

Powering Growth
Empowering Future

Balkrishna Industries limited

51st ANNUAL REPORT 2013



Lord Ganesha

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BOARD OF DIRECTORS:

DHARAPRASAD PODDAR
Chairman Emeritus

ARVIND PODDAR
Chairman & Managing Director

VIJAYLAXMI PODDAR
Executive Director (w.e.f.30.05.2012)

RAJIV PODDAR
Executive Director

SACHIN NATH CHATURVEDI
SUBHASH CHAND MANTRI
RAMESHKUMAR PODDAR
KHURSHED DOONGAJI
LAXMIDAS MERCHANT
SANJAY ASHER
ASHOK SARAF
VIPUL SHAH
Whole Time Director & Company Secretary

MANAGEMENT COMMITTEE

DILIP VAIDYA – Director (Technical)

RAJIV PODDAR

KHUSHBOO PODDAR

BASANTKUMAR BANSAL- Director (Finance)

REGISTERED OFFICE:

H-3/1 MIDC "A" Road, Tarapur (Boisar) 401 506
Dist. Thane (Maharashtra)

PLANTS :

TYRE MANUFACTURING :

WIND FARM :

MOULD UNITS :

BANKERS:

CORPORATION BANK
THE ROYAL BANK OF SCOTLAND N.V.
STANDARD CHARTERED BANK
STATE BANK OF INDIA
ING VYSYA BANK LTD
BARCLAYS BANK PLC
BANK OF BARODA
INDUSIND BANK LIMITED
CITI BANK N.A.
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
BNP PARIBAS
SOCIETE GENERALE
KINGS TOWN BANK
INDIAN BANK
HDFC BANK LIMITED
BANK OF TOKYO-MITSUBISHI UFJ
DBS BANK LIMITED

AUDITORS:

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

INTERNAL AUDITORS:

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

COST AUDITORS:

M/s. R S RAGHVAN & CO.
Cost Accountants

CORPORATE OFFICE:

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

B-66, Waluj MIDC, Waluj Indl. Area,
Dist. Aurangabad 431 136 (Maharashtra)

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

RIICO, Phase VIII,
Chopanki P.O. Bhiwadi 301 707
Dist. Alwar. (Rajasthan)

Village Padhdhar, Taluka Bhuj,
District Kachchh. (Gujarat)

Village Soda Mada, Tehsil: Fatehgarh,
Dist. Jaisalmer (Rajasthan)

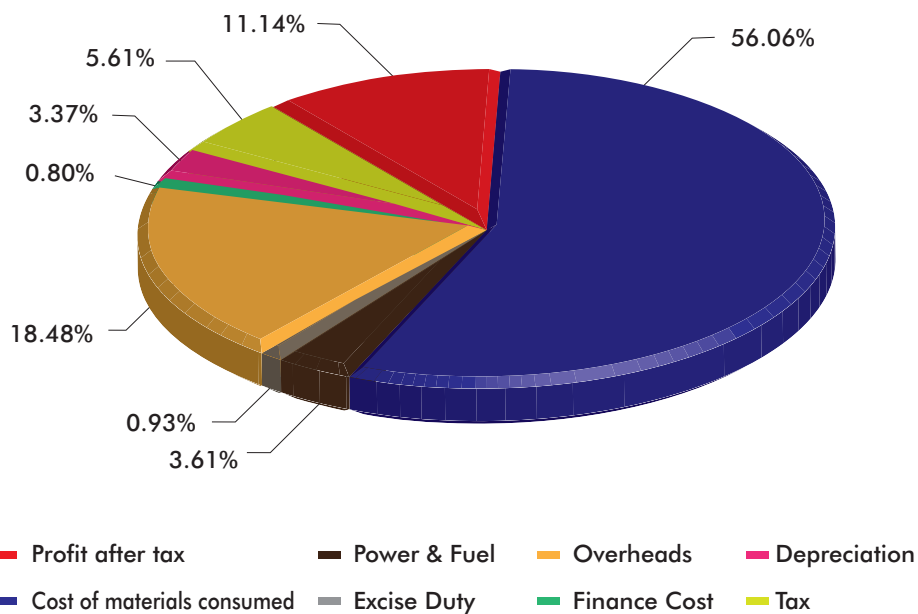
Plot No. TS-1 and C-21, M.I.D.C, Phase No.II, Dombivali (E)
421 201, Dist. Thane (Maharashtra)

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.

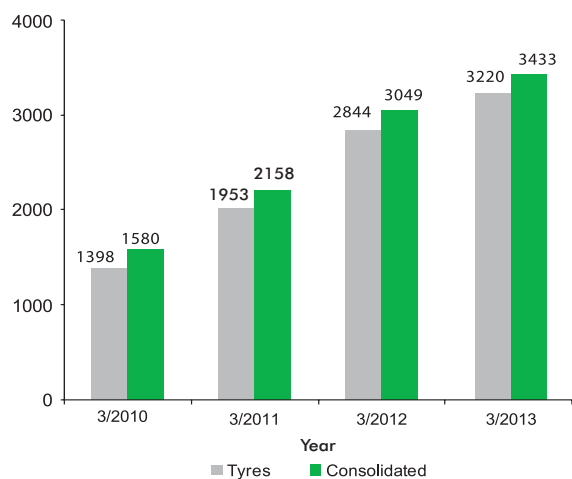
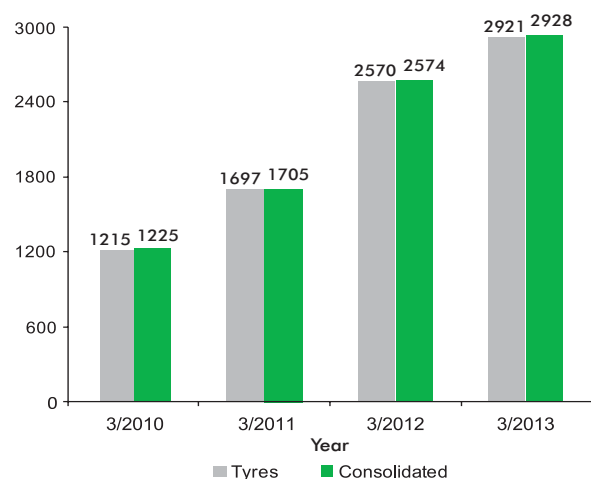
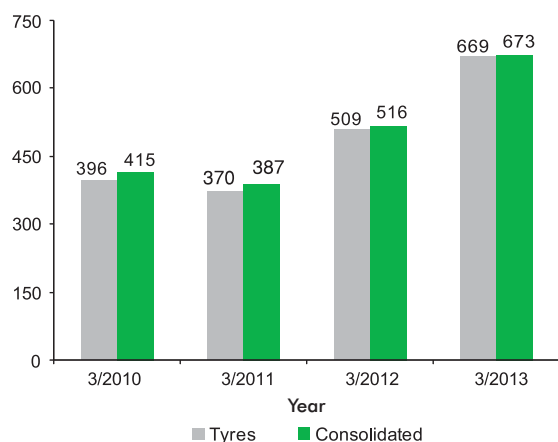
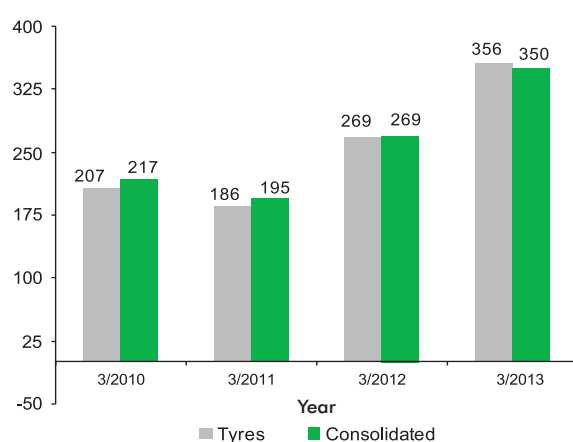
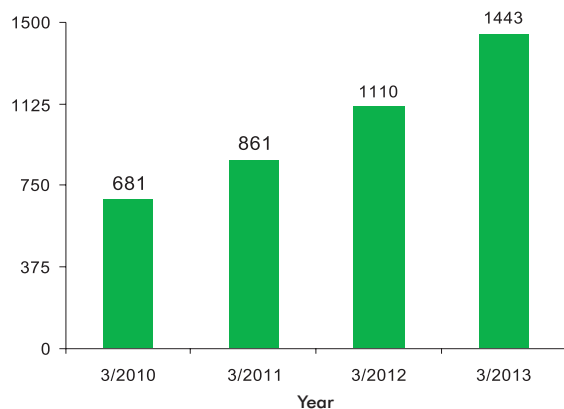
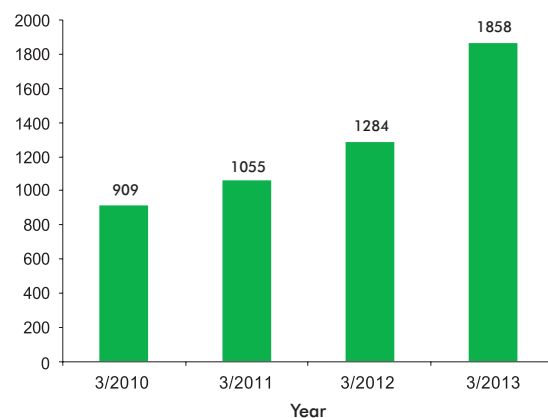
FINANCIAL HIGHLIGHTS (CONSOLIDATED)

| Particulars | (Rs. In Crores) | | | |
|-----------------------------------|-----------------|-------|-------|-------|
| Year ended 31 st March | 2013 | 2012 | 2011 | 2010 |
| Revenue from operations (Gross) | 3433 | 3049 | 2158 | 1580 |
| Revenue from operations (Net) | 3394 | 3017 | 2132 | 1564 |
| Other Income | 5 | 4 | 92 | 30 |
| Total Revenue | 3399 | 3021 | 2224 | 1594 |
| PBIDT | 673 | 516 | 387 | 415 |
| PBDT | 646 | 487 | 365 | 396 |
| Depreciation | 112 | 87 | 77 | 69 |
| PBT | 534 | 400 | 288 | 327 |
| Taxes | 184 | 131 | 94 | 110 |
| PAT | 350 | 269 | 194 | 217 |
| Dividend | 75% | 75% | 70% | 70% |
| Earning per Share of Rs. 2 each | 36.20 | 27.48 | 20.14 | 22.67 |
| Total Cash Accruals | 446 | 339 | 256 | 270 |

RUPEES EARNED / SPENT (%)



FINANCIAL HIGHLIGHTS

GROSS SALES & RELATED INCOME (Rs. In Crores)**EXPORT SALES (Rs. In Crores)****EBIDTA (Rs. In Crores)****PAT (Rs. In Crores)****CONSOLIDATED NET WORTH (Rs. In Crores)****CONSOLIDATED GROSS BLOCK (Rs. In Crores)**

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 51st Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013.

(Rs. In Crores)

| | Current Year ended | | Previous Year ended | |
|--|---------------------------|----------------|----------------------------|---------|
| | 31.03.2013 | | 31.03.2012 | |
| Income from Operations and other Operating Income | | 3220.20 | | 2844.57 |
| Less: Excise Duty Recovered on Sales | | 29.63 | | 24.61 |
| Total Income from Operations (Net) | | 3190.57 | | 2819.96 |
| Gross Profit | | 642.91 | | 481.36 |
| Less: Depreciation and Amortization | | 107.71 | | 83.14 |
| Profit before Tax | | 535.20 | | 398.22 |
| Less: Provision for Taxation | | | | |
| Current Tax | 142.10 | | 124.10 | |
| Deferred Tax (Net) | 37.27 | 179.37 | 5.60 | 129.70 |
| Profit after Tax | | 355.83 | | 268.52 |
| (Less)/Add: Adjustments relating to earlier years | | | | |
| Excess/(Short) Provision of Taxation | | NIL | | (3.35) |
| Profit after adjustment relating to earlier years | | 355.83 | | 265.17 |
| Balance brought forward from last year | | 87.72 | | 389.31 |
| PROFIT AVAILABLE FOR APPROPRIATIONS: | | 443.55 | | 654.48 |
| Transfer to General Reserve | | 350 | | 549.91 |
| Proposed Final Dividend | | 14.50 | | 14.50 |
| Tax on Final Dividend | | 2.46 | | 2.35 |
| Balance Carried forward to balance sheet | | 76.59 | | 87.72 |

OPERATIONS:

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of "Off-Highway Specialty tyres". These specialty tyres are meant for Agricultural, Industrial, Material Handling, Construction, Earthmoving (OTR), Forestry, Lawn & Garden Equipments and All Terrain Vehicles (ATV). Around 90% of our revenue is generated through exports.

During the year under consideration, the revenue of your Company from its operations has grown by 13%. The Net Turnover and other Income of the company has increased from Rs. 2,820 Crores to Rs. 3,190 Crores.

The Gross Profit of the Company for the year under consideration has increased from Rs. 481 Crores to Rs. 643 Crores and correspondingly, the profit after tax has increased to Rs.356 Crores as compare to Rs.269 Crores in the previous year.

Your Company continues to enjoy the status of **"STAR TRADING HOUSE"**.

DIVIDEND:

Your Directors are pleased to recommend Dividend of Rs.1.50 (75%) for the year, with a total payout of Rs. 16.96 Crores, including Tax on Dividend.

CAPITAL EXPENDITURE:

During the year, the company has carried out a modernization scheme at its existing plants by adding balancing equipments, with a view to remove debottlenecking and marginally improve its production capacity. The capex cost amounted to Rs.145 Crores.

The company has so far incurred capital expenditure of Rs. 912 Crores (approx.) towards its major upcoming green field tyre project at Bhuj Gujarat.

OUTLOOK FOR THE CURRENT YEAR 2013-2014:

The company revenue is mainly generated from exports to Europe and USA. However the markets have been under pressure due to global recession during the last financial year. The overall business environment across the globe continues to be under pressure; however USA has started showing signs of recovery and we are hopeful that such recovery is sustainable throughout the year. Despite a difficult business environment we are causally optimistic about showing moderate growth in exports during the current financial year.

Raw materials prices had declined in the last financial year on account of slacking demand in the tyre sector. Other input cost has also increased. However we expect that profit margin would show an improvement during the current financial year, if raw materials prices remain stable.

The long-term prospects of the company are definitely positive and the company continues to expand its product base by developing different types of tyres and venturing in to new geographies. The company has also established sales offices in various countries of the world to ensure deeper penetration into existing markets and sustain its future growth.

OPPORTUNITY & THREATS:**OPPORTUNITIES:**

The segment in which your company operates is predominantly “large varieties - low volume segment”, which restricts plant capacity utilization. It is both a capital intensive and labour intensive proposition, making it un-attractive for fresh investments by major players. Your Company is fully geared to take advantage of the peculiarities of the said segment and has developed a large base of SKUs to meet the diverse needs and applications.

Moreover, the segment is not exposed to any technological obsolescence and wild fluctuations in demand of its products.

The Company has incremental opportunity to develop the “Earth Moving tyres” (OTR) markets and take advantage of the shift from bias to radial tyres, which is picking up rapidly. In this pursuit, the company has already set up an all-steel OTR Radial tyre plant at its Chopanki location and thereby has become the first company in India to set up such plant. Your company is in the process of expanding its base into its various sub-segments like agricultural, industrial, construction, mining, winter and solid tyres under both the technology – 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.

RISKS / CONCERNS AND RISK MITIGATION:

Fluctuation in Raw Material prices: The Company’s major raw material is Natural Rubber, which is an agricultural commodity and actively traded on the commodities exchanges. Its prices fluctuate significantly and have moved up considerably in the past. Recently there has been a softening in the prices of natural rubber and other raw materials which are expected to continue for some more time. Whilst lower prices of raw materials may improve its profit margin it could be partly vitiated as the company would need to pass on the benefits to its customers.

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

Since most of the raw materials are imported, the company is exposed to foreign currency risk. However, it will be offset against the revenues of the company which are also in foreign currency. The increase in utility and other administrative costs may also marginally affect the profitability of the company adversely. In order to minimize such risks, the Company not only enters into medium-term contracts but also adopts the policy of “Buy and Stock” large quantities during the lean period.

Labour Relations: Since the nature of 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 and spends lot of money and Management’s time for their welfare, safety and to improve the quality of 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 generated through exports.

Since approximately 90% of the Company’s revenues are generated through exports. The Company also imports lot of its raw materials and capital equipments. 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 and major payments well in advance by entering into Forward Contracts, thereby protecting itself from fluctuations in currencies.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that the necessary controls are in place. The Audit Committee of the Board reviews these and the Company, when needed, takes corrective actions.

HUMAN RESOURCES:

The Company’s human resources continue to be the biggest asset of the Company. 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 were conducted to develop the personality and outlook of its employees. Employee relations continue to be cordial.

SUBSIDIARY COMPANIES:

The company has following 100% subsidiary companies:

Balkrishna Paper Mills Limited, Balkrishna Synthetics Limited, BKT Tyres Limited, BKT Exim Limited and Indirect subsidiary Companies i.e subsidiary companies of BKT Exim Limited; i.e. BKT (EUROPE) LTD., BKT EUROPE S.R.L. and BKT (USA) INC.

As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, and form part of the Annual Report and Accounts.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary Companies and the related information to any member of the Company who may be interested in obtaining the same. These documents will also be available for inspection by any members at the Corporate Office of the Company and that of respective subsidiary companies.

The financial data of the Subsidiaries have been furnished under 'Details of Subsidiaries' forming part of the Annual Report.

DIRECTORS:

Shri Ashok Saraf, Shri Laxmidas Merchant, Shri Rajiv Poddar and Shri Subhash Chand Mantri retire by rotation and being eligible, offer themselves for re-appointment.

Necessary resolutions for their re-appointment are placed before the Shareholders. Your Directors commend the resolutions.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding Compliance of the same are made a part of this Annual Report.

FIXED DEPOSITS:

There are no deposits as on 31st March 2013.

INDUSTRIAL RELATIONS:

Industrial relations with staff and workers continue to be cordial.

PARTICULARS OF EMPLOYEES:

In terms of the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any members interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-I to the report.

RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 at the end of the financial year and of the Profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the accounts for the financial year ended 31st March, 2013 on a "going concern" basis.

AUDITORS:

The members are requested to appoint Auditors and fix their remuneration. Messers Jayantilal Thakkar & Co., Chartered Accountants, the retiring Auditors have furnished certificates of their eligibility for re-appointment as required under Companies Act, 1956.

CAUTIONARY STATEMENTS:

Certain statements in the "Management Discussion and Analysis" describing the Company's views about the Industry, expectations/predictions, objectives etc., may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the Statement. Company's operations may inter-alia be affected 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.

APPRECIATION:

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

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

For and on behalf of the Board of Directors

ARVIND PODDAR
Chairman & Managing Director

Place : Mumbai,
Dated : 1st August, 2013

ANNEXURE – I

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2013.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken by the Company;

(i) Electrical Energy:

Energy Audit by outside Consultants has been carried out in the earlier years at the various Plants of the Company and also in-house audits/surveys are conducted periodically. Necessary follow-up actions are being continuously carried out.

Besides, regular monitoring of the overall energy consumption is also carried out periodically during the year, and losses, if any, are identified and suitable improvements carried out.

(ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

(b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy;

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

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder.

FORM 'A'

| I. Power and Fuel Consumption: | | Current Year Rupees | Previous Year Rupees |
|---------------------------------------|--|--------------------------------|---------------------------------|
| 1 | Electricity | | |
| | (a) Purchased | | |
| | Units (KWH) | 10,19,39,109 | 8,61,55,096 |
| | Total amount (Rs. in lacs) | 5,865 | 4,450 |
| | Rate/Unit (Rs.) | 5.75 | 5.17 |
| | (b) Own generation | | |
| | (i) Through Diesel Generation Sets | | |
| | Units (KWH) | 2,21,61,287 | 2,77,81,351 |
| | Units per liter of H.S.D/L.D.O/Furnace Oil | 3.34 | 3.80 |
| | Cost/Unit (Rs.) | 13.47 | 9.94 |
| | (ii) Through Wind Mill (for Captive Consumption) | | |
| | Units (KWH) | 60,27,309 | 61,97,218 |
| 2 | Pet Coke (specify quality and where used) | | |
| | The Company also used Pet Coke grade B/C in its Boilers | | |
| | Quantity (Tons) | 35,051 | 34,790 |
| | Total Amount (Rs. in lacs) | 2,722 | 2,683 |
| | Average Rate (Rs./Ton) | 7,766 | 7,712 |
| 3 | Coal (specify quality and where used) | | |
| | The Company also used Steam Coal grade B/C in its Boilers | | |
| | Quantity (Tons) | 6,989 | NIL |
| | Total Amount (Rs. in lacs) | 251 | NIL |
| | Average Rate (Rs./Ton) | 3,594 | NIL |
| 4 | H.S.D/L.D.O/Furnace Oil | | |
| | Quantity (K.Ltrs) | 6,633 | 7,307 |
| | Total Amount (Rs. in lacs) | 2,984 | 2,761 |
| | Average Rate (Rs./KL) (Net of Modvat, Wherever applicable) | 44,991 | 37,792 |

II. Consumption per unit of production:

| | Electricity (KWH) | Pet Coke (Kgs) | Coal (Kgs) | Furnace Oil (Ltr) |
|------------------------------|-------------------|------------------|----------------|-------------------|
| Automobile Tyres (MT) | 890 (863) | 251 (264) | 0 (NIL) | 48 (55) |

Note: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product-mix for the period.

Figures in brackets are of previous year.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form 'B':

FORM 'B'**I. Research and development (R&D):**

- Specific areas in which R&D carried out by the Company:

Product and quality improvement, development of new designs/products, cost control and energy conservation.

- Benefits derived as a result of the above R&D:

The R&D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.

- Future plan of action:

Water and energy conservation, development of new designs of tyres, further improvement in process technology and product mix.

- Expenditure on R&D (Rs. in lacs):

| | | |
|---------------|---|---------|
| (a) Capital | : | 937.19 |
| (b) Recurring | : | 757.79 |
| (c) Total | : | 1694.98 |

II. Technology absorption, adaptation and innovation:

- Efforts, in brief, made towards technology absorption, adaptation and innovation:

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.

- Benefits – which, when found suitable, are integrated into the regular manufacturing operation:

- Quality improvement.
- Energy conservation.

- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;

The export of Tyres, Tubes and Flaps during the year amounted to Rs.2,832 Crores as against Rs.2,497 Crores during the previous year. The products of the Company are well established in the international market and the Company expects to further improve its performance in the export segment.

- Total foreign exchange used and earned (Rs. in Crores)
Used : 1,867 Earned :2,922

For and on behalf of the Board of Directors

ARVIND PODDAR
Chairman & Managing Director

Place : Mumbai,
Dated : 1st August, 2013

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

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, your 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 your Company has been to achieve business excellence, to enhance shareholders value, keeping in view the needs and the interest of the shareholders.

