Other Payable (capital creditors)	**4,782**	4,588
Derivative liabilities	**89**	NIL
	26,769	64,107

(₹ in Lakhs)

NOTE NO.27	As at 31st March 2018	As at 31st March 2017
OTHER CURRENT LIABILITIES		
Income received in advance	**2,230**	2,382
Security Deposit	**2,245**	45
Statutory dues towards TDS/GST/VAT/CST/Service Tax etc.	**6,450**	2,330
	10,925	4,757

(₹ in Lakhs)

NOTE NO.28	As at 31st March 2018	As at 31st March 2017
PROVISIONS (CURRENT)		
Provision for employee benefits		
Leave Encashment	**742**	562
	742	562

(₹ in Lakhs)

NOTE NO.29	Year Ended 31st March 2018		Year Ended 31st March 2017
REVENUE FROM OPERATIONS			
Sale of Products		4,36,639	3,71,385
Other Operating Revenue:			
Export Incentives	7,824		5,724
Scrap Sales	1,400		751
Others	234		151
		9,458	6,626
Total Revenue from Operation		4,46,097	3,78,011

(₹ in Lakhs)

NOTE NO.30	Year Ended 31st March 2018		Year Ended 31st March 2017
OTHER INCOME			
Interest Income on:			
Non Current Investment	449		410
Deposits/Loans and Advances	262		1,000
		711	1,410
Net gain on foreign currency transaction and translation		26,359	12,377
Net gain on sale of Non Current Investments		2,094	NIL
Dividend Income on investments in mutual fund		242	135
Net gain on sale of Current Investments		1,308	1,035
Net mark to market gain on investments		2,437	9,729
Profit on sale of Property Plant and Equipment		10	68
Other non-operating income		814	609
		33,975	25,363

(₹ in Lakhs)

NOTE NO.31	Year Ended 31st March 2018	Year Ended 31st March 2017
COST OF MATERIAL CONSUMED		
Raw Material Consumed	2,16,521	1,57,305
	2,16,521	1,57,305

(₹ in Lakhs)

NOTE NO.32	Year Ended 31st March 2018	Year Ended 31st March 2017
PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	2,923	1,201
	2,923	1,201

(₹ in Lakhs)

NOTE NO.33	Year Ended 31st March 2018	Year Ended 31st March 2017
CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE		
Opening 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
Less :		
Closing Stock :		
Work-in-Progress	5,661	4,748
Stock in Trade	3,077	1,775
Finished Goods	18,148	15,241
	26,886	21,764
Net (Increase)/Decrease in Inventories	(5,122)	(543)

(₹ in Lakhs)

NOTE NO.34	Year Ended 31st March 2018	Year Ended 31st March 2017
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	**25,578**	23,736
Contribution to provident and other funds	**1,803**	1,448
Staff Welfare Expenses	**611**	502
	27,992	25,686

(₹ in Lakhs)

NOTE NO.35	Year Ended 31st March 2018	Year Ended 31st March 2017
FINANCE COST		
Interest Expenses	**1,212**	1,848
Other Borrowing Cost	**175**	352
	1,387	2,200

(₹ in Lakhs)

NOTE NO.36	Year Ended 31st March 2018	Year Ended 31st March 2017
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation	**31,140**	30,400
	31,140	30,400

(₹ in Lakhs)

NOTE NO.37	Year Ended 31st March 2018	Year Ended 31st March 2017
OTHER EXPENSES:		
Consumption of stores and spare parts	**11,316**	9,981
Packing material consumed	**127**	100
Power and fuel(Net)	**17,229**	12,665
Freight and forwarding	**21,415**	16,974
Excise Duty	**1,718**	5,681
Excise duty on variation of Finished Goods	**NIL**	104
Labour/Job Charges	**10,484**	8,638
Water Charges	**397**	315
Repairs and Maintenance to Plant & Machinery	**3,496**	1,230
Repairs and Maintenance to Building	**4,630**	2,950
Repairs and Maintenance to Others	**764**	728
Insurance Charges	**1,063**	1,141
Rates and Taxes excluding taxes on income	**3,154**	1,682
Rent	**529**	551
Legal and Professional Charges	**2,609**	2,601
Advertisement, Publicity, Sales Promotion and Marketing Service Expenses	**6,982**	9,648
Commission	**100**	257
Travelling Expenses	**2,215**	1,995
Directors Meeting Fees	**12**	12
Property, plant and equipment Discarded (Previous year ₹ 7,507)	**4**	0
Interest to Others	**96**	NIL
Contribution towards CSR Expenses	**1,655**	1,501
Provision for doubtful advances	**660**	NIL
Miscellaneous Expenses	**2,972**	2,511
	93,627	81,265

