

BIL/SE/2022-23

14th June, 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

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

Scrip Code: 502355

Trading Symbol: BALKRISIND

Dear Sirs,

Sub: Integrated Annual Report for the financial year 2021-22 including Notice of Annual General Meeting

The **Integrated Annual Report** of the Company for the financial year 2021-22 including the **Notice convening Annual General Meeting (“Notice”)** to be held on Thursday, the 7th July, 2022 through Video Conferencing / Other Audio Visual Means, being sent to the members through electronic mode, is attached.

The Integrated Annual Report including Notice is also uploaded on the Company’s website and can be accessed at <https://www.bkt-tires.com/ww/en/investors-desk>.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Balkrishna Industries Limited**


Vipul Shah
Director & Company Secretary
DIN: 05199526
Encl: as above

Copy to:

National Securities Depository Limited Trade World, 4 th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013	Central Depository Services (India) Limited Marathon Futurex, A- Wing, 25th Floor, NM Joshi Marg, Lower Parel, Mumbai – 400013	KFin Technologies Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032	AXIS TRUSTEE SERVICES LIMITED The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar west, Mumbai – 400028
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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.

Notice

NOTICE is hereby given that the 60th Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held on Thursday, the 7th July, 2022 at 11:00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt:
 - The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Reports of the Board of Directors and Auditors' thereon; and
 - The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Report of the Auditors' thereon.
- To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend of ₹ 4.00 on Equity Shares, if any, for the financial year 2021-22.
- To appoint a Director in place of Mrs. Vijaylaxmi Poddar (DIN: 00160484), who retires by rotation and being eligible, offers herself for re-appointment.
- Appointment of Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Audit Committee M/s. Jayantilal Thakkar & Co., Chartered Accountants (Registration No. 104133W), be and are hereby appointed as Statutory Auditors of the Company in place of retiring Auditors M/s. N G Thakkar & Co., Chartered Accountants (Firm Registration No. 110907W), for a term of 5 (five) consecutive years from the conclusion of the 60th Annual General Meeting till the conclusion of the 65th Annual General Meeting, at such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

SPECIAL BUSINESS:

- To re-appoint Mr. Pannkaj Ghadiali as an Independent Director for a second term of five years:

To consider and if thought fit, to pass with or without the modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and recommendation of the Nomination & Remuneration Committee Mr. Pannkaj Ghadiali (DIN: 00003462), whose first term of office as an Independent Director expires on 7th November, 2022, and being eligible for re-appointment for a second term of five years and who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term commencing from 8th November, 2022 to 7th November, 2027.

RESOLVED FURTHER THAT the Board of Directors (including the Nomination & Remuneration Committee of the Board) be and

are hereby authorised to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable for giving effect to this resolution."

- Amendment in Borrowing Powers of the Company:

To consider and if thought fit, to pass with or without the modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) and the Articles of Association of the Company; the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (herewith referred to as the "Board" which expression shall also include a Committee thereof), to borrow money, where money to be borrowed, together with the money already borrowed by the Company will not exceed aggregate of its paid up share capital of the Company, free reserves and Securities Premium (apart from the temporary loans i.e loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature, obtained from the Company's Bankers in the ordinary course of business).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

NOTES:

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", Circular no. 20/2020 dated 5th May, 2020, Circular no. 02/2021 dated 13th January, 2021, Circular no. 19/2021 dated 8th December, 2021, Circular no.21/2021 dated 14th December, 2021, Circular 2/22 dated 5th May, 2022 in relation to Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)"(Collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 60th AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the 60th AGM.
- The relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM is annexed. Requisite declarations have been received from the Directors for seeking re-appointment and his/her brief profile forms part of this Notice.
- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- Pursuant to the provisions of the Companies Act, 2013, ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the

- proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF's, NRI's, etc.) are required to send a scanned copy(PDF Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail on its registered e-mail address to gbbbabuji@yahoo.co.in in with a copy marked to inward.ris@kfintech.com.
 6. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to remote e-voting are given in this Notice under Note No.20.
 7. To support Green Initiative and for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, the Members who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with the Company or Registrar and Share Transfer Agent of the Company – KFin Technologies Limited (Kfintech) in case the shares are held by them in physical form.
 8. Members are requested to intimate changes, if any, pertaining to their Name, Postal address, E-mail address, Telephone/Mobile numbers, Permanent Account Number (PAN), Nominations, Bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., (a) For shares held in electronic form: to their Depository Participants (DPs) (b) For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters for furnishing the said required details. Format of the forms are available on the Company's Website www.bkt-tires.com.
 9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website www.bkt-tires.com.
 10. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation Members are advised to dematerialise the shares held by them in physical form. Members can contact the Kfintech/Company for assistance in this regard.
 11. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out of Nomination he/she may submit the same in Form ISR – 3 or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form SH-14. The said forms can be downloaded from the Company's website www.bkt-tires.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialised form and to the Kfintech/Company in case the shares are held in physical form.
 12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
 13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write an email to the Company on or before 30th June, 2022 at Company's email id: shares@bkt-tires.com.
 14. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPFA Rules) as amended from time to time, the Company has transferred the unpaid / unclaimed dividends declared up to financial year 2013-14, on due date to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of unpaid / unclaimed dividend amounts lying with the Company are uploaded on website of the Company viz: www.bkt-tires.com, and also on website of the Ministry of Corporate Affairs.
 15. As per Section 124(6) of the Act read with the IEPFA Rules as amended from time to time, all the shares in respect of which dividend has not been encashed or claimed for seven consecutive years or more shall be transferred to designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

Accordingly, during the year 2021-22, 3,129 Equity shares of ₹ 2.00 each were transferred within 30 days of due date of transfer i.e., 18th November, 2021 to the IEPF Account after following the prescribed procedure. The Shareholders will be able to claim these dividend / equity shares pursuant to IEPFA Rules by making an online application in web form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.
 16. Unclaimed / Unpaid Dividend for financial year 2014-15, will fall due for transfer to IEPF on 17th August, 2022. Those members who have so far not encashed their dividend warrants from the financial year 2014-15, are requested to contact the Company or Company's Registrar – KFinTech at the earliest.
 17. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 60th AGM along with the Annual Report for year 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.bkt-tires.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Registrar KFinTech: <https://evoting.kfintech.com>.
 18. Subject to approval of the Members at the AGM, the dividend will be paid to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 27th June, 2022 and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The payment of such final dividend subject to deduction of tax at source as recommended by the Board of Directors, if approved at the AGM, will be made on or after 7th July, 2022 but within stipulated time, to all the beneficial owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL")

and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day of Monday, the 27th June, 2022 and to all the Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as at the close of business hours on Monday, the 27th June, 2022.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details. Shareholders are requested to register / update their complete bank details: (a) with their Depository Participant(s) with whom they maintain their demat accounts, if shares are held in dematerialised mode by submitting the requisite documents, and (b) with the Company / KFinTech, if shares held in physical mode, by submitting scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details).

19. Tax Deductible at Source / Withholding tax:

Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ KFinTech/ Depository Participant.

A. Resident Shareholders:

A.1. Tax Deductible at Source for Resident Shareholders

Sr.No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any)/ Remarks (4)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed ₹ 5,000/-, no TDS/ withholding tax will be deducted during the year. Also, please refer note (v) below.
2.	No PAN/ Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/ KFinTech/ Depository Participant. All the shareholders are requested to update, on or before 27th June, 2022, their PAN with their Depository Participant (if shares are held in electronic form) and Company / KFinTech (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3.	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961.	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 27th June, 2022

A.2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit following documents as mentioned in column no.4 of the below table with the Company/ KFinTech/Depository Participant on or before 27th June, 2022.

Sr.No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any)/ Remarks (4)
1.	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions.
2.	Shareholders to whom section 194 of the Income Tax, 1961 does not apply as per second proviso to section 194 such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.
3.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961.
4.	Category I and II Alternate Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961.
	<ul style="list-style-type: none"> Recognised provident funds Approved superannuation fund Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT).
5.	National Pension Scheme	NIL	No TDS/ withholding tax as per section 197A (1E) of Income Tax Act, 1961.
6.	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

B. Non-Resident Shareholders:

The table below shows the withholding tax on dividend payment to non-resident shareholders who submit, on or before 27th June, 2022, the following document(s), as mentioned in column no.4 of the below table, to the Company / KFinTech.

In case all necessary documents are not submitted, then the TDS/ Withholding tax will be deducted @ 20% (plus applicable surcharge and cess).

Sr.No. (1)	Particulars (2)	Withholding tax rate (3)	Documents required (if any)/ Remarks (4)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non- Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial	FPI registration certificate in case of FIIs / FPIs. To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed 4. eif-declaration for nonexistence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company).

2.	Indian Branch of a Foreign Bank	NIL	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
3.	Availability of Lower/ NIL tax duction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4.	Any non-resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from WHT deduction

Notes:

- (i) The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with KFinTech post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>
 - (ii) The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://ris.kfintech.com/form15> on or before 27th June, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received after 27th June, 2022 shall not be considered. Formats of Form 15G / Form 15H can be downloaded from the link <https://ris.kfintech.com/form15>.
 - (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ KFinTech.
 - (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
 - (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/KFinTech/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-.
- All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / KFinTech (if shares are held in physical form) against all their folio holdings on or before 27th June, 2022.
- (vi) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

20. Instructions for e-voting and joining the AGM are as follows:




Voting through electronic means:

- (i) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-voting Facility provided by Listed Entities, the Company provides to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 60th AGM by electronic means and the business may be transacted through e-voting services.

The facility of casting the votes by the Members using the electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by KFin Technologies Limited (KFinTech).
- (ii) The Board of Directors has appointed Mr. G.B.B. Babuji, a Practicing Company Secretary as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (iii) Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (iv) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (v) The remote e-voting period commences on Monday, the 4th July, 2022 (9:00 a.m.) and ends on Wednesday, the 6th July, 2022 (5:00 p.m.). During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, (as on the cut-off date of 30th June, 2022) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.
- (vi) Once the vote on a resolution is cast by a Member through e-voting, the concerned member shall not be allowed to change it subsequently.
- (vii) A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- (viii) All documents referred to in the accompanying Notice are open for inspection up to the date of the 60th AGM of the Company through electronic mode.
- (ix) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the AGM through electronic mode.
- (x) **Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode in terms of SEBI Circular dated 9th December, 2020:** Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

(a) Login method for Individual shareholders holding securities in demat mode is given below:

Type of Member	Login Method
Individual Members holding equity shares in demat mode with NSDL	<p>A) Existing Internet-based Demat Account Statement ("IDeAS") facility Users:</p> <p>i) Visit the e-services website of NSDL https://eservices.nsd.com either on a personal computer or on a mobile.</p> <p>ii) On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password.</p> <p>iii) After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed.</p> <p>iv) Click on Company name or e-voting service provider i.e. KFinTech.</p> <p>v) Members will be re-directed to KFinTech's website for casting their vote during the remote e-voting period and voting during the AGM.</p> <p>B) Users not registered under IDeAS e-Services:</p> <p>i) Visit https://eservices.nsd.com for registering.</p> <p>ii) Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>C) By visiting the e-voting website of NSDL:</p> <p>i) Visit the e-voting website of NSDL https://www.evoting.nsd.com/.</p> <p>ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open.</p> <p>iii) Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>iv) After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</p> <p>v) Click on company or e-voting service provider name i.e. KFinTech after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.</p> <p>vi) Members can also download the NSDL Mobile App "NSDL Speed-e" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Members holding equity shares in demat mode with CDSL	<p>A) Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility:</p> <p>i) Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com</p> <p>ii) Click on New System Myeasi.</p> <p>iii) Login to MyEasi option under quick login.</p> <p>iv) Login with the registered user ID and password.</p> <p>v) Members will be able to view the e-voting Menu.</p> <p>vi) The Menu will have links of KFinTech e-voting portal and will be redirected to the e-voting page of KFinTech to cast their vote without any further authentication.</p> <p>B) Users who have not opted for Easi/Easiest:</p> <p>i) Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering.</p> <p>ii) Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</p> <p>iii) After successful registration, please follow the steps given in point no. 1 above to cast your vote.</p>

Type of Member	Login Method
Individual Members (holding equity shares in demat mode) logging through their depository participants	<p>C) By visiting the e-voting website of CDSL:</p> <p>i) Visit www.cdslindia.com</p> <p>ii) Provide demat Account Number and PAN</p> <p>iii) System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</p> <p>iv) After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, or select KFinTech.</p> <p>v) Members will be re-directed to the e-voting page of KFinTech to cast their vote without any further authentication.</p> <p>i) Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.</p> <p>ii) Once logged-in, Members will be able to view e-voting option.</p> <p>iii) Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.</p> <p>iv) Click on options available against Company's name or KFinTech.</p> <p>v) Members will be redirected to e-voting website of KFinTech for casting their vote during the remote e-voting period without any further authentication.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding equity shares in demat mode for any technical issues related to login through NSDL/CDSL:

Members facing any technical issue – NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free number: 1800 1020 990 and 1800 224 430	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 022- 23058738 or 022-23058542-43

(b) Login method for remote e-voting for Members other than Individual's holding shares in demat mode and Members holding equity shares in physical mode.

- (i) Members whose email IDs are registered with the Company / Depository Participants, will receive an email from KFinTech which will include details of e-voting Event Number (EVEN), USER ID and Password. They will have to follow the following process:
- Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
 - Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFinTech for e-voting, they can use their existing User ID and password for casting the vote.
 - After entering these details appropriately, click on "LOGIN".
 - Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
 - Members would need to login again with the new credentials.
 - On successful login, the system will prompt the Member to select the E-voting Event Number for Balkrishna Industries Limited.
 - On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding of the shareholder as on the cut-off date. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

- ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
- x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (II) Members whose email IDs are not registered with the Company/ Depository Participants and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFinTech by following the below steps:
- Visit the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>.
 - Select the company name i.e. Balkrishna Industries Limited
 - Select the Holding type from the drop down i.e. - NSDL/ CDSL/Physical
 - Enter DP ID – Client ID (in case shares are held in electronic form)/Physical Folio No. (in case shares are held in physical form) and PAN
 - If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records
 - In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - Enter the email address and mobile number.
 - System will validate DP ID – Client ID/Folio number and PAN/share certificate number, as the case may be, and send OTP at the registered mobile number as well as email address for validation.
 - Enter the OTPs received by SMS and email to complete the validation process. OTP will be valid for 5 minutes only.
 - The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
 - Please note that in case the shares are held in demat form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.
- ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to inward.ris@kfintech.com / shares@bkt-tires.com.
- iii. Alternatively, Members may send an e-mail request at the email id inward.ris@kfintech.com / shares@bkt-tires.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.
- v. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).
- xi. Instructions for Members for attending the AGM:
- Members will be able to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com> by using the e-voting login credentials provided in the email received from the Company / KFinTech.
 - After logging in, click on the Video Conference tab and select the EVEN of the Company
 - Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.
- xii. Voting at the Annual General Meeting:
- The "Vote Now Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
 - Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
 - Facility of joining the AGM through VC/OAVM shall opened 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM. This does not include large members/shareholders (members/ shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Statutory Auditors, etc. who are allowed to attend the AGM without any restrictions.
 - Members will be allowed to attend the AGM through VC/ OAVM on first come first served basis.
 - Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.
 - Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid Glitches.
 - AGM Questions prior to e-AGM: Members who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com> and click on "Post your Questions". Thereafter, the members may post their queries/views in the window provided by mentioning the name, demat account number/ folio number, email id, mobile number. "Post your Questions" link shall commence from Monday, the 4th July, 2022 at 9.00 a.m. and shall close on Tuesday, the 5th July, 2022 at 5.00 p.m.
 - Speaker Registration during e-AGM session: Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on "Speaker Registration". You would have to mention the demat account number/folio number, city, email id, mobile number and then click on submit. The speaker registration shall commence on Monday, the 4th July, 2022 at 9.00 a.m. and shall close on Tuesday, the 5th July, 2022 at 5.00 p.m. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.
 - Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- xiii. Contact details for addressing e-voting grievances:
Mr.RajeshKPatro,Manager,M/sKFinTechnologiesLimited,SeleniumTower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Phone No.:+91 40 67161630 Toll-free No.: 1800-572-4001 E-mail: inward.ris@kfintech.com / shares@bkt-tires.com.
21. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
22. The voting result declared along with the report of the Scrutiniser shall be placed on the website of the Company, viz., www.bkt-tires.com, and on the website of KFinTech <https://evoting.kfintech.com>, immediately after the declaration of result by the Chairman or by a person duly authorised. The results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
23. Subject to receipt of requisite number of votes, the resolutions as stated in this Notice shall be deemed to have been passed on the date of the AGM i.e., 7th July, 2022.

By order of Board of Directors
For Balkrishna Industries Limited

VIPUL SHAH

Director & Company Secretary
DIN: 05199526

Place : Mumbai
Dated: 13th May, 2022

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

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

ITEM NO. 4

The Members of the Company at its 55th Annual General Meeting (AGM) held on 9th September, 2017 had approved appointment of M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W) as Statutory Auditors of the Company for the term of five consecutive years from conclusion of 55th Annual General Meeting (AGM) to conclusion of 60th Annual General Meeting (AGM). The term of Statutory Auditors M/s. N G Thakrar & Co., Chartered Accountants end at the conclusion of 60th AGM. Hence they would be retiring at the conclusion of 60th AGM. M/s. N G Thakrar & Co., have expressed their intention not to seek reappointment as Statutory Auditor of the Company on conclusion of their present term.