BOARD OF DIRECTORS:

The Company at the end of the year on 31st March 2013 has Eleven Directors comprising of; Non-Executive & Non-Independent Director, Non- Executive & Independent Directors and Whole Time Directors (Managing Director, Executive Directors and Director & Company Secretary).

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Chairman of the Board is Executive Chairman and is a Promoter of the Company. The numbers of the Independent Directors are more than 50% of the total number of Directors and the numbers of the Non-Executive Directors are more than 50% of the total number of Directors.

The constitution of the Board during the course of the year ended 31st March, 2013.

| Name of the Directors | Category of Directors | Board meetings attended during the year | Whether attended last Annual General Meeting | Number of Directorships in other public companies | | Number of Mandatory Committee positions held in other public companies | |
|---|--|---|--|---|--------|--|--------|
| | | | | Chairman | Member | Chairman | Member |
| Shri Dharaprasad Poddar (Upto 29.05.2012) | Non-Executive & Non – Independent Director | N.A. | N.A. | - | - | - | - |
| Shri Arvind Poddar | Chairman & Managing Director | 4 | Y | 4 | 3 | - | 1 |
| Shri Rameshkumar Poddar | Non-Executive & Non – Independent Director | 2 | N | 1 | - | - | 1 |
| Shri Sachin Nath Chaturvedi | Non-Executive & Independent Director | 4 | Y | - | 4 | - | 2 |
| Shri Khurshed Doongaji | Non-Executive & Independent Director | 4 | Y | - | 1 | 2 | - |
| Shri Sanjay Asher | Non-Executive & Independent Director | 3 | Y | - | 14 | 4 | 6 |
| Shri Subhash Chand Mantri | Non-Executive & Independent Director | 4 | Y | - | 2 | - | - |
| Shri Ashok Saraf | Non-Executive & Independent Director | 3 | Y | 1 | - | - | - |
| Shri Laxmidas Merchant | Non-Executive & Independent Director | 3 | N | - | 2 | 2 | - |
| Shri Anurag Poddar (Upto 29.05.2012) | Executive Director | N.A. | N.A. | - | 3 | - | - |
| Smt. Vijaylaxmi A Poddar (w.e.f 30.05.2012) | Executive Director | 4 | N | - | 6 | - | - |
| Shri Rajiv Poddar | Executive Director | 4 | Y | - | 6 | - | - |
| Shri Vipul Shah | Director & Company Secretary | 4 | Y | - | - | - | - |

1. Shri Arvind Poddar, Smt. Vijaylaxmi Poddar and Shri Rajiv Poddar are relatives of each other.
2. Shri Dharaprasad Poddar is a relative of Shri Rameshkumar Poddar and Shri Anurag Poddar and Vice Versa.

Number of Board Meetings held and the dates on which held:

The Company held four Board Meetings during 2012-2013 and the gap between two meetings did not exceed four months The meetings were held on 30th May, 2012, 4th August, 2012, 10th November, 2012 and 14th February, 2013.

The information as required under Annexure 1A to Clause 49 of the listing agreement is being made available to the Board. These are submitted either as a part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

Apart from payment of sitting fees, the Company did not have any material pecuniary relationship or transactions with Non Executive Directors during the year.

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 www.bkt-tires.com.

Remuneration to Directors:

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

The Board of Directors takes all decisions regarding the remuneration of Non-executive Directors.

The details of the remuneration of Directors for the year are given below:

(in Rupees)

| Name of the Director | Salary | Perquisites and allowances # | Commission | Sitting Fees | Total | Service Contract |
|--|-------------|------------------------------|-------------|--------------|--------------|--------------------------|
| Shri Dharaprasad Poddar Upto 29.05.2012 | NIL | NIL | NIL | 2500 | 2500 | * |
| Shri Arvind Poddar | 1,80,00,000 | 2,34,27,542 | 7,20,00,000 | NIL | 11,34,27,542 | 01.08.2011 to 31.07.2016 |
| Shri Rameshkumar Poddar | NIL | NIL | NIL | 37,500 | 37,500 | * |
| Shri Sachin Nath Chaturvedi | NIL | NIL | NIL | 1,20,000 | 1,20,000 | * |
| Shri Khurshed Doongaji | NIL | NIL | NIL | 1,25,000 | 1,25,000 | * |
| Shri Sanjay Asher | NIL | NIL | NIL | 45,000 | 45,000 | * |
| Shri Subhash Chand Mantri | NIL | NIL | NIL | 1,25,000 | 1,25,000 | * |
| Shri Ashok Saraf | NIL | NIL | NIL | 45,000 | 45,000 | * |
| Shri Laxmidas Merchant | NIL | NIL | NIL | 45,000 | 45,000 | * |
| Shri Anurag Poddar Upto 29.05.2012 | 3,87,097 | 15,29,113 | NIL | NIL | 19,16,210 | 22.01.2009 to 29.05.2012 |
| Smt. Vijaylaxmi Poddar w.e.f. 30.05.2012 | 1,00,64,516 | 95,58,055 | 3,01,93,548 | NIL | 4,98,16,119 | 30.05.2012 to 29.05.2017 |
| Shri Rajiv Poddar | 1,20,00,000 | 1,54,45,602 | 3,60,00,000 | NIL | 6,34,45,602 | 22.01.2009 to 21.01.2014 |
| Shri Vipul Shah | 8,47,200 | 12,54,551 | NIL | NIL | 21,01,751 | 11.02.2012 to 10.02.2017 |

* Retire by rotation

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

The Company does not have Stock Option Scheme.

Notice Period

The Notice Period for the Managing /Executive/Whole-Time Directors is three months from either side for resigning/terminating from the services of the Company.

Severance Fees

No Severance Fees has been paid or payable by the Company.

Details of Shareholding of Directors as on 31st March, 2013:

| Name of Director | No. of Shares held of Rs. 2 Each |
|-------------------------|----------------------------------|
| Shri Arvind Poddar | 500 |
| Shri Rameshkumar Poddar | 100 |
| Smt. Vijaylaxmi Poddar | 8,38,170 |
| Shri Rajiv Poddar | 10,69,790 |

Audit Committee:

The Audit Committee comprises of three Independent Non-Executive Directors viz. Shri Subhash Chand Mantri (Chairman), Shri Sachin Nath Chaturvedi and Shri Khurshed Doongaji.

All the members have financial and accounting knowledge and the Chairman, Shri Subhash Chand Mantri, is a Chartered Accountant. The Director & Company Secretary, Shri Vipul Shah, acts as the Secretary of the Committee.

The broad terms of reference of Audit Committee were: To review reports of the Internal Auditors and discuss the same with the Internal Auditors periodically, to meet the Statutory Auditors to discuss their findings, suggestions and other related matters, to review weaknesses, if any, in internal controls reported by the Internal and Statutory Auditors.

The scope of the activities of the Audit Committee includes the areas prescribed by Clause 49 II (D), (E) and has been granted powers as prescribed under Clause 49 II (C), of the Listing Agreement.

The Audit Committee met for four times during the year on 30th May, 2012, 4th August, 2012, 10th November, 2012 and 14th February, 2013 where all the members of the Committee were present.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 1st September, 2012.

Subsidiary Companies:

The Company does not have material non-listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and investments made by unlisted Subsidiary Companies. The minutes of the Board Meeting as well as statements of all significant transactions and arrangements entered into of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

Remuneration Committee:

The Remuneration committee comprises of Shri Subhash Chand Mantri (Chairman), Shri Sachin Nath Chaturvedi and Shri Khurshed Doongaji.

The terms of reference of the Remuneration Committee, inter alia consists of reviewing remuneration policy and other employment terms of the Managing/Executive/ Whole-Time Directors.

The Remuneration Committee met one time during the year on 30th May, 2012 where all the members of the Committee were present for the said meetings.

Remuneration Policy

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

Share Transfer and Shareholders'/ Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee deals with all matters relating to transfer of shares, issue of duplicate/new shares subdivided and consolidated share certificates, demat/remat, Shareholders'/Investors' Grievance and its redressal.

During the year Share Transfer and Shareholders'/Investors' Grievance Committee comprises of Shri Arvind Poddar (Chairman), Shri Rameshkumar Poddar, Smt. Vijaylaxmi Poddar and Shri Rajiv Poddar. The Director & Company Secretary, Shri Vipul Shah, has been designated as Compliance Officer.

The above committee has met for four times during the financial year ended 31st March, 2013. The meetings were held on 25th April, 2012, 24th July, 2012, 19th October, 2012 and 30th January, 2013 where all the members of the Committee were present for the said meetings except Shri Rameshkumar Poddar who was absent in the meeting held on 19th October, 2012.

The Chairman of Committee Shri Arvind Poddar has resigned w.e.f 1st August, 2013. Shri Sachin Nath Chaturvedi, is appointed as Chairman of the Committee w.e.f. 1st August, 2013. The Committee is reconstituted. Shri Sachin Nath Chaturvedi (Chairman), Shri Arvind Poddar, Shri Rameshkumar Poddar, Shri Rajiv Poddar and Smt. Vijaylaxmi Poddar - members of the Committee.

During the year ended 31st March 2013, One Complaint/ query was received which was attended to and resolved satisfactorily during the year. There was no complaint pending as on 31st March, 2013.

As at 31st March 2013, there was no Share Transfer pending for Registration for more than 30 days.

General Body Meeting:

Details of the last three Annual General Meetings:

| Year | Location | Date | Time |
|-----------------------------------|---|------------|------------|
| 2009-2010 48 th AGM | G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra) | 23/08/2010 | 12:30 p.m. |
| 2010-2011 49 th AGM | G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra) | 06/08/2011 | 12:30 p.m. |
| 2011-2012 50 th AGM | Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506 | 01/09/2012 | 11:30 a.m. |

Special Resolution passed in the Previous 3 Annual General Meetings:

At the 48th Annual General Meeting held on 23rd August, 2010, two Special Resolutions were passed, one Special Resolution was passed pertaining to Smt. Khushboo Poddar holding and continuing to hold an office or place of profit under the Company as Executive w.e.f. 14th April, 2010 and other Special Resolution was passed pertaining to increase of borrowing limits to Rs. 2000 Crores.

At the 49th Annual General Meeting held on 6th August, 2011, five Special Resolutions were passed, first Special resolution was passed pertaining to re- appointment of Shri Arvind Poddar, Director of the Company, as a Whole Time Director designated as a Managing Director of the Company, for a period of 5 years with effect from 1st August, 2011, Second Special resolution was revision in the remuneration payable to Shri Basantkumar Bansal, Whole Time Director w.e.f 1st April, 2011 till the remaining period of his term, Third Special resolution was commencement of new Trading activities in commodities, Fourth and Fifth Special Resolution was revision in the remuneration payable to Smt. Sangeeta Poddar and Smt. Khushboo Poddar respectively and to hold and continue to hold an office or place of profit as Executives of the Company .

At the 50th Annual General Meeting held on 1st September, 2012, four Special Resolutions were passed, first Special resolution was passed pertaining to appointment of Shri Vipul Shah as a Whole Time Director designated as Director & Company Secretary for a period of 5 years with effect from 11th February, 2012, Second Special Resolution was passed pertaining to appointment of Smt. Vijaylaxmi Poddar as a Whole Time Director designated as Executive Director for a period of 5 years w.e.f. 30th May, 2012, Third Special Resolution was passed pertaining to appointment of Smt. Shyamlat Poddar, pursuant to 314 to hold and continue to hold place of profit under the Company as Executive w.e.f. 1st June, 2012 and Fourth Special Resolution was passed pertaining to increase of remuneration of Shri Rajiv Poddar to Rs. 10,00,000/- per month w.e.f. 1st April, 2012 till remaining period of his term.

The Resolutions were put to vote by show of hands and were passed unanimously.

Postal ballots:

No Postal Ballot was conducted during the year.

Disclosure:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted following non-mandatory requirements of the Clause.

A Certificate from Managing Director and CFO was placed before the Board.

The Company has set up the Remuneration Committee as per the provision of Clause 49.

Means of Communication:

The Board of Directors of the Company approves and takes on record the un-audited financial results in the Proforma prescribed by the Stock Exchanges, within forty five days from the end of quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. Further, the results are published in newspapers (The Economic Times and Maharashtra Times), as prescribed. The results are also posted on Company's Website www.bkt-tires.com. As the Company publishes the audited annual results within the stipulated period i.e. within sixty days of end of the financial year, as required by the listing agreement with the Stock Exchanges, the audited results for the last quarter of the financial year are not separately published.

Detailed Presentations are made to Institutional Investors and Financial Analysts on the Un-audited Quarterly Financial Results as well as Audited Financial Results of the Company. The Presentations are also uploaded on the website of the Company. Management Discussion and Analysis is a part of the Annual Report.

General Shareholder Information:

| Annual General Meeting : | |
|--------------------------|--|
| Date | 21 st September, 2013 |
| Time | 11:30 a.m. |
| Venue | Plot No: G-4/1, MIDC, Tarapur, Boisar - 401506., Dist. (Thane), Maharashtra. |
| Date of Book Closure | 18 th September, 2013 to 20 th September, 2013 |
| Dividend Payment Date | On or after 21 st September, 2013 |

Financial Calendar for the year 2013-2014

| Financial Year: | |
|-------------------------|---|
| First Quarterly Results | Within 45 days from the end of quarter |
| Half Yearly Results | Within 45 days from the end of quarter/half year. |
| Third Quarterly Results | Within 45 days from the end of quarter |
| Results for year end | Within 60 days from the end of financial year. |

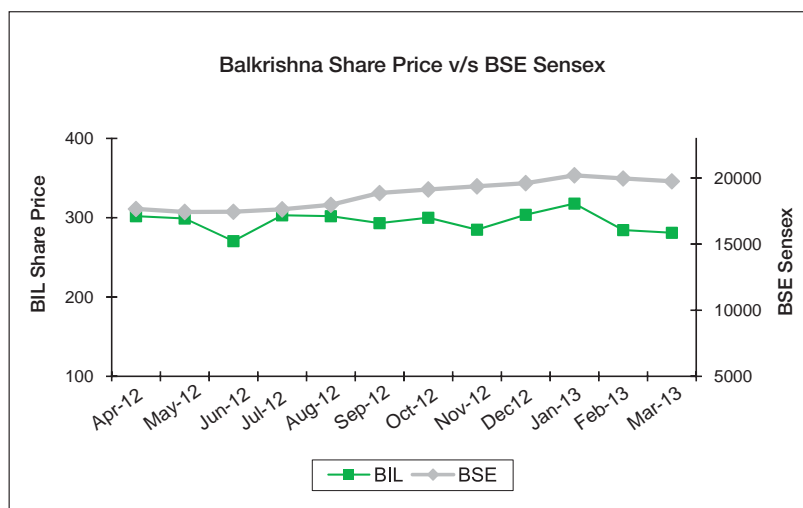
| | |
|------------------------------|---|
| Listing on Stock on Exchange | The Company's Shares are listed on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited. |
| Stock Code | Bombay Stock Exchange Limited Scrip Code No.: 502355(Demat) National Stock Exchange of India Limited NSE Code: BALKRISIND; ISIN NO. : INE787D01026 |

Shareholding Pattern as on 31st March 2013:

| Particulars | No. of Shares | % |
|---------------------------------|--------------------|---------------|
| Promoters | 5,63,48,010 | 58.30 |
| Mutual Funds / UTI | 1,90,64,476 | 19.72 |
| Companies | 30,82,924 | 3.19 |
| Public | 79,15,948 | 8.18 |
| Non Resident Indians | 3,24,633 | 0.34 |
| Foreign Institutional Investors | 99,22,604 | 10.27 |
| TOTAL | 9,66,58,595 | 100.00 |

Market Price Data (Rs.):

| Month | Bombay Stock Exchange Ltd. (BSE) | | National Stock Exchange of India Ltd. (NSE) | |
|--------|----------------------------------|--------|---|--------|
| | High | Low | High | Low |
| Apr-12 | 301.90 | 251.70 | 301.90 | 252.10 |
| May-12 | 299.00 | 251.25 | 299.00 | 247.00 |
| Jun-12 | 270.55 | 241.50 | 271.90 | 235.50 |
| Jul-12 | 303.00 | 252.85 | 307.50 | 250.00 |
| Aug-12 | 302.00 | 263.30 | 303.60 | 263.15 |
| Sep-12 | 293.25 | 266.55 | 293.90 | 266.05 |
| Oct-12 | 300.00 | 262.15 | 301.00 | 262.20 |
| Nov-12 | 284.95 | 242.00 | 285.00 | 241.10 |
| Dec-12 | 303.70 | 249.35 | 303.00 | 249.70 |
| Jan-13 | 317.85 | 272.80 | 317.85 | 274.00 |
| Feb-13 | 284.40 | 246.70 | 290.00 | 248.00 |
| Mar-13 | 281.00 | 247.20 | 282.00 | 247.95 |


Share Transfer System :

The Company has entered into an agreement with SHAREPRO SERVICES (India) PRIVATE LIMITED to act as Share Transfer Agent of the Company with effect from April 01, 2003. SHAREPRO SERVICES (India) PRIVATE LIMITED is also the Company's Depository Interface for both NSDL and CDSL. Accordingly, all documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrars directly at their following Offices:

Registered Office: M/s Sharepro Services (India) Pvt. Ltd.
 (Unit: Balkrishna Industries Limited)
 13AB Samhita Warehousing Complex
 2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka
 Andheri (E), Mumbai – 400 072

Contact No.: 022-67720300, 67720400
 Fax no.: 022-28591568, 28508927
 Email: sharepro@shareproservices.com

Investor Relation Centre: M/s. Sharepro Services (India) Pvt Ltd.
(Unit: Balkrishna Industries Limited)
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021
Contact No.: 022 – 66134700

Distribution of shareholding as on 31st March, 2013:

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares held | % Share holding |
|---------------------------|---------------------|-------------------|--------------------|-----------------|
| 1 to 500 | 8,655 | 81.18 | 10,43,991 | 1.08 |
| 501 to 1,000 | 634 | 5.95 | 4,96,139 | 0.51 |
| 1,001 to 2,000 | 482 | 4.52 | 7,29,047 | 0.75 |
| 2,001 to 3,000 | 251 | 2.35 | 6,68,409 | 0.69 |
| 3,001 to 4,000 | 72 | 0.68 | 2,63,123 | 0.27 |
| 4,001 to 5,000 | 102 | 0.96 | 4,70,951 | 0.49 |
| 5,001 to 10,000 | 183 | 1.72 | 12,86,192 | 1.34 |
| 10,001 & above | 282 | 2.64 | 9,17,00,743 | 94.87 |
| Total | 10,661 | 100.00 | 9,66,58,595 | 100.00 |

Dematerialization of shares and liquidity:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories. As on 31st March 2013, 98.13% of Company's Shares were dematerialised.

Plant Locations

| | | |
|--------------------|---|---|
| PLANTS | : | |
| TYRE MANUFACTURING | : | B-66, Waluj M.I.D.C., Waluj Indl. Area, Dist. Aurangabad 431 136 (Maharashtra) |
| | : | SP-923, RIICO, Phase-III, P.O. Bhiwadi 301 019 Dist. Alwar (Rajasthan) |
| | : | RIICO, Phase-VIII, Chopanki P.O. Bhiwadi 301 707 Dist. Alwar (Rajasthan) |
| | : | Village Padhdhar, Taluka Bhuj, Dist. Kachchh. (Gujarat) |
| WIND FARM : | : | Village Soda Mada, Tehsil: Fatehgarh, Dist. Jaisalmer. (Rajasthan) |
| MOULD PLANT : | : | Plot No.TS-1 and C-21, M.I.D.C, Phase No. II, Dombivali(E) 421 201, Dist. Thane (Maharashtra) |

For and on behalf of the Board of Directors

Place : Mumbai,
Dated : 1st August, 2013

ARVIND PODDAR
Chairman & Managing Director

To,

The Members of Balkrishna Industries Limited

I Arvind Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare 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 the Code of Conduct for the year ended March 31, 2013.

For Balkrishna Industries Limited

Arvind Poddar
Chairman & Managing Director

Place : Mumbai;

Dated : 1st August, 2013

AUDITORS' CERTIFICATE

On Compliance with the conditions of Corporate Governance under Clause 49 of the listing Agreement.

To the Members of
Balkrishna Industries Limited

We have examined the compliance of conditions of Corporate Governance by Balkrishna Industries Limited (the Company) for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

VIRAL A. MERCHANT
Partner
Membership No.116279

Place : Mumbai,
Dated : 1st August, 2013

Independent Auditors' Report to the Members of BALKRISHNA INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BALKRISHNA INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

VIRAL A. MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- i) a) 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) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the 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) a) As per the information and explanations given to us, the Company has granted unsecured loan to four parties, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.8,73,67,690 and the year-end balance of the loans granted was Rs. 5,32,92,690.
- b) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans, including that of not charging the interest to one of the subsidiaries for part of the year, in our opinion and having regard to the holding and subsidiary company relationship, are not, prima facie, prejudicial to the interest of the Company.
- c) In our opinion and as per the information and explanations given to us, the Company was regular in receipt of the principal amounts whenever demanded. However, no such demand has been made during the year. The receipt of interest is regular wherever applicable.
- d) As per the information and explanations given to us, the outstanding amount of the loan given was not overdue.
- e) The Company has not taken any loan, secured or unsecured, from any party covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- b) In our opinion and as per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) 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 determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, to the extent applicable, during the year with the appropriate authorities. However, as at 31st March, 2013 there were no undisputed dues outstanding for a period of more than six months from the date they became payable. During the year, the Company was not required to deposit any dues in respect of Wealth Tax.

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

| Name of Statute | Nature of Dues | Amount (Rs.) | Period to which the Amount Relates | Forum where dispute is pending |
|--------------------|--|---------------|------------------------------------|--------------------------------|
| Income Tax Act | Income Tax (Including Interest and Penalty) | 1,00,25,596 | 2004-2005 | Commissioner (Appeals) |
| | | 22,45,010 | 2007-2008 | Assessing Authority |
| Sales Tax Act | Sales Tax (Including Interest and Penalty) | 2,58,000 | 2004-2005 | High Court |
| | | 2,50,27,686 | 1999-2002 | Tribunal |
| | | 1,85,23,573 | 1996-1999, 2002-2006 | Commissioner (Appeals) |
| | | 11,33,34,025 | 2008-2009 | Assessing Authority |
| Central Excise Act | Excise Duty and Service Tax (Including Interest and Penalty) | 1,96,97,355 | 2002-2006 | High Court |
| | | 1,19,98,196 | 2004-2010 | Tribunal |
| | | 26,21,878 | 1999-2001, 2005-2007, 2010-2013 | Commissioner (Appeals) |
| | | 3,05,83,276 | 1994-2004 | Assessing Authority |

As per the information given to us, there are no dues of Custom Duty or Cess which have not been deposited on account of any dispute. The Company is not liable to pay Wealth Tax.

