

**BIL/SE/2020-21**

**20<sup>th</sup> June, 2020**

BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

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

Scrip Name: BALKRISI  
Scrip Code : 502355

Scrip Name/Code: BALKRISIND

Dear Sirs,

**Sub: Outcome of Board Meeting held on Saturday, the 20<sup>th</sup> June, 2020.**

This is to inform you that in the meeting of the Board of Directors held on Saturday, the 20<sup>th</sup> June, 2020, the Board inter alia took following decisions:

1. Approved the Audited Financial Statements (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2020 and the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March, 2020, as recommended by the Audit Committee.

Copy of the Audited Financial Results (Standalone and Consolidated) for the quarter/ year ended 31<sup>st</sup> March, 2020 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is enclosed as Annexure A.

2. Auditors' Report on Audited Financial Results – (Standalone and Consolidated) of the Company for the quarter and year ended 31st March, 2020, issued by Statutory Auditor M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W) pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is enclosed as Annexure B.
3. Declaration for unmodified opinion in respect of Audited Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March, 2020 is enclosed as Annexure C.
4. The Board has not recommended any final dividend. The interim dividend of Rs.16/- declared by the Board at its meeting held on 14<sup>th</sup> February, 2020 shall be considered as the final dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains Rs.20/- per equity shares.

In accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, granting relaxation from the provisions of Regulation 47 of the SEBI Listing Regulations, 2015, the Audited Financial Results for the year ended 31<sup>st</sup> March, 2020 will not be published in the newspapers.

The meeting commenced at 2.00 P.M and concluded at 3.45 P.M.

Kindly acknowledge the receipt.

Yours faithfully,  
For **Balkrishna Industries Limited**



**Vipul Shah**  
Director & Company Secretary  
DIN: 05199526

**Balkrishna Industries Ltd.**

CIN No.: L99999MH1961PLC012185

Corporate Office : BKT House, C / 15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.

Tel: +91 22 6666 3800 Fax: +91 22 6666 3898/99 www.bkt-tires.com

Registered Office : B-66, Waluj Industrial Area, Waluj, Aurangabad - 431 136, Maharashtra, India.

# Balkrishna Industries Limited

AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31ST MARCH, 2020  
 Registered Office: B-6, Wai, MIDC, Wai, Maharashtra 401 136, India. Tel: +91 22 66663000 Fax: +91 22 66663898  
 [CIN No: U99999MH1961PLCO12185] Email Id: shares@bkt-ltds.com Website address: www.bkt-ltds.com