Based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on 13th May, 2022 had approved appointment of M/s. Jayantilal Thakkar & Co., Chartered Accountants (Registration No. 104133W), as Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the 60th AGM till the conclusion of the 65th AGM, in place of retiring Auditors M/s. N G Thakrar & Co., Chartered Accountants (Firm Registration No. 110907W), subject to the approval of the Members of the Company in ensuing AGM.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. Jayantilal Thakkar & Co has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. Jayantilal Thakkar & Co., is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India and was founded in 1933 and the firm is engaged in Taxation and Audit, Consultancy & Advisory Services relating to Foreign Exchange Management Act (FEMA) and International Taxation to its clients.

The terms of appointment of M/s. Jayantilal Thakkar & Co. cover statutory audit of standalone financial statements and consolidated financial statements in accordance with Companies Act, 2013, financial results in accordance with SEBI (Listing Obligations and Disclosure Requirements) and other verification and certification requirements as per various regulatory guidelines.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. Jayantilal Thakkar & Co and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder, As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Jayantilal Thakkar & Co, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The audit fee payable to M/s. Jayantilal Thakkar & Co., Chartered Accountants, amounts in aggregate to ₹ 60 Lakhs, plus reimbursement of out-of-pocket expenses plus taxes as applicable.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends passing of the Ordinary Resolution, as set out at Item No. 4 of this Notice, for approval of the members.

ITEM NO.5

Mr. Pannkaj Ghadiali was appointed as Independent Director on the Board of the Company with effect from 8th November, 2017 for the first term of five consecutive years in accordance with the provisions of Sections 149, 152 & Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions. His current term as an Independent Director of the Company ends on 7th November, 2022.

The Nomination & Remuneration Committee ("NRC"), has recommended re-appointment of Mr. Pannkaj Ghadiali, as Independent Director for a second term of 5 (five) consecutive years. Based on the performance evaluation and recommendation of the NRC, and considering the skills, background, experience, knowledge and contributions made by Mr. Pannkaj Ghadiali during his tenure as an Independent Director of the Company, the Board believes that his continued association as an Independent Director on the Board of the Company would be of immense benefit to the Company. Therefore, it is proposed to re-appoint Mr. Pannkaj Ghadiali as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 8th November, 2022.

Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of the Company, and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in its Board's report. Further, Section 149(11) of the Act provides that an Independent Director may hold office for up to two consecutive terms.

Mr. Pannkaj Ghadiali has provided his consent to act as Director and declaration of independence certifying that he meets all the criteria of independence as prescribed under the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is not disqualified from being re-appointed as a director in terms of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority. In the opinion of the Board, he has fulfilled the conditions for re-appointment as Independent Director and is independent of the Management.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing candidature of Mr. Pannkaj Ghadiali for the office of Independent Director.

The brief profile of Mr. Pannkaj Ghadiali, in terms of Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI"), is annexed to this Notice.

A copy of the draft letter of appointment, setting out the terms and conditions of his appointment is available for inspection by the members at the Registered Office of the Company and the same is also available on the website of the Company at www.bkt-tires.com.

Mr. Pannkaj Ghadiali does not hold any equity shares of the Company, including on a beneficial basis for any other person and is not related to any of the Directors or Key Managerial Personnel of the Company.

Except Mr. Pannkaj Ghadiali and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends passing of the Special Resolution, as set out at Item No. 5 of this Notice, for approval of the members.

ITEM NO.6

The members of the Company at their 52nd Annual General Meeting held on 13th September, 2014 approved borrowings of moneys in excess of the company's paid up share capital and free reserves (apart from temporary loans i.e loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature, obtained from the company's bankers in the ordinary course of business), provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 5,00,000 Lakhs.

During the year 2013-14, the Company's Paid Up Capital was ₹ 1,933 Lakhs and Free Reserves were ₹1,79,243 Lakhs, hence the Company had proposed Special resolution to approve the borrowings of moneys in excess of the company's paid up share capital and free reserves upto ₹ 5,00,000 Lakhs.

As per the year 2021-22 the Company's Paid Up Capital is ₹ 3,866 Lakhs and Free Reserves including Securities Premium is ₹ 6,88,589 Lakhs. The aggregate of the said paid up share capital,

free reserves and Securities Premium is in excess of approved borrowings of ₹ 5,00,000 Lakhs by the Members.

Now the Company proposes to borrow money not exceeding aggregate of its paid up share capital of the Company, free reserves and Securities Premium (apart from the temporary loans i.e loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature, obtained from the Company's Bankers in the ordinary course of business).

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Board recommends passing of the Special Resolution, as set out at Item No. 6 of this Notice, for approval of the members.

By order of Board of Directors
For Balkrishna Industries Limited

VIPUL SHAH

Director & Company Secretary
DIN: 05199526

Place : Mumbai
Dated : 13th May, 2022

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

Name of the Director	Mrs. Vijaylaxmi Poddar	Mr. Pannkaj Ghadiali
DIN	00160484	00003462
Qualification	B.Com	Chartered Accountant
Date of Birth (Age)	2nd December, 1960 (61 years)	8th May, 1956 (66 years)
Date of appointment on the Board	30th May, 2012	8th November, 2017
Experience and Expertise	She is an industrialist having varied experience of over 29 years, in textile / tire industry.	He has more than 40 years of experience in the field of accountancy and auditing. He possess outstanding exposure as a Practising Chartered Accountant of varied Industries in India and abroad.
No. of Meetings of the Board attended during the year	6 out of 6	6 out of 6
List of Directorship / Membership / Chairmanship of Committees of other Board	Directorship: ➤ Clothing Culture Private Limited ➤ MPP Trading Private Limited ➤ Trendline Commercials Private Limited ➤ Poddar Brothers and Investment Private Limited Membership/Chairmanship of Committees of Other Board: NIL	Directorship: ➤ Goldiam International Limited ➤ SurePrep (India) Private Limited Membership/Chairmanship of Committees of Other Board: ➤ Goldiam International Limited – Member of Audit Committee
No. of shares held in the Company	1000 shares	-
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	She is wife of Mr. Arvind Poddar and Mother of Mr. Rajiv Poddar. She is not related to any other director or Key Managerial Personnel of the Company.	He is not related to any other director or Key Managerial Personnel of the Company.
Terms & Conditions of appointment / re-appointment	The terms and conditions of appointment / re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time.	The terms and conditions of appointment / re-appointment is as per the Nomination and Remuneration Policy of the Company, as amended from time to time.
Details of remuneration last drawn by such person for Financial Year 2021-22	₹ 4.00 Lakhs	₹ 8.25 Lakhs
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements.	Please refer to the Skills & Competency Matrix in the Corporate Governance Report and the details given in the Explanatory Statement.	Please refer to the Skills & Competency Matrix in the Corporate Governance Report and the details given in the Explanatory Statement.



GROWING TOGETHER



YEARS OF GROWTH



ANNUAL
REPORT
2021-22

/ BALKRISHNA
INDUSTRIES
LIMITED



Lord Ganesha

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Investor information

Market Capitalisation as at 31 st March, 2022	:	₹ 41,296 Crores
BSE Code	:	502355
NSE Symbol	:	BALKRISIND
Dividend Declared and Paid	:	₹ 24 per Equity Share
AGM Date	:	7 th July, 2022
AGM Mode	:	Video Conferencing (VC) and Other Audio Visual Means (OAVM)

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Arvind Poddar	- Chairman & Managing Director
Rajiv Poddar	- Joint Managing Director
Vipul Shah	- Whole-time Director & Company Secretary

Non-Executive Directors:

Sandeep Junnarkar	- Independent Director
Pannkaj Ghadiali	- Independent Director
Rajendra Hingwala	- Independent Director
Shruti Shah	- Independent Director
Vijaylaxmi Poddar	- Non-Independent Director

REGISTERED OFFICE:

B-66, Waluj MIDC, Waluj Industrial Area,
Aurangabad 431 136 (Maharashtra)

CORPORATE OFFICE:

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

AUDITORS:

Statutory:

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

Internal:

M/s. R.T.D. & ASSOCIATES
Chartered Accountants

Secretarial:

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

BANKERS

Standard Chartered Bank
State Bank of India
Kotak Mahindra Bank
IndusInd Bank Limited
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited

PLANTS

Tire Manufacturing :

- B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra)
- F-19/20, Gut no 62, 65, 66, Waluj MIDC, Village Wadgaon Kolhati, Aurangabad 431 136 (Maharashtra)
- SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019, District - Alwar (Rajasthan)
- A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, District - Alwar (Rajasthan)
- Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, District - Kutch (Gujarat)

Carbon Black Manufacturing:

Bhuj Bhachau Road, S.H.No.42, Village Padhdhar,
Taluka Bhuj 370 105, District - Kutch (Gujarat)

Wind Farm:

Village Soda Mada, Tehsil: Fatehgarh 345 027,
District - Jaisalmer (Rajasthan)

Mould Manufacturing:

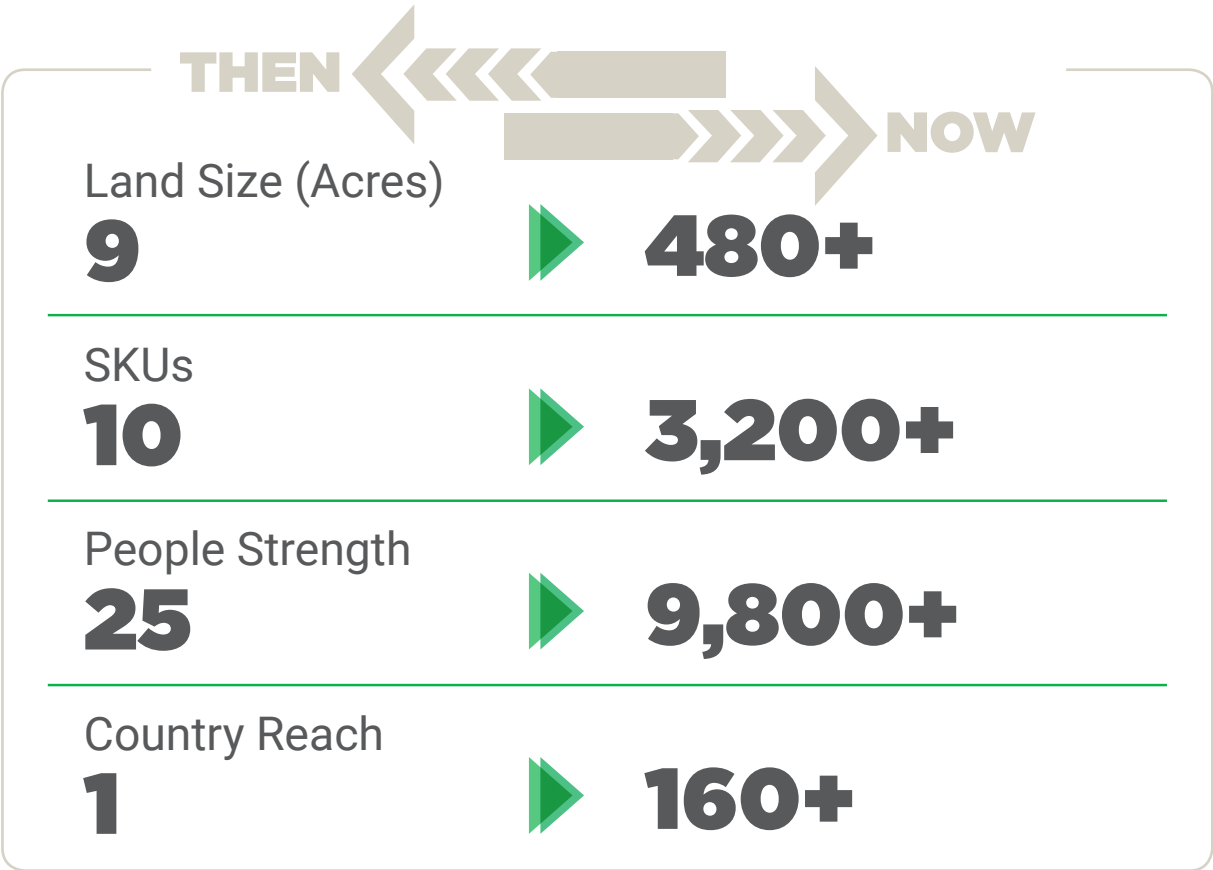
C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203,
District - Thane (Maharashtra)

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited
Selenium Tower B, Plot No. 31-32 Gachibowli,
Financial District, Nanakramguda,
Serilinganpally Mandal, Hyderabad – 500 032
Toll free No.: 1- 800-309-4001
Email Id: einward.ris@kfintech.com
Website: www.kfintech.com

SIX DECADES OF **PASSION,** **PERFORMANCE** AND **PERFECTION**





BUILT ON A STRONG FOUNDATION

*India's Leading Player in the Global
'Off-Highway Tire (OHT)' Market*



KPIs OF 2021-22

Revenues

₹ **8,697** crores | **+46%**

Sales Volume

2,88,795 MT | **+27%**

Gross Cash and Cash Equivalents

₹ **1,932** Crores

EBITDA

₹ **2,406** crores | **+23%**

EPS

₹ **72.97**

Net Profit

₹ **1,411** crores | **+22%**

Manufacturing facilities

6

SKUs

~3,200

Quality tests conducted across the production cycle of tires

500+

Making in India....

5 Continents
160 Countries



Headquarters

Mumbai, Maharashtra



Production facilities

Waluj-Maharashtra (2 units)
Bhiwadi-Rajasthan
Chopanki-Rajasthan
Bhuj-Gujarat
Dombivali-Maharashtra

....serving the major global OEMs



International subsidiaries

BKT Europe

BKT USA

BKT Canada

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

A LEGACY OF TRUST. INSPIRED BY FOUNDATION



Late Shri Mahabirprasadji Poddar (Founder Chairman)

He epitomised the dauntless entrepreneurial spirit of a visionary, always on the march to change the destiny of India by making it a manufacturing hub, especially in the tire industry. For us, he will always remain an icon and a role model to be emulated.

He was far ahead of his times as he laid emphasis on education and women empowerment in those times when strong focus on both was lacking.

His unique vision redefined the growth of our company as he challenged conventional wisdom in several areas, which were crucial in propelling the fast growth. Today, whatever we are, we owe a lot to his far-sightedness and progressive mindset.

2020

Achieved Self-dependency on Carbon Black with the completion of Phase 2 at Bhuj in Gujarat

2015

Set up greenfield plant in Bhuj, Gujarat

2008

Launched Earthmax tires

2004

Launched Radial Agrimax tires

1995

Started production of Off-Highway Tires

1961

Year of inception



2021

New Establishment of a Greenfield Project at Waluj, Maharashtra

2019

Commenced manufacturing for large size 51" diameter tires at Bhuj

2009

Crossed ₹1,000 Crores turnover

2006

Set up plant in Chopanki, Rajasthan

2002

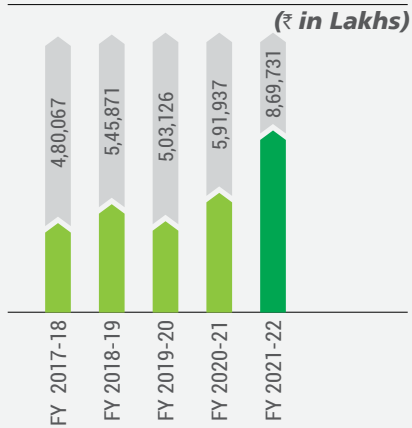
Set up plant in Bhiwadi, Rajasthan

1987

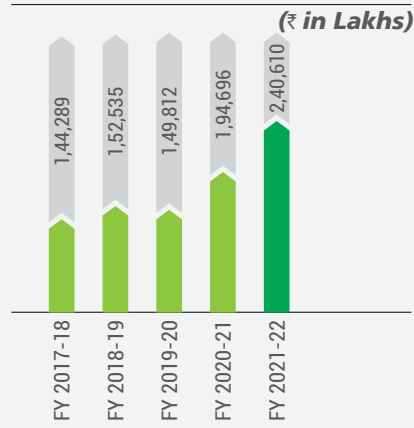
1st Plant in Aurangabad inaugurated by our Founder Chairman, Late Shri M. P. Poddar

PERFORMANCE TRENDS

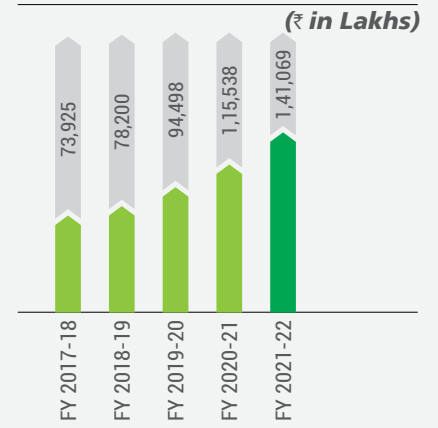
Revenues



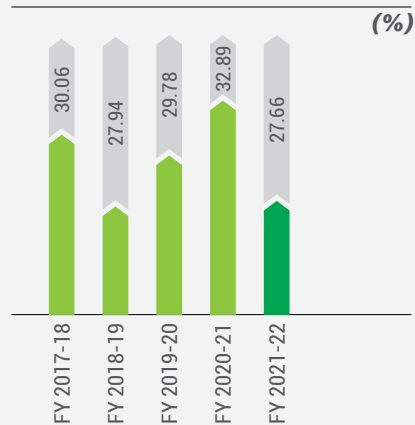
EBITDA



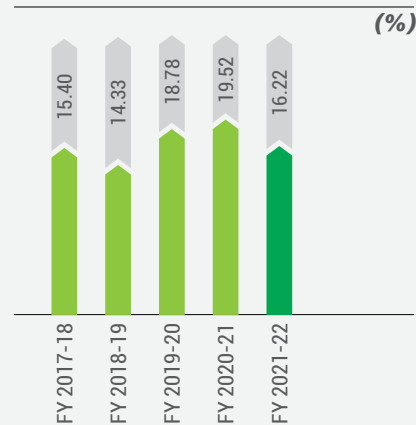
PAT



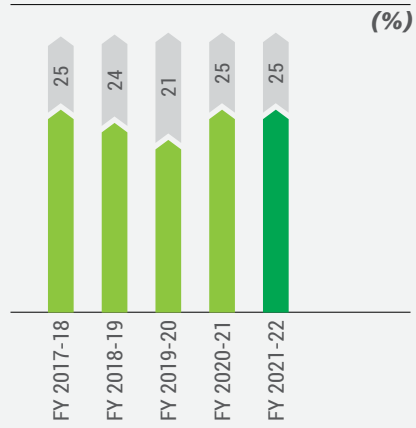
EBITDA Margin



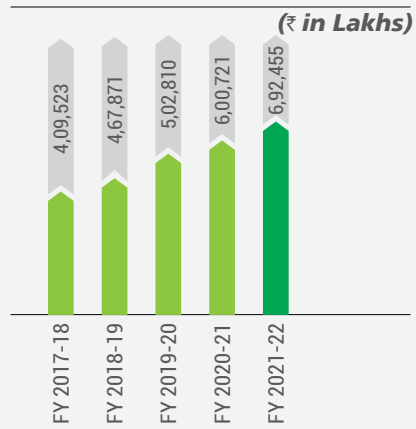
PAT Margin



ROCE



Net Worth



EXPANDING SCALE. EMBARKING ON GROWTH OPPORTUNITIES

At BKT, we are on a journey that continues to inspire growth and progress along the way. Our path is always enlightened with values of foresight and forward-thinking which paves the way for your Company to grow and prosper in the years ahead.