- x) The Company does not have any accumulated losses at the end of the current financial year and has not incurred cash losses during current financial year and in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for a loan taken by another company covered in the register maintained under Section 301 of the Act, from a bank during the year is not prejudicial to the interest of the Company.
- xvi) As per the information and explanations given to us, in our opinion, the term loan has been applied for the purpose for which it was obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year the Company has not raised funds by public issue. Therefore, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- xxi) 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 on or by the Company has been noticed or reported during the year.

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

VIRAL A.MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

| PARTICULARS | Note No. | Current Year Rupees | | Previous Year Rupees |
|------------------------------------|-----------|------------------------|-----------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | | |
| 1 SHAREHOLDERS' FUND | | | | |
| (a) Share Capital | 2 | 19,33,17,190 | | 19,33,17,190 |
| (b) Reserves And Surplus | 3 | 1399,63,68,522 | | 1060,76,14,672 |
| | | | 1418,96,85,712 | 1080,09,31,862 |
| 2 NON-CURRENT LIABILITIES | | | | |
| (a) Long-Term Borrowings | 4 | 1504,28,77,954 | | 913,72,62,751 |
| (b) Deferred Tax Liabilities (Net) | 5 | 99,85,66,580 | | 62,58,89,440 |
| (c) Other Long Term Liabilities | 6 | 94,09,27,181 | | 34,05,33,034 |
| (d) Long-Term Provisions | 7 | (17,10,580) | | (61,71,693) |
| | | | 1698,06,61,135 | 1009,75,13,532 |
| 3 CURRENT LIABILITIES | | | | |
| (a) Short Term Borrowings | 8 | 559,26,38,742 | | 749,22,26,095 |
| (b) Trade Payables | 9 | 241,00,32,585 | | 200,41,41,979 |
| (c) Other Current Liabilities | 10 | 49,74,28,804 | | 56,06,28,195 |
| (d) Short-Term Provisions | 11 | 21,67,78,139 | | 19,96,72,614 |
| | | | 871,68,78,270 | 1025,66,68,883 |
| TOTAL | | | 3988,72,25,117 | 3115,51,14,277 |
| II. ASSETS | | | | |
| 1 NON-CURRENT ASSETS | | | | |
| (a) Fixed Assets | | | | |
| (i) Tangible Assets | 12 | 1276,55,14,159 | | 826,72,46,328 |
| (ii) Intangible Assets | 13 | 1,15,37,097 | | 1,43,00,939 |
| (iii) Capital Work-in-Progress | | 945,51,13,694 | | 449,86,99,006 |
| | | | 2223,21,64,950 | 1278,02,46,273 |
| (b) Non-Current Investments | 14 | | 32,91,33,835 | 32,23,51,235 |
| (c) Long-Term Loans and Advances | 15 | | 279,15,78,785 | 266,87,01,053 |
| (d) Other Non-Current Assets | 16 | | 85,542 | 49,36,001 |
| 2 CURRENT ASSETS | | | | |
| (a) Inventories | 17 | 432,55,34,735 | | 481,07,27,388 |
| (b) Trade Receivables | 18 | 504,49,14,743 | | 479,61,07,487 |
| (c) Cash and Cash Equivalents | 19 | 266,30,62,722 | | 357,39,67,717 |
| (d) Short-Term Loans and Advances | 20 | 243,77,90,620 | | 194,99,43,402 |
| (e) Other Current Assets | 21 | 6,29,59,185 | | 24,81,33,721 |
| | | | 1453,42,62,005 | 1537,88,79,715 |
| TOTAL | | | 3988,72,25,117 | 3115,51,14,277 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS **1 to 53**

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2013

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Executive Director
VIPUL SHAH Director & Company Secretary

Mumbai,

Dated: 30th May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| PARTICULARS | | Note No. | Current Year Rupees | Previous Year Rupees |
|-------------|---|-----------|------------------------|-------------------------|
| I | Revenue From Operations | 22 | 3190,57,04,306 | 2819,96,04,424 |
| II | Other Income | 23 | 4,21,25,208 | 3,29,70,172 |
| III | Total Revenue (I+II) | | 3194,78,29,514 | 2823,25,74,596 |
| IV | Expenses : | | | |
| | Cost of Materials Consumed | 24 | 1817,90,90,375 | 1741,25,95,111 |
| | Purchases of Stock-in-Trade | 25 | 9,49,48,355 | 17,80,43,547 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 26 | (36,43,96,642) | (47,96,30,443) |
| | Employee Benefits Expense | 27 | 107,48,28,490 | 72,33,28,295 |
| | Finance Cost | 28 | 25,68,09,734 | 27,75,14,806 |
| | Depreciation and Amortization Expense | 29 | 107,71,36,497 | 83,14,11,701 |
| | Other Expenses | 30 | 627,73,97,317 | 530,71,57,160 |
| | Total Expenses | | 2659,58,14,126 | 2425,04,20,177 |
| V | Profit Before Tax (III-IV) | | 535,20,15,388 | 398,21,54,419 |
| VI | Tax Expense: | | | |
| | Current tax | | 142,10,00,000 | 124,10,00,000 |
| | Deferred tax | | 37,26,77,140 | 5,59,54,802 |
| VII | Profit After Tax (V-VI) | | 355,83,38,248 | 268,51,99,617 |
| VIII | Earnings per equity share: | | | |
| | Basic and Diluted | 40 | 36.81 | 27.43 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 53

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered AccountantsVIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2013

For and on behalf of the Board of Directors

| | |
|----------------------|------------------------------|
| ARVIND PODDAR | Chairman & Managing Director |
| RAJIV PODDAR | Executive Director |
| VIPUL SHAH | Director & Company Secretary |

Mumbai,

Dated: 30th May 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE NO.1

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

Fixed Assets

- a) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- b) Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

- a) Depreciation on fixed assets (other than leasehold land) has been provided in accordance with Schedule XIV to the Companies Act, 1956, on Straight Line Method. In respect of fixed assets whose actual cost does not exceed Five thousand rupees, depreciation is provided at the rate of 100 percent, irrespective of the date of addition during the year.
- b) Premium on Leasehold Land is amortised over the duration of the Lease.

Investments

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

Valuation of Inventories

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Sales

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives.

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 Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted in the year of such sale.

Foreign Currency Transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

Employee Benefits:**A) Short-term employee benefits:**

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

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 Fixed Assets.

Government Grants

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

Taxation

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.

Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books.

Impairment

The carrying amount of an asset is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

| NOTE NO.2 | | Current Year Rupees | Previous Year Rupees |
|---|--|--------------------------------|---------------------------------|
| SHARE CAPITAL | | | |
| Authorised : | | | |
| 25,00,00,000 Equity Shares of Rs.2 each | | 50,00,00,000 | 50,00,00,000 |
| Issued Subscribed and fully paid up: | | | |
| 9,66,58,595 Equity Shares of Rs.2 each fully paid up | | 19,33,17,190 | 19,33,17,190 |
| | | 19,33,17,190 | 19,33,17,190 |
| Terms/rights attached to equity shares: | | | |
| All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital. | | | |
| Shareholder's holding more than 5 % Shares in the Company | | | |
| Name of Shareholders | | No. of Shares held | No. of Shares held |
| GPP ENTERPRISES LLP | | 2,16,30,535 | 2,34,76,735 |
| % Holding | | 22.38 | 24.29 |
| RAP ENTERPRISES LLP | | 2,32,67,995 | 2,32,67,995 |
| % Holding | | 24.07 | 24.07 |
| COPA CABANA | | NIL | 92,73,750 |
| % Holding | | NIL | 9.59 |

| NOTE NO.3 | | Current Year Rupees | Previous Year Rupees |
|---|--|--------------------------------|---------------------------------|
| RESERVES AND SURPLUS | | | |
| (a) Capital Reserves | | 1,51,06,067 | 1,51,06,067 |
| (b) Securities Premium Account | | 71,53,42,628 | 71,53,42,628 |
| (c) Other Reserve (General Reserve) | | | |
| Opening Balance | | 900,00,00,000 | 350,09,42,141 |
| Add: Transferred from Profit and Loss account | | 350,00,00,000 | 549,90,57,859 |
| Closing Balance | | 1250,00,00,000 | 900,00,00,000 |
| (d) Surplus | | | |
| Opening Balance | | 87,71,65,977 | 389,30,50,580 |
| Add: Net Profit for the current year | | 355,83,38,248 | 268,51,99,617 |
| Less: Proposed Dividend | | 14,49,87,893 | 14,49,87,893 |
| Less: Tax on Dividend | | 2,45,96,505 | 2,35,20,661 |
| Less: Transfer to General Reserve | | 350,00,00,000 | 549,90,57,859 |
| Less: Income Tax of Earlier Year | | NIL | 3,35,17,807 |
| Closing Balance | | 76,59,19,827 | 87,71,65,977 |
| | | 1399,63,68,522 | 1060,76,14,672 |

| NOTE NO.4 | | Current Year Rupees | Previous Year Rupees |
|---|--|--------------------------------|---------------------------------|
| LONG TERM BORROWINGS | | | |
| Secured (Refer Note No.51) | | | |
| Term loans | | | |
| - from banks | | 1501,14,46,800 | 910,58,57,000 |
| 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) | | 3,14,31,154 | 3,14,05,751 |
| | | 1504,28,77,954 | 913,72,62,751 |

| NOTE NO.5 | | Current Year Rupees | Previous Year Rupees |
|--|--|--------------------------------|---------------------------------|
| DEFERRED TAX LIABILITIES (NET) | | | |
| Deferred Tax Liability on account of : | | | |
| Depreciation | | 102,99,01,564 | 64,65,97,325 |
| Deferred Tax Assets on account of : | | | |
| Expenses allowable for tax purpose when paid | | 3,13,34,984 | 2,07,07,885 |
| Net Deferred Tax Liability | | 99,85,66,580 | 62,58,89,440 |

| NOTE NO.6 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| OTHER LONG TERM LIABILITIES | | |
| Trade payable(Refer Note No. 43 for details of Dues to Micro and Small Enterprises) | 1,53,82,444 | 2,35,69,361 |
| Others - Payable towards Capital Goods,Security Deposit etc. | 92,55,44,737 | 31,69,63,673 |
| | 94,09,27,181 | 34,05,33,034 |
| NOTE NO.7 | Current Year Rupees | Previous Year Rupees |
| LONG TERM PROVISIONS | | |
| Provision for employee benefits - Gratuity | (17,10,580) | (61,71,693) |
| NOTE NO.8 | Current Year Rupees | Previous Year Rupees |
| SHORT TERM BORROWINGS | | |
| Secured Loans From Banks (Refer Note No.51) | | |
| - Loans repayable on demand (Cash Credit) | 158,59,47,580 | 333,69,40,220 |
| - Other Loans | 62,33,49,151 | 61,49,97,495 |
| Unsecured Loans from banks | | |
| - Loans repayable on demand | 338,33,42,010 | 354,02,88,380 |
| | 559,26,38,742 | 749,22,26,095 |
| NOTE NO.9 | Current Year Rupees | Previous Year Rupees |
| TRADE PAYABLES | | |
| Trade Payables (including Acceptances) (Refer Note No. 43 for details of Dues to Micro and Small Enterprises) | 241,00,32,585 | 200,41,41,979 |
| NOTE NO.10 | Current Year Rupees | Previous Year Rupees |
| OTHER CURRENT LIABILITIES | | |
| Current maturities of long-term debt | 10,87,78,600 | 10,23,13,000 |
| Interest accrued but not due on borrowings | 3,08,70,300 | 79,64,370 |
| Income received in advance | 14,32,39,261 | 15,37,37,527 |
| Unpaid dividends | 68,14,307 | 70,62,733 |
| Other payables | | |
| - Statutory dues towards TDS/VAT/CST/Service Tax etc. | 6,87,92,788 | 23,44,64,565 |
| - Security Deposits | 7,40,000 | 6,86,000 |
| - Others | 13,81,93,548 | 5,44,00,000 |
| | 49,74,28,804 | 56,06,28,195 |
| NOTE NO.11 | Current Year Rupees | Previous Year Rupees |
| SHORT TERM PROVISIONS | | |
| Provision for employee benefits | | |
| - Leave encashment | 4,71,93,741 | 3,11,64,060 |
| Others | | |
| - Proposed Dividend | 14,49,87,893 | 14,49,87,893 |
| - Tax on proposed Dividend | 2,45,96,505 | 2,35,20,661 |
| | 21,67,78,139 | 19,96,72,614 |

NOTE NO.12

| Fixed Assets | Gross Block (At Cost) | | | | Depreciation (Including Amortization) | | | Net Block | |
|---------------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------------------|----------------------|----------------------------|-----------------------|----------------------|
| | Balance As at 01.04.2012 | Additions During the year | Deductions During the year | Balance As at 31.03.2013 | Total upto 31.03.2012 | *For the Year | Deductions During the year | As At 31.03.2013 | As At 31.03.2012 |
| Tangible assets | | | | | | | | | |
| (a) Land | | | | | | | | | |
| - Freehold | 36,50,75,066 | NIL | NIL | 36,50,75,066 | NIL | NIL | NIL | 36,50,75,066 | 36,50,75,066 |
| - Leasehold | 18,99,99,573 | 1,64,25,940 | NIL | 20,64,25,513 | 88,21,322 | 27,75,113 | NIL | 19,48,29,078 | 18,11,78,251 |
| (b) Buildings | 259,67,18,389 | 76,72,37,917 | 2,07,724 | 336,37,48,582 | 22,04,76,584 | 7,64,66,385 | 64,527 | 306,68,70,140 | 237,62,41,805 |
| (c) Plant and Equipment | 848,26,08,560 | 461,81,61,811 | 1,00,71,135 | 1309,06,99,236 | 358,40,90,805 | 97,64,77,752 | 99,86,039 | 854,01,16,718 | 489,85,17,755 |
| (d) Furniture and Fixtures | 12,47,21,111 | 73,93,295 | NIL | 13,21,14,406 | 2,79,85,969 | 78,44,176 | NIL | 9,62,84,261 | 9,67,35,142 |
| (e) Vehicles | 5,88,94,890 | 2,24,48,876 | 2,26,78,520 | 5,86,65,246 | 1,48,10,888 | 44,17,987 | 77,91,677 | 4,72,28,048 | 4,40,84,002 |
| (f) Office Equipment | 3,24,09,689 | 55,93,564 | 1,30,400 | 3,78,72,853 | 59,85,584 | 16,01,043 | 58,610 | 3,03,44,836 | 2,64,24,105 |
| (g) Others | | | | | | | | | |
| - Electric Installations | 28,47,71,519 | 14,87,89,205 | NIL | 43,35,60,724 | 5,82,75,316 | 1,54,23,649 | NIL | 35,98,61,759 | 22,64,96,203 |
| - Air Conditioners | 2,76,45,687 | 33,87,446 | 37,333 | 3,09,95,800 | 34,78,202 | 13,59,985 | 6,572 | 2,61,64,185 | 2,41,67,485 |
| - Computer | 6,42,42,863 | 1,93,26,378 | 29,15,357 | 8,06,53,884 | 3,59,16,349 | 84,97,763 | 25,00,296 | 3,87,40,068 | 2,83,26,514 |
| TOTAL TANGIBLE (CURRENT YEAR) | 1222,70,87,347 | 560,87,64,432 | 3,60,40,469 | 1779,98,11,310 | 395,98,41,019 | 109,48,63,853 | 2,04,07,721 | 1276,55,14,159 | - |
| TOTAL TANGIBLE (PREVIOUS YEAR) | 1005,15,94,820 | 226,75,60,923 | 9,20,68,396 | 1222,70,87,347 | 319,52,56,745 | 83,59,78,042 | 7,13,93,768 | - | 826,72,46,328 |

NOTE NO.13

| | | | | | | | | | |
|---|--------------------|------------------|------------|--------------------|--------------------|------------------|------------|----------------------|----------------------|
| Intangible assets | | | | | | | | | |
| Computer software | 3,95,57,279 | 28,07,500 | NIL | 4,23,64,779 | 2,52,56,340 | 55,71,342 | NIL | 1,15,37,097 | 1,43,00,939 |
| TOTAL INTANGIBLE (CURRENT YEAR) | 3,95,57,279 | 28,07,500 | NIL | 4,23,64,779 | 2,52,56,340 | 55,71,342 | NIL | 1,15,37,097 | - |
| TOTAL INTANGIBLE (PREVIOUS YEAR) | 3,79,03,315 | 16,53,964 | NIL | 3,95,57,279 | 1,98,09,414 | 54,46,926 | NIL | - | 1,43,00,939 |
| Capital Work in Progress | | | | | | | | 945,51,13,694 | 449,86,99,006 |

* Including Depreciation capitalised **Rs.2,32,98,698** (Previous Year Rs. 1,00,13,267).

| NOTE NO.14 | Current Year Rupees | | Previous Year Rupees |
|--|---|---|---|
| Non-current Investments (At Cost) : | | | |
| Trade Investments : | | | |
| (a) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) Unquoted (In 100 % Subsidiaries Companies) 30,00,000 Shares of Balkrishna Paper Mills Ltd. 10,00,000 Shares of Balkrishna Synthetics Ltd. 3,00,000 Shares of BKT Exim Ltd. 50,000 Shares BKT Tyres Ltd. Unquoted (Others) 12,56,037 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares) Purchase during the year 6,78,260 shares. | 3,00,00,000 1,00,00,000 30,00,000 5,00,000 1,25,60,370 | 5,60,60,370 | 57,77,770 4,92,77,770 |
| (b) Investment in Preference Shares (Shares of Rs.10 each, fully paid up) Unquoted (In 100 % Subsidiaries Companies) 1% Optionally Convertible Redeemable Preference Shares of Rs.10 each, fully paid up (OCPS) 19,50,000 OCPS of Balkrishna Paper Mills Ltd. 6,50,000 OPCS of Balkrishna Synthetics Ltd. Unquoted (Others) 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost | 19,50,00,000 6,50,00,000 1,11,42,230 | 27,11,42,230 32,72,02,600 | 1,11,42,230 27,11,42,230 32,04,20,000 |
| Other than Trade Investments : | | | |
| Unquoted (Others) | | | |
| (a) Investments in Government Securities In 6 Year National Saving Certificates | | 16,000 | 16,000 |
| Quoted | | | |
| (b) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) 4,98,759 Equity Shares of Govind Rubber Ltd. Less : Provision for diminution in the value of Investments (Investment in Equity Shares) | 1,87,50,059 1,68,34,824 | 19,15,235 19,31,235 32,91,33,835 | 1,87,50,059 1,68,34,824 19,15,235 19,31,235 32,23,51,235 |
| Aggregate amount of quoted investments net of provision - Market value of Rs.88,77,910 (Previous Year Rs. 65,48,706) | | 19,15,235 | 19,15,235 |
| Aggregate amount of unquoted investments. | | 32,72,18,600 | 32,04,36,000 |

| NOTE NO.15 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| LONG TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| (a) Capital Advances | 235,47,42,500 | 224,91,30,927 |
| (b) Security Deposits | 9,88,49,830 | 8,55,06,078 |
| (c) Others loans and advances | | |
| - Advance Payment to Suppliers | 2,51,15,016 | 1,05,23,083 |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | 1,44,85,693 | 1,37,65,130 |
| - Advance Payments of Taxes and Tax deducted at source(Net of Provisions) | 29,83,85,746 | 30,97,75,835 |
| | 279,15,78,785 | 266,87,01,053 |

| NOTE NO.16 | Current Year Rupees | Previous Year Rupees |
|------------------------------------|----------------------------|-----------------------------|
| OTHER NON - CURRENT ASSETS: | | |
| Trade Receivables (Unsecured) | 85,542 | 49,36,001 |

| NOTE NO.17 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| INVENTORIES : | | |
| (As Certified by the Management) | | |
| (At lower of Cost and Net Realisable Value) | | |
| (a) Raw materials | 248,99,00,478 | 340,74,75,867 |
| (b) Work-in-Progress | 86,28,71,850 | 74,24,91,301 |
| (c) Finished Goods | 49,80,18,589 | 24,65,26,917 |
| (d) Stock-in-Trade | 1,40,89,585 | 2,15,65,164 |
| (e) Stores and Spares | 43,75,57,647 | 36,72,37,340 |
| (f) Others -Fuel | 2,30,96,586 | 2,54,30,799 |
| | 432,55,34,735 | 481,07,27,388 |

| NOTE NO.18 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| TRADE RECEIVABLES | | |
| Trade Receivables outstanding for a period less than Six Months | | |
| (a) Secured Considered good | 166,61,99,725 | 176,75,90,754 |
| (b) Unsecured Considered good | 332,98,01,643 | 302,61,08,114 |
| | 499,60,01,368 | 479,36,98,868 |
| Trade Receivables outstanding for a period exceeding Six Months | | |
| (a) Secured Considered good | NIL | 38,645 |
| (b) Unsecured Considered good | 4,89,13,375 | 23,69,974 |
| | 4,89,13,375 | 24,08,619 |
| | 504,49,14,743 | 479,61,07,487 |

| NOTE NO.19 | Current Year Rupees | Previous Year Rupees |
|--|----------------------------|-----------------------------|
| CASH AND CASH EQUIVALENTS: | | |
| Balances with banks | 6,91,29,461 | 55,37,76,337 |
| Unpaid Dividend | 68,14,307 | 70,62,733 |
| Margin Money (Including Fixed Deposit) # | 3,78,105 | 2,31,454 |
| In Fixed Deposit # | 258,00,66,248 | 300,71,09,799 |
| (Including lodged with Government Authorities Rs.66,248 Previous Year Rs.59,799) | | |
| Cash on hand | 66,74,601 | 57,87,394 |
| | 266,30,62,722 | 357,39,67,717 |
| #(Including deposits of Rs.66,248 Previous year Rs.2,91,253 maturing after twelve months) | | |

| NOTE NO.20 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| SHORT TERM LOANS AND ADVANCES: | | |
| Unsecured, considered good | | |
| - Loans and advances to related parties - 100% Subsidiary Companies | 5,32,92,690 | 5,73,67,690 |
| Others | | |
| - Advance payment to suppliers | 58,31,81,554 | 97,17,09,996 |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | 178,42,04,595 | 91,24,11,808 |
| - Loans and advances to employees | 1,71,11,781 | 84,53,908 |
| | 243,77,90,620 | 194,99,43,402 |

| NOTE NO.21 | Current Year Rupees | Previous Year Rupees |
|--------------------------------|--------------------------------|---------------------------------|
| OTHER CURRENT ASSETS | | |
| Interest Accrued on Investment | 6,577 | 4,989 |
| Export Incentive Receivables | 10,26,579 | 19,45,95,842 |
| Interest Accrued on others | 6,19,26,029 | 5,35,32,890 |
| | 6,29,59,185 | 24,81,33,721 |