NOTE NO.38

(i) Tax Reconciliation

(a) The Income tax expense consists of the followings:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current income tax	**37,002**	29,666
Deferred tax expense	**1,023**	4,509
Tax expense for the year	**38,025**	34,175

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018			Year ended 31st March, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	**49**	**(14)**	**35**	(659)	228	(431)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	**(10,005)**	**3,435**	**(6,570)**	18,365	(6,356)	12,009
	(9,956)	**3,421**	**(6,535)**	17,706	(6,128)	11,578

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of Profit and loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit before tax	**1,11,604**	1,05,860
Indian statutory income tax rate	**34.608%**	34.608%
Expected income tax expenses	**38,624**	36,636
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income taxes	**(338)**	(194)
Additional allowances/deductions	**(41)**	(569)
Impact of differential tax rate	**(1,138)**	(1,894)
Permanent differences	**339**	134
Others (Net)	**579**	62
Total Income Tax expenses	**38,025**	34,175
Effective Tax Rate	**34.071%**	32.283%

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars					As at 31st March,2018
	Net balance as at 1st April, 2017	Recognised in profit or loss	Recognised in OCI	Others	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)					
Property, plant and equipment	(24,977)	(625)	NIL	NIL	(25,602)
Investments	(3,460)	(321)	NIL	NIL	(3,781)
Derivatives	(723)	(7)	NIL	NIL	(730)
Employee benefits	808	99	(14)	NIL	893
Cash Flow Hedge	(6,356)	NIL	3,435	NIL	(2,921)
Provision for Doubtful Advances	NIL	231	NIL	NIL	231
Other items	(577)	(400)	NIL	NIL	(977)
Deferred tax assets/(liabilities)	(35,285)	(1,023)	3,421	NIL	(32,887)

(b) Movement in deferred tax balances

(₹ in Lakhs)

Particulars					As at 31st March, 2017
	Net balance as at 1st April, 2016	Recognised in profit or loss	Recognised in OCI	Others	Net Deferred tax assets / (liabilities)
Deferred tax assets/(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)
Deferred tax assets/(liabilities)	(24,591)	(4,509)	(6,128)	(57)	(35,285)

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

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

NOTE NO. 39

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

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

(₹ in Lakhs)

Particulars	As at 31st March 2018							
	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	3,343	3,343	NIL	NIL	NIL	NIL
Mutual Fund	93,824	NIL	NIL	93,824	45,506	48,318	NIL	93,824
Debentures	4,233	NIL	NIL	4,233	4,233	NIL	NIL	4,233
Loans	NIL	NIL	1,412	1,412	NIL	NIL	NIL	NIL
Trade receivables	NIL	NIL	47,963	47,963	NIL	NIL	NIL	NIL
Other financial assets	NIL	NIL	386	386	NIL	NIL	NIL	NIL
Foreign exchange forward contracts	NIL	8,448	NIL	8,448	NIL	8,448	NIL	8,448
Preference shares and bonds	NIL	NIL	11,508	11,508	NIL	NIL	NIL	NIL
Alternate Investment Fund	702	NIL	NIL	702	NIL	702	NIL	702
Security deposit	NIL	NIL	812	812	NIL	NIL	NIL	NIL
TOTAL	98,759	8,448	65,424	1,72,631	49,739	57,468	NIL	1,07,207
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	NIL	NIL	21,938	21,938	NIL	NIL	NIL	NIL
Other financial liabilities	NIL	NIL	4,993	4,993	NIL	NIL	NIL	NIL
Short term borrowings	NIL	NIL	64,809	64,809	NIL	NIL	NIL	NIL
Trade payables	NIL	NIL	40,925	40,925	NIL	NIL	NIL	NIL
Foreign exchange forward contracts	NIL	89	NIL	89	NIL	89	NIL	89
TOTAL	NIL	89	1,32,665	1,32,754	NIL	89	NIL	89

Particulars	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 receivables	NIL	NIL	41,167	41,167	NIL	NIL	NIL	NIL
Other financial assets	NIL	NIL	396	396	NIL	NIL	NIL	NIL
Foreign exchange forward contracts	2,093	18,365	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	1,30,327	18,365	53,850	2,02,542	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 payables	NIL	NIL	37,441	37,441	NIL	NIL	NIL	NIL
TOTAL	NIL	NIL	181,251	181,251	NIL	NIL	NIL	NIL

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

B. Measurement of fair values

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

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

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

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

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level : 2			
Forward contracts	Market Valuation techniques The group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
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 Group's receivables from customers and investments in debt securities, cash and cash equivalents, mutual funds, bonds etc.