Expansion Plan



Brownfield Tire Project at Bhuj

Details



- De-bottlenecking and brownfield expansion along with addition of balancing and ancillary equipment

Carbon Black and Captive Power Plant

- Expanding current capacities from 1,15,000 MTPA to 2,00,000 MTPA owing to new customer additions
- The expansion also includes 30,000 MTPA high-value advanced carbon material and power plant
- To meet the additional power requirement, the Company is setting up an additional power plant of 20 MW

Modernisation, Automation and Technology Upgradation at Rajasthan and Bhuj

- Installation of latest machineries, replacement of certain machineries, upgradation of certain systems and some portion of civil work



Corporate Overview

Statutory Reports

Financial Statements



CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me great pleasure to present our Annual Report for 2021-22. Our success over the past six decades is a testimony to the quality of our people, products, strong relationships with our stakeholders and the strength of our brand at a global level. Besides, quality and innovation, strong leadership have further allowed us to build a resilient business model and emerge as a globally renowned brand with a strong market share.

How the year unfolded?

At the start of the year, we faced great uncertainty across our markets due to the second wave of COVID. The well-being of our employees continued to remain a priority while ensuring

Incredible milestones are never achieved by an individual, but by a team

business continuity. Despite the enormous challenges of operating through COVID-19, our team worked tirelessly to ensure that we meet the needs of our customers. As the year unfolded further, the geopolitical situation created unprecedented supply chain related disruptions, impacting both pricing as well as raw materials availability. The logistics and freight costs continued to remain at elevated levels. But on a positive side, our end user markets were buoyant despite inflationary trends. As in the past we gained market share as the off-highway tire industry witnessed higher uptake on an account of healthy demand across mining and agricultural markets.

Performance

Our performance in 2021-22, demonstrates the outcome of our long-term strategy to capitalise on our increasing scale while, at the same time, maintaining the business agility. We reported strong revenues of ₹ 8,697 Crores and volumes of 2,88,795 MTPA, both growing annually by 46% and 27% respectively. Our EBITDA increased by 23% and stood at ₹ 2,406 Crores with strong margins of 27%. The profit after tax increased by 22% and stood at ₹ 1,411 Crores.

Exports accounts for 83% of our sales out of which 54% is Europe, 17% is US and rest of the world is 12%. The remaining 17% is domestic sales. We continued to remain the preferred choice of our customers and we further aim at maintaining leadership in product quality, delivery reliability and technical expertise.

Progress on OUR Capex

During the year, we made significant progress with our capex plan. We commissioned the greenfield plant at Waluj (Waluj 2) during the year. Further, We also commissioned the brownfield tire plant at Bhuj (almost 6 months ahead of schedule) and are expecting a complete ramp up in production by second half of 2022-23. Post commissioning of these capacities and at full ramp up, we will achieve a total capacity profile of 3,60,000 MTPA. For FY23, we are targeting sales volume of 3,20,000 MT to 3,30,000 MT.

People and Community

At BKT, we foster a diverse and inclusive work environment across our areas of operations. We have always focused on diversity and inclusion and providing equal growth opportunities to our team. The result is visible in the success we have achieved over the years. We always value employee feedback and always strive to create a workplace where everyone feels welcome, supported and valued.

Running our business responsibly is vital to our long-term success, as the decisions we make may have consequences for the economy, society and the environment. Our approach to corporate social responsibility and our initiatives in promoting education, health and rural development adds

value to a larger section of the society. Besides our all-round efforts around Environmental, Social and Governance (ESG) factors and dedicated targets, further drives the business sustainability.

Strategic Way Ahead

In the first half of the seventh decade, we are now embarking on a mission to double our global market share from ~5.5% to 10%. We shall continue to expand our capacities to achieve this mission.

This would be aptly supported by our strategic endeavours towards enhancing market reach, improving penetration in the US markets, expanding product portfolio, strengthening distribution channel in the Indian markets and increasing utilisation levels. Besides, we will continue to build our brand visibility by associating with several sports events across the globe.

Closing Note

I wish to take this opportunity to thank my colleagues on the Board for their invaluable guidance and support. My sincere appreciation also goes out to our management and execution team for their untiring efforts and commitment. Finally, I wish to extend my appreciation to all our stakeholders who have been a key support to our growth over the years. Notwithstanding

the near-term uncertainties, it is truly an outstanding time to be part of this industry and we are excited about the opportunities and the next leg of our growth. We have delivered 60 years of excellence and we consider this is only the beginning.

Best Wishes,

Chairman & Managing Director

Arvind Poddar

SUSTAINABILITY AT BKT AN OVERVIEW

BKT has always been a value-driven organisation with a strong core belief that encompasses people, planet and prosperity, together. We have always encouraged safety, ethics, diversity and inclusivity in all our business practices. We are committed to perform our operations in an environmentally conscious and socially responsible manner. With sustainability and responsible business operations becoming more relevant to the stakeholder groups, we aspire to create industry benchmarks through our performance and Environmental, Social and Governance (ESG) expectations.

Business practices driving our long-term sustainability

At BKT-we have undertaken proactive initiatives to drive long-term sustainability. These include:

Energy Efficiency

- Deployed right technology for our greenfield projects to ensure energy efficiency Initiated use of 'Green Energy' – installing 5MW wind mills and 2 MW solar power plants



Environment

- Enhanced material efficiency, process/equipment productivity backed by pollution prevention practices and adoption of cleaner technologies for various projects
- Controlled emissions through electrostatic precipitators in boilers and discharge through appropriate effluent treatment plants
- Replacing existing coal fired boilers with 'gas fired boilers' which helped in reduction in air emissions – (already completed in two plants)
- Planted approximately 1,00,000 trees in and around Bhuj plant. In other locations, planted trees in area other than manufacturing building, in gangways & outside plant boundary



Waste Management and Recycling

- Implemented disciplined waste management system for systematic collection of scrap and safe storage/disposal and re-use of wastes
- Implemented best practices to conserve resources, minimise and recycle waste
- Promoted industrial recycling of waste like reclaim rubber, crumb powder and rubberised friction compound
- Reused the work-away generated in different stages of manufacturing process as per technical guidelines
- Recycled the process & non-process wastage through our resellers
- For Carbon Black manufacturing, we are recycling CBFS, which is the byproduct of our supplier. This helped protecting environment and society at large.
- Equipped with 'zero liquid discharge' at BKT Bhuj plant and is simultaneously being horizontally deployed across other plants



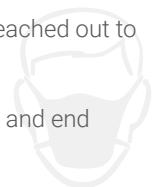
Sustainable Raw material

At BKT, we are performing our R&D to develop an innovative approach to identify alternative source of natural rubber. We have also set up our own 'Carbon Black' manufacturing unit as a part of backward integration to ensure ease of availability.



BKT's Response during COVID-19

- Sustained 95% efficiency across plants with complete adherence to COVID-19 protocols
- Extended help to the employees and reached out to the larger section of the society
- Distributed PPE kits to our distributors and end customers across India



High-yield ratio between material input & output with 99% efficiency leading to minimal process

1:1

Proportion of recyclable raw materials wrt the total raw materials used

2.50%

Waste reduction over the past three years

14.9%

Reduction in consumption of natural resources like water and coal over the last four years

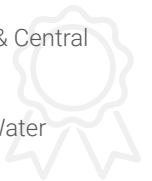
12-18%

CSR spends in 2021-22

₹ 24 Crores +

Recognitions

- BKT plants have been achieving 'Energy Conservation Award' by both the State & Central Government every year
- BKT-Bhuj has been awarded 'National Water Excellence Management Award' by CII



Future targets

Zero Liquid Discharge (ZLD)

All plants to be made **ZLD** by 2025

Green House Gas (GHG) emissions

Reduction by 25% in GHG emissions (scope-1 & scope-2) -target 2025

Waste reduction

20% reduction from existing level, in the coming 10 years

Consumptions reduction

8-10% reduction in all types of consumption in the coming 10 years

Green energy

Extend green energy implementation through solar power across all the remaining plants by 2025



GLIMPSES OF OUR CSR

Promoting Education, Health and Rural Development

Education, Healthcare and Rural Development forms the core of CSR at BKT. Our endeavour is to improve the lives of children and adults, and our mission is to ensure health with dignity to every underprivileged children and adult. Under our education arm, we sponsor education for needy and underprivileged students by providing merit-based scholarships. To impart quality environment for education, we are also engaged in upgrading infrastructure at school, colleges and universities. Extending our support we are helping under construction schools, colleges or universities, by providing drinking water sanitisation facility, sanitisation in providing training programmes to the teachers.

**Dr. Hedgewar Hospital,
Aurangabad, Maharashtra**



**Gokhale Road (North) Mumbai
Public School (Sayani Road)**

**Proposed TATA Hospital at Haffkine
Campus, Parel**



**Preschool kids attend story telling
sessions**

School Infrastructure Development at Ajrakhpur



School Infrastructure Development at Ajrakhpur

Drinking Water Pipeline at Vadvara Village (Rural Development)



Rabari Samajwadi Kitchen Shed

Donation of Oxygen Generator Plant for Samras Hospital



Distribution Of Sewing Machines (Skill Development Project)

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The FY 2022 commenced on the backdrop of an upward trajectory seen in the latter half of 2020. It witnessed the strongest post-recession recovery in 80 years owing to the demand surge, following relaxation in COVID-19-related restrictions in many countries.

The recovery was soon stalled temporarily by the spread of the delta variant across the world. Despite this, the pandemic had a limited economic impact due to strong government policy support, limited lockdowns, and widespread vaccination coverage for the majority of the population in most advanced economies and many Emerging Markets and Developing Economies (EMDEs).

Consumer confidence remained high throughout the year, according to the Global Consumer Confidence Index, reaching an all-time high of 115 points in Q3 (a figure above 100 is deemed good). Despite regional differences, consumers' optimism about their finances, job prospects, and expenditure drove overall confidence. Health, job stability, and the state of the economy were all less of a concern than they had been previously. Consumer attitude was impacted by the pandemic's recurrent waves and rising prices. Many central banks tightened monetary policy in order to limit inflation, which had an impact on spending growth.

(Source - <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601.pdf> 2 <https://www.conference-board.org/topics/global-consumer-confidence>)

Global growth is predicted to moderate from 5.9% in 2021 to 4.4% in 2022, down half a percentage point from the October World Economic Outlook (WEO) forecasts, owing to projection revisions in the two largest economies. The war in Ukraine is projected to result in a severe double-digit decline in GDP. Due to sanctions and European countries' choices to reduce energy imports, Russia is expected to see a significant contraction. Commodity markets, commerce and, to a lesser extent, financial interconnections are likely to spread the economic consequences of war further afield. Increases in fuel and food prices are already having an impact around the world, with vulnerable populations—particularly in low-income countries—being the hardest hit. With several governments stating their desire to treat COVID-19 as endemic and the world being better prepared after weathering the disruptions of the last two years, the economic damage appears to be minimal for the time being.

(Source - World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org))

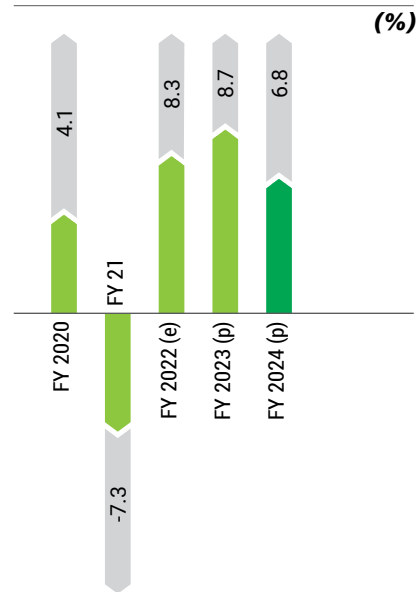


Indian Economy

The Indian economy is expected to register 8.3% growth in fiscal year 2021-22, supported by less stringent lockdowns, revival in consumer demand, and fiscal policy support. The stronger recovery is also driven by a fast-paced vaccination drive, enhanced mobility, and increasing consumer confidence. The Government of India's focus on exports and investments has further contributed to this recovery. Besides, Production Linked Incentive (PLI) scheme and strong support for Make in India, Credit Guarantee scheme for MSMEs, and increased spending on infrastructure will further drive domestic manufacturing. According to predictions from the World Bank, Asian Development Bank, and International Monetary Fund, India will be the world's fastest-growing major economy between 2021 and 2024. India's GDP growth is expected to be 8.7% in fiscal year 2022-23 and 6.8% in fiscal year 2023-24, according to the World Bank. Widespread vaccine coverage, less regulations, the long-term benefits of supply-side fiscal policies, along with rapid export growth and higher capital spending, will all contribute to the expansion. The Government announced a higher capital expenditure allocation in Budget fiscal year 2022-23, up 35.4% from ₹ 5.54 Lakh cr in fiscal year 2021-22 to ₹ 7.5 Lakh Crores in fiscal year 2022-23, which is expected to have a multiplier impact in revitalising the economy. With all of these measures of macroeconomic stability, India is well-positioned to meet the challenges and maintain robust growth in the coming year.

(Source- <https://www.Indiabudget.Gov.In/economicsurvey/doc/echapter.Pdf>)

India's GDP Trend



(Source - Global Economic Prospects by World Bank, Jan 2022)

(Source - Automobile Industry in India, Indian Automobile Industry, Sector, Trends, Statistics (ibef.org))



Automotive Sector

The Automotive sector performed better in 2021 than it did in 2020, growing by 27%. The sales increase was witnessed across all the categories, including personal automobiles, commercial vehicles, two- and three-wheelers, and tractors, and approaching pre-pandemic levels due to pent-up demand. Despite the recovery in demand, the Automobile industry experienced challenges in the second half of the year as a result of a worldwide semiconductor shortage and an escalation in steel prices. The new Covid-19-led lockout in China has exacerbated the industry's already severe chip shortage caused by global supply chain concerns. According to Moody's, India, the world's fourth-largest automotive market, is expected to rise by 10% in 2022, owing to solid underlying demand, which reflects the global economic recovery and consumers' preference for personal vehicles over public transportation.

(Source - https://economictimes.indiatimes.com/industry/auto/cars-uvs/automotive-sales-in-india-to-be-the-strongest-in-asia-pacific-moodys/articleshow/90657688.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Tire Industry

India is the fourth-largest market for tires globally after China, Europe and the United States. The Indian market is currently being witnessing increasing radialisation of tires, especially in buses and trucks. Besides, they also find vast consumer base across passenger cars, buses, military vehicles, motorcycles and trucks, among others. The demand for tires is primarily catalysed from two end-user segments - OEMs and the replacement segment. The replacement market currently dominates the tire market accounting for most of the total sales.

The industry is relatively better protected from any potential impact of the repeated COVID-19 waves owing to its large dependence on the stable replacement market and learnings from earlier waves. ICRA estimates, the domestic demand growth in volumes for the Indian Tire industry is expected to be around 13-15% for in fiscal year 2021-22 and is expected to maintain a growth rate of 7-9% between 2022-2025 period. Tire exports have witnessed a noticeable increase in the current year, owing to increased acceptability of Indian tires in abroad markets, and healthy demand from destinations such as the United States and European countries. The industry is further expected to witness a capex of over ₹ 20,000 Crores between 2022-2025 period owing to increasing off-take across both Indian and global markets.