| NOTE NO.22 | Current Year Rupees | Previous Year Rupees |
|---------------------------------------|--------------------------------|---------------------------------|
| REVENUE FROM OPERATIONS | | |
| Sale of Products | 3202,71,41,989 | 2819,42,70,759 |
| Other Operating Revenue: | | |
| - Export Incentives | 8,40,91,846 | 17,80,00,000 |
| - Scrap Sales | 5,92,10,378 | 5,11,60,665 |
| - Others | 3,15,55,478 | 2,22,72,068 |
| | 17,48,57,702 | 25,14,32,733 |
| Total Revenue from Operations (Gross) | 3220,19,99,691 | 2844,57,03,492 |
| Less: Excise Duty | 29,62,95,385 | 24,60,99,068 |
| Total Revenue from Operations (Net) | 3190,57,04,306 | 2819,96,04,424 |

| NOTE NO.23 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| OTHER INCOME | | |
| Interest Income on: | | |
| - Long Term Investments (Other than trade) | 1,588 | 1,535 |
| - Interest received on Deposits/Loans and Advances | 1,02,92,268 | 57,03,233 |
| - Subsidy from Government | 7,08,301 | 1,72,32,414 |
| | 1,10,02,157 | 2,29,37,182 |
| Dividend Income on: | | |
| - Long Term Investment in Subsidiaries (Trade) | 2,60,000 | NIL |
| - Current Investments | 34,19,362 | 16,41,503 |
| | 36,79,362 | 16,41,503 |
| Profit on sale of Fixed Assets | 50,24,371 | 14,65,957 |
| Other non-operating income | 2,24,19,318 | 69,25,530 |
| | 4,21,25,208 | 3,29,70,172 |

| NOTE NO.24 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| COST OF MATERIAL CONSUMED | | |
| Raw Material Consumed (Refer Note no. 33) | 1817,90,90,375 | 1741,25,95,111 |

| NOTE NO.25 | Current Year Rupees | Previous Year Rupees |
|-----------------------------------|--------------------------------|---------------------------------|
| PURCHASE OF STOCK IN TRADE | | |
| Purchase of Traded Goods | 9,49,48,355 | 17,80,43,547 |

| NOTE NO.26 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE | | |
| Opening Stock : | | |
| Work-in-Progress | 74,24,91,301 | 29,64,71,375 |
| Stock in Trade | 2,15,65,164 | 4,04,97,034 |
| Finished Goods | 24,65,26,917 | 19,39,84,530 |
| | 101,05,83,382 | 53,09,52,939 |
| Less : | | |
| Closing Stock : | | |
| Work-in-Progress | 86,28,71,850 | 74,24,91,301 |
| Stock in Trade | 1,40,89,585 | 2,15,65,164 |
| Finished Goods | 49,80,18,589 | 24,65,26,917 |
| | 137,49,80,024 | 101,05,83,382 |
| Net Increase in Inventories | (36,43,96,642) | (47,96,30,443) |

| NOTE NO.27 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 98,31,06,155 | 66,40,34,421 |
| Contribution to provident and other funds | 7,27,26,359 | 4,55,52,068 |
| Staff welfare expenses | 1,89,95,976 | 1,37,41,806 |
| | 107,48,28,490 | 72,33,28,295 |

| NOTE NO.28 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| FINANCE COST | | |
| Interest expenses | 18,09,60,163 | 16,41,00,932 |
| Other borrowing costs | 1,87,45,379 | 1,79,83,848 |
| Applicable net loss/(gain) on foreign currency transactions and translation | 5,71,04,192 | 9,54,30,026 |
| | 25,68,09,734 | 27,75,14,806 |

| NOTE NO.29 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation and amortisation | 107,71,36,497 | 83,14,11,701 |

| NOTE NO.30 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| OTHER EXPENSES: | | |
| Consumption of stores and spare parts | 122,75,33,045 | 98,83,07,057 |
| Packing material consumed | 85,40,084 | 61,72,246 |
| Power and fuel(Net) | 115,32,29,743 | 96,40,04,363 |
| Freight and forwarding (Net) | 143,15,81,539 | 119,01,19,722 |
| Excise duty on variation of Finished Goods | 43,41,630 | 18,58,849 |
| Labour/Job Charges | 60,33,03,761 | 54,47,33,791 |
| Water charges | 2,48,50,636 | 34,52,577 |
| Repairs and Maintenance to buildings | 10,37,55,851 | 12,59,79,977 |
| Repairs and Maintenance to Machinery | 12,80,51,796 | 10,78,99,262 |
| Repairs and Maintenance to Others | 3,93,37,416 | 7,12,74,155 |
| Insurance Charges | 9,72,81,002 | 3,50,39,483 |
| Rates and Taxes excluding taxes on income | 99,04,478 | 1,15,98,501 |
| Rent | 2,96,27,891 | 1,02,27,156 |
| Legal and Professional charges | 10,55,82,336 | 9,81,76,933 |
| Advertisement, Publicity and Sales Promotion | 50,09,38,599 | 47,79,91,742 |

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| Commission | 1,89,13,306 | 1,31,21,063 |
| Discount | 1,51,73,542 | 60,02,321 |
| Travelling Expenses | 8,42,96,865 | 5,78,65,614 |
| Directors Meeting Fees | 5,45,000 | 6,10,000 |
| Fixed Assets Discarded | 70,419 | 1,17,60,439 |
| Interest to Others | 13,69,266 | 7,71,192 |
| Net Loss on foreign currency transaction and translation | 13,49,44,332 | 17,96,81,243 |
| Marketing service expenses | 40,23,96,101 | 28,02,00,159 |
| Miscellaneous expenses | 15,18,28,679 | 12,03,09,315 |
| | 627,73,97,317 | 530,71,57,160 |

| NOTE NO.31 | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| Contingent Liabilities and commitments | | |
| (i) Contingent Liabilities | | |
| (a) Claims against the Company not acknowledge as debts | | |
| - Disputed claims for excise, sales tax and service tax | 22,63,07,241 | 14,04,01,849 |
| - Disputed income tax demands | 4,68,97,728 | 7,90,00,211 |
| (b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity | 12,44,17,577 | 12,03,47,980 |
| (c) Corporate Guarantee given by the Company: | | |
| - To the President of India through commissioner of Custom | 2000,00,00,000 | 1581,25,00,000 |
| - To the Subsidiary Company | NIL | 77,66,504 |
| - To other Company | 7,27,68,750 | 1,85,31,186 |
| (ii) Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 385,10,22,142 | 739,22,50,639 |

| NOTE NO.32 | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| Value of Imports on CIF Basis : | | |
| (a) Raw materials | 1410,08,99,034 | 1444,99,75,048 |
| (b) Stores and Spare parts | 11,42,11,057 | 16,90,31,981 |
| (c) Capital goods | 300,38,19,516 | 122,38,13,844 |
| (d) Traded goods | NIL | 48,29,788 |
| (e) Others | 85,94,473 | 21,59,735 |
| | 1722,75,24,080 | 1584,98,10,396 |

| NOTE NO.33 | Quantity in Metric Tonnes | Value in Rupees |
|--|------------------------------|--|
| Consumption of Raw Materials: | | |
| (As Certified by the Management) | | |
| (a) Natural Rubber | 44,210 (42,608) | 756,89,08,315 (794,55,36,691) |
| (b) Synthetic Rubber | 23,815 (22,938) | 384,10,39,896 (377,21,10,947) |
| (c) Tyre Cord/Fabrics | 9,240 (8,653) | 202,13,15,258 (150,36,47,329) |
| (d) Carbon Black | 38,087 (36,710) | 249,98,39,608 (219,96,01,521) |
| (e) Colours, Chemicals and Other Materials | - - | 224,79,87,298 (199,16,98,623) |
| | | 1817,90,90,375 (1741,25,95,111) |

NOTE NO.34
Value of Raw Materials and Stores and Spare Parts consumed:

(As Certified by the Management)

| | Raw Materials | | Stores and Spare Parts | |
|----------------|---|---------------------------|--|---------------------------|
| | Rupees | % | Rupees | % |
| (a) Imported | 1497,13,90,084 (1407,81,66,504) | 82.36 (80.85) | 14,24,15,945 (13,69,12,811) | 11.60 (13.85) |
| (b) Indigenous | 320,77,00,291 (333,44,28,607) | 17.64 (19.15) | 108,51,17,100 (85,13,94,246) | 88.40 (86.15) |
| | 1817,90,90,375 (1741,25,95,111) | 100.00 (100.00) | 122,75,33,045 (98,83,07,057) | 100.00 (100.00) |

NOTE NO.35
Expenditure in Foreign currency *

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| (a) Professional and consultation fees | 4,90,75,622 | 7,19,77,977 |
| (b) Interest (Net) | 59,55,75,888 | 48,63,24,374 |
| (c) Other matters (Travelling, Subscription, commission, Sales Promotion etc.) | 79,66,51,556 | 78,34,29,451 |
| | 144,13,03,066 | 134,17,31,802 |

* Including net amount capitalised **Rs.41,22,87,624** (Previous year Rs.34,52,29,926)

NOTE NO.36
Amount remitted in foreign currency on account of dividend:

The Company has not made any remittance in foreign currencies on account of dividend and does not have information as to the extent to which remittance in foreign currencies on account of dividend has been made by or on behalf of the non resident shareholders. The particulars of dividends paid to non-resident shareholders are as under :

| | 2011-12 (Final) | 2010-11 (Final) |
|---|--------------------|-----------------|
| (a) Years to which dividends relate | 257 | 228 |
| (b) Number of non-resident Shareholders | 1,00,02,474 | 1,64,17,855 |
| (c) Number of Shares held by them | 1,50,03,711 | 2,29,84,997 |

NOTE NO.37
Earning in Foreign exchange

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| (a) Export of goods on FOB Basis | 2832,08,54,787 | 2497,33,90,122 |
| (b) Recovery towards Freight and Insurance on Export | 89,35,12,852 | 72,30,80,158 |
| (c) Recovery towards Expenditure | 79,12,654 | 6,69,604 |
| | 2922,22,80,293 | 2569,71,39,884 |

NOTE NO.38
Details of Current Investment in units of Mutual funds purchased and sold during the year :

| Name Of Mutual Fund | Purchased During the Year | | Sold / Redeemed During the Year | |
|--|---------------------------|----------------------|---------------------------------|----------------------|
| | No. of Units | Cost Rs. | No. of Units | Cost Rs. |
| LIC Nomura MF Liquid Fund - Dividend Plan | 8,87,26,534 | 108,31,82,757 | 8,87,26,534 | 108,31,82,757 |
| LIC Nomura Mf Liquid Fund - Direct Dividend Plan | 64,68,765 | 17,03,20,539 | 64,68,765 | 17,03,20,539 |
| ICICI Prudential Flexible Income Plan Premium - Daily Dividend | 13,24,886 | 14,00,86,795 | 13,24,886 | 14,00,86,795 |
| ICICI Prudential Liquid Super Inst.Plan - Daily Dividend | 2,64,08,073 | 264,14,04,137 | 2,64,08,073 | 264,14,04,137 |
| ICICI Prudential Liquid Regular Plan - Daily Dividend | 17,74,904 | 17,75,30,558 | 17,74,904 | 17,75,30,558 |
| ICICI Prudential Liquid Direct Plan - Daily Dividend | 46,69,196 | 46,70,25,126 | 46,69,196 | 46,70,25,126 |
| Birla Sunlife Cash Plus - Regular Plant - Daily Dividend | 21,49,808 | 21,54,00,008 | 21,49,808 | 21,54,00,008 |
| Grand Total | 13,15,22,166 | 489,49,49,920 | 13,15,22,166 | 489,49,49,920 |

NOTE NO. 39**SEGMENT INFORMATION**

(a) Primary Business Segments:-

The Company has only one business segment, namely Tyres therefore primary business segment reporting as required by AS-17 is not applicable.

(b) Secondary Segment - Geographical by location of customers

| | Rupees | Rupees |
|--|---|---|
| Segment Revenue | | |
| Revenue from Operations : | | |
| - In India | | 262,61,57,780 (250,31,34,144) |
| Outside India | | |
| - Europe | 1466,64,11,719 (1303,39,21,952) | |
| - North America | 612,11,10,191 (560,75,83,342) | |
| - Others | 849,20,24,616 (705,49,64,986) | |
| | | 2927,95,46,526 (2569,64,70,280) |
| Total | | 3190,57,04,306 (2819,96,04,424) |
| Segment Assets | | |
| In India | | 3327,98,49,117 (2234,67,85,651) |
| Outside India | | |
| - Europe | 332,73,87,962 (291,15,99,004) | |
| - Others | 295,08,54,203 (557,43,78,387) | |
| | | 627,82,42,165 (848,59,77,391) |
| Total | | 3955,80,91,282 (3083,27,63,042) |
| Total Cost incurred during the year to acquire Segment Fixed Assets | | |
| In India | | 1056,79,86,620 (632,74,78,482) |
| Outside India | | NIL (NIL) |
| Total | | 1056,79,86,620 (632,74,78,482) |
| Segment Assets excludes -Investments | | 32,91,33,835 (32,23,51,235) |

NOTE NO.40**Earning Per Share (EPS)**

(In accordance with Accounting Standard - 20)

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| Profit After Tax | 355,83,38,248 | 268,51,99,617 |
| Less: Income Tax of Earlier Year | NIL | 3,35,17,807 |
| Profit after Taxation of earlier years | 355,83,38,248 | 265,16,81,810 |
| Number of Equity Shares outstanding for Basic/Diluted Earning Per Share | 9,66,58,595 | 9,66,58,595 |
| Nominal Value of Equity Shares (in Rupees) | 2 | 2 |
| Earning Per Share Basic/Diluted | 36.81 | 27.43 |

NOTE NO.41
I) Related Party Disclosures *

(Where transactions have taken place)

(a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Managing Director, Mrs. Vijaylaxmi Poddar - Executive Director (w.e.f 30.05.2012), Mr. Rajiv Poddar - Executive Director, Mr. Anurag Poddar - Executive Director (upto 29.05.2012), Mr. Basantkumar Bansal - Director Finance. (upto 11.02.2012), Mr. Vipul Shah - Director and Company Secretary (w.e.f. 11.02.2012)

(b) Relatives of Key Management Personnel :

Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mrs. Shyamlatia Poddar (w.e.f. 01.06.2012)

(c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Govind Rubber Ltd., SPG Infrastructure Ltd., GRL International Ltd.(upto 02.12.2011), Balgopal Holding & Traders Ltd., and Clothing Culture Ltd.
Related Party Transactions

| Transactions | KMP | Relatives of (KMP) | Other Related Parties | Total |
|--------------------------------------|--------------------------------------|--------------------------------|-----------------------------------|--------------------------------------|
| Purchase of Goods/Materials/Services | NIL (NIL) | NIL (NIL) | 49,61,460 (49,19,608) | 49,61,460 (49,19,608) |
| Sales of Goods/Materials | NIL (NIL) | NIL (NIL) | 4,59,19,286 (15,65,253) | 4,59,19,286 (15,65,253) |
| Expenses reimbursed | NIL (NIL) | NIL (NIL) | 13,838 (NIL) | 13,838 (NIL) |
| Rent Paid | NIL (NIL) | 25,86,246 (NIL) | NIL (NIL) | 25,86,246 (NIL) |
| Rent received | NIL (NIL) | NIL (NIL) | 2,69,664 (15,88,320) | 2,69,664 (15,88,320) |
| Recovery of expenses | NIL (NIL) | NIL (NIL) | 11,86,863 (5,70,411) | 11,86,863 (570,411) |
| Sale of Fixed Assets | NIL (NIL) | NIL (NIL) | 61,96,613 (NIL) | 61,96,613 (NIL) |
| Purchases of Fixed Assets | NIL (15,90,75,000) | NIL (NIL) | 5,17,399 (2,31,50,155) | 5,17,399 (18,22,25,155) |
| Assignment of Insurance Policy | 93,43,554 (NIL) | 52,47,080 (NIL) | NIL (NIL) | 1,45,90,634 (NIL) |
| Surrender of Insurance Policy | 32,33,379 (NIL) | NIL (NIL) | NIL (NIL) | 32,33,379 (NIL) |
| Loan Given (ICD) | NIL (NIL) | NIL (NIL) | 3,00,00,000 (NIL) | 3,00,00,000 (NIL) |
| Loan Refund Received (ICD) | NIL (NIL) | NIL (NIL) | 3,00,00,000 (NIL) | 3,00,00,000 (NIL) |
| Interest received on Loan (ICD) | NIL (NIL) | NIL (NIL) | 2,77,808 (NIL) | 2,77,808 (NIL) |
| Remuneration | 23,07,07,224 (8,26,56,078) | 47,00,054 (5,52,460) | NIL (NIL) | 23,54,07,278 (8,32,08,538) |
| Payables | 13,82,84,384 (5,44,75,751) | 15,400 (8,400) | NIL (2,23,130) | 13,82,99,784 (5,47,07,281) |
| Receivables | NIL (NIL) | NIL (NIL) | NIL (13,410) | NIL (13,410) |

Disclosure in Respect of Material Related Party Transaction during the year :

- Purchase of Goods/Materials/Services includes : Balgopal Holding & Traders Ltd. Rs. 28,02,800 (Previous Year Rs.NIL), Clothing Culture Ltd. Rs.13,86,885 (Previous Year Rs.NIL), Siyaram Silk Mills Limited Rs.7,71,775 (Previous Year Rs.21,61,286),Govind Rubber Limited Rs.NIL (Previous Year Rs.27,58,322).
- Sale of Goods/Materials/Services includes : Clothing Culture Ltd. Rs.4,59,19,286, (Previous Year Rs.NIL), Siyaram Silk Mills Limited Rs.NIL (Previous Year Rs.23,999), Govind Rubber Limited Rs.NIL (Previous Year Rs.15,41,254).

- 3 Expenses reimbursed includes : Siyaram Silk Mills Limited Rs.13,838 (Previous Year Rs.NIL).
- 4 Rent Paid includes : Mrs. Pooja Dhoot Rs. 25,86,246 (Previous Year Rs.NIL).
- 5 Rent Received includes : Clothing Culture Limited Rs.2,69,664 (Previous Year Rs.NIL), Grl International Limited Rs.NIL (Previous Year Rs.15,88,320).
- 6 Recovery of Expenses includes : Clothing Culture Limited Rs. 8,47,556 (Previous Year Rs.NIL), Govind Rubber Limited Rs.1,608 (Previous Year Rs.4,73,498),Siyaram Silk Mills Limited Rs.3,37,699 (Previous Year Rs. 96,913).
- 7 Sale of Fixed Assets includes : Siyaram Silk Mills Limited Rs.61,96,613 (Previous Year Rs.NIL).
- 8 Purchase of Fixed Assets includes under Other Related Parties : Siyaram Silk Mills Limited Rs.5,17,399 (Previous Year Rs.NIL),Spg Infrastructure Limited Rs.NIL (Previous Year Rs.2,31,50,155) and purchase of Fixed Assets includes under KMP: Mr. Arvind Poddar Rs.NIL (Previous Year Rs.5,65,25,000), Mr. Rajiv Poddar Rs.NIL (Previous Year Rs.10,25,50,000).
- 9 Assignment of Insurance Policy includes- under KMP : Mrs. Vijaylaxmi Poddar Rs. 93,43,554 (Previous Year Rs. NIL), under Relative of KMP Mrs. Shyamlatla Poddar Rs.52,47,080 (Previous Year Rs. NIL)
- 10 Surrender of Insurance Policy includes : Mr. Anurag Poddar of Rs. 32,33,379 (Previous Year Rs. NIL).
- 11 Loan Given (ICD) includes : Balgopal Holding & Traders Limited Rs.1,50,00,000 (Previous Year Rs.NIL), Clothing Culture Limited Rs.1,50,00,000 (Previous Year Rs.NIL).
- 12 Loan Refund Received (ICD) includes : Balgopal Holding & Traders Limited Rs.1,50,00,000 (Previous Year Rs.NIL), Clothing Culture Limited Rs.1,50,00,000 (Previous Year Rs.NIL).
- 13 Interest Received on Loan Given (ICD) includes : Balgopal Holding & Traders Limited Rs.39,452 (Previous Year Rs.NIL), Clothing Culture Limited Rs.2,38,356 (Previous Year Rs.NIL).
- 14 Remuneration to Key Managerial Personnel includes : Mr. Arvind Poddar Rs.11,34,27,542 (Previous Year Rs. 5,18,02,178), Mr. Rajiv Poddar Rs.6,34,45,602 (Previous Year Rs. 1,19,15,753), Mrs. Vijaylaxmi Poddar Rs.4,98,16,119 (Previous Year Rs.NIL), Mr. Anurag Poddar Rs.19,16,210 (Previous Year Rs.1,19,22,852), Mr. Vipul Shah Rs.21,01,751 (Previous Year Rs.3,55,331), Mr. Basantkumar Bansal Rs. NIL (Previous Year Rs.66,59,964) and Remuneration to Relatives of Key Managerial Personnel includes : Mrs. Khushboo Poddar Rs.30,00,036 (Previous Year Rs.5,52,460), Mrs. Shyamlatla Poddar Rs. 17,00,018 (Previous Year Rs.NIL).
- 15 Payables to Key Management Personnel includes : Mr. Arvind Poddar Rs.7,20,00,000 (Previous Year Rs. 4,00,00,000), Mr. Rajiv Poddar Rs.3,60,00,000 (Previous Year Rs. 72,00,000), Mrs. Vijaylaxmi Poddar Rs.3,01,93,548 (Previous Year Rs.NIL), Mr. Anurag Poddar Rs.NIL (Previous Year Rs.72,00,000), Mr. Vipul Shah Rs.90,836 (Previous Year Rs.23,101), Mr. Basantkumar Bansal Rs. NIL (Previous Year Rs.52,650) , Payables to Relatives of Key Managerial Personnel includes : Mrs. Khushboo Poddar Rs.8,400 (Previous Year Rs.8,400), Mrs. Shyamlatla Poddar Rs. 7,000 (Previous Year Rs.NIL) and Payables to Other Related Parties includes : Siyaram Silk Mills Limited Rs. NIL (Previous Year Rs. 2,23,130).
- 16 Receivables From Other Related Parties includes : Govind Rubber Limited Rs. NIL (Previous Year Rs. 13,410).