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

Trade receivables

Around 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:

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Neither past due nor impaired	**25,366**	32,463
Past due but not impaired		
Past due 1–90 days	**21,766**	8,310
Past due 91–180 days	**673**	363
Past due 181–270 days	**115**	17
Past due 271–365 days	**41**	1
Past due more than 365 days	**2**	13
	47,963	41,167

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

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	(₹ in Lakhs)
Balance as at 1st April, 2016	NIL
Impairment loss recognised	162
Amounts written off	162
Balance as at 31st March, 2017	NIL
Impairment loss recognised	23
Amounts written off	23
Balance as at 31st March, 2018	NIL

Concentration of credit risk

At 31st March 2018, the carrying amount of the group's most significant customer is ₹ 14,264 lakhs (31st March, 2017 : ₹ 8,855 lakhs)

Loan to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Group has made provisions of ₹ 660 Lakhs as at 31st march 2018 in respect of such doubtful loans. The Company has no collateral securities in respect of said 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 the banks with good credit ratings.

Cash and cash equivalents

Credit risk from balances with banks is managed by the group's treasury department in accordance with the group's policy. Investment of surplus funds are made in mainly in mutual funds with good returns and within approved credit ratings.

iii. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation.

As at 31st March, 2018, the Group had working capital of ₹ 57,491 lakhs, including cash and cash equivalents of ₹ 2,646 lakhs, and highly marketable current investments of ₹ 48,318 lakhs.

As at 31st March, 2017, the Group had working capital of ₹ 9,904 lakhs, including cash and cash equivalents of ₹ 2,260 lakhs, and highly marketable current investments of ₹ 46,180 lakhs.

Exposure to liquidity risk

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

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

(₹ in Lakhs)

As at 31st March 2018	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	**21,665**	**21,890**	**21,890**	**NIL**	**NIL**	**NIL**
Unsecured Long term loans and borrowings	**273**	**273**	**23**	**27**	**143**	**80**
Other financial liabilities	**1**	**1**	**NIL**	**NIL**	**NIL**	**1**
Current						
Secured Short term loans and borrowings	**28,293**	**28,293**	**28,293**	**NIL**	**NIL**	**NIL**
Unsecured Short term loans and borrowings	**36,516**	**36,516**	**36,516**	**NIL**	**NIL**	**NIL**
Trade payables	**40,925**	**40,925**	**40,925**	**NIL**	**NIL**	**NIL**
Other financial liabilities	**4,782**	**4,782**	**4,782**	**NIL**	**NIL**	**NIL**
Unpaid Dividend	**178**	**178**	**178**	**NIL**	**NIL**	**NIL**
Interest accrued but not due	**32**	**32**	**32**	**NIL**	**NIL**	**NIL**
Derivative financial liabilities						
Current						
Foreign exchange forward contract	**89**	**89**	**89**	**NIL**	**NIL**	**NIL**

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 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

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

iv. Market risk

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

a) **Currency risk**

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

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, 2018:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 221.16 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EURO	INR	EURO 1 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EURO	USD	EURO 11.08 MILLION	Sell

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

Exposure to currency risk

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

Particulars	As at 31st March 2018			As at 31st March 2017		
	EURO	USD	Others	EURO	USD	Others
Financial assets (A)						
Trade receivables	**28,507**	**12,897**	**74**	27,756	11,954	66
Cash and cash equivalent	**865**	**969**	**20**	576	884	6
Security Deposit	**8**	**2**	**NIL**	13	5	NIL
Loans	**NIL**	**NIL**	**4**	NIL	NIL	2
	29,380	**13,868**	**98**	28,345	12,843	74
Financial liabilities (B)						
Secured Loans	**19,276**	**30,596**	**NIL**	14,144	95,787	NIL
Unsecured Loans	**31,973**	**1,481**	**NIL**	22,485	4,912	NIL
Interest on loans	**NIL**	**32**	**NIL**	NIL	47	NIL
Trade payables	**5,111**	**4,076**	**442**	2,807	2,967	105
	56,360	**36,185**	**442**	39,436	1,03,713	105
Net statement of financial position exposure (A-B)	**(26,980)**	**(22,317)**	**(344)**	(11,091)	(90,870)	(31)

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 Balance Sheet date.