Particulars	QUARTER ENDED				YEAR ENDED				CONSOLIDATED			
	31/03/2020		31/12/2019		31/03/2019		31/03/2020		31/03/2020		31/03/2019	
	Audited (Refer Note No.8)	Un-audited	Audited (Refer Note No.8)	Un-audited	Audited (Refer Note No.8)	Un-audited	Audited (Refer Note No.8)	Un-audited	Audited (Refer Note No.8)	Un-audited	Audited (Refer Note No.8)	Un-audited
<b>Income</b>	(Rs. in Lakhs)											
I. Revenue from Operators	135732	116050	135104	478248	524450	131227	115575	135603	481124	520999		
II. Other income	6632	3006	4015	24877	24421	6549	3055	4067	25078	21817		
<b>III. Total income (I+II)</b>	<b>142369</b>	<b>119056</b>	<b>139119</b>	<b>503126</b>	<b>548771</b>	<b>148776</b>	<b>118641</b>	<b>139670</b>	<b>506202</b>	<b>542816</b>		
<b>Expenses</b>	(Rs. in Lakhs)											
(a) Cost of materials consumed	50355	48799	61828	207321	244097	50855	48799	61828	207321	244097		
(b) Purchases of stock-in-trade	1503	1285	1646	5477	6037	1525	1333	1505	5691	6270		
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	8635	(2179)	2479	4891	(3852)	9157	(3060)	2888	5973	(5955)		
(d) Employees benefits expense	7544	7078	5942	26562	26363	8824	8199	7152	32863	29915		
(e) Finance costs	189	185	205	727	979	241	238	235	890	1113		
(f) Depreciation and amortisation expense	9826	9486	8226	36801	33255	10061	9613	8228	37361	33261		
(g) Other expenses	30440	28919	31207	112053	120691	28962	25692	29642	107261	116499		
<b>IV. Total expenses</b>	<b>108492</b>	<b>91573</b>	<b>111531</b>	<b>390842</b>	<b>427570</b>	<b>109145</b>	<b>90814</b>	<b>111868</b>	<b>392250</b>	<b>425169</b>		
<b>V. Profit before exceptional items (II-IV)</b>	<b>33877</b>	<b>27483</b>	<b>27588</b>	<b>112284</b>	<b>118301</b>	<b>34631</b>	<b>27827</b>	<b>27802</b>	<b>113952</b>	<b>117655</b>		
<b>VI. Exceptional items</b>												
<b>VII. Profit before tax (V+VI)</b>	<b>33877</b>	<b>27483</b>	<b>27588</b>	<b>112284</b>	<b>118301</b>	<b>34631</b>	<b>27827</b>	<b>27802</b>	<b>113952</b>	<b>117655</b>		
<b>VIII. Tax expense</b>												
- Current	9025	6565	8210	29230	39160	9279	6597	8304	29431	39350		
- Deferred Tax	(11148)	(1150)	904	(11464)	942	(1118)	(1150)	904	(11444)	941		
	25730	22068	18974	94498	78300	26670	22380	18594	95965	77365		
<b>IX. Profit for the period (VII-VIII)</b>	<b>(5124)</b>	<b>352</b>	<b>2843</b>	<b>(8287)</b>	<b>(2373)</b>	<b>(5533)</b>	<b>7</b>	<b>2958</b>	<b>(9282)</b>	<b>(2559)</b>		
<b>X. Other comprehensive income (net of tax)</b>	<b>20605</b>	<b>22420</b>	<b>21117</b>	<b>86211</b>	<b>75827</b>	<b>20937</b>	<b>22387</b>	<b>21562</b>	<b>89739</b>	<b>74506</b>		
<b>XI. Total comprehensive income after tax (IX+X)</b>	<b>3886</b>	<b>3868</b>	<b>3866</b>	<b>3886</b>	<b>3866</b>	<b>3866</b>	<b>3866</b>	<b>3866</b>	<b>3866</b>	<b>3866</b>		
<b>XII. Paid up equity share capital</b> (Face value of Rs. 2 each)												
<b>XIII. Other Equity (excluding Revaluation Reserve)</b>												
<b>XIV. Earning Per Share (EPS) (Rs.) for respective periods</b> Basic & Diluted	<b>13.31</b>	<b>11.42</b>	<b>9.56</b>	<b>48.88</b>	<b>40.45</b>	<b>13.69</b>	<b>11.58</b>	<b>9.62</b>	<b>49.64</b>	<b>40.02</b>		