Transactions with subsidiary

| Transactions | Balkrishna Paper Mills Ltd | Balkrishna Synthetics Ltd | BKT (EUROPE) LTD. | BKT EUROPE S.R.L. | BKT (USA) INC |
|---------------------------------------|-------------------------------------|------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Marketing Service Expenses | NIL (NIL) | NIL (NIL) | 1,16,517 (1,19,018) | 27,63,09,294 (16,49,95,892) | 12,33,97,216 (10,82,13,411) |
| Sale of Fixed Assets | 44,92,015 (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Loan given (ICD) | 3,00,00,000 (4,50,00,000) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Loan refund received (ICD) | 3,40,75,000 (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Interest received on Loan given (ICD) | 49,34,631 (13,56,164) | 12,36,769 (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Dividend Received from Subsidiary | 1,95,000 (NIL) | 65,000 (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Sale of goods/Material Services | NIL (80,558) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Rent Received | 29,12,831 (52,56,380) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Sale of DEPB Licences | NIL (29,68,722) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

| Transactions | Balkrishna Paper Mills Ltd | Balkrishna Synthetics Ltd | BKT (EUROPE) LTD. | BKT EUROPE S.R.L. | BKT (USA) INC |
|--|-------------------------------------|-------------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Recovery of expenses | 7,74,005 (15,89,894) | 3,500 (2,000) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| Receivables | 4,09,25,000 (4,50,00,000) | 1,23,67,690 (1,23,67,690) | NIL (NIL) | 22,78,349 (69,39,214) | NIL (NIL) |
| Payables | NIL (NIL) | NIL (NIL) | 1,16,517 (1,19,018) | NIL (NIL) | 44,78,415 (45,03,765) |
| Guarantee given to commissioner of customs on behalf of the subsidiary | NIL (77,66,504) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |

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

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

II) Disclosures required by clause 32 of the listing agreement

| Name of the Company | Outstanding at the year end Rupees | Maximum Amount outstanding during the year Rupees |
|--|-------------------------------------|---|
| Amount of Loans/Advances in nature of loans outstanding from Subsidiary: | | |
| - Balkrishna Synthetics Limited (No repayment schedule and part of the year interest free) | 1,23,67,690 (1,23,67,690) | 1,23,67,690 (1,23,67,690) |
| - Balkrishna Paper Mills Limited (No repayment schedule and interest bearing) | 4,09,25,000 (4,50,00,000) | 4,50,00,000 (4,50,00,000) |
| Amount of Loans/Advances in nature of loans outstanding from other than Subsidiary: | | |
| - Balgopal Holding & Traders Limited (No repayment schedule and interest bearing) | NIL (NIL) | 1,50,00,000 (NIL) |
| - Clothing Culture Limited (No repayment schedule and interest bearing) | NIL (NIL) | 1,50,00,000 (NIL) |

| NOTE NO.42 | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| Leases - Operating leases : | | |
| i) The company has taken commercial premises under cancellable and non-cancellable operating leases. Further the company has also taken motor cars under cancellable operating lease. | | |
| ii) Future minimum Lease Payments under non - cancellable operating leases : | | |
| not later than one year | 4,23,750 | NIL |
| later than one year and not later than five years | NIL | NIL |
| later than five years | NIL | NIL |
| iii) The rental expenses recognised in Profit and Loss account for operating leases : | | |
| (a) Minimum Rent | 1,57,23,475 | 99,06,096 |
| (b) Contingent Rent | NIL | NIL |
| iv) The Company has given certain portion of its office premises on operating lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company. | | |
| Gross carrying amount of the furnished office premises leased, included in Note No. '12' of Fixed Assets | 20,01,65,371 | 14,68,10,639 |
| Accumulated Depreciation | 2,25,90,359 | 1,16,90,483 |
| Depreciation recognised in the Profit and Loss Account | 40,73,113 | 29,36,218 |

NOTE NO.43

- (a) As at 31st March, 2013, 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.44

| PARTICULARS | Current Year ended | Previous Year ended |
|---|--------------------|---------------------|
| Derivative Instruments | | |
| (a) Hedging Contracts : | | |
| i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose. | | |
| ii) Derivative Instruments outstanding | | |
| Forward Exchange Contracts : | | |
| Total No. of contracts outstanding for amount receivable on account of Export of Goods. | 334 | 293 |
| Foreign Currency Value covered : | | |
| US Dollars | 17,39,12,113 | 20,06,78,305 |
| Euro | 18,29,63,481 | 9,35,01,956 |
| Total No. of contracts outstanding for amount receivable on account of Fixed deposit with Bank. | NIL | 6 |
| Foreign Currency Value covered : | | |
| US Dollars | NIL | 45,00,000 |
| (b) Unhedged foreign currency exposure is as follows: | | |
| Amounts Payable : | | |
| Loans US Dollars: | | |
| Other Loans : | | |
| US Dollars | 28,63,21,798 | 20,81,21,604 |
| Interest US Dollars | 5,67,580 | 1,55,686 |
| Payables for goods and services: | | |
| US Dollars | 28,28,950 | 15,14,033 |
| Euro | 4,92,581 | 23,63,963 |
| GBP | 1,575 | 1,455 |
| THB | 2,29,214 | NIL |
| CAD | 36,190 | NIL |
| JPY | 71,985 | NIL |
| SGD | 19,800 | NIL |
| Amounts Receivable: | | |
| Export of Goods US Dollar | NIL | NIL |
| Advances : | | |
| US Dollar | 1,55,31,669 | 1,90,31,379 |
| Euro | 23,85,188 | 50,88,154 |
| GBP | 15,326 | 74,704 |
| THB | NIL | 5,87,178 |
| Balance with Scheduled Banks | | |
| On Current Accounts: | | |
| US Dollar | 269 | 13,96,749 |
| Euro | NIL | 28,66,312 |

NOTE NO.45
Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".

Defined benefit plans - As per actuarial valuation in respect of gratuity

| Sr. no. | Descriptions | Current Year Rupees | Previous Year Rupees |
|---------|--|---------------------|----------------------|
| i) | Components of employer expenses | | |
| | Current Service Cost | 93,26,570 | 74,42,302 |
| | Interest Cost | 50,29,343 | 39,30,576 |
| | Expected Return on Plan Assets | (55,53,937) | (34,53,887) |
| | Actuarial-Loss (Net) | 1,10,05,153 | 1,53,922 |
| | Total Expenses recognised in the statement of Profit & Loss Account in Note No. '27' | 1,98,07,129 | 80,72,913 |
| ii) | Actual Contribution and Benefit Payments for the year end | | |
| | Actual Benefit Payments | 23,14,590 | 9,06,423 |
| | Actual Contributions | 1,53,46,016 | 2,00,22,656 |
| iii) | Net Liability recognised in balance sheet at the year end | | |
| | Present Value of Defined Benefit Obligation | 8,29,42,912 | 5,91,68,738 |
| | Fair value of plan assets | (8,46,53,492) | (6,53,40,431) |
| | Net Liability recognised in balance sheet | (17,10,580) | (61,71,693) |
| iv) | Reconciliation of Opening and Closing Balances of Defined Benefit | | |
| | Obligations (DBO) | | |
| | Present Value of DBO at the beginning of the year | 5,91,68,738 | 4,76,43,348 |
| | Current Service cost | 93,26,570 | 74,42,302 |
| | Interest cost | 50,29,343 | 39,30,576 |
| | Past Service Cost (Vested Benefit) | NIL | NIL |
| | Actuarial Loss on DBO | 1,17,32,851 | 10,58,935 |
| | Benefits paid | (23,14,590) | (9,06,423) |
| | Present Value of DBO at the end of the year | 8,29,42,912 | 5,91,68,738 |
| v) | Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets | | |
| | Plan assets at the beginning of the year | 6,53,40,431 | 4,18,65,298 |
| | Expected return on plan assets | 55,53,937 | 34,53,887 |
| | Actual Company contributions | 1,53,46,016 | 2,00,22,656 |
| | Actuarial Gain on Plan Assets | 7,27,698 | 9,05,013 |
| | Benefits paid | (23,14,590) | (9,06,423) |
| | Plan assets at the end of the year | 8,46,53,492 | 6,53,40,431 |
| vi) | Actuarial Assumptions | | |
| | Discount Rate | 8.25% | 8.50% |
| | Expected Return on plan Assets | 8.25% | 8.50% |
| | Salary escalation | 4.50% | 4.50% |

(a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs.5,28,68,129** (Previous Year Rs.3,74,79,154) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 27) .

(b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

| | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| Amount of Proposed dividend to Equity shareholders | 14,49,87,893 | 14,49,87,893 |
| Amount per share of Rs. 2 each, fully paid up | 1.50 | 1.50 |

| NOTE NO.47 | | Current Year Rupees | Previous Year Rupees |
|--|--|--------------------------------|---------------------------------|
| (a) Payment to Auditors | | | |
| Statutory Auditors | | | |
| Audit Fees | | 20,00,000 | 18,00,000 |
| For Tax Audit | | 4,00,000 | 3,50,000 |
| For taxation matters | | 5,45,000 | 2,45,000 |
| For Company Law matters | | 2,00,000 | 1,50,000 |
| For other services - Certification etc., | | 11,47,500 | 12,17,500 |
| For reimbursement of expenses | | | |
| - Service Tax | | 5,36,412 | 4,29,286 |
| - Expenses | | 47,400 | 43,900 |
| (b) Cost Auditors | | | |
| Audit Fees | | 2,00,000 | 3,00,000* |
| For reimbursement of expenses | | | |
| - Service Tax | | 24,720 | 24,720 |
| * Including Rs. 1,00,000 for earlier year. | | | |

| NOTE NO.48 | | Current Year Rupees | Previous Year Rupees |
|-------------------|---|--------------------------------|---------------------------------|
| (a) | Amount of Borrowing Cost capitalised (Net) | 59,98,84,915 | 84,44,90,898 |
| (b) | Research and Development Cost/Expenditure | | |
| | - Revenue | 7,57,79,229 | 6,37,53,933 |
| | - Capital | 9,37,18,529 | 3,18,21,140 |
| | Total of Research and Development Cost/Expenditure | 16,94,97,758 | 9,55,75,073 |
| (c) | Contribution to Provident and Other Funds (Note No. 27) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India. | 1,53,46,016 | 2,00,22,656 |

NOTE NO.49

(a) Information in respect of Goods Manufactured
(As Certified by the Management)

| Product | Unit of Measurement | Installed Capacity Quantity | Opening Stock | | Actual Production Quantity | Closing Stock | |
|--|---------------------|-----------------------------------|---------------------------|---------------------------------------|---------------------------------|---------------------------|---------------------------------------|
| | | | Quantity | Value in Rupees | | Quantity | Value in Rupees |
| Tyres | Numbers | 53.14 lacs (42.63 lacs) | 35,706 (37,613) | 22,38,17,897 (19,28,12,292) | 28,88,355 (27,81,991) | 79,665 (35,706) | 47,34,33,175 (22,38,17,897) |
| Tube | Numbers | 12.44 lacs (12.44 lacs) | 27,634 (NIL) | 2,15,26,019 (NIL) | 2,28,743 (37,183) | 49,147 (27,634) | 2,27,10,952 (2,15,26,019) |
| Tyre Flaps | Numbers | 3.79 lacs (3.79 lacs) | 9,515 (9,505) | 11,83,001 (11,72,238) | 79,571 (46,824) | 21,265 (9,515) | 18,74,462 (11,83,001) |
| Wind Power Generation (Captively consumed) | KWH/Units | 5 MW (5 MW) | NIL (NIL) | NIL (NIL) | 60,27,311 (61,97,218) | NIL (NIL) | NIL (NIL) |
| | | | | 24,65,26,917 (19,39,84,530) | | | 49,80,18,589 (24,65,26,917) |

- i) The difference in quantities is on account of captive consumption, free samples and wastage/damages.
ii) Installed capacity for tyres is based on the product mix and on the average weight of tyres manufactured.

(b) Information in respect of Goods Traded in

(As Certified by the Management)

| Product | Unit of Measurement | Opening Stock | | Purchases | | Closing Stock | |
|------------|---------------------|---------------------------|-------------------------------------|-------------------------------|--------------------------------------|---------------------------|-------------------------------------|
| | | Quantity | Value in Rupees | Quantity | Value in Rupees | Quantity | Value in Rupees |
| Tyres | Numbers | 1,100 (534) | 76,84,754 (34,97,462) | 3,292 (6,482) | 3,14,31,920 (4,47,53,868) | 429 (1,100) | 37,41,873 (76,84,754) |
| Tubes | Numbers | 29,248 (53,040) | 1,19,56,497 (3,32,86,780) | 22,500 (1,83,995) | 3,06,80,748 (11,31,43,512) | 5,819 (29,248) | 41,54,949 (1,19,56,497) |
| Tyre Flaps | Numbers | 12,480 (18,392) | 19,23,913 (37,12,792) | 1,48,636 (1,28,857) | 3,28,35,686 (2,01,46,167) | 25,181 (12,480) | 61,92,763 (19,23,913) |
| | | | 2,15,65,164 (4,04,97,034) | | 9,49,48,354 (17,80,43,547) | | 1,40,89,585 (2,15,65,164) |

c) Sale of Products:

| | Unit of Measurement | Quantity | Value |
|------------|---------------------|---------------------------------|---|
| Tyres | Numbers | 28,48,290 (27,89,729) | 3171,34,38,083 (2792,30,90,603) |
| Tubes | Numbers | 2,52,277 (2,16,731) | 26,51,02,818 (23,10,85,585) |
| Tyre Flaps | Numbers | 2,03,588 (1,81,459) | 4,86,01,088 (4,00,94,571) |
| | | | 3202,71,41,989 (2819,42,70,759) |

NOTE NO.50

Other Operating Revenue includes **Rs.22,09,548** (Previous Year Rs. 22,09,548) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

NOTE NO.51

| Nature of Security in respect of secured Loan (Long Term/Short Term): | Rupees |
|--|----------------------|
| Working Capital Loans from Banks Repayable on Demand: Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets 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. | 220,92,96,732 |
| Term Loan from Banks: Secured by first charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis. (Repayment in 14 Quarterly Equal Installments beginning from financial Year 2011-12 , Rate of Interest 3 Month LIBOR + 300 bppa) | 16,31,67,900 |
| Term Loan from Banks: Secured by first charge by way of hypothecation on the all present and future movable fixed assets 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 movables on pari-passu basis. (Repayment in 3 Annual Equal Installments beginning from financial Year 2015-16, Rate of Interest 3 Month LIBOR + 265 bppa) | 951,81,27,500 |
| To be Secured by first charge by way of hypothecation on the all present and future movable fixed assets 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 movables on pari-passu basis. (Repayment in 3 Annual Equal Installments beginning from financial Year 2016-17, Rate of Interest 3 Month LIBOR + 320 bppa) | 543,89,30,000 |

NOTE NO.52

Miscellaneous Expenses includes **Rs.11,00,000** (Previous Year NIL) paid to a Political Party, Bhartiya Janta Party - Gujarat Pradesh.

NOTE NO.53

- Figures in brackets in notes 33,34,39,41 and 49 pertain to previous year.
- Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
 Partner

Mumbai,
 Dated: 30th May 2013

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

Mumbai,
 Dated: 30th May 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | Year Ended 31st March, 2013 | | Year Ended 31st March, 2012 | |
|--|--------------------------------|-----------------|--------------------------------|-----------------|
| | Rupees | | Rupees | |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| Profit before Tax | | 535,20,15,388 | | 398,21,54,419 |
| Adjustment for : | | | | |
| Depreciation and Amortisation | 107,71,36,497 | | 83,14,11,701 | |
| Income from Investments | (36,80,950) | | (16,43,038) | |
| Finance Cost | 25,68,09,734 | | 27,75,14,806 | |
| Interest Income | (1,10,00,569) | | (2,29,35,647) | |
| (Profit)/Loss on Sale of Fixed Assets | (50,24,371) | | (14,65,957) | |
| Fixed Assets Discarded/Written Off | 70,419 | | 1,17,60,439 | |
| Unrealised Foreign Exchange differences | (8,92,09,273) | | (1,06,48,693) | |
| Retiring Gratuities | 1,98,07,129 | | 80,72,914 | |
| Leave Encashment | 2,31,30,827 | | 1,24,86,982 | |
| | | 126,80,39,442 | | 110,45,53,507 |
| Operating profit before working capital changes | | 662,00,54,830 | | 508,67,07,926 |
| Adjustment for: | | | | |
| Trade and other receivables | (48,58,12,667) | | (243,55,62,291) | |
| Inventories | 48,51,92,651 | | (70,69,65,116) | |
| Trade payables | 31,37,88,073 | | 32,17,35,771 | |
| | | 31,31,68,057 | | (282,07,91,636) |
| Cash generated from operations | | 693,32,22,887 | | 226,59,16,290 |
| Direct taxes paid | | (140,96,09,912) | | (150,50,33,517) |
| Gratuity paid | | (1,53,46,016) | | (2,00,22,657) |
| Leave Encashment paid | | (71,01,146) | | (48,02,960) |
| Net cash from Operating Activities | | 550,11,65,813 | | 736,057,156 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Purchase of Fixed Assets & Capital Work in Progress | (962,60,12,985) | | (676,11,46,219) | |
| Sale of Fixed Assets | 2,05,86,700 | | 1,03,80,146 | |
| Purchase of Investments | (490,17,32,520) | | (212,16,41,503) | |
| Sale of Investments | 489,49,49,920 | | 212,16,41,503 | |
| Inter Corporate Loan Given | (6,00,00,000) | | (4,50,00,000) | |
| Inter Corporate Loan Refund Received | 6,40,75,000 | | NIL | |
| Interest received | 1,10,00,569 | | 2,29,64,576 | |
| Income Received on Investments | 36,79,362 | | 19,01,503 | |
| Net cash used in Investing Activities | | (959,34,53,953) | | (677,08,99,994) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| (Repayment)/Proceeds of Short Term Borrowings (Net) | 127,81,34,630 | | (486,60,01,148) | |
| Proceeds from Long Term Borrowings | 1997,11,35,458 | | 2369,85,65,576 | |
| Repayment of Long Term Borrowings | (1763,88,25,627) | | (897,69,69,878) | |
| Dividend paid (including tax thereon) | (16,87,56,980) | | (15,73,87,368) | |
| Finance Cost paid | (26,05,00,215) | | (20,11,58,653) | |
| Net Cash from Financing Activities | | 318,11,87,266 | | 949,70,48,529 |
| Net Increase in cash and cash equivalent | | (91,11,00,875) | | 346,22,05,691 |
| Exchange difference on cash and cash equivalent - Gain | | 1,95,880 | | 18,96,023 |
| Cash and cash equivalent as at the beginning of the year | | 357,39,67,717 | | 10,98,66,003 |
| Cash and cash equivalent as at the end of the year | | 266,30,62,722 | | 357,39,67,717 |

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

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2013

For and on behalf of the Board of Directors

ARVIND PODDAR

RAJIV PODDAR

VIPUL SHAH

Chairman & Managing Director

Executive Director

Director & Company Secretary

Mumbai,

Dated: 30th May 2013

Statement Pursuant to Section 212 of the Companies Act, 1956, Details of Subsidiary Companies

| Sr. No. | Name Of The Subsidiary Company | Balkrishna Paper Mills Ltd. | Balkrishna Synthetics Ltd. | BKT EXIM Ltd. | BKT Tyres Ltd. | BKT (EUROPE) LTD. | BKT EUROPE S.R.L. | BKT (USA) INC |
|---------|---|------------------------------|----------------------------|---------------|----------------|-------------------|-------------------|---------------|
| | Particulars | Amount (Rs. In Crores) | | | | | | |
| 1 | Financial year of the Subsidiary ended on | 31 st March, 2013 | | | | | | |
| 2 | Capital | 4.95 | 1.65 | 0.30 | 0.05 | 0.04 | 0.06 | 0.01 |
| 3 | Reserves | 33.39 | 11.75 | (0.05) | 0.01 | 0.14 | 0.64 | 1.55 |
| 4 | Total Assets | 151.16 | 40.02 | 0.26 | 0.07 | 0.19 | 5.20 | 1.99 |
| 5 | Total Liabilities | 112.83 | 26.62 | 0.01 | 0.001 | 0.01 | 4.50 | 0.43 |
| 6 | Details of Investment | 0.00 | 0.56 | 0.16 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Turnover | 152.95 | 51.53 | 0.06 | 0.03 | 0.01 | 27.63 | 12.34 |
| 8 | Profit Before Taxation | (6.05) | 2.95 | 0.05 | 0.02 | 0.002 | 1.02 | 0.62 |
| 9 | Provision of Tax | 1.28 | 2.06 | 0.02 | 0.01 | 0.00 | 0.97 | 0.18 |
| 10 | Profit/(Loss) After Taxation | (7.33) | 0.89 | 0.03 | 0.01 | 0.002 | 0.05 | 0.44 |
| 11 | Proposed Dividend (On Preference Shares + Dividend Tax) | 0.02 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | Reporting Currency | INR | INR | INR | INR | GBP | EURO | USD |

Exchange Rate

1 Euro = Rs.69.5438

1 US \$ = Rs.54.3893

1 GBP = Rs.82.3209

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Executive Director

VIPUL SHAH Director & Company Secretary

Mumbai,

Dated: 30th May 2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of

BALKRISHNA INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of **Balkrishna Industries Limited** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- (i) We did not audit the financial statements of the subsidiary, BKT (EUROPE) LTD. (incorporated in UK), whose financial statements reflect total assets of Rs.17,87,306 (net) as at 31st March, 2013, total revenue of Rs.1,28,138 and net cash inflows amounting to Rs.26,328 for the year ended on that date. These financial statements have been audited by other auditors, Chartered Certified Accountants of United Kingdom, whose report has been furnished to us and our opinion is based solely on the report of the other auditors.
- (ii) We did not audit the financial statements of the subsidiary, BKT EUROPE S.R.L. (incorporated in Italy), whose financial statements reflect the total assets of Rs.69,62,685 (net) as at 31st March 2013, total revenue of Rs.27,63,15,777 and net cash outflows amounting to Rs.3,50,520 for the year ended on that date. These financial statements have been certified by a Certified Public Accountant of Italy, whose report has been furnished to us and our opinion is based solely on the report of the said accountant.
- (iii) We did not audit the financial statements of the subsidiary, BKT (USA) INC (incorporated in USA), whose financial statements reflect the total assets of Rs.1,55,82,890 (net) as at 31st March 2013, total revenue of Rs. 12,33,97,216 and net cash inflows amounting to Rs.1,02,73,714 for the year ended on that date. These financial statements have been reviewed by a Certified Public Accountants of USA, whose review report has been furnished to us and our opinion is based solely on the report of the said accountant.

Our opinion is not qualified in respect of other matters.

FOR JAYANTILAL THAKKAR & CO.