(₹ in Lakhs)

Effect in ₹ Lakhs As at 31st March, 2018	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EURO	2%	(540)	540
USD	3%	(670)	670
Others	10%	(34)	34

Effect in ₹ Lakhs As at 31st March, 2017	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EURO	2%	(222)	222
USD	3%	(2,726)	2,726
Others	10%	(3)	3

(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 50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fixed-rate instruments		
Financial assets	**13,017**	8,920
Financial liabilities	**(58,443)**	(53,309)
	(45,426)	(44,389)
Variable-rate instruments		
Financial liabilities	**(28,030)**	(85,476)
	(28,030)	(85,476)

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

(₹ in Lakhs)

Particulars	Profit/(loss)	
	100 bps increase	100 bps decrease
As at 31st March 2018		
Variable-rate instruments	**(280)**	**280**
sensitivity (net)	**(280)**	**280**
As at 31st March 2017		
Variable-rate instruments	(855)	855
sensitivity (net)	(855)	855

(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 2018 and 31st March 2017. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2018						
Financial assets						
Derivative financial instruments	8,448	NIL	8,448	8,448	NIL	8,448
Total	**8,448**	**NIL**	**8,448**	**8,448**	**NIL**	**8,448**
Financial liabilities						
Derivative financial instruments	89	NIL	89	89	NIL	89
Total	**89**	**NIL**	**89**	**89**	**NIL**	**89**
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**

NOTE NO.40

Hedge accounting

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the next 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, 2018

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 2018 (₹ in Lakhs)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Line item in the Balance Sheet where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	12.08 Million EURO 221.16 Million USD	8,448	89	Other Current financial Assets/ Liabilities	FY 2018-19	1 EURO = ₹ 81.14 1 USD = ₹ 70.24
	Change in fair value for the year	**Change in fair value for the year recognized in OCI**	**Ineffectiveness recognized in profit or loss**	**Line item in profit or loss that includes hedge ineffectiveness**	**Amount reclassified from the hedge reserve to profit or loss**	**Line item in profit or loss affected by the reclassification**
Foreign exchange forward contracts	FY 2017-18	(10,005)	NIL	Not applicable	NIL	Not applicable

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

(₹ in Lakhs)

Particulars	Movement in Cash flow hedge reserve	
	As at 31st March, 2018	As at 31st March, 2017
Opening balance	**12,009**	NIL
Effective portion of changes in fair value:	**NIL**	NIL
Foreign currency risk	**(10,005)**	18,365
Net amount reclassified to profit or loss:		
Foreign currency risk	**NIL**	NIL
Tax on movements on reserves during the year	**3,435**	(6,356)
Closing balance	**5,439**	12,009

NOTE NO. 41

Capital Management

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The group monitors capital using a ratio of 'net debt' to 'equity'. For this purpose, net debt is defined as total debt, comprising loans and borrowings less cash and cash equivalents and current investments.

The group's net debt to equity ratio as at 31st March 2018 and 31st March 2017 was as follows.

(₹ in Lakhs)

Particulars	**As at 31st March, 2018**	As at 31st March, 2017
Non-Current Borrowings	**NIL**	21,596
Current Borrowings	**64,809**	57,818
Current maturity of long term debt	**21,665**	59,372
Gross Debt	**86,474**	1,38,786
Less - Cash and Cash Equivalents	**2,646**	2,260
Less - Current Investments	**48,318**	46,180
Net debt	**35,510**	90,346
Total equity	**4,08,339**	3,54,286
Less : Hedging reserve	**5,439**	12,009
Equity	**4,02,900**	3,42,277
Net debt to Equity ratio	**0.09**	0.26

NOTE NO.42

Earning Per Share (EPS):

Basic EPS and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit attributable to equity holders (₹ in lakhs)	**73,579**	71,685
Weighted average number of shares outstanding during the year	**19,33,17,190**	19,33,17,190
Nominal Value of Equity Shares (in ₹)	**2**	2
Earning Per Share Basic and Diluted (in ₹)	**38.06**	*37.08

* On 27th December, 2017, the Company allotted 9,66,58,595 Equity Shares of ₹ 2 each as fully paid-up Bonus Equity Shares in the ratio of 1:1 to all registered shareholders as on the record date by capitalisation of reserves. Consequently, in accordance with Ind AS 33 "Earnings per Share", figure for the year ended 31st March 2017 have been adjusted to give effect to the allotment of the Bonus Shares.

NOTE NO.43

Related Party Disclosures *

(Where transactions have taken place)

I Related Party Relationships

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr.Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance.

b) Relatives of Key Management Personnel :

Mrs. Vijayalaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Abhishek Bansal (upto 15th April, 2016) Mr. Gunal Bansal (w.e.f. 16th April, 2016)

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

II Related Party Transactions $

(₹ in Lakhs)

Transactions	As at 31st March 2018		As at 31st March 2017	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods/ Materials	**NIL**	**40**	NIL	53
Rent received	**NIL**	**47**	NIL	47
Recovery of Expenses	**NIL**	**30**	NIL	51
Rent/Lease Rent Paid	**102**	**NIL**	102	NIL
Vehicle Hiring Charges	**8**	**NIL**	7	NIL
Remuneration/Sitting Fees	**31**	**NIL**	35	NIL