(Source - https://economictimes.indiatimes.com/industry/auto/tires/icra-maintains-volume-demand-growth-estimate-for-FY-22-at-13-15/articleshow/88950752.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

(Source - Demand outlook of Indian tire industry remains favourable: ICRA | Auto News (hindustantimes.com))

Business Review

BKT's key product range comprises specialty tires, commonly known as 'Off-Highway Tires' or OHT that cater to agriculture, industrial, construction, earthmoving, mining, port, lawn and garden and all-terrain vehicle tires. Besides, the Company's carbon black product is utilised captively and balance is sold in the markets. Tires are a highly technical and capital-intensive segment, also known as the "large varieties low volume segment". Credible players are required to maintain a large number of Stock Keeping Units (SKUs) to meet the diverse needs of its customers globally and also provide pre- and post-sale customer service. While agriculture is regarded non-cyclical, the other sub-segment (industrial, construction, and mining) is considered cyclical. Their performance is closely tied to the global economic outlook. Europe, America, Australasia, and India are the primary markets for the Company's tire line.

(Source - https://economictimes.indiatimes.com/industry/auto/cars-uvs/automotive-sales-in-india-to-be-the-strongest-in-asia-pacific-moodys/articleshow/90657688.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

Opportunities

Your Company operates into a segment predominantly known as "large varieties - low volume segment", which is not only capital intensive but also labour intensive. At BKT, we are 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. Your Company is witnessing gains in market leadership due to its robust product portfolio. Moreover, this segment is neither exposed to any technological obsolescence nor wild fluctuations in demand for its products.

The Company is continuously marching ahead to explore incremental opportunity in the form of developing "Ultra Large Earthmovers & Mining Radial Tires" markets and also taking advantage of the shift from Bias to Radial Tires, which is growing continuously. In order to take advantage of this opportunity, the Company had set up an Ultra Large size all-steel OTR Radial tire plant and have further added such capacities by setting up a brownfield tire plant at Bhuj to produce Ultra large size all steel OTR Radial Tires besides other categories of tires. Your Company is proud to be the first company in India to set up such a plant. BKT is continuously expanding its base into various sub-segments like agricultural, industrial, construction, mining, winter and solid tires under both technologies – Bias and Radials. The Covid-19 issue has led to a situation where most of the countries are thinking to reshuffle their sourcing plan/strategy. It may open up lot of opportunities for India including our Company.

Outlook

After facing almost two years of adversity due to the Covid pandemic, your Company is very optimistic about the growing demand of tires particularly in the OHT segment despite current adversities like supply chain bottlenecks and unprecedented increase in freight. If the increased demand from the agriculture and mining industry is to be taken as an indicator, the company sees a continual development for replacement and OEM tires with improved market share. The revival in demand is linked to the output and investment in the advanced economies as they are expected to cross the pre-pandemic levels which will drive up volumes in the coming fiscal year. The long-term prospects of the company are good and promising as your Company continues to explore all the avenues to ensure growth of its business which includes deeper penetration into new and existing markets. With the continuous expansion of its product range, your Company is proud to say that it has more than 3200 SKUs.

Risk Management

Risk management is the process of identifying, assessing, and prioritising risks, then deploying resources in a coordinated and cost-effective manner to reduce the probability and/or impact of uncertain occurrences, or to optimise the realisation of opportunities. When there are competing demands on limited resources, risk management provides a mechanism for prioritising. Risk management also aims to detect and manage dangers that could have a significant impact on the company or even bring it down. The risks are classified into strategic risks, operational risks, financial risks and external risks. The Company's proactive approach towards identifying risks and developing mitigation strategy has led to creation of a resilient business model. Its approach to the unforeseen challenges has strengthened its core over the past six decades, making it stronger and better every day.

Internal Control Systems and their Adequacy

The Company believes that internal control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. BKT has a robust internal control framework, which has been developed considering the nature, size and risks in the business. BKT has adequate internal control systems in place and also has reasonable assurance on authorising, recording and reporting transactions of its operations. We have well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company has already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level Standard Operating Procedures (SOP). Internal control systems are an integral part of your Company's Corporate Governance structure. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. The Company has successfully implemented ERP system, supported by SAP software & backed by necessary bandwidth. The systems and processes are continuously improved by adopting best in class processes and automation and implementing the latest IT tools which help further for maintaining financial and commercial discipline. These have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia:

- a. Recording and providing reliable financial and operational information;
- b. Complying with the applicable statutes;
- c. Safeguarding assets from unauthorized use;
- d. Executing transactions with proper authorisation, and ensuring compliance with corporate policies;
- e. Prevention and detection of Frauds/errors;
- f. Continuous updating of IT systems

CREATING THE BRAND



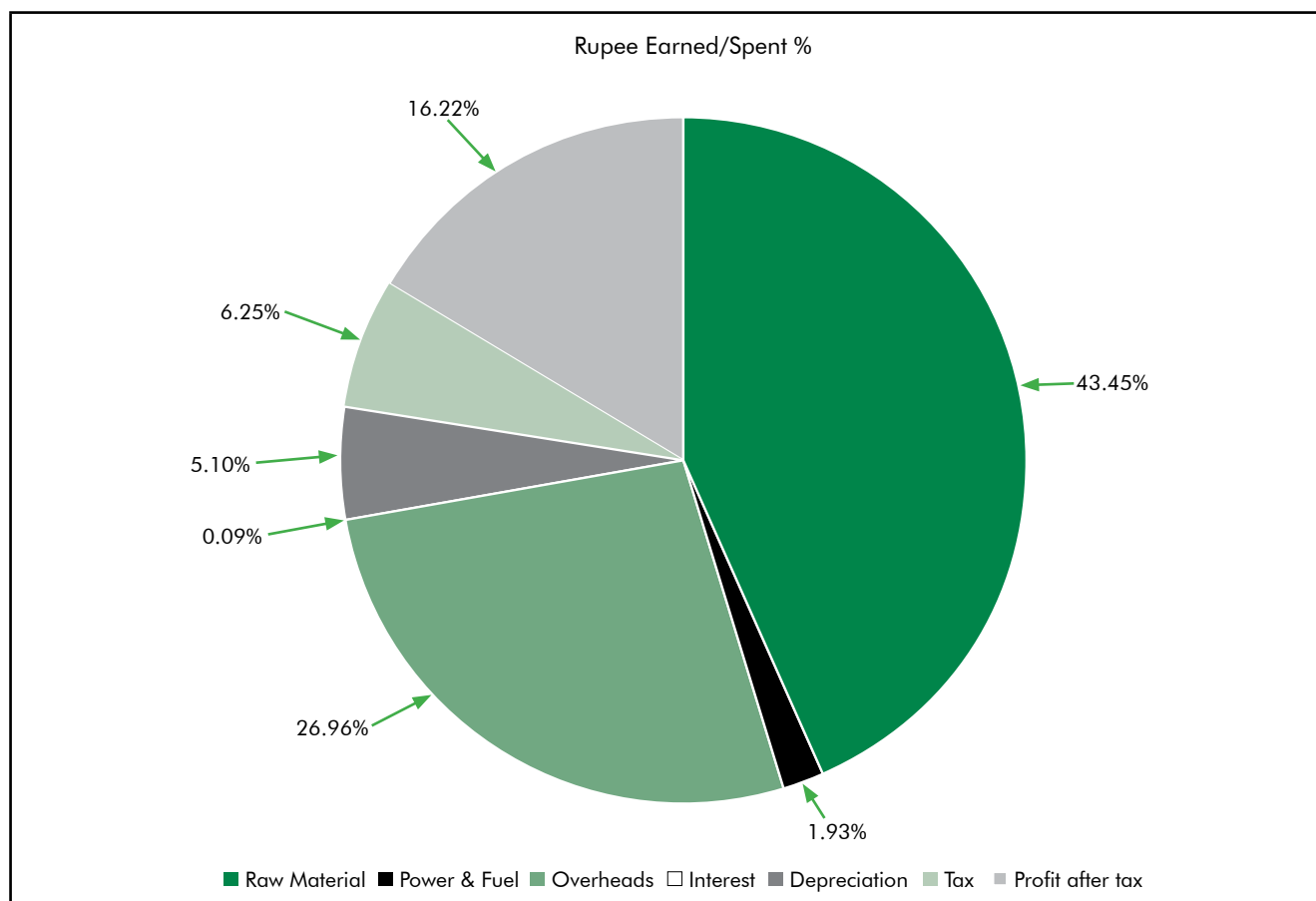
Financial Highlights (Standalone)

(₹ in Lakhs)

Particulars	Ind AS				
	2022	2021	2020	2019	2018
Year ended 31st March					
Revenue From Operations	8,26,671	5,75,792	4,78,249	5,24,450	4,46,446
Other Income	43,060	16,145	24,877	21,421	33,621
Total Income	8,69,731	5,91,937	5,03,126	5,45,871	4,80,067
PBIDT	2,40,610	1,94,696	1,49,812	1,52,535	1,44,289
PBDT	2,39,824	1,93,714	1,49,085	1,51,556	1,42,983
Depreciation	44,377	40,615	36,801	33,255	31,134
PBT	1,95,447	1,53,099	1,12,284	1,18,301	1,11,849
Taxes	54,378	37,561	17,786	40,101	37,924
PAT	1,41,069	1,15,538	94,498	78,200	73,925
Dividend	*1400%	850%	1000%	400%	400%
Earning per Share of ₹ 2 each	72.97	59.77	48.88	40.45	**38.24

*The Board has declared and paid 1st Interim Dividend of ₹ 4.00 per equity share, 2nd Interim Dividend of ₹ 4.00 per equity share and 3rd Interim Dividend of ₹ 4.00 per equity share and In addition, a special dividend of ₹ 12.00 per Equity Share on the occasion of Diamond Jubilee Year i.e. 60th year of the Company, aggregating to ₹ 24.00 per equity shares and recommended Final Dividend of ₹ 4.00 per equity share, if any, for the financial year 2021-22, subject to approval of Shareholders in the ensuing Annual General Meeting.

**In the year (2018) the Company has allotted 9,66,58,595 Equity Shares of ₹ 2/- each as fully Paid up Bonus Shares in the ratio of 1:1 to all registered shareholders, as on record date by Capitalisation of Reserves. Consequently, in accordance with Ind AS-33 Earning Per Share have been adjusted for the year 2018 to give effect to the aforesaid issue of the Bonus shares.



Directors' Report & Management Discussion and Analysis

Dear Shareholders,

Your directors are pleased to present the 60th Annual Report of Balkrishna Industries Limited (the "Company") along with the audited Financial Statements for the financial year ended 31st March, 2022. The consolidated performance of the Company and its subsidiaries for the year ended 31st March, 2022 has been referred to wherever required.

1. FINANCIAL RESULTS:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Current Year ended	Previous Year ended	Current Year ended	Previous Year ended
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Revenue from Operations	8,26,671	5,75,792	8,29,512	5,78,319
Other Income	43,060	16,145	43,792	17,216
Total Income	8,69,731	5,91,937	8,73,304	5,95,535
Gross Profit	2,39,824	1,93,714	2,43,752	1,97,122
Less: Depreciation	44,377	40,615	45,537	41,630
Profit before tax	1,95,447	1,53,099	1,98,215	1,55,492
Less: Provision for tax				
Current Tax	45,746	37,100	46,045	37,278
Income Tax of earlier years	6,154	(184)	6,154	(184)
Deferred Tax	2,478	645	2,478	645
Profit after Tax	1,41,069	1,15,538	1,43,538	1,17,753

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

The key product range of your Company is Specialty Tires commonly known as "Off Highway Tires" which caters to Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and All-Terrain Vehicle (ATVs) Tires.

This segment is highly technical & capital intensive and known as "large varieties low volume segment" where any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers worldwide. Apart from this, it needs to service its clients pre & post sales. While the sub segment (agriculture) is largely known as non-cyclical in nature, the other sub segment (industrial, construction and mining) is generally considered as cyclical and the performance of it is largely linked to overall economic outlook of the world. The market for Company's products is mainly Europe, America, Australia and India.

The global supply chain disruption has created serious issues leading to higher raw material cost. Logistics and freight costs are also a cause for concern across industries. Despite these considerations, the strong demand for your Company's products is very encouraging.

Considering a very strong vaccination programme across the globe, the economy seems to be opening up as can be seen from the all-time high production and sales for the year under review and a strong order book position.

The backward integration program of setting up Carbon Black manufacturing facilities and Captive Power Plant has proved to be a boon and has augmented the supply of critical raw material in the present circumstances.

3. OPERATIONS AND STATE OF AFFAIRS:

Standalone: During the year under consideration on Standalone basis, your Company achieved Revenue from Operations of ₹ 8,26,671 Lakhs as against ₹ 5,75,792 Lakhs during the previous financial year, an increase of 43.57%. EBITDA has increased to ₹ 2,40,610 Lakhs from ₹ 1,94,696 Lakhs during previous financial year, an increase of 23.58% and Net profit has increased to ₹ 1,41,069 Lakhs from ₹ 1,15,538 Lakhs during previous financial year, an increase of 22.10%. The revenue from exports is around 83%.

Consolidated: During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 8,29,512 Lakhs as against ₹ 5,78,319 Lakhs during the previous financial year, an increase of 43.44%. EBITDA

Directors' Report (Contd.)

has increased to ₹ 2,44,667 Lakhs from ₹ 1,98,260 Lakhs during previous financial year, an increase of 23.41% and Net profit has increased to ₹ 1,43,538 Lakhs from ₹ 1,17,753 Lakhs during previous financial year, an increase of 21.90 %.

4. EXPORT HOUSE STATUS:

Your Company continues to enjoy the status of "Four Star Export House".

5. PROJECTS AND EXPANSION:

- **Brown Field Tire Project:** During the year under review, your Company has successfully completed the expansion project ahead of schedule and commenced commercial production at the Brown Field Project at Company's Plant located at Bhuj ahead of schedule. After complete ramp-up during FY 2022-23, it will result in increased production of tires up to 50,000 MTPA.
- **Enhancement of Carbon Black capacities and setting up a Captive Power Plant:** Considering the overall demand / supply outlook as well as internal demand of Carbon Black, your Company has embarked to enhance the installed capacity of carbon black from an achievable capacity 1,15,000 MTPA to 2,00,000 MTPA including 30,000 MTPA of high value advanced carbon black material. This facility will allow larger control over supply chain while fulfilling internal demand on expanded capacity of Tires and meeting increased demand from third parties.

The increase in production would obviate an increased power requirement. To meet the additional power requirement, the Company proposes to set up an additional power plant of 20 MW by tapping flue gas, a by-product from the carbon black plant which will provide the required additional power at lower cost. The approved estimated capex to increase the capacity of carbon black and co-gen power plant of ₹ 650 Crores is expected to be completed by H1FY23.

- **Modernisation, Automation and Technology Upgradation:** The Board has approved an estimated capex of ₹ 450 Crores for modernisation, automation and technology upgradation of certain existing equipment and installation of automated material handling systems. Capex is being undertaken at existing facilities at Company Plants located at Rajasthan and Bhuj leading to further improvement in quality and efficiency. The said project is expected to be completed by H1FY23.

Waluj Plant: During the year under review, Company's new plant located at Waluj commenced production from September, 2021. The erstwhile plan was to shut down the Old Waluj plant after the new plant becomes operational. Considering the growing demand scenario and the strong outlook, the Board of Directors at their meeting held on 11th November, 2021 have decided to continue operations of the old plant after suitable upgradation of machinery, at a capex of ₹ 350 Crores. However, the Board of directors at their meeting held on 13th May, 2022 has recommended to keep this capex investment on hold and continue the operations of the Old plant in order to have unhindered production and cater to the strong demand and quicker production scheduled demanded by end customers.

6. DIVIDEND:

You are aware of the consistent track record of dividend payment by your Company for the last over three decades. In keeping with this trend, the Board of Directors are pleased to recommend a Final Dividend of ₹ 4 (200%) per equity share for the financial year 2021-2022. This is in addition to 3 interim dividends each of ₹ 4 (200%) per equity share aggregating to ₹ 12 per equity share and a special Diamond Jubilee Dividend of ₹ 12 (600%) per equity share. The aggregate dividend for the year thus works out to ₹ 28 (1400%) per equity share. The final dividend is subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company Scheduled to be held on 7th July, 2022. The final dividend once approved by Shareholders will be paid within the stipulated time subject to deduction of tax at source. The Record Date for the purpose of payment of final dividend will be 27th June 2022.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Dividend Distribution Policy can be accessed at Company website at: <https://www.bkt-tires.com/en/investors-desk>.

7. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2022 remains unchanged at ₹ 3,866 Lakhs. The Company has neither issued shares with differential voting rights, nor granted stock options, nor sweat equity and none of the Directors of the Company hold any convertible instruments.

Directors' Report (Contd.)

8. RESERVES:

The Company proposes to transfer ₹ 40,000 Lakhs to General Reserves.