Chartered Accountants
(Firm Reg. No. 104133W)

VIRAL A.MERCHANT

Partner
Membership No. 116279

Mumbai,

Dated : 30th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

| PARTICULARS | | Note No. | Current Year Rupees | | Previous Year Rupees |
|------------------------------------|--|-----------|-----------------------|--|----------------------|
| I. EQUITY AND LIABILITIES | | | | | |
| 1 SHAREHOLDERS' FUND | | | | | |
| (a) Share Capital | | 2 | 19,33,17,190 | | 19,33,17,190 |
| (b) Reserves And Surplus | | 3 | 1423,67,29,307 | | 1090,75,26,101 |
| | | | 1443,00,46,497 | | 1110,08,43,291 |
| 2 NON-CURRENT LIABILITIES | | | | | |
| (a) Long-Term Borrowings | | 4 | 1566,64,67,477 | | 939,82,82,645 |
| (b) Deferred Tax Liabilities (Net) | | 5 | 106,68,67,250 | | 66,67,06,604 |
| (c) Other Long Term Liabilities | | 6 | 96,93,63,158 | | 34,68,67,309 |
| (d) Long-Term Provisions | | 7 | 46,19,856 | | (7,70,105) |
| | | | 1770,73,17,741 | | 1041,10,86,453 |
| 3 CURRENT LIABILITIES | | | | | |
| (a) Short Term Borrowings | | 8 | 579,95,19,047 | | 756,44,97,697 |
| (b) Trade Payables | | 9 | 271,37,87,213 | | 219,69,99,780 |
| (c) Other Current Liabilities | | 10 | 63,22,80,697 | | 63,59,46,986 |
| (d) Short-Term Provisions | | 11 | 22,43,43,065 | | 20,60,40,002 |
| | | | 936,99,30,022 | | 1060,34,84,465 |
| TOTAL | | | 4150,72,94,260 | | 3211,54,14,209 |
| II. ASSETS | | | | | |
| 1 NON-CURRENT ASSETS | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible Assets | | 12 | 1333,79,76,043 | | 871,17,28,012 |
| (ii) Intangible Assets | | 13 | 1,47,73,770 | | 1,82,05,908 |
| (iii) Capital Work-in-Progress | | | 1012,55,28,259 | | 476,73,93,504 |
| | | | 2347,82,78,072 | | 1349,73,27,424 |
| (b) Non-Current Investments | | 14 | 3,11,99,535 | | 2,44,16,935 |
| (c) Long-Term Loans and Advances | | 15 | 287,52,14,693 | | 278,37,59,467 |
| (d) Other Non-Current Assets | | 16 | 30,10,247 | | 93,49,191 |
| 2 GOODWILL ON CONSOLIDATION | | | 5,99,090 | | 5,99,090 |
| 3 CURRENT ASSETS | | | | | |
| (a) Current Investments | | 17 | 20,00,775 | | 1,19,762 |
| (b) Inventories | | 18 | 456,74,33,111 | | 498,54,14,694 |
| (c) Trade Receivables | | 19 | 519,67,25,713 | | 490,02,48,340 |
| (d) Cash and Cash Equivalents | | 20 | 277,96,89,624 | | 369,84,05,229 |
| (e) Short-Term Loans and Advances | | 21 | 250,73,79,178 | | 196,66,10,327 |
| (f) Other Current Assets | | 22 | 6,57,64,222 | | 24,91,63,750 |
| | | | 1511,89,92,623 | | 1579,99,62,102 |
| TOTAL | | | 4150,72,94,260 | | 3211,54,14,209 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 46

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
 Partner

Mumbai,
 Dated: 30th May 2013

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Executive Director
VIPUL SHAH Director & Company Secretary

Mumbai,
 Dated: 30th May 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

| PARTICULARS | | Note No. | Current Year Rupees | Previous Year Rupees |
|-------------|---|-----------|-----------------------|----------------------|
| I | Revenue From Operations | 23 | 3393,93,10,473 | 3016,63,92,539 |
| II | Other Income | 24 | 4,50,63,650 | 4,03,93,432 |
| III | Total Revenue (I+II) | | 3398,43,74,123 | 3020,67,85,971 |
| IV | Expenses : | | | |
| | Cost of Materials Consumed | 25 | 1921,10,96,623 | 1851,69,74,259 |
| | Purchases of Stock-in-Trade | 26 | 9,49,48,355 | 17,80,43,547 |
| | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 27 | (35,92,20,861) | (52,05,01,104) |
| | Employee Benefits Expense | 28 | 133,76,73,220 | 93,74,73,270 |
| | Finance Cost | 29 | 27,36,99,747 | 29,19,99,573 |
| | Depreciation and Amortization Expense | 30 | 112,20,00,858 | 86,38,62,563 |
| | Other Expenses | 31 | 696,62,00,570 | 593,47,66,470 |
| | Total Expenses | | 2864,63,98,512 | 2620,26,18,578 |
| V | Profit Before Tax (III-IV) | | 533,79,75,611 | 400,41,67,393 |
| VI | Tax Expense: | | | |
| | Current tax | | 143,88,17,886 | 125,02,98,417 |
| | Deferred tax | | 40,01,35,751 | 6,44,78,036 |
| VII | Profit After Tax (V-VI) | | 349,90,21,974 | 268,93,90,940 |
| VIII | Earnings per equity share: | | | |
| | Basic and Diluted | 35 | 36.20 | 27.48 |

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 1 to 46

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants**VIRAL A. MERCHANT**
PartnerMumbai,
Dated: 30th May 2013

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Executive Director
VIPUL SHAH Director & Company SecretaryMumbai,
Dated: 30th May 2013

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO.1

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statement relates to Balkrishna Industries Limited (the Company) and its subsidiaries. The Company and its Subsidiaries constitute the Group. The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS 21) – 'Consolidated Financial Statements', as notified under the Companies (Accounting Standards) Rules, 2006.

The financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions and unrealised profits or losses.

All intra-group transactions have been entered at common rates.

The excess of cost of investments in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements as goodwill. The excess of Company's portion of equity of the Subsidiaries over the cost of the investment there in is treated as Capital Reserve.

The consolidated financial statements are prepared by using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as in the Company's separate financial statements unless stated otherwise.

The following subsidiary Companies are considered in the consolidated financial statement.

| Sr.No. | Name of the Subsidiary Company | Country of Incorporation | % of holding either directly or through subsidiary in the Current and Previous Year(unless otherwise stated) |
|------------------------------|--------------------------------|--------------------------|--|
| Direct Subsidiaries | | | |
| 1, | Balkrishna Paper Mills Limited | India | 100% |
| 2. | Balkrishna Synthetics Limited | India | 100% |
| 3. | BKT Exim Limited | India | 100% |
| 4. | BKT Tyres Limited | India | 100% |
| Indirect Subsidiaries | | | |
| 5. | BKT (EUROPE) LTD. | U.K. | 100% |
| 6. | BKT EUROPE S.R.L. | Italy | 100% |
| 7. | BKT (USA) INC | USA | 100% |

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

Fixed Assets

- Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

- a) In respect of the Company and its subsidiaries in India :
 - i) Depreciation on Fixed Assets (Other than leasehold land) has been provided for in accordance with schedule XIV to the Companies Act, 1956 on Straight Line Method. In respect of fixed assets whose actual cost does not exceed five thousand rupees, depreciation at the rate of 100 percent, irrespective of the date of addition during the year.
 - ii) Premium on Leasehold Land is amortised over the duration of the Lease.
- b) In respect of overseas subsidiaries, depreciation has been provided by the overseas subsidiaries as per the methods and at the rates required/permissible by the local laws so as to write off assets over their useful lives.

Investments

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

Valuation of Inventories

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis by the Company and one of the Subsidiaries – Balkrishna Synthetics Limited. In case of other Subsidiary Companies, wherever applicable, the cost is computed on First in First Out basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Sales-Processing/Job Charges

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives. Processing charges are excluding Excise Duty, as the concerned subsidiary is not liable to pay the duty and the same is borne by the Customer.

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 Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted for in the year of such sale. Export Incentive under Duty Drawback Scheme under EXIM Policy is accounted for in the year of Export.

Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

Translation of accounts of overseas subsidiaries.

- a) Fixed assets are translated in INR by applying the exchange rate prevailing on the date of acquisition of said assets.
- b) Other assets/ all outside liabilities have been translated at the exchange rate ruling at the year end.
- c) Income and expenses have been translated by applying simple average of exchange rates ruling at the beginning and end of the financial year.
- d) Exchange difference arising on account of translation of accounts is taken to the profit and loss account.

Employee Benefits:

- (1) In respect of the Company and its subsidiaries in India:

A) Short-term employee benefits:

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to Profit and Loss Account. The liability of the company is also determined through actuarial valuation technique at Balance Sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the Balance Sheet date is provided for at the year end.

(2) In respect of overseas subsidiaries the benefits are paid/provided as per the requirement of local laws.

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 Fixed Assets.

Government Grants

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

Taxation

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the respective taxation laws.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.
- c) Deferred tax at overseas subsidiaries is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the Management, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books.

Impairment

The carrying amount of an asset is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to the accounts. Contingent Assets are not recognised or disclosed in the financial statements.

| NOTE NO.2 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| SHARE CAPITAL | | |
| Authorised : | | |
| 25,00,00,000 Equity Shares of Rs.2 each | 50,00,00,000 | 50,00,00,000 |
| Issued Subscribed and fully paid up: | | |
| 9,66,58,595 Equity Shares of Rs.2 each fully paid up | 19,33,17,190 | 19,33,17,190 |
| | 19,33,17,190 | 19,33,17,190 |
| Terms/rights attached to equity shares: | | |
| All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital. | | |
| Shareholder's holding more than 5 % Shares in the Company | | |
| Name of Shareholders | No. of Shares held | No. of Shares held |
| GPP ENTERPRISES LLP | 2,16,30,535 | 2,34,76,735 |
| % Holding | 22.38 | 24.29 |
| RAP ENTERPRISES LLP | 2,32,67,995 | 2,32,67,995 |
| % Holding | 24.07 | 24.07 |
| COPA CABANA | NIL | 92,73,750 |
| % Holding | NIL | 9.59 |

| NOTE NO.3 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| RESERVES AND SURPLUS | | |
| (a) Capital Reserves | | |
| Opening Balance | 1,54,57,052 | 1,51,06,067 |
| Add: Addition during the year | NIL | 3,50,985 |
| Closing Balance | 1,54,57,052 | 1,54,57,052 |
| (b) Securities Premium Account | 71,53,42,628 | 71,53,42,628 |
| (c) Other Reserve (General Reserve) | | |
| Opening Balance | 900,00,00,000 | 350,09,42,141 |
| Add: Transferred from Profit and Loss account | 350,00,00,000 | 549,90,57,859 |
| Closing Balance | 1250,00,00,000 | 900,00,00,000 |
| (d) Surplus | | |
| Opening Balance | 117,67,26,424 | 418,88,03,229 |
| Add: Net Profit for the current year | 349,90,21,974 | 268,93,90,940 |
| Less: Proposed Dividend | 14,49,87,893 | 14,52,47,893 |
| Less: Tax on Dividend | 2,46,40,692 | 2,35,62,840 |
| Less: Transfer to Capital Reserve | NIL | 3,50,985 |
| Less: Transfer to General Reserve | 350,00,00,000 | 549,90,57,859 |
| Less: Income Tax of Earlier Year | 1,90,186 | 3,32,48,171 |
| Closing Balance | 100,59,29,626 | 117,67,26,421 |
| | 1423,67,29,307 | 1090,75,26,101 |

| NOTE NO.4 | Current Year Rupees | Previous Year Rupees |
|---|--------------------------------|---------------------------------|
| LONG TERM BORROWINGS | | |
| Secured (Refer Note No. 45) | | |
| Term loans | | |
| - from banks | 1561,20,75,102 | 934,39,19,903 |
| 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) | 3,14,31,154 | 3,14,05,751 |
| - Distributors/Dealers Deposit | 2,29,61,221 | 2,29,56,991 |
| | 1566,64,67,477 | 939,82,82,645 |

| NOTE NO.5 | Current Year Rupees | Previous Year Rupees |
|--|--|---|
| DEFERRED TAX LIABILITIES (NET) | | |
| Deferred Tax Liability on account of : Depreciation | 110,07,96,663 | 68,93,19,663 |
| Deferred Tax Assets on account of : Expenses allowable for tax purpose when paid | 3,39,29,413 | 2,26,13,059 |
| Net Deferred Tax Liability | 106,68,67,250 | 66,67,06,604 |
| NOTE NO.6 | Current Year Rupees | Previous Year Rupees |
| OTHER LONG TERM LIABILITIES | | |
| Trade payable(Refer Note No. 38 for details of Dues to Micro and Small Enterprises) | 1,54,22,710 | 2,45,78,749 |
| Others - Payable towards Capital Goods,Security Deposit etc. | 95,35,48,998 | 32,19,36,210 |
| Security Deposit | 3,91,450 | 3,52,350 |
| | 96,93,63,158 | 34,68,67,309 |
| NOTE NO.7 | Current Year Rupees | Previous Year Rupees |
| LONG TERM PROVISIONS | | |
| Provision for employee benefits - Gratuity | 46,19,856 | (7,70,105) |
| NOTE NO.8 | Current Year Rupees | Previous Year Rupees |
| SHORT TERM BORROWINGS | | |
| Secured Loans from banks (Refer Note No.45) - Loans repayable on demand (Cash Credit) - Other Loans | 161,80,81,647 64,76,95,390 | 338,53,60,166 62,33,49,151 |
| Unsecured Loans from banks - Loans repayable on demand | 338,33,42,010 | 354,02,88,380 |
| Loans and advances from related parties. | 15,04,00,000 | 1,55,00,000 |
| | 579,95,19,047 | 756,44,97,697 |
| NOTE NO.9 | Current Year Rupees | Previous Year Rupees |
| TRADE PAYABLES | | |
| Trade Payables (including Acceptances) (Refer Note No. 38 for details of Dues to Micro and Small Enterprises) | 271,37,87,213 | 219,69,99,780 |
| NOTE NO.10 | Current Year Rupees | Previous Year Rupees |
| OTHER CURRENT LIABILITIES | | |
| Current maturities of long-term debt | 17,37,64,497 | 12,94,32,323 |
| Interest accrued but not due on borrowings | 3,24,29,138 | 84,04,905 |
| Income received in advance | 14,75,36,130 | 15,76,20,856 |
| Unpaid dividends | 68,14,307 | 70,62,733 |
| Other payables - Statutory dues towards TDS/VAT/CST/Service Tax etc. - Security Deposits - Others | 12,26,92,216 17,96,749 14,72,47,660 | 27,55,81,657 20,46,098 5,57,98,414 |
| | 63,22,80,697 | 63,59,46,986 |
| NOTE NO.11 | Current Year Rupees | Previous Year Rupees |
| SHORT TERM PROVISIONS | | |
| Provision for employee benefits - Leave encashment | 5,44,54,480 | 3,72,29,269 |
| Others - Proposed Dividend - Tax on proposed Dividend | 14,52,47,894 2,46,40,692 22,43,43,065 | 14,52,47,893 2,35,62,840 20,60,40,002 |

NOTE NO.12

| Fixed Assets | Gross Block (At Cost) | | | | Depreciation (Including Amortization) | | | Net Block | |
|---------------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|---------------------------------------|----------------------|----------------------------|-----------------------|----------------------|
| | Balance As at 01.04.2012 | Additions During the year | Deductions During the year | Balance As at 31.03.2013 | Total upto 31.03.2012 | For the Year | Deductions During the year | As At 31.03.2013 | As At 31.03.2012 |
| Tangible assets | | | | | | | | | |
| (a) Land | | | | | | | | | |
| - Freehold | 36,86,18,200 | NIL | NIL | 36,86,18,200 | NIL | NIL | NIL | 36,86,18,200 | 36,86,18,200 |
| - Leasehold | 21,65,31,669 | 1,64,25,940 | NIL | 23,29,57,609 | 94,24,067 | 32,23,941 | NIL | 22,03,09,601 | 20,71,07,602 |
| (b) Buildings | 266,51,73,893 | 78,09,92,604 | 2,07,724 | 344,59,58,773 | 22,61,35,531 | 7,84,02,020 | 64,527 | 314,14,85,749 | 243,90,38,362 |
| (c) Plant and Equipment | 850,94,60,055 | 455,74,39,811 | 1,12,68,392 | 1,305,56,31,474 | 360,92,11,348 | 99,17,48,625 | 1,07,03,184 | 846,53,74,685 | 490,02,48,707 |
| (d) Factory Equipment | 40,43,87,098 | 20,73,02,201 | 2,37,528 | 61,14,51,771 | 7,98,68,647 | 2,31,77,258 | 66,673 | 50,84,72,539 | 32,45,18,451 |
| (d) Furniture and Fixtures | 13,19,42,110 | 85,11,991 | 9,667 | 14,04,44,434 | 3,01,21,135 | 85,64,444 | 9,667 | 10,17,68,522 | 10,18,20,975 |
| (e) Vehicles | 6,02,61,891 | 2,69,40,891 | 2,26,78,520 | 6,45,24,262 | 1,49,93,982 | 49,74,594 | 77,91,677 | 5,23,47,363 | 4,52,67,909 |
| (f) Office Equipment | 3,68,96,928 | 64,84,327 | 4,66,810 | 4,29,14,445 | 74,02,857 | 20,28,388 | 3,15,572 | 3,37,98,772 | 2,94,94,071 |
| (g) Others | | | | | | | | | |
| - Electric Installations | 30,10,33,027 | 15,35,01,328 | 30,095 | 45,45,04,260 | 6,17,46,987 | 1,62,24,787 | 14,138 | 37,65,46,624 | 23,92,86,040 |
| - Air Conditioners | 2,86,40,821 | 40,66,661 | 37,333 | 3,26,70,149 | 36,50,082 | 14,14,418 | 6,572 | 2,76,12,221 | 2,49,90,739 |
| - Computer | 6,89,35,012 | 2,00,37,426 | 30,12,184 | 8,59,60,254 | 3,75,98,056 | 93,01,442 | 25,81,011 | 4,16,41,767 | 3,13,36,956 |
| TOTAL TANGIBLE (CURRENT YEAR) | 1279,18,80,704 | 578,17,03,180 | 3,79,48,253 | 1853,56,35,631 | 408,01,52,692 | 113,90,59,917 | 2,15,53,021 | 1333,79,76,043 | - |
| TOTAL TANGIBLE (PREVIOUS YEAR) | 1051,36,11,633 | 237,93,76,566 | 10,11,07,495 | 1279,18,80,704 | 328,38,61,805 | 86,82,28,623 | 7,19,37,736 | - | 871,17,28,012 |

NOTE NO.13

| | | | | | | | | | |
|---|--------------------|------------------|------------|--------------------|--------------------|------------------|------------|-----------------------|----------------------|
| Intangible assets | | | | | | | | | |
| Computer software | 4,36,86,636 | 28,07,500 | NIL | 4,64,94,136 | 2,54,80,728 | 62,39,638 | NIL | 1,47,73,770 | 1,82,05,908 |
| TOTAL INTANGIBLE (CURRENT YEAR) | 4,36,86,636 | 28,07,500 | NIL | 4,64,94,136 | 2,54,80,728 | 62,39,638 | NIL | 1,47,73,770 | - |
| TOTAL INTANGIBLE (PREVIOUS YEAR) | 3,79,36,900 | 57,49,736 | NIL | 4,36,86,636 | 1,98,33,518 | 56,47,210 | NIL | - | 1,82,05,908 |
| Capital Work in Progress | | | | | | | | 1012,55,28,259 | 476,73,93,504 |

* Including Depreciation capitalised **Rs.2,32,98,698** (Previous Year Rs. 1,00,13,267).