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Statement of Assets and Liabilities		STAND ALONE		CONSOLIDATED	
		As at 31/03/2020 Audited	As at 31/03/2019 Audited	As at 30/03/2020 Audited	As at 31/03/2019 Audited
PARTICULARS		(Rs. in Lakhs)		(Rs. in Lakhs)	
<b>A. ASSETS</b>					
<b>1. NON-CURRENT ASSETS</b>					
a) Property, plant and equipment	318913	270665	321954	270661	
b) Capital work-in-progress	58556	58542	58659	60041	
c) Investment property	8571	7715	8571	7715	
d) Intangible assets	126	229	129	229	
e) Right of use assets	97	-	97	-	
f) Financial assets	71197	31960	71138	31909	
i) Investments	1287	1028	1297	1037	
ii) Other financial assets	9009	9637	8979	9567	
g) Income tax assets (net)	17666	19669	17666	19664	
h) Other non-current assets	488422	399445	488490	400843	
SUB-TOTAL-NON-CURRENT ASSETS		11300	61564	75871	
<b>2. CURRENT ASSETS</b>					
a) Inventories	35112	76346	35112	76346	
b) Financial assets	64924	56812	51710	51710	
i) Trade receivables	2324	3615	4682	4617	
ii) Cash and cash equivalents	2226	1946	2226	1946	
iii) Bank balances other than (iii) above	433	463	449	478	
iv) Loans	1415	5723	1415	5723	
v) Other financial assets	2233	27317	27711	30367	
vi) Other current assets	18702	243532	192145	247058	
SUB-TOTAL-CURRENT ASSETS		673124	642977	680635	647901
TOTAL ASSETS		3866	3866	3866	3866
<b>B. EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
a) Equity share capital	498944	464005	496962	461500	
b) Other equity	502810	46871	500828	455366	
SUB-TOTAL-EQUITY		3866	3866	3866	3866
<b>LIABILITIES</b>					
<b>1. NON-CURRENT LIABILITIES</b>					
a) Financial liabilities	179	223	179	223	
i) Borrowings	21	-	21	-	
ii) Lease liabilities	1	737	1	737	
iii) Other financial liabilities	2354	1734	2569	1901	
b) Provisions	17831	32554	17831	32554	
c) Deferred tax liabilities (net)	3421	1633	3421	1633	
d) Other Non-Current Liabilities	23807	36881	24022	37048	
SUB-TOTAL-NON-CURRENT LIABILITIES		85942	82710	92876	86964
<b>2. CURRENT LIABILITIES</b>					
a) Financial Liabilities	80	627	80	627	
i) Borrowings	761	35027	761	37987	
ii) Lease liabilities	35339	5607	37609	5607	
iii) Trade payables	16423	13481	16423	13630	
- Micro and Small Enterprise	7541	773	7635	772	
- Other than Micro and Small Enterprise	421		421		
b) Other current liabilities					
c) Provisions					
SUB-TOTAL CURRENT LIABILITIES		146507	138225	155795	145487
TOTAL EQUITY AND LIABILITIES		673124	642977	680635	647901



**NOTES:**

1. The above audited results as reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on 20th June, 2020.
2. The Company has only one reportable business segment as per Ind AS-108, i.e. Tires.

3. The Other Income includes net Foreign exchange Gain/(Loss) as under:

Particulars	QUARTER ENDED		STANDARD ONE		YEAR ENDED		CONSOLIDATED		YEAR ENDED	
	31/03/2020	31/12/2019	31/03/2019	31/03/2019	31/03/2019	31/03/2019	31/03/2019	31/03/2019	31/03/2020	31/03/2019
	Audited (Refer Note No.8)	Unaudited	Audited (Refer Note No.8)	Audited	Audited	Audited (Refer Note No.8)	Unaudited	Audited (Refer Note No.8)	Audited	Audited
Exchange Difference Gain/(Loss)	2876	557	1811	1315	12803	2879	553	1804	13134	12802

4. The outbreak of Corona Virus Pandemic (Covid-19) started in December 2019 and spread across the globe thereafter. The impact of it was felt in India during March 2020 which forced the government to put several restrictions including complete lockdown effective 23rd March 2020 till 20th April 2020. As a result, the operations of the Company including production, sales and other activities remained suspended for eight days during current financial year. The Company is closely monitoring the impact due to Covid-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company has made a detailed assessment of its liquidity position for the financial year 2020-2021 including recoverability and carrying value of its assets comprising all fixed assets as well as current assets including land and building, plant and machinery, investments, inventories, trade receivables etc based on current indicators of future economic condition. The current situation is very dynamic entailing lot of uncertainties about the extent and timing of the potential future impact on the Company's business operations. The Company will continue to monitor closely any material changes to future economic condition of its business operations.