Particulars	Key Management Personnel		Relatives of (KMP)	
Outstanding Balances	**As at 31st March, 2018**	As at 31st March, 2017	**As at 31st March, 2018**	As at 31st March, 2017
Remuneration payable (As at 31st March, 2018 outstanding for Relative of KMP is ₹ ₹ 16,800)	**5,401**	5,410	**0**	2

III Key management personnel compensation

Key management personnel compensation comprised the following : (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Short term employee benefits	**6,615**	6,588
Post-employment benefits	**41**	68
Other long-term benefits	**3**	30
Total	**6,659**	**6,686**

Terms and conditions of transactions with related parties

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

$ All the related party transactions were made on terms equivalent to those that prevail in an arm's length transactions.

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

(₹ in Lakhs)

NOTE NO.44	Year ended 31st March 2018	Year ended 31st March 2017
Leases - Operating leases as lessee :		
The group has taken commercial premises under cancellable operating leases: Further the group has also taken motor cars under cancellable operating lease:		
i) Future minimum Lease Payments under non - cancellable operating leases :		
not later than one year	**41**	4
later than one year and not later than five years	**23**	9
later than five years	**NIL**	NIL
ii) The rental expenses recognised in the statement of Profit and Loss for operating leases :		
(a) Minimum Rent	**528**	474
(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.45

a) As at 31st March,2018, 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 Group. This has been relied upon by the auditors.

NOTE NO.46

Employee Benefit obligations

(A) Defined Contribution Plan

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

(₹ in Lakhs)

	Year ended 31st March 2018	Year ended 31st March 2017
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	**81**	81
Employees' Provident fund	**902**	823

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the group.

Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at March 31st March, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

(₹ in Lakhs)

Particulars		As at 31 March 2018 Gratuity (Funded plan)	As at 31 March 2017 Gratuity (Funded plan)
(i)	**Change in Defined Benefit Obligation**		
	Opening defined benefit obligation	**3,001**	2,014
	Amount recognised in profit and loss		
	Current service cost	**303**	190
	Past service cost	**101**	NIL
	Interest cost	**219**	162
	Amount recognised in other comprehensive income		
	Actuarial loss / (gain) arising from:		
	Demographic assumptions	**NIL**	NIL
	Financial assumptions	**(170)**	593
	Experience adjustment	**124**	70
	Other		
	Benefits paid	**(114)**	(27)
	Closing defined benefit obligation	**3,464**	3,001
(ii)	**Change in Fair Value of Assets**		
	Opening fair value of plan assets	**1,998**	1,650
	Amount recognised in profit and loss		
	Interest income	**146**	133
	Amount recognised in other comprehensive income		
	Actuarial gain / (loss)		
	Return on Plan Assets, Excluding Interest Income	**3**	3
	Other		
	Contributions by employer	**394**	239
	Benefits paid	**(114)**	(27)
	Closing fair value of plan assets	**2,427**	1,998
	Actual return on Plan Assets	**149**	136
(iii)	**Plan assets comprise the following**	**Unqouted**	Unqouted
	Insurance fund (100%)	**2427**	1998
(iv)	**Principal actuarial assumptions used**		
	Discount rate	**7.78%**	7.29%
	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%**	7.50%
(v)	**Amount recognised in the Balance Sheet**		
	Present value of obligations as at year end	**3,464**	3,001
	Fair value of plan assets as at year end	**2,427**	1,998
	Net (asset) / liability recognised as at year end	**1,037**	1,003
	Recognised under :		
	Short term provisions		
	Long term provisions	**1,037**	1,003
		1,037	1,003

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below. (₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	**(159)**	**173**	(151)	166
Employee turnover (0.5% movement) - Gratuity	**6**	**(6)**	(5)	5
Future salary growth (0.5% movement) - Gratuity	**166**	**(154)**	165	(151)

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

(vii) Expected future cash flows (₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March , 2018					
Defined benefit obligations (Gratuity)	**456**	**132**	**676**	**1,315**	**2,579**
Total	**456**	**132**	**676**	**1,315**	**2,579**

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

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, 2018 based on actuarial valuation using the projected accrued benefit method is ₹ 301 lakhs (31st March 2017 : ₹ 59 lakhs).