| NOTE NO.14 | Current Year Rupees | | Previous Year Rupees |
|--|----------------------------|---------------------|-----------------------------|
| Non-current Investments (At Cost): | | | |
| Trade Investments : | | | |
| Unquoted (Others) | | | |
| (a) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) | | | |
| 55,657 shares of Tarapur Environment protection society | 55,65,700 | | 55,65,700 |
| 12,56,037 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares) Purchase during the year 6,78,260 shares. | 1,25,60,370 | | 57,77,770 |
| | 1,81,26,070 | | 1,13,43,470 |
| (b) Investment in Preference Shares (Shares of Rs.10 each, fully paid up) | | | |
| 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost | 1,11,42,230 | | 1,11,42,230 |
| | | 2,92,68,300 | 2,24,85,700 |
| Other than Trade Investments : | | | |
| Unquoted (Others) | | | |
| (a) Investments in Government Securities In 6 Year National Saving Certificates | 16,000 | | 16,000 |
| Quoted | | | |
| (b) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) | | | |
| 4,98,759 Equity Shares of Govind Rubber Ltd. | 1,87,50,059 | | 1,87,50,059 |
| Less : Provision for diminution in the value of Investments (Investment in Equity Shares) Others | 1,68,34,824 | | 1,68,34,824 |
| | 19,15,235 | | 19,15,235 |
| | | 19,31,235 | 19,31,235 |
| | | 3,11,99,535 | 2,44,16,935 |
| Aggregate amount of quoted investments net of provision - Market value of Rs.88,79,910 (Previous Year Rs.65,48,706) | | 19,15,235 | 19,15,235 |
| Aggregate amount of unquoted investments. | | 33,27,84,300 | 32,60,01,700 |

| NOTE NO.15 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| LONG TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| (a) Capital Advances | 237,78,31,591 | 230,48,25,302 |
| (b) Security Deposits | 10,37,78,712 | 9,02,53,379 |
| (c) Others loans and advances | | |
| - Advance Payment to Suppliers | 2,55,60,635 | 38,68,443 |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | 4,23,54,964 | 4,17,35,550 |
| - Advance Payments of Taxes and Tax deducted at source(Net of Provisions) | 32,56,88,791 | 34,30,76,793 |
| | 287,52,14,693 | 278,37,59,467 |

| NOTE NO.16 | Current Year Rupees | Previous Year Rupees |
|------------------------------------|----------------------------|-----------------------------|
| OTHER NON - CURRENT ASSETS: | | |
| Trade Receivables (Unsecured) | 30,10,247 | 93,49,191 |

| NOTE NO.17 | Current Year Rupees | Previous Year Rupees |
|--|----------------------------|-----------------------------|
| CURRENT INVESTMENTS : | | |
| In Mutual Fund (Unquoted) | 20,00,775 | NIL |
| In Shares (Quoted) | | |
| 917 Equity Shares of Mandhana Industries of Rs.10 each | NIL | 1,19,762 |
| (Market value of Rs. NIL Previous Year Rs.2,33,927) | 20,00,775 | 1,19,762 |

| NOTE NO.18 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| INVENTORIES : | | |
| (As Certified by the Management) | | |
| (At lower of Cost and Net Realisable Value) | | |
| (a) Raw materials | 257,20,45,653 | 345,74,24,971 |
| (b) Work-in-Progress | 87,18,83,508 | 74,98,42,696 |
| (c) Finished Goods | 54,90,86,981 | 30,44,31,353 |
| (d) Stock-in-Trade | 1,40,89,585 | 2,15,65,164 |
| (e) Stores and Spares | 52,10,81,495 | 41,70,70,901 |
| (f) Others -Packing Material and Fuel | 3,92,45,889 | 3,50,79,609 |
| | 456,74,33,111 | 498,54,14,694 |

| NOTE NO.19 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| TRADE RECEIVABLES | | |
| Trade Receivables outstanding for a period less than Six Months | | |
| (a) Secured Considered good | 166,61,99,725 | 176,75,90,754 |
| (b) Unsecured Considered good | 346,26,47,046 | 312,89,67,757 |
| | 512,88,46,771 | 489,65,58,511 |
| Trade Receivables outstanding for a period exceeding Six Months | | |
| (a) Secured Considered good | NIL | 38,645 |
| (b) Unsecured Considered good | 6,78,78,942 | 36,51,184 |
| | 6,78,78,942 | 36,89,829 |
| | 519,67,25,713 | 490,02,48,340 |

| NOTE NO.20 | Current Year Rupees | Previous Year Rupees |
|--|----------------------------|-----------------------------|
| CASH AND CASH EQUIVALENTS: | | |
| Balances with banks | 9,28,84,166 | 57,03,11,271 |
| Unpaid Dividend | 68,14,307 | 70,62,733 |
| Margin Money (Including Fixed Deposit) # | 3,78,105 | 2,31,454 |
| In Fixed Deposit # | 267,17,99,383 | 311,45,31,316 |
| (Including lodged with Government Authorities Rs.66,248 Previous Year Rs.59,799) | | |
| Cash on hand | 78,13,663 | 62,68,455 |
| #(Including deposits of Rs.2,91,253 Previous year Rs.2,74,317 maturing after twelve months) | 277,96,89,624 | 369,84,05,229 |

| NOTE NO.21 | Current Year Rupees | Previous Year Rupees |
|---|----------------------------|-----------------------------|
| SHORT TERM LOANS AND ADVANCES: | | |
| Unsecured, considered good | | |
| - Advance payment to suppliers | 59,41,55,018 | 97,86,91,136 |
| - Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables | 189,52,48,766 | 97,87,65,370 |
| - Loans and advances to employees | 1,79,75,394 | 91,53,821 |
| | 250,73,79,178 | 196,66,10,327 |

| NOTE NO.22 | Current Year Rupees | Previous Year Rupees |
|---------------------------------------|----------------------------|-----------------------------|
| OTHER CURRENT ASSETS | | |
| Interest Accrued on Investment | 6,577 | 4,989 |
| Export Incentive Receivables | 17,35,677 | 19,48,11,449 |
| Interest Accrued on Security Deposits | 74,020 | NIL |
| Interest Accrued on others | 6,39,47,948 | 5,43,47,312 |
| | 6,57,64,222 | 24,91,63,750 |

| NOTE NO.23 | Current Year Rupees | Previous Year Rupees |
|--|----------------------------|-----------------------------|
| REVENUE FROM OPERATIONS | | |
| Sale of Products | 3361,87,08,540 | 2982,94,08,889 |
| Job Charges Received | 50,66,80,701 | 39,41,45,628 |
| Other Operating Revenue: | | |
| - Export Incentives | 8,62,10,885 | 17,97,58,298 |
| - Scrap Sales | 6,79,50,159 | 5,60,71,439 |
| - Withdrawal of Provision for Doubtful Advances no longer required | NIL | 1,31,080 |
| - Others | 4,69,10,094 | 3,36,75,152 |
| | 20,10,71,138 | 26,96,35,969 |
| Total Revenue from Operations (Gross) | 3432,64,60,379 | 3049,31,90,486 |
| Less: Excise Duty | 38,71,49,906 | 32,67,97,947 |
| Total Revenue from Operations (Net) | 3393,93,10,473 | 3016,63,92,539 |

| NOTE NO.24 | Current Year Rupees | Previous Year Rupees |
|--|----------------------------|-----------------------------|
| OTHER INCOME | | |
| Interest Income on: | | |
| - Long Term Investments (Other than trade) | 1,588 | 1,535 |
| - Interest received on Deposits/Loans and Advances | 1,54,00,327 | 88,15,588 |
| - Subsidy from Government | 7,08,301 | 1,72,32,414 |
| | 1,61,10,216 | 2,60,49,537 |
| Dividend Income on: | | |
| - Current Investments | 34,20,279 | 34,36,659 |
| - Profit on sale of Fixed Assets | 56,01,254 | 29,27,384 |
| - Net gain on sale of Current Investments | 1,04,983 | 57,20,645 |
| - Other non-operating income | 1,98,26,918 | 22,59,207 |
| | 4,50,63,650 | 4,03,93,432 |

| NOTE NO.25 | Current Year Rupees | Previous Year Rupees |
|----------------------------------|----------------------------|-----------------------------|
| COST OF MATERIAL CONSUMED | | |
| Raw Material Consumed | 1921,10,96,623 | 1851,69,74,259 |

| NOTE NO.26 | Current Year Rupees | Previous Year Rupees |
|-----------------------------------|----------------------------|-----------------------------|
| PURCHASE OF STOCK IN TRADE | | |
| Purchase of Traded Goods | 9,49,48,355 | 17,80,43,547 |

| NOTE NO.27 | Current Year Rupees | Previous Year Rupees |
|--|--------------------------------|---------------------------------|
| CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE | | |
| Opening Stock : | | |
| Work-in-Progress | 74,98,42,696 | 30,40,30,834 |
| Stock in Trade | 2,15,65,164 | 4,04,97,034 |
| Finished Goods | 30,44,31,353 | 21,08,10,241 |
| | 107,58,39,213 | 55,53,38,109 |
| Less : | | |
| Closing Stock : | | |
| Work-in-Progress | 87,18,83,508 | 74,98,42,696 |
| Stock in Trade | 1,40,89,585 | 2,15,65,164 |
| Finished Goods | 54,90,86,981 | 30,44,31,353 |
| | 143,50,60,074 | 107,58,39,213 |
| Net Increase in Inventories | (35,92,20,861) | (52,05,01,104) |
| NOTE NO.28 | Current Year Rupees | Previous Year Rupees |
| EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 121,98,45,940 | 85,58,98,200 |
| Contribution to provident and other funds | 9,40,95,955 | 6,41,73,061 |
| Staff welfare expenses | 2,37,31,325 | 1,74,02,009 |
| | 133,76,73,220 | 93,74,73,270 |
| NOTE NO.29 | Current Year Rupees | Previous Year Rupees |
| FINANCE COST | | |
| Interest expenses | 19,77,10,177 | 17,71,83,078 |
| Other borrowing costs | 1,88,85,379 | 1,93,86,470 |
| Applicable net loss/(gain) on foreign currency transactions and translation | 5,71,04,191 | 9,54,30,025 |
| | 27,36,99,747 | 29,19,99,573 |
| NOTE NO.30 | Current Year Rupees | Previous Year Rupees |
| DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation and amortisation | 112,20,00,858 | 86,38,62,563 |
| NOTE NO.31 | Current Year Rupees | Previous Year Rupees |
| OTHER EXPENSES: | | |
| Consumption of stores and spare parts | 128,95,83,859 | 106,76,77,792 |
| Packing material consumed | 4,74,03,942 | 4,57,08,856 |
| Power and fuel(Net) | 163,43,74,311 | 139,81,20,322 |
| Freight and forwarding (Net) | 144,81,95,631 | 119,77,51,924 |
| Excise duty on variation of Finished Goods | 46,92,097 | 36,73,780 |
| Labour/Job Charges | 68,05,30,076 | 60,12,12,861 |
| Water charges | 4,11,83,863 | 1,63,58,302 |
| Repairs and Maintenance to buildings | 11,32,80,393 | 13,12,88,004 |
| Repairs and Maintenance to Machinery | 14,96,82,808 | 13,34,92,628 |
| Repairs and Maintenance to Others | 4,89,73,386 | 7,50,14,042 |

| | Current Year Rupees | Previous Year Rupees |
|--|------------------------|-------------------------|
| Insurance Charges | 11,82,53,831 | 4,21,32,306 |
| Rates and Taxes excluding taxes on income | 1,29,57,092 | 1,48,69,823 |
| Rent | 3,90,85,869 | 1,74,35,405 |
| Legal and Professional charges | 12,64,72,836 | 11,68,20,568 |
| Advertisement, Publicity and Sales Promotion | 69,64,53,040 | 58,33,44,504 |
| Commission | 2,37,47,536 | 1,78,73,355 |
| Discount | 3,55,94,487 | 3,03,51,912 |
| Travelling Expenses | 10,69,74,655 | 8,72,89,812 |
| Directors Meeting Fees | 7,17,416 | 8,27,500 |
| Fixed Assets Discarded | 1,66,697 | 1,18,07,060 |
| Interest to Others | 14,51,760 | 7,74,451 |
| Net Loss on foreign currency transaction and translation | 14,46,48,813 | 17,98,28,396 |
| Marketing service expenses | 25,73,074 | NIL |
| Miscellaneous expenses | 19,92,03,098 | 16,11,12,867 |
| | 696,62,00,570 | 593,47,66,470 |

NOTE NO.32
Contingent Liabilities and commitments
(i) Contingent Liabilities
(a) Claims against the Company not acknowledge as debts

- Disputed claims for excise, sales tax and service tax
- Disputed income tax demands
- Others

| | |
|--------------|--------------|
| 35,68,73,710 | 26,80,34,360 |
| 4,89,53,858 | 8,53,18,504 |
| 7,62,72,415 | 6,72,96,196 |

(b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity

| | |
|--------------|--------------|
| 14,83,65,233 | 14,16,90,480 |
|--------------|--------------|

(c) Corporate Guarantee given by the Company:

- To the President of India through commissioner of Custom
- To other Company

| | |
|----------------|----------------|
| 2000,00,00,000 | 1581,25,00,000 |
| 7,27,68,750 | 1,85,31,186 |

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

| | |
|---------------|---------------|
| 386,56,36,976 | 756,63,69,552 |
|---------------|---------------|

NOTE NO.33
Details of Current Investment in units of Mutual funds purchased and sold during the year :

| Name of Mutual Fund | Balance as at 01.04.12 | | Purchased During the Year | | Sold / Redeemed During the Year | | Balance as at 31.03.13 | |
|--|---------------------------|------------|------------------------------|----------------------|------------------------------------|----------------------|---------------------------|------------------|
| | No. of Units | Cost Rs. | No. of Units | Cost Rs. | No. of Units | Cost Rs. | No. of Units | Cost Rs. |
| LIC Nomura Mf Liquid Fund - Dividend Plan | NIL | NIL | 8,87,26,534 | 108,31,82,757 | 8,87,26,534 | 108,31,82,757 | NIL | NIL |
| LIC Nomura Mf Liquid Fund - Direct Dividend Plan | NIL | NIL | 64,68,765 | 17,03,20,539 | 64,68,765 | 17,03,20,539 | NIL | NIL |
| ICICI Prudential Flexible Income Plan Premium - Daily Dividend | NIL | NIL | 13,24,886 | 14,00,86,795 | 13,24,886 | 14,00,86,795 | NIL | NIL |
| ICICI Prudential Liquid Super Inst.Plan - Daily Dividend | NIL | NIL | 2,64,08,073 | 264,14,04,137 | 2,64,08,073 | 264,14,04,137 | NIL | NIL |
| ICICI Prudential Liquid Regular Plan - Daily Dividend | NIL | NIL | 17,74,904 | 17,75,30,558 | 17,74,904 | 17,75,30,558 | NIL | NIL |
| ICICI Prudential Liquid Direct Plan - Daily Dividend | NIL | NIL | 46,69,196 | 46,70,25,126 | 46,69,196 | 46,70,25,126 | NIL | NIL |
| Birla Sunlife Cash Plus - Regular Plan - Daily Dividend- | NIL | NIL | 21,49,808 | 21,54,00,008 | 21,49,808 | 21,54,00,008 | NIL | NIL |
| LIC Nomura Mf Liquid Fund - Direct Growth Plan | NIL | NIL | 54,944 | 11,50,000 | 54,944 | 11,50,000 | NIL | NIL |
| LIC Nomura Mf Liquid Fund - Direct Growth Plan LF-G1 | NIL | NIL | 954 | 20,00,775 | NIL | NIL | 954 | 20,00,775 |
| Grand Total | NIL | NIL | 12,93,72,358 | 489,81,00,695 | 13,15,77,109 | 489,60,99,920 | 954 | 20,00,775 |

NOTE NO.34**SEGMENT INFORMATION**

a) Primary Business Segments:-

The Group has only one business segment, namely Tyres therefore primary business segment reporting as required by AS-17 is not applicable.

b) Secondary Segment - Geographical by location of customers

| | Rupees | Rupees |
|--|---|---|
| Segment Revenue | | |
| Revenue from Operations: | | |
| In India | | 457,94,93,386 (451,39,44,019) |
| Outside India | | |
| Europe | 1466,64,11,719 (1303,39,21,952) | |
| North America | 612,11,10,191 (560,75,83,342) | |
| Others | 857,22,95,177 (701,09,43,226) | |
| | | 2935,98,17,087 (2565,24,48,520) |
| | | 3393,93,10,473 (3016,63,92,539) |
| Total | | |
| Segment Assets | | |
| In India | | 3513,10,83,226 (1823,48,18,801) |
| Outside India | | |
| Europe | | 337,56,85,429 (206,42,38,261) |
| Others | | 296,73,25,295 (131,26,68,273) |
| Total | | 4147,40,93,950 (2161,17,25,335) |
| Total Cost incurred during the year to acquire Segment Fixed Assets | | |
| In India | | 1114,25,11,052 (658,73,78,785) |
| Outside India | | 1,34,384 (14,76,354) |
| Total | | 1114,26,45,436 (658,88,55,139) |
| Segment Assets excludes -Investments | | 3,32,00,310 (2,45,36,697) |

NOTE NO.35**Earning Per Share (EPS)**

(In accordance with Accounting Standard - 20)

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| Profit After Tax | 349,90,21,974 | 268,93,90,940 |
| (Less)/Add: Income Tax of Earlier Year | (1,90,186) | (3,32,48,171) |
| Profit after Taxation of earlier years | 349,88,31,788 | 265,61,42,769 |
| Less : Proposed Preference Dividend | NIL | 2,60,000 |
| Less : Tax on Preference Dividend | 44,187 | 42,179 |
| Profit for the year available to Equity Shareholders | 349,87,87,601 | 265,58,40,590 |
| Number of Equity Shares outstanding for Basic/Diluted Earning Per Share | 9,66,58,595 | 9,66,58,595 |
| Nominal Value of Equity Shares (in Rupees) | 2 | 2 |
| Earning Per Share Basic/Diluted | 36.20 | 27.48 |

NOTE NO.36
I) Related Party Disclosures*

(Where transactions have taken place)

(a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Managing Director, Mrs. Vijaylaxmi Poddar - Executive Director (w.e.f 30.05.2012), Mr. Rajiv Poddar - Executive Director, Mr. Anurag Poddar - Executive Director, Mr. Basantkumar Bansal - Director Finance (upto 11.02.2012), Mr. Vipul Shah - Director and Company Secretary (w.e.f. 11.02.2012), Mr. Ankit Poddar - Executive Director (w.e.f. 09.05.2011), Mr. Kishanlal Jangir - Vice President & Director, Mr. Rajendra Jahnwar - Director (Works), Mr. Avnish Poddar - Executive Director (upto 14.02.2013)

(b) Relatives of Key Management Personnel :

Mrs. Khushboo Poddar, Mrs. Shyamlatia Poddar (w.e.f 01.06.2012), Mrs. Pooja Dhoot

(c) Other Related Parties - (Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Govind Rubber Ltd., SPG Infrastructure Ltd., GRL International Ltd. (upto 02.12.2011), Balgopal Holding & Traders Ltd., Clothing Culture Ltd., S P Finance and Trading Ltd.
Related Party Transactions

| Transactions | KMP | Relatives of (KMP) | Other Related Parties | Total |
|--------------------------------------|--------------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| Purchase of Goods/Materials/Services | NIL (NIL) | NIL (NIL) | 55,23,033 (52,98,816) | 55,23,033 (52,98,816) |
| Sales of Goods/Materials/Services | NIL (NIL) | NIL (NIL) | 55,25,99,987 (39,57,10,881) | 55,25,99,987 (39,57,10,881) |
| Expenses reimbursed | NIL (NIL) | NIL (NIL) | 13,838 (NIL) | 13,838 (NIL) |
| Rent received | NIL (NIL) | NIL (NIL) | 2,69,664 (15,88,320) | 2,69,664 (15,88,320) |
| Recovery of expenses | NIL (NIL) | NIL (NIL) | 11,86,863 (5,70,411) | 11,86,863 (5,70,411) |
| Sale of Fixed Assets | NIL (NIL) | NIL (NIL) | 61,96,613 (NIL) | 61,96,613 (NIL) |
| Assignment of Insurance Policy | 93,43,554 (NIL) | 52,47,080 (NIL) | NIL (NIL) | 1,45,90,634 (NIL) |
| Surrender of Insurance Policy | 32,33,379 (NIL) | NIL (NIL) | NIL (NIL) | 32,33,379 (NIL) |
| Rent/Lease Rent Paid | NIL (NIL) | 25,86,246 (NIL) | 3,07,565 (5,29,378) | 28,93,811 (5,29,378) |
| Purchase of Fixed Assets | NIL (15,90,75,000) | NIL (NIL) | 5,17,399 (2,31,50,155) | 5,17,399 (18,22,25,155) |
| Interest Paid | NIL (NIL) | NIL (NIL) | 2,05,29,425 (4,69,891) | 2,05,29,425 (4,69,891) |
| Loan Received (ICD) | NIL (NIL) | NIL (NIL) | 35,99,00,000 (1,55,00,000) | 35,99,00,000 (1,55,00,000) |
| Loan Repayment (ICD) | NIL (NIL) | NIL (NIL) | 22,50,00,000 (NIL) | 22,50,00,000 (NIL) |
| Loan Given (ICD) | NIL (NIL) | NIL (NIL) | 3,00,00,000 (NIL) | 3,00,00,000 (NIL) |
| Loan Refund Received (ICD) | NIL (NIL) | NIL (NIL) | 3,00,00,000 (NIL) | 3,00,00,000 (NIL) |
| Interest received | NIL (NIL) | NIL (NIL) | 2,77,808 (NIL) | 2,77,808 (NIL) |
| Remuneration | 24,36,44,727 (9,21,05,578) | 47,00,054 (5,52,460) | NIL (NIL) | 24,83,44,781 (9,26,58,038) |
| Receivables | NIL (NIL) | NIL (NIL) | 4,44,48,536 (1,48,16,289) | 4,44,48,536 (1,48,16,289) |
| Payables | 13,84,79,464 (5,46,22,831) | 15,400 (8,400) | 15,07,20,883 (1,58,95,222) | 28,92,15,747 (7,05,26,453) |

Disclosure in Respect of Material Related Party Transaction during the year :

- 1 Purchase of Goods/Materials/Services includes : Balgopal Holding & Traders Ltd. Rs. 28,02,800 (Previous Year Rs.NIL), Clothing Culture Ltd. Rs.13,86,885, (Previous Year Rs.NIL), Siyaram Silk Mills Limited Rs.13,33,348 (Previous Year Rs.25,40,494), Govind Rubber Limited Rs.NIL (Previous Year Rs.27,58,322).
- 2 Sale of Goods/Materials/Services includes : Clothing Culture Ltd. Rs.4,59,19,286 (Previous Year Rs.NIL), Siyaram Silk Mills Limited Rs.50,66,80,701 (Previous Year Rs.39,41,69,627), Govind Rubber Limited Rs.NIL (Previous Year Rs.15,41,254).
- 3 Reimbursement of Expenses includes : Siyaram Silk Mills Limited Rs.13,838 (Previous Year Rs.NIL).
- 4 Rent Received includes : Clothing Culture Limited Rs.2,69,664 (Previous Year Rs.NIL), Grl International Limited Rs.NIL (Previous Year Rs.15,88,320).
- 5 Recovery of Expenses includes : Clothing Culture Limited Rs. 8,47,556 (Previous Year Rs.NIL), Govind Rubber Limited Rs.1,608 (Previous Year Rs.4,73,498), Siyaram Silk Mills Limited Rs.3,37,699 (Previous Year Rs. 96,913).
- 6 Sale of Fixed Assets includes : Siyaram Silk Mills Limited Rs.61,96,613 (Previous Year Rs.NIL).
- 7 Assignment of Insurance Policy includes : Under KMP Mrs. Vijaylaxmi Poddar of Rs.93,43,554 (Previous Year Rs. NIL), Under Relative of KMP Mrs. Shyamlat Poddar of Rs. 52,47,080 (Previous Year Rs. NIL).
- 8 Surrender of Insurance Policy includes : Mr. Anurag Poddar of Rs.32,33,379 (Previous Year Rs. NIL).
- 9 Rent Paid includes : Mrs. Pooja Dhoot Rs. 25,86,246 (Previous Year Rs.NIL), Vishal Furnishing Ltd Rs. NIL (Previous Year Rs. 25,750), Siyaram Silk Mills Ltd. Rs.3,07,565 (Previous Year Rs.5,03,628)
- 10 Purchase of Fixed Assets includes : Siyaram Silk Mills Limited Rs.5,17,399 (Previous Year Rs.NIL), Spg Infrastructure Limited Rs.NIL (Previous Year 2,31,50,155)., Mr. Arvind Poddar Rs.NIL (Previous Year Rs.5,65,25,000), Mr. Rajiv Poddar Rs.NIL (Previous Year Rs.10,25,50,000)
- 11 Interest Paid on Loan Received (ICD) includes : Siyaram Silk Mills Limited Rs. 1,52,47,721 (Previous Year Rs.4,69,891), S. P. Finance & Trading Ltd. Rs.52,81,704 (Previous Year Rs.NIL),
- 12 Loan Received (ICD) includes : Siyaram Silk Mills Limited Rs. 25,00,00,000 (Previous Year Rs.1,55,00,000), S. P. Finance & Trading Ltd. Rs.10,99,00,000 (Previous Year Rs.NIL),
- 13 Loan Repayment (ICD) includes : Siyaram Silk Mills Limited Rs. 21,50,00,000 (Previous Year Rs.NIL), S. P. Finance & Trading Ltd. Rs.1,00,00,000 (Previous Year Rs.NIL),
- 14 Loan Given (ICD) includes : Balgopal Holding & Traders Limited Rs.1,50,00,000 (Previous Year Rs.NIL), Clothing Culture Limited Rs.1,50,00,000 (Previous Year Rs.NIL).
- 15 Loan Refund Received (ICD) includes : Balgopal Holding & Traders Limited Rs.1,50,00,000 (Previous Year Rs.NIL), Clothing Culture Limited Rs.1,50,00,000 (Previous Year Rs.NIL).
- 16 Interest Received on Loan Given (ICD) includes : Balgopal Holding & Traders Limited Rs.39,452 (Previous Year Rs.NIL), Clothing Culture Limited Rs.2,38,356 (Previous Year Rs.NIL).
- 17 Remuneration to Key Management Personnel includes : Mr. Arvind Poddar Rs.11,34,27,542 (Previous Year Rs. 5,18,02,178), Mr. Rajiv Poddar Rs.6,34,45,602 (Previous Year Rs. 1,19,15,753), Mrs. Vijaylaxmi Poddar Rs.4,98,16,119 (Previous Year Rs.NIL), Mr. Anurag Poddar Rs.49,52,010 (Previous Year Rs.1,19,22,852), Mr. Vipul Shah Rs.21,01,751 (Previous Year Rs.3,55,331), Mr. Basantkumar Bansal Rs. NIL (Previous Year Rs.66,59,964)., Mr. Ankit Poddar Rs. 20,48,027 (Previous Year Rs. 19,31,402), Mr. Kishanlal Jangir Rs. 26,68,740 (Previous Year Rs. 26,43,721), Mr. Avnish Poddar Rs.28,28,580 (Previous Year Rs. 29,98,209), Mr. Rajendra Jhanwar Rs. 23,56,356 (Previous Year Rs. 18,76,168) and Remuneration to Relatives of Key Management Personnel includes : Mrs. Khushboo Poddar Rs.30,00,036 (Previous Year Rs.5,52,460), Mrs. Shyamlat Poddar Rs. 17,00,018 (Previous Year Rs.NIL).
- 18 Receivables From Other Related Parties includes : Govind Rubber Limited Rs. NIL (Previous Year Rs. 13,410)., Siyaram Silk Mills Ltd. Rs.4,44,48,536 (Previous Year Rs. 1,48,02,879).
- 19 Payables to Key Management Personnel includes : Mr. Arvind Poddar Rs.7,20,00,000 (Previous Year Rs. 4,00,00,000), Mr. Rajiv Poddar Rs.3,60,00,000 (Previous Year Rs. 72,00,000), Mrs. Vijaylaxmi Poddar Rs.3,01,93,548 (Previous Year Rs.NIL), Mr. Anurag Poddar Rs.NIL (Previous Year Rs.72,00,000), Mr. Vipul Shah Rs.90,836 (Previous Year Rs.23,101), Mr. Basantkumar Bansal Rs. NIL (Previous Year Rs.52,650)., Mr. Kishanlal Jangir Rs. 1,85,580 (Previous Year Rs. 1,07,580), Mr. Rajendra Jhanwar Rs. 9,500 (Previous Year Rs. 39,500), Payables to Relatives of Key Management Personnel includes : Mrs. Khushboo Poddar Rs.8,400 (Previous Year Rs.8,400), Mrs. Shyamlat Poddar Rs. 7,000 (Previous Year Rs.NIL) and Payables to Other Related Parties includes : Siyaram Silk Mills Limited Rs. 5,08,20,883 (Previous Year Rs. 1,58,95,222)., S. P. Finance & Trading Ltd. Rs.9,99,00,000 (Previous Year Rs.NIL).