5. The Company has declared and paid interim dividends of Rs. 20 (1000%) per equity share of Rs. 2 each. The cash outgo on account of interim Dividends and Dividend Tax was Rs. 486.11 crores. In absence of final dividend, the last interim dividend of Rs.16 (800%) per equity share of Rs.2/- each should be considered as final dividend.
6. Tax expenses for the year under consideration have been computed as per Taxation Laws Amendment Ordinance 2019 as applicable to the Company.
7. The Company has adopted Ind AS-116 'Leases' effective 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases. This has resulted in recognising a Right-of-Use Asset and a corresponding Lease Liability. The effect of this adoption on the profit for the current quarter is not material.
8. The figures of quarter ended 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures of the full financial year and published year to date figures upto the third quarter of the respective financial year.
9. The second phase of carbon black project of 80,000 MTPA was commissioned on 12th March 2020. The Green field Tire project at Waluj and other capital expenditure at Bhuj Plant of the Company were temporarily suspended due to COVID 19 Pandemic which were then resumed after lockdown was lifted. The Company is trying to complete all these projects as per schedule i.e. before 31st March 2021 but could be delayed by one quarter provided there is no further lockdown or any unforeseen circumstances.
10. Previous period's year's figures have been regrouped/reclassified wherever necessary.

Dated : 20th June, 2020  
Place : Mumbai



For Pankaj Industries Limited  
*(Signature)*  
Arvind Poddar  
(Chairman & Managing Director)



**BALKRISHNA INDUSTRIES LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	31/03/2020 Audited	31/03/2019 Audited	31/03/2020 Audited	31/03/2019 Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before Tax	112,284	118,301	113,952	117,656
Adjustment for :				
Depreciation and Amortisation	36,801	33,255	37,361	33,261
Provision/(withdrawal) of Doubtful advances	(73)	990	(73)	990
Net mark to market Loss/(gain) on investments	11,721	(3,238)	11,721	(3,238)
Income from Investments	(18,684)	(3,924)	(18,684)	(3,924)
Finance Cost	727	979	890	1,113
Interest Income including on investments	(2,243)	(619)	(2,244)	(619)
Loss/(Profit) on Sale of Property, Plant and equipment	(27)	274	(27)	274
Property, Plant and equipment Discarded	80	5	80	5
Unrealised Foreign Exchange differences (Gain)/Loss	46	(966)	(899)	(1,452)
Actuarial gains/(losses) reclassified to OCI	(639)	(589)	(639)	(589)
Export Incentive on account of EPCG (Benefit)/Utilised	(986)	(1,804)	(986)	(1,804)
Retiring Gratuity	1,145	972	1,145	972
Leave Encashment	7	204	7	204
	27,875	25,539	27,652	25,192
Operating profit before working capital changes	140,159	143,840	141,604	142,848
Adjustment for:				
Trade and other receivables	(670)	(7,356)	6,773	(497)
Other Financial Assets	(281)	(1,249)	(281)	(1,249)
Inventories	13,266	(11,881)	14,307	(13,984)
Trade payables	(6,595)	(697)	(15,361)	(3,606)
	5,720	(21,183)	5,438	(19,336)
Cash generated from operations	145,879	122,657	147,042	123,512
Direct taxes paid	(28,603)	(40,680)	(28,844)	(40,763)
Gratuity paid	(598)	(600)	(598)	(600)
Leave Encashment paid	(286)	(108)	(286)	(108)
Net cash from Operating Activities	116,392	81,269	117,314	82,041
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Property, Plant and equipment	(76,218)	(72,502)	(78,409)	(73,972)
Sale of Property, Plant and equipment	105	529	105	529
Purchase of Investments	(230,436)	(115,704)	(230,436)	(115,704)
Sale of Investments	238,994	124,472	238,994	124,472
Inter Corporate Loan Refund Received	73	-	73	-
Interest received	1,540	664	1,541	664
Dividend Received on Investments	356	412	356	412
Net cash used in Investing Activities	(65,586)	(62,130)	(67,776)	(63,599)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Proceeds/(Repayment) of Short Term Borrowings (Net)	23,933	12,794	26,790	13,746
Proceeds from Long Term Borrowings	46,453	64,281	46,460	64,281
Repayment of Long Term Borrowings	(70,381)	(75,901)	(70,458)	(75,901)
Dividend paid (including tax thereon)	(51,255)	(17,449)	(51,255)	(17,449)
Lease Liability paid	(130)	-	(130)	-
Finance Cost paid	(714)	(1,011)	(876)	(1,145)
Net Cash from Financing Activities	(52,094)	(17,286)	(49,469)	(16,468)
Net Increase/(Decrease) in cash and cash equivalent	(1,288)	1,852	69	1,974
Exchange difference on cash and cash equivalent	(3)	1	(4)	1
Cash and cash equivalent as at the beginning of the year	3,615	1,761	4,617	2,646
Less: On account of closure of subsidiary				(4)
Cash and cash equivalent as at the end of the year	2,324	3,615	4,682	4,617