(₹ in Lakhs)

NOTE NO.47	As at 31st March 2018	As at 31st March 2017
Contingent Liabilities and Commitments		
(i) Contingent Liabilities		
a) Claims against the Group not acknowledge as debts		
- Disputed claims for excise, sales tax, customs and service tax	**6,555**	10,586
- Disputed income tax demands	**207**	207
Others	**2**	NIL
b) Guarantees given by the Group bankers on behalf of the Group against the Group Indemnity	**1,842**	1,493
c) Corporate Guarantee given by the Group:		
-To the President of India through commissioner of Custom	**1,81,403**	1,23,356
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**49,771**	16,416

(₹ in Lakhs)

NOTE NO.48	Year ended 31st March 2018	Year ended 31st March 2017
Payment to Auditors		
Statutory Auditors		
Audit Fees	**47**	43
For Tax Audit	**NIL**	7
For Taxation Matters	**5**	11
For Company Law matters	**2**	3
For Other services - Certification, etc.	**13**	14
Total	**67**	78

(₹ in Lakhs)

NOTE NO.49	Year ended 31st March 2018	Year ended 31st March 2017
Research and Development Cost/Expenditure		
Revenue	**1,633**	1,456
Capital	**1,600**	908
Total of Research and Development Cost/Expenditure	**3,233**	2,364

(₹ in Lakhs)

NOTE NO.50	As at 31st March, 2018	As at 31st March, 2017
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.	25,091	25,982
b) At subsidiary Companies:		
Secured by first charge by way of security agreement of all the assets of BKT EXIM US,INC (including its subsidiary) and further Guarantee by BKT Tire Inc and the Parent Company.	1,630	1,621
Secured by Guarantee of the Parent Company.	1,572	1,350
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.	21,665	43,170
(Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 100 bps)		
b) ECB Loan USD 116.67 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.	NIL	37,799
(Repayment in 2 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest LIBOR + 80 bps)		

NOTE NO.51

Segment reporting

A. General Information

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

For management purposes the Group has only one reportable segment as follows

- Manufacture and sale of tyres

  The Managing Director of the Group acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

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

(₹ in Lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the group derives revenues		
Revenue from the Country of Domicile- India	**68,070**	61,419
Revenue from foreign countries:		
Europe	**2,38,815**	1,93,796
North America	**60,262**	52,769
Others	**78,950**	70,400
TOTAL	**4,46,097**	3,78,384

C. Information about major customers

Revenue from major customer of the group was ₹ 58,716 lakhs as on 31st March, 2018 (Previous year 31st March, 2017: ₹ 37,310 lakhs.)

(₹ in Lakhs)

D. Segment Assets	Year ended 31st March 2018	Year ended 31st March 2017
In India	3,15,197	3,04,309
Outside India	48	28
Total	3,15,245	3,04,337

NOTE NO.52

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

31st March 2018

(₹ 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 Comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive income	Amount (₹)	As % of Total Comprehensive income	Amount (₹)
Parent	100.29%	4,09,523	100.47%	73,926	100.00%	(6,535)	100.52%	67,391
Subsidiaries								
Foreign								
1. BKT USA INC	0.12%	496	0.06%	46	NIL	NIL	0.07%	46
2. BKT EXIM US, INC	0.03%	121	0.09%	64	NIL	NIL	0.10%	64
3.BKT TIRES (CANADA) INC	0.02%	69	0.03%	21	NIL	NIL	0.03%	21
4. BKT EUROPE S.R.L.	0.03%	130	0.02%	15	NIL	NIL	0.02%	15
Indian								
5. BKT Tyres Ltd.	0.00%	6	0.00%	(0)	NIL	NIL	0.00%	(0)
6. Thristha Synthetics Ltd.	0.00%	4	0.00%	(0)	NIL	NIL	0.00%	(0)
Elimination	-0.49%	(2,010)	-0.67%	(493)	NIL	NIL	-0.74%	(493)
Total	**100.00%**	**4,08,339**	**100.00%**	**73,579**	**100.00%**	**(6,535)**	**100.00%**	**67,044**

31st March 2017

Name of the entities in the Group	Net Assets , i.e Total Assets minus total liabilities		Share in Profit or loss		Share in Other Comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit or Loss	Amount (₹)	As % of Consolidated Other Comprehensive income	Amount (₹)	As % of Total Comprehensive income	Amount (₹)
Parent	100.24%	3,55,123	99.82%	71,558	100.00%	11,578	99.85%	83,136
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 S.R.L.	0.03%	115	0.07%	53	NIL	NIL	0.06%	53
Indian								
5. BKT Tyres Ltd.	0.00%	6	0.00%	(0)	NIL	NIL	0.00%	(0)
6. Thristha Synthetics Ltd.	0.00%	4	0.00%	(0)	NIL	NIL	0.00%	(0)
Elimination	-0.43%	(1,517)	-0.05%	(34)	NIL	NIL	-0.04%	(34)
Total	100.00%	3,54,286	100.00%	71,686	100.00%	11,578	100.00%	83,264