NOTE NO.37**Leases - Operating leases :**

- i) The company has taken commercial premises under cancellable and non-cancellable operating leases. Further the company has also taken motor cars under cancellable operating lease.
- ii) Future minimum Lease Payments under non - cancellable operating leases :

| | | |
|---|------------------|-----------|
| not later than one year | 29,26,800 | 23,49,362 |
| later than one year and not later than five years | 72,98,174 | 91,80,392 |
| later than five years | NIL | NIL |
- iii) The rental expenses recognised in Profit and Loss account for operating leases :

**Current Year
Rupees****Previous Year
Rupees**

| | Current Year Rupees | Previous Year Rupees |
|---|------------------------|-------------------------|
| (a) Minimum Rent | 2,02,21,462 | 1,27,54,709 |
| (b) Contingent Rent | NIL | NIL |
| iv) The Company has given certain portion of its office premises on lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company. Gross carrying amount of the furnished office premises leased, included in Note No. '12' Fixed Assets | 12,10,88,258 | 3,18,65,465 |
| Accumulated Depreciation | 1,67,88,761 | 1,08,62,870 |
| Depreciation recognised in the Profit and Loss Account | 27,84,155 | 11,94,019 |

NOTE NO.38

- (a) As at 31st March, 2013, 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.39

| | Current Year ended | Previous Year ended |
|---|-----------------------|------------------------|
| Derivative Instruments | | |
| (a) Hedging Contracts : | | |
| i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose. | | |
| ii) Derivative Instruments outstanding | | |
| Forward Exchange Contracts : | | |
| Particulars | | |
| Total No. of contracts outstanding for Amount: | | |
| Receivable on account of Export of Goods. | 336 | 293 |
| Foreign Currency Value covered : | | |
| US Dollars | 17,40,62,522 | 20,06,78,305 |
| Euro | 18,29,63,481 | 9,35,01,956 |
| Total No. of contracts outstanding for amount receivable on account of Fixed deposit with Bank. | NIL | 6 |
| Foreign Currency Value covered : | | |
| US Dollars | NIL | 45,00,000 |
| Total No. of contracts outstanding for Amount : | | |
| payable on account of Other Loan | 2 | NIL |
| Foreign Currency Value covered : | | |
| US Dollars | 1,47,845 | NIL |
| Interest US Dollars | 155 | NIL |
| (b) Unhedged foreign currency exposure is as follows: | | |
| Particulars | | |
| Amounts Payable : | | |
| Loans US Dollars: | | |
| Other Loans : | | |
| US Dollars | 29,63,62,862 | 21,11,21,604 |
| Interest US Dollars | 5,97,762 | 1,64,298 |
| Payables for goods and services: | | |
| US Dollars | 28,28,950 | 15,14,033 |
| Euro | 4,92,581 | 23,63,963 |
| GBP | 1,575 | 1,455 |
| THB | 2,29,214 | NIL |
| CAD | 36,190 | NIL |
| JPY | 71,985 | NIL |
| SGD | 19,800 | NIL |
| Amounts Receivable: | | |
| Export of Goods US Dollar | NIL | 56,481 |
| Advances : | | |
| US Dollar | 1,55,31,669 | 1,90,37,038 |
| Euro | 23,85,188 | 54,88,154 |
| GBP | 15,326 | 74,704 |
| THB | NIL | 5,87,178 |
| Balance with Scheduled Banks | | |
| On Current Accounts: | | |
| US Dollar | 2,555 | 13,98,137 |
| Euro | NIL | 28,66,312 |

NOTE NO.40**Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".**

Defined benefit plans - As per actuarial valuation in respect of gratuity

| Sr. no. | Descriptions | Current Year Rupees | Previous Year Rupees |
|---------|---|---------------------|----------------------|
| i) | Components of employer expenses | | |
| | Current Service Cost | 1,11,01,731 | 92,21,168 |
| | Interest Cost | 77,62,004 | 64,70,795 |
| | Expected Return on Plan Assets | (78,27,463) | (56,20,762) |
| | Past Service Cost (Vested benefit) recognised | NIL | NIL |
| | Actuarial-Loss (Net) | 1,15,98,197 | 17,15,248 |
| | Total Expenses recognised in the statement of Profit & Loss Account in Note No. '28' | 2,26,34,469 | 1,17,86,449 |
| ii) | Actual Contribution and Benefit Payments for the year end | | |
| | Actual Benefit Payments | 50,30,431 | 56,39,111 |
| | Actual Contributions | 1,72,44,508 | 2,28,59,981 |
| iii) | Net Liability recognised in balance sheet at the year end | | |
| | Present Value of Defined Benefit Obligation | 11,75,40,074 | 9,13,17,689 |
| | Fair value of plan assets | (1129,20,218) | (920,87,794) |
| | Net Liability recognised in balance sheet | 46,19,856 | (7,70,105) |
| iv) | Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO) | | |
| | Present Value of DBO at the beginning of the year | 9,13,17,689 | 7,84,33,881 |
| | Current Service cost | 1,11,01,731 | 92,21,168 |
| | Interest cost | 77,62,004 | 64,70,795 |
| | Past Service Cost (Vested Benefit) | | |
| | Actuarial Loss on DBO | 1,23,89,081 | 28,30,956 |
| | Benefits paid | (50,30,431) | (56,39,111) |
| | Present Value of DBO at the end of the year | 11,75,40,074 | 9,13,17,689 |
| v) | Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets | | |
| | Plan assets at the beginning of the year | 9,20,87,794 | 6,81,30,454 |
| | Expected return on plan assets | 78,27,463 | 56,20,762 |
| | Actual Company contributions | 1,72,44,508 | 2,28,59,981 |
| | Actuarial Gain on Plan Assets | 7,90,884 | 11,15,708 |
| | Benefits paid | (50,30,431) | (56,39,111) |
| | Plan assets at the end of the year | 11,29,20,218 | 9,20,87,794 |
| vi) | Actuarial Assumptions | | |
| | Discount Rate | 8.25% | 8.50% |
| | Expected Return on plan Assets | 8.25% | 8.50% |
| | Salary escalation | 4.50% | 4.50% |

(a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs.6,13,40,127** (Previous Year Rs.4,38,07,973) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 28) .

(b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

| | Current Year Rupees | Previous Year Rupees |
|--|---------------------|----------------------|
| Amount of Proposed dividend to Equity shareholders | 14,49,87,893 | 14,49,87,893 |
| Amount per share of Rs. 2 each, fully paid up | 1.50 | 1.50 |

NOTE NO.41

| NOTE NO.42 | | Current Year Rupees | Previous Year Rupees |
|--|--|--------------------------------|---------------------------------|
| Payment to Auditors : | | | |
| (a) | Statutory Auditors | | |
| | Audit Fees | 29,31,651 | 26,92,033 |
| | For Tax Audit | 5,90,000 | 5,25,000 |
| | For taxation matters | 7,95,000 | 4,55,000 |
| | For Company Law matters | 2,50,000 | 1,95,000 |
| | For other services - Certification etc., | 12,95,010 | 27,01,091 |
| | For reimbursement of expenses | | |
| | - Service Tax | 7,03,767 | 5,64,072 |
| | - Expenses | 66,400 | 58,500 |
| (b) | Cost Auditors | | |
| | Audit Fees* | 2,70,000 | 3,50,000* |
| | For reimbursement of expenses | | |
| | - Service Tax | 24,720 | 24,720 |
| * Previous Year including Rs. 1,00,000 for earlier year. | | | |

| NOTE NO.43 | | Current Year Rupees | Previous Year Rupees |
|-------------------|---|--------------------------------|---------------------------------|
| (a) | Prior period items | NIL | 1,00,271 |
| (b) | Amount of Borrowing Cost capitalised | 63,40,54,790 | 84,50,85,946 |
| (c) | Total of Research and Development Cost/Expenditure | | |
| | - Revenue | 7,57,79,229 | 6,37,53,933 |
| | - Capital | 9,37,18,529 | 3,18,21,140 |
| | Total of Research and Development Cost/Expenditure | 16,94,97,758 | 9,55,75,073 |
| (d) | Contribution to Provident and Other Funds (Note No. 28) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India. | 1,72,44,508 | 2,28,59,981 |

NOTE NO.44

Other Operating Revenue includes **Rs.88,83,553** (Previous Year Rs.80,91,230) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

NOTE NO.45

| Nature of Security in respect of secured Loan (Long Term/Short Term): | Rupees |
|--|-----------------------|
| Working Capital Loans from Banks Repayable on Demand: | |
| Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Ambivali, Tarapur, Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis. | 226,57,77,037 |
| Term Loan from Banks: | |
| Secured by exclusive first charge on the textile machineries acquired by the Company out of the proceeds of the said loan. Further to be secured by first pari passu charge on Land and Factory Building, Plant and Machinery and all other movable assets, present and future, of the Company. | 11,52,000 |
| Secured/to be Secured by first charge by way of hypothecation on all the present and future movable, immovable fixed assets, Inventories and Receivables of the Company on first pari - passu basis. | 82,76,30,099 |
| Term Loan from Banks: | |
| Secured /to be Secured by first charge by way of hypothecation on the all present and future movable fixed assets 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 movables on pari-passu basis. | 1495,70,57,500 |

NOTE NO.46

- Figures in brackets in notes 34 and 36 pertain to previous year.
- The Revised Schedule VI to the Companies Act, 1956 has become effective from current financial year for the preparation of financial statements. It has significantly changed the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached
For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
 Partner

Mumbai,
 Dated: 30th May 2013

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

Mumbai,
 Dated: 30th May 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | Year Ended 31st March, 2013 | | Year Ended 31st March, 2012 | |
|---|--------------------------------|------------------|--------------------------------|-----------------|
| | Rupees | | Rupees | |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| Profit before Tax | | 533,79,75,611 | | 400,41,67,393 |
| Adjustment for : | | | | |
| Depreciation and Ammortisation | 112,20,00,856 | | 86,38,62,563 | |
| Income from Investments | (35,26,850) | | (91,58,839) | |
| Finance Cost | 27,36,99,748 | | 29,19,99,573 | |
| Interest Income | (1,61,08,628) | | (2,60,48,002) | |
| (Profit)/Loss on Sale of Fixed Assets | (56,01,254) | | (29,27,384) | |
| Fixed Assets Discarded/Written Off | 1,66,697 | | 1,18,07,060 | |
| Unrealised Foreign Exchange differences (Gain)/Loss | (8,91,67,742) | | (1,16,15,001) | |
| Retiring Gratuities | 2,07,35,977 | | 1,17,86,450 | |
| Leave Encashment | 2,73,58,023 | | 1,57,23,964 | |
| Withdrawal of Provision for doubtful Debts no longer required | NIL | | (131,080) | |
| | | 132,95,56,827 | | 114,52,99,304 |
| Operating profit before working capital changes | | 666,75,32,438 | | 514,94,66,697 |
| Adjustment for: | | | | |
| Trade and other receivables | (57,13,81,406) | | (244,70,59,504) | |
| Inventories | 41,79,81,583 | | (75,55,17,124) | |
| Trade payables | 42,63,53,138 | | 37,05,69,508 | |
| | | 27,29,53,315 | | (283,20,07,120) |
| Cash generated from operations | | 694,04,85,753 | | 231,74,59,577 |
| Direct taxes paid | | (142,15,95,952) | | (152,98,26,937) |
| Gratuity paid | | (1,53,46,016) | | (2,28,59,982) |
| Leave Encashment paid | | (1,01,32,813) | | (82,37,687) |
| Net cash from Operating Activities | | 549,34,10,973 | | 75,65,34,971 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Purchase of Fixed Assets & Capital Work in Progress | (1014,30,43,993) | | (704,93,98,130) | |
| Sale of Fixed Assets | 1,73,38,647 | | 2,02,90,083 | |
| Purchase of Investments | (490,48,83,294) | | (226,41,58,175) | |
| Sale of Investments | 489,63,24,664 | | 237,72,17,485 | |
| Inter Corporate Loan Given | (3,00,00,000) | | NIL | |
| Inter Corporate Loan Refund Received | 3,00,00,000 | | NIL | |
| Interest received | 2,09,98,511 | | 2,72,73,355 | |
| Income Received on Investments | 34,20,279 | | 95,17,150 | |
| Net cash used in Investing Activities | | (1010,98,45,186) | | (687,92,58,232) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | | |
| (Repayment)/Proceeds from Short Term Borrowings (Net) | 127,56,29,162 | | (480,33,85,090) | |
| Proceeds from Long Term Borrowings | 2040,44,61,156 | | 2388,13,31,911 | |
| Repayment of Long Term Borrowings | (1766,59,44,950) | | (900,90,72,545) | |
| Inter Corporate Loan Received | 35,99,00,000 | | NIL | |
| Inter Corporate Loan Repaid | (22,50,00,000) | | NIL | |
| Dividend paid (including tax thereon) | (16,87,99,159) | | (15,76,89,547) | |
| Finance cost paid | (28,27,23,482) | | (21,45,33,474) | |
| Net Cash from Financing Activities | | 369,75,22,727 | | 969,66,51,255 |
| Net increase in cash and cash equivalent | | (91,89,11,487) | | 357,39,27,994 |
| Exchange difference on cash and cash equivalent - Gain | | 1,95,882 | | 19,58,783 |
| Cash and cash equivalent as at the begning of the year | | 369,84,05,229 | | 12,25,18,452 |
| Cash and cash equivalent as at the end of the year | | 277,96,89,624 | | 369,84,05,229 |

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

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2013

For and on behalf of the Board of Directors

ARVIND PODDAR
RAJIV PODDAR
VIPUL SHAH

Chairman & Managing Director
Executive Director
Director & Company Secretary

Mumbai,

Dated: 30th May 2013

NOTES

FEW APPLICATIONS WITH **BKT** TIRES





GROWING TOGETHER



BALKRISHNA INDUSTRIES LIMITED

Registered Office: H-3/1, MIDC, "A" Road, Tarapur, Boisar - 401 506
Corporate Office: BKT House, C/15, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Tel: 022 6666 3800.
website: bkt-tires.com

NOTICE

NOTICE is hereby given that the 51st Annual General Meeting of the members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

DAY : Saturday

DATE : 21st September, 2013

TIME : 11:30 a.m.

PLACE : Plot No: G-4/1, MIDC, Tarapur,
Boisar - 401506, Dist. (Thane), Maharashtra.

The Agenda for the Meeting will be as under:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss Account for the year ended on that date and reports of the Board of Directors and the Auditors' thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Shri Ashok Saraf, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Laxmidas Merchant, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Rajiv Poddar, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri Subhash Chand Mantri, who retires by rotation, and being eligible offers himself for re-appointment.
7. To appoint Auditors and fix their Remuneration.

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:

H-3/1, "MIDC",
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,

Dated: 1st August, 2013

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy should, however, be deposited at the Registered Office of the Company or at the Corporate Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013, not less than 48 hours before commencement of the Meeting.
- 2) 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.

- 3) The relative details of directors seeking re-appointment under item 3, 4, 5 and 6 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 18th September, 2013 to Friday, the 20th September, 2013 (both days inclusive).
- 5) 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.
- 6) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
- 7) Members are informed that the final dividend amount remaining unpaid/unclaimed relating to the year ended 31st March, 2006 and for any subsequent years are advised to send the same to the Company for revalidation. Dividend amount remaining unpaid/unclaimed for a period of 7 years from the dates they became due for payment shall be transferred to the "Investor Education and Protection Fund" of the Central Government in terms of Section 205C of the Companies Act, 1956. No claim shall lie against the Company or "Investor Education and Protection Fund" in respect of unpaid/unclaimed once these dividends are transferred to "Investor Education and Protection Fund."
- 8) The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the Registrar and Transfer Agent, M/s. Sharepro Service India Pvt. Ltd on email address : sharepro@shareproservices.com or to the Company on email address: shares@bkt-tires.com.

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:

H-3/1, "MIDC",
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,

Dated: 1st August, 2013

Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement.

| | | | | |
|---|--|--|---|---|
| Name | Shri Ashok Saraf | Shri Laxmidas Merchant | Shri Rajiv Poddar | Shri Subhash Chand Mantri |
| Age | 57 years | 53 years | 28 years | 49 years |
| Qualification | B.Com; Diploma in Business Management; Diploma in Finance Management | B.Com; C.A. | B.A. Hons; Business Management from Kingston University | B.Com; F.C.A |
| Nature of expertise | Industrialist | Professional | Industrialist | Professional |
| Shares held in the Company | NIL | NIL | 10,69,790 | NIL |
| *Name of the Companies in which hold directorship | Saraf Chemicals Limited | Reliance Strategic Investments Limited; Reliance Ventures Limited | BKT Exim Limited; BKT Tyres Limited; SPG Power Limited; SPG Infrastructure Limited; Beete Textiles Industries Limited; Clothing Culture Limited | Balkrishna Paper Mills Limited; Balkrishna Synthetics Limited |
| *Chairman/Member of the Committees of other public companies as on 31 st March, 2013 | NIL | Reliance Strategic Investments Limited; Reliance Ventures Limited; Chairman of Audit Committee in both the Companies | NIL | NIL |

* Private Limited Companies and Companies under Section 25 of the Companies Act, 1956 have been excluded.

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:
H-3/1, "MIDC",
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,
Dated: 1st August, 2013

Balkrishna Industries limited

Registered Office: H-3/1, MIDC, A Road, Tarapur, Boisar 401 506

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE

Folio No....., DP ID Client ID.....

Name of the Shareholder:..... No. of Shares held

I hereby record my presence at the 51st ANNUAL GENERAL MEETING of the Company held on Saturday, the 21st September, 2013 at 11:30 a.m. at Plot No: G-4/1, MIDC, Tarapur, Boisar - 401506., Dist. (Thane), Maharashtra.

Signature of the Shareholder:.....
(only shareholders/proxies are allowed to attend the meeting).

Balkrishna Industries limited

Registered Office: H-3/1, MIDC, A Road, Tarapur, Boisar 401 506

PROXY FORM

Folio No....., DP ID Client ID.....

No. of Shares held

I/We of
being a member(s) of Balkrishna Industries Limited, hereby appoint
of failing him
of as my/our proxy to attend and vote for me/us and
on my/our behalf at the 51st Annual General Meeting of Balkrishna Industries Limited, to be held on Saturday, the 21st September, 2013 at 11:30 a.m. at Plot No: G-4/1, MIDC, Tarapur, Boisar - 401506., Dist. (Thane), Maharashtra.

affix
15 paise
Revenue
stamp

Signed this..... day of _____ 2013

Signature across Revenue Stamp

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company.

BANK ACCOUNT PARTICULARS / ECS MANDATE FORM/EMAIL REGISTRATION FORM

I/ We do hereby authorise Balkrishna Industries Limited.

*To Print the following details on my/our dividend warrant.

To Credit my dividend amount directly to my Bank account by ECS.

(*Strike out whichever is not applicable.)

My/our Folio No. :.....

DP ID No..... Client A/c. No.....

| Particulars of Bank Account: | | |
|------------------------------|--|---|
| A. | Bank Name | : |
| B. | Branch Name | : |
| | Address (for Mandate only) | : |
| C. | 9 Digit Code number of the bank & Branch as appearing on the MICR Cheque | : |
| D. | Account Type (Saving/ Current) | : |
| E. | Account No. as appearing on the cheque book | : |
| F. | STD Code & Telephone No. | : |
| G. | E-mail ID | : |

I/We shall not hold the Company responsible if the ECS could not be implemented or the bank discontinue(s) the ECS, for any reason.

MAIL
TO

Sharepro Services (India) Pvt. Limited
Regd. Office: 13 AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai – 400 072
email address: sharepro@shareproservices.com

.....
Signature of the shareholder (s)

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advise your Depository Participant to take note of your Bank account particulars /ECS mandate/email address.