9. OUTLOOK FOR THE FINANCIAL YEAR 2022-23:

After facing almost two years of adversity due to the Covid pandemic, your Company is very optimistic about the growing demand of tires particularly in the OHT segment despite current adversities like supply chain bottlenecks and unprecedented increase in freight. If the increased demand from the agriculture and mining industry is to be taken as an indicator, the company sees a continual development for replacement and OEM tires with improved market share. The revival in demand is linked to the output and investment in the advanced economies as they are expected to cross the pre-pandemic levels which will drive up volumes in the coming fiscal year. The long-term prospects of the company are good and promising as your Company continues to explore all the avenues to ensure growth of its business which includes deeper penetration into new and existing markets. With the continuous expansion of its product range, your Company is proud to say that it has more than 3200 SKUs.

10. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(l) of the Companies Act, 2013, there are no material changes and commitments affecting the financial position of your Company which have occurred between the close of the financial year of the Company on 31st March, 2022 to which the Financial Statements relate and up to the date of this report.

11. OPPORTUNITIES AND THREAT:

Opportunities:

Your Company operates into a segment predominantly known as "large varieties - low volume segment", which is not only capital intensive but also labour intensive. Your Company is fully geared 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. Your Company is witnessing gains in market leadership due to its strong and robust product portfolio.

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

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

The Covid-19 issue has led to a situation where most of the countries are thinking to reshuffle their sourcing plan / strategy. It may open up lot of opportunities for India including our Company.

Threats:

Like any other Company, your Company is also exposed to various threats like competition, retention of employees, labour issues, increase in raw material prices and its timely availability, etc.

An economic downturn or slowdown in the key markets (India and Europe) may lead to decrease in volumes and capacity utilisation. Volatile exchange rates, Price Competition and fears of aggravation in Russia-Ukraine war are some of the threats. It may increase the operating cost of running the business. Increases in raw material cost can impact the profitability of the Company.

12. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS & RETURN ON NET WORTH:

There is no significant change (i.e. 25% or more) in any of the financial ratios viz., Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt-Equity Ratio, Operating Profit Margin, Net Profit Margin and Return on Investment.

Directors' Report (Contd.)

13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has put in place well defined procedures, covering financial and operating functions. Delegation of authority and segregation of duties are also addressed to ensure that the financial transactions are properly authorised. The Company believes that Internal Control is one of the key pillars of governance, which provides freedom to the management within a framework of appropriate checks and balances. The Company has a robust internal control framework, which has been developed considering the nature, size and risks in the business. The Company has adequate internal control systems in place and also has reasonable assurance on authorising, recording and reporting transactions of its operations. The Company has well-placed, proper and adequate internal controls environment, commensurate with its size, scale and complexities of its operations. The Company had already developed and implemented a framework for ensuring internal controls over financial reporting. This framework includes entity level policies, processes and operating level standard operating procedures (SOP). Internal control systems are an integral part of your Company's Corporate Governance structure. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. The Company has successfully implemented ERP system, supported by SAP software & backed by necessary Bandwidth. The systems and processes are continuously improved by adopting best in class processes and automation and implementing the latest IT tools which help further for maintaining financial and commercial discipline. These have been designed to provide reasonable assurance with regard to credibility of data and compliances, inter-alia:

- a. recording and providing reliable financial and operational information;
- b. complying with the applicable statutes;
- c. safeguarding assets from unauthorised use;
- d. executing transactions with proper authorisation, and ensuring compliance with corporate policies
- e. Prevention and detection of Frauds / errors;
- f. Continuous updating of IT systems.

The management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2022.

The Company recognizes that in today's fast growing digital world, one has to be equally conscious of cyber threats. Your company has a robust system to prevent any intrusion into their IT systems and servers thereby protecting the company's IT assets.

Your Company has appointed M/s. Deloitte Haskins & Sells LLP to assess the effectiveness of internal financial controls of the Company. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee and is found to be quite adequate.

The Audit Committee reviewed the reports submitted by the Management and Internal Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015), the Company's Audit Committee has concluded that, as of 31st March, 2022, the Company's internal financial controls were adequate and operating effectively.

14. HUMAN RESOURCES:

With a motivated team of 3,229 employees as on 31st March, 2022, your Company is proud to inform that the employees have been the key players in its progress. This workforce is focussed towards building a Sustainable organisation. Immense emphasis is placed on to have a safe workplace with an agile team. Your Company believes in a culture of inclusion, trust, skill development, empowerment, and all-round development of its employees. Your Company continues to build strong pillars of cultural values which strengthens the business operations. Young Talent is coached and mentored by a seasoned leadership team. Effective Communication channels help your Company to transcend its Vision and Mission till the bottom of the pyramid. Your Company visualises the greater good of its workforce which would conversely make the Company achieve its business goals in a competitive environment. Your Company keeps an "Employee First" approach and accords topmost priority to all human issues within the organisation. The core cultural values of your Company are producing top quality products, teamwork, innovation, respect for all, open door policy and creation of a future ready workforce with Happy Hearts. Your Company's organisation structure is robust and committed to deliver the best business results. Your Company through its people policies, promotes the congruence of employee personal vision and the Company's goals. There is a constant sharing of information about the business with the employees. Your Company has provided all round support to the employees and their families during COVID-19 pandemic. This helped your Company to create a safe

Directors' Report (Contd.)

and fearless workplace. COVID-19 posed challenges on the Human Resources. Your Company has implemented strict COVID-19 protocols, conducted regular testing, provided medical aid in in-house medical centres and established state-of-the-art ICU/HDU unit to take care of serious infections. Your Company provides fast track career paths for the young talent. Employee engagement programmes and developmental sessions have created an outstanding workforce which is focussed and alive to its responsibilities. An objective performance management system has provided satisfaction and growth to all employees. Your Company strongly believes in harnessing a culture of trust and mutual respect amongst all employees. The values and principles of your Company have given good results in challenging times. Industrial relations continue to be cordial across the plants.

15. SUBSIDIARY COMPANIES:

At the end of the year under review, the Company had one Domestic and 4 Overseas Wholly Owned Subsidiary Companies (WOS). The domestic WOS is known as BKT Tires Limited and the Overseas WOS are BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC. The Company also has one step down subsidiary in the name of BKT Tires Inc. based in USA which is a 100% subsidiary of BKT Exim US, INC. The Company does not have any material subsidiary as per the thresholds laid down under the Listing Regulations. A policy on material subsidiaries has been formulated by the Company and posted on the website of the Company and can be accessed at: <https://www.bkt-tires.com/en/investors-desk>.

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

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3)(c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make the following statements that:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2022;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a "Going Concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are adequate and operating effectively.

17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board and can be accessed on the Company's website at: <https://www.bkt-tires.com/en/investors-desk>. The details of transactions / contracts / arrangements entered by the Company with Related parties during the financial year are set out in the Notes to the Financial Statement.

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee

Directors' Report (Contd.)

within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and proposed to be entered in the ordinary course of business and at arm's length during the financial year. All related party transactions are placed before the Audit Committee for review and approval.

18. CORPORATE SOCIAL RESPONSIBILITY:

The Company's social initiatives empower society at a large and provide a holistic growth platform. The Company believes that Corporate Social Responsibility (CSR) projects undertaken by it should be sustainable with the long-term purpose of improving the quality of living for the less privileged. The funds on CSR projects / activities are spent very carefully to ensure that the desired objectives are achieved.

The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-II**. The Board of Directors has formed a committee on CSR in accordance with the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, composition and attendance of the Directors during the financial year ended 31st March, 2022 are given separately in the Corporate Governance Report.

During the year under review, the Company was required to spend ₹ 2,478 Lakhs. The Company had identified various CSR projects having a total commitment of ₹ 2,492 Lakhs and had spent an amount of ₹ 2,489 Lakhs till March, 2022, hence Company has spent excess amount exceeding ₹ 10 Lakhs for 2021-22. In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021") effective from 22nd January, 2021, the Company's CSR Committee had identified Ongoing Project up to ₹ 75 Lakhs, of which Company had spent ₹ 72 Lakhs. Hence, the balance unspent amount of ₹ 3 Lakhs have been identified as Ongoing project which would be spent by the Company within stipulated time. The Company has deposited ₹ 3 lacs in a separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021 for the CSR identified projects.

In line with Company's objective under its CSR policy to support the society at a large, the Company has distributed cooked food and food grains in various part of India to the people affected by lockdown due to COVID-19. The Company has also distributed PPE kits and masks to various hospitals in Mumbai and other part of India.

The CSR policy of the Company is available on the Company's website and can be accessed at: <https://www.bkt-tires.com/en/investors-desk>.

19. RISKS RELATED TO BUSINESS:

Risk is an integral and unavoidable component of business. BKT's nature and scale of the business operations calls for a robust risk mechanism framework to deal with impacts of external and internal environment. In today's challenging and competitive environment, mitigating risks is imperative. As the 2021-22 was a difficult time for the operations and business continuity, the need for a holistic development of Business Continuity Plan (BCP) was initiated, which provides recommendations for the people and operations for better preparedness. The range of risks are not only limited to business disruptions to COVID-19, but include volatile commodity prices, raw material price fluctuation, growing demand of customers, cybersecurity risks etc. Common risks include changing regulations, competition, business risk, technology obsolescence, investments and retention of talent. Business risk, inter alia, further includes financial risk, social risk, political risk, environmental risk and legal risk. These ranges of risks have meticulously addressed through a comprehensive risk management process. For managing risks more efficiently, the Company has undertaken a detailed risk management exercise and has identified key risks that can have a critical impact on the Company's performance. Risks, once identified, are periodically monitored, along with emerging risks. The Company has inter alia identified the following key risks:

Operational Risk:

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

The Company's major raw material is Natural and Synthetic Rubber, Carbon Black and Nylon fabric. Due to the high demand of all the major raw materials and shutting down of some raw material manufacturers, the prices and the supply have been adversely affected. In view of this we foresee an increase in cost which will be set off by an increase in prices over a period of time.

Directors' Report (Contd.)

Market Risk:

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

COVID-19 including the second wave has led to lockdown across the globe which may adversely impact the demand to some extent. The Company believes that due to the vaccination drive across the world, the disruption in demand if any, maybe temporary in nature and do not foresee any long-term challenges in demand.

Labour Relations:

Since the manufacturing process of the Company is labour intensive, it requires lot of skilled as well as un-skilled workers. Maintaining a huge work force is a big challenge.

In order to mitigate the said risk, the Company follows good HR practices to promote the welfare and safety of its workmen and maintain a cordial working environment. All workers are paid more than government stipulated wages.

COVID-19 led to migration of labour from various industrial zones to their home towns; this may create a situation of shortage of labour which may impact the operations of the Company adversely. Despite this and as mentioned earlier, your Company does not foresee any major challenge as it has taken good care of all its staff members as well as workers during the period of lockdown and continues to do so regularly ensuring smooth and seamless operations of the Company.

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. COVID-19 has further intensified this risk. However, the Company is able to manage the said risk by good HR practices and rewarding its employees handsomely.

Currency Fluctuation:

The Company revenues are mainly generated through exports. Further, since most of the raw materials and capital equipment are imported, the Company is exposed to foreign currency risk. However, it enjoys natural hedge as most of its revenues are in foreign currency. COVID-19 issue has created imbalance in the economies of various countries including India and therefore we could be exposed to wider risk due to currency fluctuation.

However, since, the Company is a net foreign exchange earner and hedges its net exposure well in advance by way of forward contracts, it is immune to a great extent from the fluctuation in currencies.

RISK MANAGEMENT AND MITIGATION:

'Risk Management' is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor and control the probability and/or impact of uncertain events or to maximise the realisation of opportunities. Risk management also provides a system for the setting of priorities when there are competing demands on limited resources. Risk management also attempts to identify and manage threats that could severely impact or bring down the organisation.

The Company's Board of Directors has overall responsibility for the establishment and overseeing of the Company risk management framework. Pursuant to Regulation 21 of Listing Regulations, Risk Management Committee was constituted comprising of Mr. Pannkaj Ghadiali, an Independent Director as Chairman of the Committee, Mr. Arvind Poddar and Mr. Vipul Shah, Directors of the Company are Members of the Committee. The primary objective of the Committee is to control the various risks that the Company is exposed to, with a view to prevent unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposure risks by the Company and to keep such risk at or below pre-determined levels. The Company has framed an Enterprise Risk Management Policy (the "Policy") to realise the following benefits for the Company:

- a. Enhanced risk management for the organisation including strategy setting.
- b. Facilitate risk-based decision making.
- c. Improve governance and accountability.
- d. Enhance credibility with key stakeholders such as investors, employees, government, regulators, society, etc.
- e. Create, Protect and enrich stakeholder value.

Directors' Report (Contd.)

The policy contains the objectives of risk management, the Company's approach to risk management and the risk organisation structure for identification, management and reporting of risks. The policy specifies the roles and responsibilities of key stakeholders and other key personnel of the Company with regards to risk management. The policy also aims to ensure and identify process of risk identification and management in compliance with the provisions of the Companies Act, 2013.

Following objectives are achieved through the Risk Management programme of the Company viz:

- Enable organisational sustainability taking cognisance of the impact of its products, services & operations on society and the environment
- Reduce potential gaps in achieving the Company's objectives
- Align and integrate existing risk management practices in the organisation
- Build confidence of investment community and stakeholders
- Enhance Corporate Governance
- Successfully respond to changing business environment

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's Activities.

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

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

20. RECLASSIFICATION UNDER REGULATION 31A OF SEBI LISTING REGULATIONS, 2015:

During the year under review, Board of Directors at its meeting held on 6th August, 2021 had approved the request received from "Outgoing Promoter" towards reclassifying them from "Promoter and Promoter Group" category to "Public" Category shareholders of the Company.

Accordingly, BSE Limited and National Stock Exchanges of India Limited vide their letter dated 3rd December, 2021 had approved the Reclassification of Outgoing Promoters to "Public" category under the provisions of Regulation 31A of Listing Regulations. The summary of Shareholding Pre-classification & Post Classification is as follows:

Re-classification	Promoter Holding		Public Holding	
	Shares Held	Percentage	Shares Held	Percentage
Pre-Reclassification	112696020	58.30	80621170	41.70
Post-Reclassification	112690200	58.29	80626990	41.71

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year under review, as recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company has approved the re-appointment of Mr. Vipul Shah as Whole Time Director designated as Director and Company Secretary of the Company for a term of five years w.e.f. 11th February, 2022 and pursuant to approval of members of the Company he was re-appointed w.e.f 11th February, 2022.

In terms of recent amendment made by SEBI vide Notification dated 22nd March, 2022 related to separation of Posts of Chairperson and Managing Director which was made Voluntary w.e.f 22nd March, 2022. Accordingly, the Board of Directors at their meeting held on 30th March, 2022 had noted that Mr. Arvind Poddar would be continue to be Chairman and Managing Director of the Company for remaining period of his tenure.

As recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 13th May, 2022 has approved the re-appointment of Mr. Pannkaj Ghadiali as Independent Director of the Company for a term of five years w.e.f. 8th November, 2022 subject to approval of members of the Company. In accordance with the provisions of Section 149 read with Schedule IV to the Act and in terms of "Listing Regulations" effective 1st January, 2022, appointment of Independent Directors requires approval of members of the Company by way of Special Resolution.

Directors' Report (Contd.)

It is proposed to appoint Mr. Pannkaj Ghadiali as an Independent Director, not liable to retire by rotation, for a period of five years from date of appointment i.e. 8th November, 2022.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Vijaylaxmi Poddar, Director of the Company, retires by rotation at the ensuing AGM and being eligible offers herself for re-appointment.

Brief profile of the Director being re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings is provided in the Notice of the forthcoming 60th AGM of the Company. The Board recommends both the re-appointments.

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

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirement set out by the SEBI. The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, 2015 and accordingly, the Report on Corporate Governance forms part of this Annual Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

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

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

(i) Criteria for Appointment of Managing Director / Whole Time Director/ Director:

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

(ii) Criteria for Appointment of Independent Director:

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

23. PERFORMANCE EVALUATION:

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

The performance of the Board was evaluated after seeking inputs from all the Directors present in the meeting on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The Nomination and Remuneration Committee had evaluated the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The Securities and Exchange Board of India (SEBI) vide circular SEBI/HO/CFD/CMD/CIR/2017/004 dated 5th January, 2017, issued a Guidance Note on Board Evaluation about various aspects involved in the Board Evaluation process to benefit all stakeholders. While evaluating the performance, the above guidance note was considered. Performance evaluation of Independent Directors was carried out by the entire board. A meeting of the Independent Director for the 2021-22, with Mr. Pannkaj Ghadiali as the Chairman, was held on 30th March, 2022, to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board. The same were

Directors' Report (Contd.)

discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the board, its committees, and individual Directors were also discussed. The Directors expressed their satisfaction with the evaluation process.

24. AUDITORS:

Statutory Auditor:

M/s. N G Thakrar & Co., Chartered Accountants, Mumbai (Firm Registration No.110907W) were appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years at the Annual General Meeting (AGM) of the Company held on 9th September, 2017.

M/s. N G Thakrar & Co., Chartered Accountants will complete their present term on conclusion of this AGM in terms of the said approval and as per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

M/s. N G Thakrar & Co., have expressed their intention not to seek reappointment as Statutory Auditor of the Company on conclusion of the present term. The Audit Committee and the Board of Directors at their meeting held on 13th May, 2022 took note of the above and accepted their request.

The Board of Directors place on record its appreciation for the services rendered by M/s. N G Thakrar & Co., Chartered Accountants to the Company.