(₹ in Lakhs)

NOTE NO.53	Year ended 31st March 2018	Year ended 31st March 2017
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:		
Total Expenditure towards CSR activity	**1,655**	1,501
Amount required to be spent u/s 135 of Compaines Act 2013	**1,654**	1,500
Excess/(Short)	**1**	1

NOTE NO.54

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended a final dividend of ₹ 1.50 (75 %) per equity share of ₹ 2/-each. The cash outgo on account of final dividend and dividend tax will be ₹ 3,496 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 N.G. THAKRAR & CO.
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 17th May, 2018

BASANT BANSAL
Director (Finance)

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

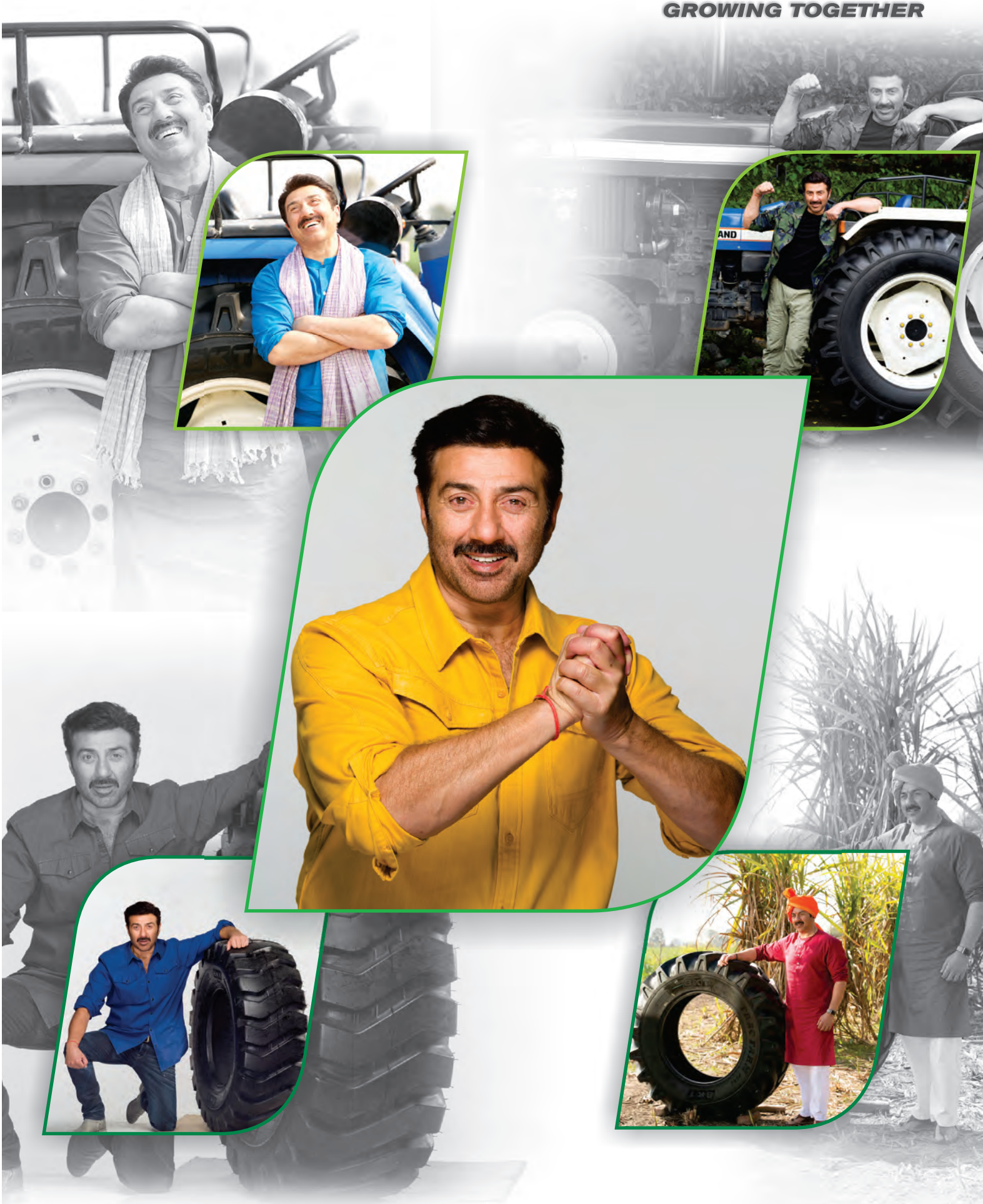
RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 17th May, 2018

BKT

GROWING TOGETHER



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

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Balkrishna Industries Limited

CIN : L99999MH1961PLC012185
Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra
Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013
Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: shares@bkt-tires.com | Website: www.bkt-tires.com

ADDENDUM TO THE 55th ANNUAL REPORT FOR YEAR 2016-2017

Dear Shareholders,

The 55th Annual Report for year 2016-2017 has been approved by the Board of Directors of the Company at its Meeting held on 25th May, 2017 and by the Members of the Company at the 55th Annual General Meeting held on 9th September, 2017.