# N. G. THAKRAR & Co.

CHARTERED ACCOUNTANTS

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## **Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Balkrishna Industries Limited

### **Report on the audit of the Standalone Financial Results**

#### **Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Balkrishna Industries Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the profit and other comprehensive income (net of tax) and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to Note no.4 of the accompanying standalone financial results, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company.

Our opinion is not modified in respect of this matter.



### **Management's Responsibilities for the standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other Matter**

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



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

*Natwar Thakrar*

**NATWAR THAKRAR**  
**PARTNER**  
**MEMBERSHIP NO. 036213**  
**UDIN: 20036213AAAAAX9402**

**PLACE: Mumbai**  
**DATE: 20<sup>th</sup> June, 2020**



# N. G. THAKRAR & Co.

CHARTERED ACCOUNTANTS

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## **Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Balkrishna Industries Limited

### **Report on the audit of the Consolidated Financial Results**

#### **Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Balkrishna Industries Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited/reviewed financial statements/ financial results/financial information of the subsidiaries, the Statement:

- i. includes the results of the following entities;
  - Indian Subsidiary (audited by us):-BKT Tyres Limited
  - Foreign Subsidiaries (audited/reviewed by other auditors):- BKT EUROPE S.R.L., BKT TIRES (CANADA) INC., BKT USA INC, BKT TIRES INC., BKT EXIM US, INC.
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



### **Emphasis of Matter**

We draw attention to Note no.4 of the accompanying consolidated financial results, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

#### **Other Matter**

The accompanying Statement includes the audited/reviewed financial results and other financial information, in respect of 5 foreign subsidiaries, whose financial results include total assets of total assets of Rs. 17470 lakhs, total revenues of Rs.15819 lakhs, total net profit of Rs.1467 Lakhs ,net cash inflows of RS.1359 lakhs and total comprehensive income of Rs.522 lakhs as at 31<sup>st</sup> March, 2020, as considered in the Statement which have been audited/reviewed by their respective independent auditors. The independent auditor's report on the financial results of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.



N. G. Thakrar & Co  
Chartered Accountants

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



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

A handwritten signature in black ink, appearing to read "Natwar Thakrar".

**NATWAR THAKRAR**  
**PARTNER**  
**MEMBERSHIP NO. 036213**  
**UDIN: 20036213AAAAAY1781**

**PLACE: Mumbai**  
**DATE: 20<sup>th</sup> June, 2020**



BIL/SE/2020-21

20<sup>th</sup> June, 2020

To,  
BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

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

Scrip Name: BALKRISI  
Scrip Code: 502355

Scrip Name/Code: BALKRISIND

Sub: Declaration for unmodified opinion in respect of audited standalone and consolidated financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020.

Dear Sirs,

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated 25<sup>th</sup> May, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016 the Company herein declares unmodified opinion in respect of audit reports for Standalone and Consolidated financial results for the financial year ended 31<sup>st</sup> March, 2020.

This is for your information and records.

Thanking you,

Yours faithfully,  
For Balkrishna Industries Limited

Balant Kumar Bansal  
Director (Finance)

**Balkrishna Industries Ltd.**

CIN No.: L99999MH1961PLC012185

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