The Board of Directors of the Company at its meeting held on 13th May, 2022 on the basis of the recommendations of the Audit Committee, recommended for the approval of the Members, the appointment of Messers Jayantilal Thakkar & Co., Chartered Accountants (Firm Registration Number 104133W) as Statutory Auditors of the Company, for a period of 5 (five) consecutive financial years from the conclusion of forthcoming 60th AGM till the conclusion of the 65th AGM on remuneration, terms and conditions as may be approved by the Board.

The Auditors have confirmed that they are not disqualified from the appointment of their Firm as Statutory Auditors of the Company.

The proposal for appointment of Messers Jayantilal Thakkar & Co. as Statutory Auditor of the Company is listed as an item in the Notice convening the forthcoming Annual General Meeting of the Company, for necessary approval of the shareholders.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report do not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditor:

The Board has appointed M/s. RTD & Associates, Chartered Accountants as Internal Auditors for a period of 1 (One) year for Financial Year 2021-22 under Section 138 of the Companies Act, 2013 and they have completed the Internal Audit as per the scope as defined by the Audit Committee.

Secretarial Auditor:

The Company has appointed Mr. G.B.B Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2021-22 as required by Section 204 of the Companies Act, 2013 and rules made thereunder. The Company provided all assistance and facilities to the Secretarial Auditors for conducting their audit. Further, pursuant to SEBI Circular CIR/CFD/ CMD1/27/2019 dated 8th February, 2019, Mr. G.B.B Babuji, has also conducted the Annual Secretarial Compliance. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith marked as **Annexure – III**.

Cost Auditor:

In terms of Section 148 of the Companies Act, 2013 read with Rule 5 of Companies (Cost Records and Audit) Rules, 2014, ("Cost Records Rules") as amended from time to time, the Company maintained its Cost Records on regular basis in such manner which facilitates the calculation as may be prescribed by the Rules. The cost records are maintained in such manner which enable the Company to exercise, to the extent possible, control over the various operating costs to achieve optimum economies in utilisation of resources. Since the Company's revenue from exports, in foreign exchange, exceeds 80% of the Company's total revenue and pursuant to Rule 4 of Cost Records Rules of Companies Act, 2013 as amended from time to time, Cost Audit is not applicable to the Company for the financial year 2021-22.

25. AUDITOR'S QUALIFICATION:

There are no qualifications in the reports of the Statutory Auditors and Secretarial Auditor. There was no instance of fraud during the year under review, which is required to be reported by Statutory Auditors in their reports as mentioned under sub-section (12) of Section 143 of the Act.

Directors' Report (Contd.)

26. INDUSTRIAL RELATIONS:

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

27. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no change in the nature of business of your Company during the year under review.

28. DISCLOSURES:

i. Vigil Mechanism /Whistle Blower Policy:

The Vigil Mechanism of the Company which also incorporate a whistle blower policy in the terms of SEBI (Listing Obligations and Disclosure Requirements), 2015 deals with instances of fraud and mismanagement, if any. Adequate safeguards have been provided against victimisation of persons who use the vigil mechanism. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at: <https://www.bkt-tires.com/en/investors-desk>.

ii. Audit Committee:

During the year under review, Mr. Rajiv Poddar, Executive Director ceased to be a member of the Audit Committee w.e.f. 6th August, 2021. Hence consequent to cessation of Mr. Rajiv Poddar, the Audit Committee was re-constituted and comprised of the following Directors as on 31st March, 2022 viz. Mr. Pannkaj Ghadiali, an Independent Director as Chairman, Mr. Rajendra Hingwala, Mr. Sandeep Junnarkar & Mrs. Shruti Shah, Independent Directors. All the recommendations made by the Audit Committee have been accepted by the Board.

iii. Number of Board Meetings:

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

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

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in Note Nos. 5,10,14, 47 and 50 to the financial statement forming part of this Annual Report.

v. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure - IV** and forms an integral part of this report.

vi. Annual Return:

Pursuant to Section 92(3) read with section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 may be accessed on the Company's website at: <https://www.bkt-tires.com/en/investors-desk>.

vii. Particulars of Employees and related disclosures:

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

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Report.

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

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

The Company has formulated and implemented a policy of prevention of sexual harassment at the workplace with

Directors' Report (Contd.)

mechanism of lodging/redressal complaints. The Company has also constituted a Committee for the same. During the year under review, there were no complaints reported to the Board.

ix. Business Responsibility and Sustainability Committee Report:

As mandated by Regulations - 34(2)(f) of Listing Regulations, 2015, Business Responsibility Report, of the Company for the year ended 31st March, 2022, describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure - VI**.

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

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

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

- a. Details relating to deposit and unclaimed deposits or interest thereon
- b. Issue of equity shares with differential rights as to dividend or voting
- c. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme
- d. None of the managerial personnel i.e. Managing Director, Joint Managing Director and Whole-time Director of the Company are in receipt of remuneration / commission from Subsidiary Companies of the Company
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future

xi. IBC Code & One-time Settlement:

There is no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code). There has not been any instance of one-time settlement of the Company with any bank or financial institution.

29. CAUTIONARY STATEMENTS:

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

30. APPRECIATION:

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth.

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

Last but not the 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

DIN: 00089984

Place: Mumbai

Dated: 13th May, 2022

Annexure - I

FORM AOC-1

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

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

Part "A": Subsidiaries

Sr. No.	Particulars	1	2	3	4	5
		(₹ in Lakhs)				
1.	Name of the Subsidiary	BKT TYRES LIMITED	BKT EXIM US, INC *	BKT EUROPE S.R.L.	BKT USA INC	BKT TIRES (CANADA) INC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of the above subsidiaries is the same as that of the Company i.e. 1st April, 2021 to 31st March, 2022.				
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. #	INR	USD	EURO	USD	CAD
4.	Share Capital	5.00	36.59	13.21	0.70	2.68
5.	Reserves & Surplus	(1.39)	769.32	846.76	1076.60	228.86
6.	Total Assets	3.71	6273.20	13912.07	1171.95	327.59
7.	Total Liabilities	0.10	5467.29	13052.10	94.65	96.05
8.	Investment	NIL	NIL	NIL	NIL	NIL
9.	Turnover (include other income)	NIL	15956.53	26540.49	4071.08	1236.33
10.	Profit Before Taxation	(0.68)	577.75	1296.27	240.90	83.65
11.	Provision for Taxation	NIL	50.50	202.23	29.30	16.62
12.	Profit/(Loss) After Taxation	(0.68)	527.25	1094.03	211.60	67.03
13.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
14.	% of Shareholding	100%	100%	100%	100%	100%

Notes:

* Including figures of BKT TIRES INC.

#Exchange Rate

1 EURO = ₹ 84.6599;

1 USD = ₹ 75.8071;

1 CAD = ₹ 60.4971

Part B of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2022.

For and on behalf of the Board of Directors

Place : Mumbai
 Dated: 13th May, 2022

MADHUSUDAN BAJAJ
 President (Commercial) & CFO

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

Annexure - II

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Companies (Corporate Social Responsibility) Rules, 2021]

1. Brief outline on CSR Policy of the Company.

Corporate Social Responsibility (CSR) forms an important part of the Company's overall philosophy of giving back to the Society. The CSR vision of the Company is "Promotion of Education, Health and Rural Development".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. The Company either by itself or through vibrant and innovative partnerships with the Government, NGO's and Other Organisations, promotes education and healthcare for all vulnerable sections of society and also undertake rural development initiatives.

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

The Company has also supported COVID-19 relief measures and activities during the year under consideration by providing rapid test kits, PPE kits and other relevant kits, oxygen concentrators / plants etc to various hospitals and primary health centers. The Company has also supported the COVID-19 patients, their relatives and also doctors and other staffs by providing 2 Lakhs meals through its implementation partner. The Company has also supported the capital expenditure of the 6 Bed ICU with Tech Enablement in City Nursing Home in Bhiwadi, Rajasthan.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Vijaylaxmi Poddar	Chairperson	4	4
2.	Mr. Rajiv Poddar	Member	4	4
3.	Mr. Vipul Shah	Member	4	4
4.	Mrs. Shruti Shah	Member	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

<https://www.bkt-tires.com/ww/en/investors-desk>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

The Company has done impact assessment of the projects to understand the benefit of the overall society as a whole.

The relevant impact assessment report of the relevant project is attached as **Annexure II(i)**.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.		Not Applicable	

Annexure - II (Contd.)

6. Average net profit of the Company as per section 135(5) ₹ 12,39,10,95,290
7. (a) Two percent of average net profit of the Company as per section 135 (5) ₹ 24,78,21,906
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
- (c) Amount required to be set off for the financial year, NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 24,78,21,906
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
24,89,02,275	3,00,000	25th April, 2022	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District	Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration number.
1.	Plantation of 30,000 trees using the Japanese Technique Miyawaki method for Smritivan Memorial Project at Bhuj.	Rural Development	YES	Guja-rat	Kutch	3 Years	75,00,000	72,00,000	3,00,000	No	Enviro Cre-ators Foundation, Mum-bai	CSR00003641
Total							75,00,000	72,00,000	3,00,000			

Annexure - II (Contd.)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number
1.	In the area towards education, infrastructure support . (Multiple Projects)	Education/ Rural Development	Yes	Gujarat	Kutch	1,76,88,007	Yes	Direct	
2.	In the area towards education	Education	Yes	Gujarat	Kutch	3,05,000	No	White Desert Mahamaya Trust, Padhdhar, Bhuj	CSR00008739
3.	In the area towards Infrastructure Support.	Rural Development	Yes	Gujarat	Kutch	10,00,000	No	Shree Radha Krishna Gaushala Charitable Trust, Padhdhar, Bhuj	CSR00011864
4.	Covid Care Support (Multiple Projects)	Healthcare	Yes	Maharashtra, Gujarat, Rajasthan	Aurangabad Kutch Alwar	1,00,72,182	Yes	Direct	
5.	Covid Care Support	Healthcare	Yes	Gujarat	Kutch	35,00,000	Yes	Direct	
6.	Covid Care Support	Healthcare	Yes	Gujarat	Kutch	48,44,620	No	The Akshay Patra Foundation, Bangalore	CSR00000286
7.	Six Bed ICU with Tech Enablement at City Nursing Home,	Healthcare	Yes	Rajasthan	Alwar	53,55,000	No	R Kabra Charitable Trust, Mumbai	CSR00001476
8.	Provided ISO Oxygen tanker to the Dr Hedgewar Hospital Campus, Gharkheda, Aurangabad, Health Department, Government of Maharashtra.	Healthcare	Yes	Maharashtra	Aurangabad	11,00,000	No	Savitribai Phule Mahila Ekatma Samaj Mandal, Aurangabad	CSR00000173
9.	Funded for new 550-bedded State of Art Cancer Centre on Haffkine land.	Healthcare	Yes	Maharashtra	Mumbai	5,80,00,000	No	Tata Memorial Centre, Mumbai	CSR00001287
10.	Acquired Four Reporting Stations for the Radiology department, so that it can support patients' treatment.	Healthcare	Yes	Maharashtra	Mumbai	36,01,027	No	Tata Memorial Centre, Mumbai	CSR00001287
11.	Expansion of the hospital Infrastructure by building an additional floor which will host four General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure	Healthcare	Yes	Maharashtra	Aurangabad	7,25,00,000	No	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad	CSR00000181

Annexure - II (Contd.)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number
12.	Education to 500 students ranging from pre-school to Grade 10 of .Gokhale Road South Mumbai Public School	Education	Yes	Maharashtra	Mumbai	2,11,39,000	No	Muktangan Education Trust, Mumbai	CSR00000732
13.	Sponsored diagnosis, heart surgeries and treatment of various heart ailments with an intention to improve lives and health of under privileged children.	Healthcare	Yes	Maharashtra	Mumbai	10,00,000	No	Have A Heart Foundation, Mumbai	CSR00011768
14.	Medical Expenses for blood cancer treatment of Master Vinayak Maheshkumar Shah at Homi Bhabha Cancer Hospital.	Healthcare	Yes	Uttar Pradesh	Varanasi	2,50,000	Yes	Direct	
15.	Medical Equipment EMCO Cardiohelp system provided to Asian Heart Hospital.	Healthcare	Yes	Maharashtra	Mumbai	50,00,000	Yes	Direct	
16.	Contribution for free meals to Cancer patients and their family members residing at Arogya Bhawan in Vashi.	Healthcare	Yes	Maharashtra	Thane	4,40,000	No	Deepsikha, Mumbai	CSR00002693
17.	Provided Computer System with Accessories, for Computer Learning facilities to all students of Siddharth College of Arts, Commerce and Science.	Education	Yes	Maharashtra	Thane	10,42,750	Yes	Direct	-
18.	Installation of Pediatric Retinal Imaging System at G B Pant Children Hospital, Government Medical College, Srinagar for use pediatric patients.	Healthcare	Yes	Jammu & Kashmir	Srinagar	14,56,000	No	Have A Heart Foundation, Bangalore	CSR00003278
19.	Miscellaneous Expenses	Healthcare	Yes	Maharashtra, Rajasthan	Aurangabad Alwar	30,83,827	Yes	Direct	-
20.	Education to the students and payment of fees for the needy students in Gopal's Garden High School	Education	Yes	Maharashtra	Mumbai	3,00,000	No	Sri Chaitanya Educational Trust, Mumbai	CSR00001089
21.	Construction and renovation work in Poynad Balgram	Education	Yes	Maharashtra	Pune	10,00,000	No	SAMPARC -Social Action For Manpower Creation, Pune	CSR00003752

Annexure - II (Contd.)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number
22.	Overall care, education, health, nutrition and development of 100 children's of SAMPARC Poynad Balgram	Education	Yes	Maharashtra Rajasthan	Pune Jodhpur	40,00,000	No	SAMPARC -Social Action For Manpower Creation, Pune	CSR00003752
23.	Purchase of ERBE VIO 3 for department of Gastroenterology , this electrosurgical at Topiwala National Medical College & B Y L Nair Charitable Hospital	Healthcare	Yes	Maharashtra	Mumbai	16,75,000	Yes	Direct	-
24.	Purchase of Laparoscopy System for gynecological surgeries, Laparoscopy to R.N.Cooper Municipal General Hospital	Healthcare	Yes	Maharashtra	Mumbai	58,03,571	Yes	Direct	-
25.	Corpus fund, the income from which will be used for the medical support to the economically weaker patients	Healthcare	Yes	Maharashtra	Mumbai	50,00,000	No	Swasthya Vidhya Foundation, Mumbai	CSR00002664
26.	Provided Forus screening camera and Laser equipment to Pink City Eye & Retina Centre	Healthcare	Yes	Rajasthan	Jaipur	38,95,460	Yes	Direct	
27.	Corpus Funds for supporting and rehabilitating People with Parkinson's and their caregivers in India Services include regular Multidisciplinary Therapy programmes, Counselling, Patient welfare, Programs for the homebound and Training of allied health professionals and community health workers.	Healthcare	Yes	Maharashtra	Mumbai	30,00,000	No	Parkinsons Disease and Movement Disorder Society, Mumbai	CSR00002825
28.	Contribution for instruments and appliances used in optical surgery for HBT Medical College & Dr. R N Cooper Municipal General Hospital	Healthcare	Yes	Maharashtra	Mumbai	50,00,000	No	Rotary Foundation , India	CSR00008486
29.	Contribution for rural development activities carried out for supporting the cause of the underprivileged.	Rural Development	Yes	Maharashtra	Raigad	65,000	No	Kushtarog Niwaran Samiti, Panvel	CSR00012159
TOTAL						24,11,16,444			

Annexure - II (Contd.)

- (d) Amount spent in Administrative Overheads - ₹ 5,85,831
(e) Amount spent on Impact Assessment, if applicable - NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 24,89,02,275
(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in) ₹
(i)	Two percent of average net profit of the Company as per section 135(5)	24,78,21,906
(ii)	Total amount spent for the Financial Year	24,89,02,275
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,80,369
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,80,369

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2020-21	4,20,00,000	4,20,00,000	-	-	-	-

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed /Ongoing.
1.		Partnering for funding Ongoing Project for new 550-bedded State of Art Cancer Centre on Haffkine land at Parel, Mumbai	2020-21	2 years	10,00,00,000	10,00,00,000	10,00,00,000	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
1.	03-08-2021	10,00,000	Shree RadhaKrishna Gaushala Charitable Trust, Padhdhar, Bhuj	Cow Dhaliya (with Slab) size 177*19 & height 10 ft. Address: Shri Radhakrishna Gaushala, Near Bus station, Gram- Padhar, Bhuj- Kutch-370105 Gujarat

Annexure - II (Contd.)