The disclosure of Dividend Distribution Policy is an addendum to the General shareholders Information of the aforesaid 55th Annual Report for year 2016-2017.

DIVIDEND DISTRIBUTION POLICY

The Board of Directors (the "Board") of Balkrishna Industries Limited (the "Company") at its meeting held on 10th September, 2016 has adopted this Dividend Distribution Policy (the "Policy") as required by Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The same is also available on the website of the Company: www.bkt-tires.com.

OBJECTIVE

The objective of this Policy is to establish the parameters to be considered by the Board of Directors of the Company before declaring or recommending dividend.

The Company has had an uninterrupted dividend payout since last 30 years. In future, the Company would endeavor to pay sustainable dividend keeping in view the Company's policy of meeting the long term growth objectives from internal cash accruals.

POLICY

I. DECLARATION OF DIVIDEND ONLY OUT OF PROFITS

DIVIDEND SHALL BE DECLARED OR PAID ONLY OUT OF –

i) Current Year's Profit;
   a) After providing for depreciation in accordance with law;
   b) After transferring to the reserves such amount of Profit as may be prescribed; or

ii) The Profits for any previous financial year(s)
   a) After providing for depreciation in accordance with law; and
   b) Remaining undistributed; or

iii) Out of i) & ii) both

II. SET OF LOSSES AND DEPRECIATION OF PREVIOUS YEARS

Before declaring any dividend, the carried over previous losses and depreciation not provided in previous year or years must be set off against the profits of the Company for the current year.

III. DECLARATION OF DIVIDEND

OUT OF RESERVES

Board should avoid the practice of Declaration of Dividend out of Reserves.

IV. AMOUNT OF DIVIDEND

The Board shall endeavor to maintain the Dividend Payout Ratio.*

i. (Dividend/ Net Profit for the year) as near as possible to 5% to 20% subject to Company's need for Capital for its growth plan.

ii. Positive Cash Flow.

* To be reviewed every 2 to 3 years.

V. TIMING

i) Interim Dividend
   a) Board to declare;
   b) Based on review of profits earned during the current year - to date;
   c) One to three times a year.

ii) Final Dividend
   a) Board to recommend to members for their approval;
   b) Based on review of profits arrived at as per audited financial statements, for the year;
   c) Maximum once in a year.

VI. PARAMETERS TO BE CONSIDERED BEFORE DECLARING DIVIDEND.

The Board shall consider the following financial/internal parameters while declaring or recommending dividend to shareholders:

i. Plough back of profits i.e. future capital expenditure programme including
   a) New project;
   b) Expansion of capacities of existing units;
   c) Renovation/ Modernization;
   d) Major Repairs & Maintenance.
ii. Likelihood of crystallization of contingent liabilities, if any.
iii. Contingency Fund.
iv. Acquisition of brands/ businesses.
v. Sale of brands/ businesses.
vi. Retained Earnings.

The Board shall consider the following external parameters while declaring or recommending dividend to shareholders:

Macro-economic environment - Significant changes in macro-economic environment materially affecting the businesses in which the Company is engaged in the geographies in which the Company operates.

Regulatory changes – Introduction of new regulatory requirements or material changes in existing taxation or regulatory requirements, which significantly affect the businesses in which the Company is engaged.

Technological changes which necessitate significant new investments in any of the businesses in which the Company is engaged.

VII. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Board, while declaring or recommending dividend shall ensure compliance with statutory requirements under applicable laws including the provisions of the Companies Act, 2013 and Listing Regulations.

The Board, while determining the dividend to be declared or recommended shall take into consideration the advice of the executive management of the Company and the planned and further investments for growth apart from other parameters set out in this Policy.

The Board may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for ongoing or planned business expansion or other factors which may be considered by the Board.

VIII. UTILISATION OF RETAINED EARNINGS

The Company shall endeavor to utilize the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board.

IX. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has issued only one class of shares viz. equity shares. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

X. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Listing Regulations shall prevail.

XI. AMENDMENTS

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws and Listing Regulations or as deemed fit on a review.

(This Addendum was approved by the Board of Directors at its Meeting held on 24th March, 2018).

By order of Board of Directors
For Balkrishna Industries Limited

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY
DIN NO: 05199526

Place : Mumbai,
Dated: 24th March, 2018