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
2.	09-08-2021	35,00,000	Samras Covid Hospital	One Oxygen Plant Address: SAMRAS COVID HOSPITAL Kutch University Campus Bhuj – Mundra Road, Bhuj – Kutch PIN - 370 001
3.	15-06-2021	53,55,000	R Kabra Charitable Trust, Mumbai	Six Bed ICU with Tech Enablement. Address: City Nursing Home,C-1,RIICO Shopping Complex- Bhiwadi , Dist . Alwar -301019, Rajasthan
4.	12-11-2021	11,00,000	Savitribai Phule Mahila Ekatma Samaj Mandal, Aurangabad	ISO Oxygen tanker. Address: Dr Hedgewar Hospital Campus, Gharkheda, Aurangabad-431009 Maharashtra
5.	24-03-2022	5,80,00,000	Tata Memorial Centre, Mumbai	550-bedded State of Art Cancer Centre on Haffkine land at Parel, Mumbai Address: Platinum Jubilee Block, Plot No 3/330, G D Ambekar Road, Parel, Mumbai -400012, Maharashtra
6.	18-05-2021	36,01,027	Tata Memorial Centre, Mumbai	Four Reporting Stations. Address: Golden Jubilee Block, Dr. E Borges Road 1, Parel, Mumbai, 400012, Maharashtra
7.	14-10-2021, 07-12-2021, 28-03-2022, 30-03-2022	7,25,00,000	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad	Build an additional floor which will host four General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure. Address: Dr Hedgewar Hospital Campus, Gharkheda, Aurangabad-431009 Maharashtra
8.	06-07-2021, 20-12-2021, 24-03-2022	50,00,000	Asian Heart Institute Research Centre P Limited, Mumbai	Medical Equipment EMCO Cardiohelp system. Address: Asian Heart Institute Research Center P ltd, G/N, Bandra Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra

Annexure - II (Contd.)

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
9.	27-09-2021, 08-10-2021, 19-03-2022	10,42,750	Siddhart College of Arts, Commerce and Science Tal. Ambarnath, Maharashtra	30 Nos Dell Vastro Desktop Computer Systems with Accessories, One HP laser Jet 108w Wi-Fi Printer, One HP Smart Tank 516 All-in-one Inkjet Color Printer, 1(one) TP-Link Archer C6 Wi-Fi Router & 30 Nos D-Link N300 USB Wi-Fi dongle. Address: Siddhart College of Arts, Commerce and Science at post.Boradpada-Chargaon, on Badlapur-Mhasa Road, Tal. Ambarnath, Dist. Thane-421503, Maharashtra
10.	05-10-2021	14,56,000	Have A Heart Foundation, Bangalore	Installation of Pediatric Retinal Imaging System. for use pediatric patients. Address: G B Pant Children Hospital, Sonwar, Srinagar,-190003, Jammu and Kashmir
11.	23-09-2021,	81,000	Direct	Two HP Desktop 202GZ Core I3 4THGEN 2GB RAM & 1(one) HP LaserJet Printer. Address: F69, Shri Ram Colony, Tijara, Dist. Alwar-301411, Rajasthan
12.	20-10-2021, 04-02-2022, 17-03-2022, 22-03-2022, 25-03-2022	23,68,826	Direct	Construction of Rest room and toilets. Address: Police Line Bhiwadi, Dist .Alwar-301019, Rajasthan
13.	29-12-2021	70,339	Direct	Executive Chairs, Tables, Table Lamps, reception table. Address: CID Office Bhiwadi, UIT Sector-9, Near Capital Galariya Bhiwadi, Dist. Alwar-301019,Rajasthan
14.	29-12-2021, 11-01-2022, 17-01-2022	2,63,662	Direct	Chairs, Tables, Table Lamps, Computers, Printer, reception table. Address: MIDC Police Station, Waluj, Aurangabad-431136, Maharashtra
15.	24-11-2021	10,00,000	SAMPARC -Social Action For Manpower Creation, Pune	Construction and renovation work. Address: Post -Bandhan , Taluka -Raigad, Dist, Raigad-402108, Maharashtra

Annexure - II (Contd.)

Sr. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
16.	29-11-2021 31-01-2022	16,75,000	Direct	Purchase of ERBE VIO 3. Address: BYL Nair Hospital, Gastroenterology Dept., 55, Dr. Anandrao Nair Marg, Mumbai Central, Mumbai-400008, Maharashtra
17.	31-01-2022, 29-03-2022	58,03,571	Direct	Purchase of Laparoscopy System. Address: H B T Medical college & Dr. R N Cooper Municipal General Hospital, U-15, JVPD Scheme, Juhu, Mumbai-400056, Maharashtra
18.	10-03-2022	38,95,460	Direct	Providing Forus screening camera and Laser equipment. Address: Pink City Eye & Retina Center, Anshu Hospital, B-209, Rajendra Marg, Bapu Nagar, Jaipur-302015, Rajasthan
19.	30-03-2022	50,00,000	Rotary Foundation, India	Instruments and appliances used in optical surgery. Address: H B T Medical college & Dr. R N Cooper Municipal General Hospital, U-15, JVPD Scheme, Juhu, Mumbai-400056, Maharashtra

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).
Not applicable

Place : Mumbai,
Dated : 13th May, 2022

RAJIV PODDAR
Joint Managing Director

VIJAYLAXMI PODDAR
Chairperson of CSR Committee

Annexure - II(i) to CSR Report Impact Assessment Report

1.0 BACKGROUND

Company Profile

Balkrishna Industries Limited ('BKT') is one of the world's leading manufacturers of "OFF-HIGHWAY tires". BKT has the widest product range with more than 3,200 SKU's (Stock Keeping Units) and is "One Stop Shop" for all off-highway tire solutions.

BKT has made its mark in the specialty segments like Agricultural, Construction, Industrial, Earthmover, Port, ATV (All-Terrain Vehicle) and Turf care applications in both cross ply & radial construction.

Company's CSR vision

BKT considers their responsibility to work and contribute towards social cause. In the past, earnest efforts have been taken in this direction by the BKT group in providing school education for the under privileged and needy; and funding various hospitals for free medical services to the poor and needy.

The CSR vision of the Company is **"Promotion of Education, Health and Rural Development"**.

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development by promoting quality education and healthcare for all vulnerable sections of society.

BKT has developed CSR policy in order to achieve its CSR vision which is in consonance with the requirements of the Companies Act, 2013.

2.0 CSR INITIATIVE OF THE COMPANY

A. Need for Healthcare in the current scenario

India has made rapid strides in the health sector since independence. However, various eye opening data from National Family Health Survey ('NFHS') clearly indicate that access to healthcare still remains a challenge.

While the health statistics of rural India continue to be poor, the health status and access to health services in urban areas on the other has also surfaced to be equally deplorable. Despite accounting for majority of the country's population, rural areas have very few government primary health care facilities.

The neglect in even the simplest preventive medical treatment usually leads to a more serious ailment and eventually into deaths. The need of the hour is thus a two-pronged approach – first to bring quality health care services to doorsteps of the needy and second to promote healthcare awareness and contemporary health care services seeking behavior among the underprivileged.

Considering the above, the Company has decided to focus on healthcare.

What BKT proposes to do for Healthcare?

Healthcare has been one of the core agenda of the CSR initiative of BKT. The Company intends to improve the lives of children and adults and mission to ensure health with dignity to every underprivileged children and adult.

The Company intends to inter alia sponsor the basic healthcare facility which may include providing free medical facilities of the needy and underprivileged population. The Company may sponsor the medical treatment of poor and needy patients by directly paying the medical and other expenses to the Hospitals or other medical institutions. The Company may inter alia also undertake activities to improve the facilities and infrastructure at the hospitals.

Why the Company wants to support Tata Memorial Centre (TMC) and Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP)

Before finalising on the Hospital as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criteria viz. Identity and Image, Capability, Competence and Track Record, Management, etc.

Annexure - II(i) (Contd.)

The summary of the conclusion drawn from the due diligence of TMC and BAVP is as under-

(I) Tata Memorial Centre (TMC)

• Identity and Image

- The Tata Memorial Centre (TMC) is the national comprehensive cancer centre for the prevention, treatment, education and research in Cancer and is recognised as one of the leading cancer centers in India as well as in world.
- The Tata Memorial Hospital was initially commissioned by the Sir Dorabji Tata Trust on 28th February, 1941 as a center with enduring value and a mission for concern for the Indian people. The Ministry of Health and Family Welfare took over the Tata Memorial Hospital in 1957 and transferred the administrative control of the Tata Memorial Hospital to the Department of Atomic Energy in 1962. The Tata Memorial Hospital and Cancer Research Institute merged as the two arms of the Tata Memorial Centre (TMC) in 1966 provides service, education & research in Cancer.

• Capability, Competence and Track Record

- The Tata Memorial Hospital, part of the TMC provides has 21 departments providing medical services in various areas such as Anesthesia, Biochemistry, Cancer Cytogenetic, Cytopathology, Medical, Preventive and Radiation Oncology, Palliative medicine, Dental diseases, Digestive Diseases, etc. having state of art equipment in every Department. Presently, TMC has state-of-the-art equipment in every Department including the latest Spiral CT Scanners, Gamma Cameras, Ultrasound, Microscopes, Linear Accelerators, Simulators, Bone Marrow Transplantation facilities, ICU for critical care of patients, updated Operation Theatres, sophisticated Blood Bank facilities and laboratories.
- TMC currently has 200 Doctors, 300 nurses and 200 Scientific Officers.
- International collaborations for teaching and training with WHO, UICC, and IAEA have brought recognition to the Centre.
- TMC caters to about 75,000 new patients annually in its flagship Tata Memorial Hospital in Mumbai. TMC performs over 10,000 major surgeries, 6,500 radiation therapies and more than 150,000 chemotherapy sessions in a year. The Outpatient's Department (OPD) of TMH is always bustling with patients and their attendants.
- Patients visit the clinics annually from all over India and from neighbouring countries. Nearly 60% of these cancer patients receive primary care at the Hospital of which over 70% are treated free of any charges. The Hospital has expanded from an 80 bed Hospital covering an area of 15,363 sq. meters to a 629-beds spread over 53,890 sq. meters. Nearly 18,500 minor operations, 11,500 major operations and 200 laser surgeries are performed annually.
- TMC has established strategies for early diagnosis, treatment management, rehabilitation, pain relief and terminal care in a comprehensive and multidisciplinary approach for a total cancer care programme.
- On a regular day, the number of patients visiting the general OPD is approximately 3,000 each accompanied by atleast one or more attendants. This results into prolonged waiting times. Also, the flow of patients to be admitted also has been increasing day by day.

• Management

TMC is augmented by Government support. The Governing council of TMC have seven members consisting of people associated from Department of Atomic Energy, Sir Dorabji Trust, etc. with Mr. K.N. Vyas- the Chairman, Atomic Energy Commission and Secretary of Department of Atomic Energy of India as the Chairman of Governing Council.

• Transparency

TMC has international collaborations for teaching and training with WHO, UICC, and IAEA.

• Financial Capability

TMC has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 35(1)(ii) and section 80G of the Income Tax Act, 1961.

TMC has undertaken to build a 550-bed State of Art Cancer Centre on the Haffkine land gifted by the Government of India and Maharashtra. This will involve infrastructure development of 16 storey modern day building with an area of 11.5 Lakhs square feet.

Annexure - II(i) (Contd.)

Considering the above, the Company intends to partner with TMC for **expansion of the infrastructure and building of the 550-bed State of Art Cancer Center** in order to ensure day to day functioning of services.

(II) Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP)

• Identity and Image

- Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) is an organisation run by Professionals Doctors since 1989, who have come together to give maximum of themselves to the society. Since 1989, the trust has treated 60,00,000 poor patients.
- Dr. Hedgewar Hospital is the nucleus of this Trust. It is providing excellent medical services at affordable cost to the common man. The 10-bed hospital was started in 1989 by Doctors with small borrowings from their families. And then doctors decided to manage their life on subsistent income which set an example. And this is the strongest foundation of this organisation.

• Capability, Competence and Track Record

- Dr. Hedgewar Hospital has a team of capable and dedicated doctors, well designed infrastructure and professional management. The Trust also runs various social activities wherein it treats 4 Lakhs patients annually of which 75 % are poor.
- The Hospital has expanded from a 10 bed Hospital to a 280 Bed Hospital.
- Currently, Hospital is running at full capacity with 280 beds. Lots of patients have to turned down for want of space. There is dire need of special rooms & General ward both. Increase in capacity of hospital beds is also required to get sanction of Medical College which require 430 beds.
- Dr. Hedgewar Hospital is getting patients from all over Marathwada and Buldhana, Nashik, Ahmednagar and Jalgaon districts. Currently, Hospital is running at full capacity with 280 beds.

• Management

BAVP is run by an independent Board of Members which is headed by Mr. Anil Bhalerao who is the Chairman, Mr. Vinod Bhimrajka being the Vice Chairman and Dr. Anant Pandhare being the Secretary.

• Transparency

BAVP is compliant with National Accreditation Board for Hospitals and Healthcare Providers (NABH) and has also been evaluated and awarded by the Ministry of Health and Family Welfare, Government of India.

• Financial Capability

BAVP has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G of the Income Tax Act, 1961.

BAVP has undertaken to build an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Considering the above, the Company intend to support BAVP for **expansion of the hospital infrastructure and building of an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.**

Self Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for healthcare by itself or should it partner with an NGO / Implementation Partner. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an Implementation Partner to improve the facilities of existing public hospitals, so that many poor people can benefit and treated.

In order to achieve its CSR vision of Promotion of Healthcare and in alignment with its CSR Policy, as a step, the Company has

Annexure - II(i) (Contd.)

identified and decided to partner with Tata Memorial Centre for **expansion of the infrastructure and building of the 550-bed State of Art Cancer Center** and to partner with BAVP for **expansion of the hospital infrastructure and building of an additional floor (3rd floor)**.

Implementation of Project by the Company

(I) TMC

- The Company will make contribution towards the Project of ₹ **5.80 Crores** in 2021-22 to TMC which will be used to for building of the 550-bed State of Art Cancer Center.
- The Company will ensure that the funds are utilised for the building of the 550-bed State of **Art Cancer Center**.

(II) BAVP

- The Company will make contribution towards the Project of ₹ **7.25 Crores** in 2021-22 to BAVP which will be used to for **expansion of the hospital infrastructure and building of** an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.
- The Company will ensure that the funds are utilised for the **expansion of the hospital infrastructure and building of** an additional floor (3rd floor) which will host 4 General Wards comprising of 120-beds, OPD for Super Specialists, ICU for Neurology, Multi-purpose hall and additional admin infrastructure.

Impact Assessment of the Project

(I) TMC

- With the TMC project, the commitment is to improve significantly the infrastructure of the hospital, ensure consistent functioning so as to provide quality care to needy patients.
- The new building will be able to cater to 4,000 OPD patients at a given point in time. The annual patient load is projected to increase to 100,000 and admission to 40,000 by 2030. Each year more than 500,000 patients will attend the hospital and by the end of 2030 with an annual increase of 9 %, the number of cancer patients will be more than 1 million.

(II) BAVP

- With the BAVP project, the commitment is to improve significantly the infrastructure of the hospital, ensure consistent functioning so as to provide quality care to needy patients.
- The additional floor will be able to add 120 more beds and thereby serve approximately 175,000 more patients annually.

B. Need for Education in the current scenario

Children and youth are the future of the nation. For an emerging and developing country like India, development of underprivileged children and youth holds the key to the progress of the nation itself.

Further, Education plays an important role in development of an individual's career. It is both the means as well as the end to a better life: the means because it empowers an individual to earn his/her livelihood and the end because it increases one's awareness on a range of issues – from healthcare to appropriate social behaviour to understanding one's rights – and in the process help him/her evolve as a better citizen.

Education is the most effective tool which helps children and youth to build a strong foundation; enabling them to free themselves from the vicious cycle of ignorance, poverty and diseases.

Considering the above, the Company had decided to focus on education to underprivileged students.

What BKT proposes to do for Education?

Education has been one of the core agenda of the CSR initiative of BKT. BKT intends to sponsor the education of the needy and underprivileged children and students by providing merit-based scholarships. The Company also intends to undertake activities

Annexure - II(i) (Contd.)

to improve the facilities at the schools, colleges or universities. Providing support to under construction schools, colleges or universities, providing / sponsoring drinking water facility or sanitisation facilities in the schools, colleges or universities assistance in providing training programmes to the teachers, etc.

It has been observed that till date, the quality of education even in best schools is sub-standard and there are limited opportunities for children. Education has been a top priority for various Governments since Independence, but little has changed in terms of quality outcomes for the 'have-nots'. Therefore, the Company intends to endeavor to work in the direction of providing quality education in India so that the youth in India can live a better future.

Self-Execution of Project or by Partnering with an NGO / Implementation Partner

The CSR Committee deliberated on various options as regards whether the Company should execute the project for promotion of education by itself or should it partner with an NGO. After considering various factors like availability of reliable implementation partner, cost and efforts required for execution of the Project, available expertise to implement the project etc., the CSR Committee decided to go ahead and partner with an NGO / Implementation Partner.

In order to achieve its CSR vision of Promotion of Education and in alignment with its CSR Policy, the Company has identified and decided to partner with Mukhtangan Education Trust (hereinafter referred to as 'the Foundation') for providing quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators of the Gokhale Road South - Mumbai Public School, in the city of Mumbai, Maharashtra.

Why the Company wants to support Mukhtangan Education Trust

Before finalising on Mukhtangan Education Trust as the Implementation Partner, the CSR Committee has carried out a due diligence based on various criteria viz. Identity and Image, Capability, Competence and Track Record of the Foundation, Management, Transparency, Financial Capability, etc.

The summary of the conclusion drawn from the due diligence of Mukhtangan Education Trust is as under-

• Identity and Image

- Mukhtangan Education Trust is a registered public charitable trust established in the year 2003 at Mumbai with the purpose to deliver quality education to the underserved communities of Mumbai.
- Over the last 18 years Mukhtangan has evolved into a Hub and Spokes model of a Teacher Education Centre and 7 English-medium Mumbai Municipal schools from Preschool to Grade 10, set up and run by us with its unique design, all located in Mumbai's G South ward where they offer child-friendly education to over 3,700 children from underserved communities.

• Capability, Competence and Track Record

- In 2002-03, Mukhtangan started its education initiative by training 7 community women as teachers to teach 25 preschool children from their own community. Since then community members, especially parents, are involved very actively in our programme. They enthusiastically participate in all Mukhtangan events, parent-teacher-meetings (PTMs) adding upto 8 to 10 times a year and stand with us as one of our strongest pillars.
- Researchers from local as well as international universities research and advocate their programme and its practices.
- The Mukhtangan model has been proving to be an opportunity for all our educational practitioners to become, not just school or teacher educators, but rather "field level facilitators" of this larger goal.
- To date, Mukhtangan has provided livelihoods and vocational development to 800+ community members (mostly women) who have been trained in our pre-service teacher education center, 600 of whom are employed as teachers and teacher educators in their schools.
- Since all their students and teachers come from the same socio-economic background, they share a deep bonding with each other.
- Collectively, the community model is recognised as the "Mukhtangan Educational and Resource Centre" (MERC).
- Mukhtangan is now actively engaged in teacher education and schooling and is widely recognised for sharing its learnings to government, academic institutions and researchers.

Annexure - II(i) (Contd.)

- Through outreach initiatives and partnerships with local and state government, NGOs, academic institutions both local and international, they have reached out to 72,000+ children and 5,000+ teachers and teacher educators across India.

- **Management**

- Muktangan is run by Trustees lead by Sunil Mehta, Elizabeth Mehta, Vijaya Chauhan, Farida Bathena and Ashok Shah.
- It also has a strong advisory board comprising of Sean Sovak, Shalini Randery, Rajan Mehra, Maithili Parekh, Vivek Asrani, Donald Lobo and Rajesh Gupta.
- Its executive team is lead by Dymphena Das and Keshav Satose.

- **Transparency**

The management of the Foundation has agreed to provide fund utilisation report as regards the utilisation of the project and also annual report on the said project.

Over the years, GuideStar India has consistently awarded Muktangan the Platinum Seal (Champion Level), the highest certification for transparency & public accountability.

- **Financial Capability**

The Foundation has a good track record. It is also registered with the Income-tax Department for eligibility for deduction under section 80G.

Considering the above, the Company intend to support Muktangan Education Trust **for providing quality, holistic, inclusive education to the students** as well as in service teacher education to the teachers and teacher educators of the Gokhale Road South - Mumbai Public School, in the city of Mumbai, Maharashtra.

Implementation of Muktangan Project by the Company

The Company will make contribution of ₹ 2.11 Crores towards the Project to the Foundation to provide quality, holistic, inclusive education to the students as well as in service teacher education to the teachers and teacher educators of the Gokhale Road South - Mumbai Public School, in the city of Mumbai, Maharashtra.

The Company will ensure that the funds are utilised for the furtherance of the stated objective of the Project. The representatives / Directors / employees of the Company apart from receiving progress reports from the Foundation and reviewing the same, may also visit the premises of the Project and inspect the progress of the Project and also to give their suggestions / inputs for betterment of the Project.

Impact Assessment of the Muktangan Education Trust

With the current project, for the provision of quality, holistic, inclusive education to the students and in-service teacher education to the teachers and teacher educators. The education will be provided to around 500 students ranging from pre-school to Grade 10 of Gokhale Road South Mumbai Public School.

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2022

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

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

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

Based on my verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company, which were provided to me electronically and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the period covering the financial year ended on 31st March, 2022 (hereinafter referred to as "audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share based Employee benefits and Sweat Equity) Regulations, 2021; - *Not applicable to the Company since it has no Employee Stock Option Scheme / Employee Stock Purchase Scheme;*
 - (e) The Securities and Exchange Board of India ((Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - *Not applicable to the Company*
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; -- *Not applicable to the Company during the year under review;*
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -- *Not applicable to the Company since it has not bought back any securities during the year under review;*
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annexure - III (Contd.)

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

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

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

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

I further report that the Company has during the period under review

- (i) borrowed moneys to the extent of Rs.200 crores by way of Loan from State Bank of India and has created a charge on the whole of the Current Assets of the Company both present and future;
- (ii) issued 5000 Rated Listed Unsecured Redeemable Non-Convertible Debentures (NCDs) of face value of Rs. 10 Lakh each aggregating to Rs. 500 Crores on private placement basis, for funding the capital expenditure.
- (iii) The Company has successfully commenced commercial production of the Brown Field Expansion and Debottlenecking Project at BHUJ Plant on 4th March 2022, resulting in increased production of tyres up to 50,000 MTPA. The complete ramp-up in production is expected to be achieved by September, 2022.

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : Navi Mumbai
Date: May 13, 2022.

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

Membership No. FCS-1182
C P No.8131
PR No 1353/2021
UDIN: F001182D000314429

Annexure A

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

My Secretarial Audit Report for the financial year ended 31st March, 2022 of even date is to be read along with this letter.

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

Place : Navi Mumbai
Date: May 13, 2022

G.B.B. Babuji
Company Secretary in Whole-time Practice
Membership No. FCS-1182
C P No.8131
PR No 1353/2021
UDIN: F001182D000314429

Annexure - IV

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

A. CONSERVATION OF ENERGY:

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

As a responsible organisation, your Company has been constantly taking measures for the conservation and optimal utilisation of energy in all areas of operations at the Company's Plants and effective usage of sources/ equipment used for generation. Within the Company, there are continuous efforts towards improving operational efficiencies, minimising consumption of natural resources and reducing water, energy & CO2 emissions, Following are initiatives taken at different factory locations are as detailed below:

- Conversion of boiler fuel from petcoke to steam coal and from furnace oil to Light Diesel oil (LDO) to control the emission.
- Reduction in Specific Thermal Energy.
- Installation of VFD at various mills, pumps and fans, conversion of mixer motors from DC to AC, Waste heat recovery at various locations.
- PNG fired boiler commissioned in place of coal fired boilers.
- Installation of new energy efficient pump with reduced rating in place of old conventional pumps (7 Nos.).
- 4 X 24 W-96 W FTL street light fitting replaced with 60W LED fitting.
- Installed VFD's in WTP high pressure pumps which is saving nearly 1000 KWH of power per day.
- Have completed a project on energy conservation in HVAC system by replacing the existing centrifugal fan of one AHU (capacity 19000CFM) with EC fan (IE5 motor).

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

- 1 Rooftop solar power plant is set up to use renewable energy at Chopanki Plant and Bhuj Plant (1 MW)
- Utilisation of Wind energy as alternate source by generating approximately is 60 Lakhs Kwh in 2021-22 at Bhiwadi Plant.

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

- The Company had made investment in PNG fired boiler and Energy efficient pumps, installed 30kw VFD for Uzermakina press power pack, Flap press Start/stop on pre-set frequency through VFD, LED lights of 20 Watt fixed in TTC lab in place of CFL lights.

B. TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption:

Continuous efforts were being made towards technology absorption by following methods:

- Development of Ultra Giant Tires.
- Installed Tail Gas Boiler which is entirely based on utilising energy from off gas generated from carbon pant.
- Installed Auto turn up machines in Bias Plant, Installed Auto turn up machines in Radial Plant for 32" to 50" Agri radial sizes, Installed Auto turn up machines in Radial Plant for 20" to 24" sizes.
- Radiation fins installed on product conveyors for online product cooling,
- Installed online moisture detector of oil in DCS to detect oil adulteration, Installation of oil tank gauging system.
- Installation of oil tank gauging system.
- Installed Auto packer for paper bag packing.

Annexure - IV (Contd.)

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
- Product Quality & Productivity and Process Improvement,
 - Error proofing and no manual intervention
 - Product fire safety and packing efficiency improved by 15%
 - Instant stock position of oil in DCS
 - Fatigue reduction of tyre builders, quality consistency
 - Compound Development
 - Bladder Life Improvement.
 - Cost Effectiveness
 - Tail Gas Boiler generates high pressure steam which is used for power generation and hence overall coal consumption has reduced
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil
- (a) the details of technology imported; Not applicable.
 - (b) the year of import; Not applicable.
 - (c) whether the technology been fully absorbed; Not applicable.
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable.
- (iv) the expenditure incurred on Research and Development: ₹ 4,261 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: (₹ IN LAKHS)

- a. Foreign Exchange Outgo: ₹ 3,76,353 Lakhs
- b. Foreign Exchange earned (FOB Basis): ₹ 6,16,140 Lakhs

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 13th May, 2022

ARVIND PODDAR
Chairman & Managing Director

Annexure - V

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

- (I) Ratio of the remuneration of each Whole Time Directors to the median remuneration of the employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each Key Managerial Personnel (KMP) against the performance of the Company as under:

Sr. No.	Name of the Director/KMP	Designation	Ratio of the remuneration of each Whole Time Director to the median remuneration of the employees of the Company	Percentage increase in remuneration
1.	Mr. Arvind Poddar	Chairman & Managing Director	819	21
2.	Mr. Rajiv Poddar	Joint Managing Director	798	19
3.	Mr. Vipul Shah	Director & Company Secretary	14	9
4.	Mr. Madhusudan Bajaj#	President (Commercial) & CFO	NA	NA

#Mr. Madhusudan Bajaj was appointed and re-designated as President (Commercial) & CFO at the Board Meeting of the Company held on 24th September 2020. His % increase in remuneration has not been calculated as he has worked only for part of the year (in 2020-21).

- (II) The percentage increase/(decrease) in median remuneration of employees in the financial year 2021-22 is (1.76%).
- (III) There were 3,229 employees as on 31st March, 2022.
- (IV) Average percentage increase already made in the salaries of employees was 11% other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration is 20%.
- (V) It is hereby affirmed that remuneration paid is as per the remuneration policy of the Company.
- (VI) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration (Sitting Fees) of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 13th May, 2022

ARVIND PODDAR
Chairman & Managing Director

Annexure VI

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

In terms of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, this Business Responsibility Report of the Company for the financial year 2021-22 forms part of the Annual Report.

This Business Responsibility Report (BRR) of the Company is in line with principles of National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business as notified by the Ministry of Corporate Affairs (MCA), Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L99999MH1961PLC012185
2.	Name of the Company	Balkrishna Industries Limited
3.	Registered address	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431136 – Maharashtra.
4.	Website	www.bkt-tires.com
5.	E-mail id	shares@bkt-tires.com
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code – 22119 – Manufacture of rubber tyres and tubes NIC Code - 1920- Manufacture of Carbon Black
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company manufactures rubber tyres, tubes and Carbon Black.
9.	Number of locations where business activity is undertaken by the Company Company's International Locations are at USA, Canada & Italy.	
	i. Number of International Locations (provide details of major 5)	Company's International Locations are at USA, Canada & Italy.
	ii. Number of National Locations	Corporate office at Mumbai + Five Tire manufacturing locations (Two in Rajasthan, One in Gujarat & Two in Maharashtra). In addition to this One Mould unit in Maharashtra, One Carbon Black unit in Gujarat and One Wind Power unit in Rajasthan for Captive use.
10.	Markets served by the Company	The Company sell its products all over India as well as over 160 countries (including India) worldwide through its distributor network

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	₹ 3,866 Lakhs
2.	Total Turnover (₹)	₹ 8,26,671 Lakhs
3.	Total profit after taxes (₹)	₹ 1,41,069 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Total Obligation for CSR Expenditure during the financial year 2021-22 is ₹ 2,478 Lakhs , which constitute 2% of the average net profits of the last three financial years. The Company had identified various CSR projects having a total commitment of ₹ 2,492 Lakhs and had spent an amount of ₹ 2,489 Lakhs till March, 2022, The Company has spent amount exceeding ₹ 10 Lakhs for 2021-22.
5.	List of activities in which expenditure in 4 above has been incurred:-	On Healthcare, Education and Rural Development

Business Responsibility Report (Contd.)

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
Yes, the information of list of subsidiaries is given in Annexure – I to the Director's Report.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
No. The subsidiary companies do not participate in the BR activities of the parent Company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No. Other entities do not participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	DIN Number	Designation
Mr. Pannkaj Ghadiali	00003462	Chairman of BR Committee, Independent Director
Mr. Sandeep Junnarkar	00003534	Member
Mr. Arvind Poddar	00089984	Member
Mr. Rajiv Poddar	00160758	Member

- Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00003462
2.	Name	Mr. Pannkaj Ghadiali
3.	Designation	Independent Director
4.	Telephone number	022-66663800
5.	Email id	pannkaj@pcghadiali.com

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

- Details of Compliance

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report (Contd.)

Sr. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

NOT APPLICABLE

3. Governance related to BR

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

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

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

Yes, the Company publishes BRR annually. The weblink for viewing the report is <https://www.bkt-tires.com/en/investors-desk>.

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

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

No, the policy relating to ethics, bribery and corruption covers all employees and business associates. The Company believes in conducting all affairs of its constituents in fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower and Vigil Mechanism Policy enables stakeholders, including Directors and employees to freely communicate their concerns about illegal or unethical practices, actual or suspected fraud and to report genuine concerns and grievances. Also, there is a well-defined Supplier Code of Conduct which clearly lays down our expectations in line with the organisation's principles and ethical values.

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

During the year, the Company has not received any complaints related to unethical practices across all its operations. We have laid down a structured process for reporting on any complaints related to violation of Code of the Company.

Business Responsibility Report (Contd.)

Principle 2: Sustainable products and services.

- List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

The Company makes a constant effort to incorporate social and environmental concerns while developing products by removing SOHS (substance of high concern) from the compound. All products manufactured are designed to protect environment/social concern. The Company has obtained REACH SVHC (Substance of very high concern) compliance certificate for all the products manufactured.

- For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.
 - Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company is focused on optimizing resource utilisation in the manufacturing of products thereby resulting in reduction for consumption of resources in a sustainable manner. The reduction in resource consumption is mentioned below:

Parameter	2019-20	2020-21	2021-22
Raw Material (kg /100 kg production)	101.23	100.93	100.53
Energy (KWH / MT of production)	974	953	888
Water (KL / MT of production)	4.30	3.90	3.33

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

Yes. The Company use energy & water during manufacturing of tires. However, efforts are made to reduce the consumption by different ways.
- Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes, the Company has established a detailed process for procurement of materials in collaborating with suppliers and vendors. Majority of the business involves product exports and it is crucial to meet the international quality requirements. Regular audits are conducted at the suppliers' facilities to verify compliance to ISO 9001 and ISO 14001 certification. If the supplier does not meet the expectations, then they are suggested measures for improving performance. Carbon is a major raw material and now approximately 75% of this requirement is met from within our plants.

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

Yes, the sourcing of goods from local and small vendors is conducted whenever feasible. All consumables and few essential spare parts are procured from local vendors in respective plants. In order to enable vendors to meet quality norms and standards, they are subjected to regular audits. Some of the parameters that the suppliers are assessed on are quality manuals, appropriate documentation, testing procedures, operation controls, packaging standards, labeling, internal quality audits, environment management among others. During these audits and vendor meets, they are made aware of our business practices and the Company makes suitable recommendations to them.

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

Yes, the Company understands the role of recycling in protecting the environment and have mechanisms in place to recycle the waste generated. Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) are installed at all the manufacturing facilities which decreases the dependency on the raw water or ground water, further helping in cost savings. The wastewater is recycled and used in horticulture around our sites and regular monitoring and maintenance of water treatment is also carried out.

The Company also undertakes reuse of materials in our process. The reclaimed rubber is sent for further processing as per technical specifications. In order to minimise the process waste like work-away at extruders, 3-roll calendar, mixing, online recycling is practiced at our facilities. Strict adherence to the waste disposal norms is followed and the reject product and spent oil is sent to the PCB approved vendors. The polythene used for covering the green tires & carcasses are sold to authorised re-sellers from where this polythene is re-used for making plastic granules.

Business Responsibility Report (Contd.)

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

- Please indicate the Total number of employees – 3,229
- Please indicate the Total number of employees hired on temporary/contractual/casual basis -6,578
- Please indicate the Number of permanent women employees - 39
- Please indicate the Number of permanent employees with disabilities - NIL
- Do you have an employee association that is recognised by management?
Yes, there is an employee association in place at the Plants in Aurangabad, Maharashtra.
- What percentage of your permanent employees is members of this recognised employee association?
33% of the permanent employees at the Aurangabad Plants are members of this recognised employee association.
- Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

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

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

- Has the Company mapped its internal and external stakeholders?
Yes, The Company has identified and mapped all its key internal and external stakeholders and same are listed below:
Internal Stakeholder: Employees, Board of Directors
External Stakeholder: Suppliers, Distributors, Vendors, Customers, Communities, Investors and Government Regulators.
- Has the Company identified the disadvantaged, vulnerable, and marginalised stakeholders?
Yes, the Company has in collaboration with its Implementation Partners undertaken various initiatives in the area of education, healthcare and rural development for the disadvantaged, vulnerable and marginalised stakeholders.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.
Yes, the Company engages with the disadvantaged, vulnerable and marginalised stakeholders on a regular basis.
The Company has taken various community initiative programs, supported Covid-19 relief activities (Oxygen plants/ tanks, Bed sheets, PPE kits, etc in hospitals and needy people), supported in serving 2 Lakhs meals to COVID-19 patients and their relatives, supported education of the needy students by providing scholarships, mid-day meals, etc.

The Company has also contributed for capacity building of teachers for holistic integrated teacher and school education. The education has been provided to around 500 students ranging from pre school to Grade 10 at Gokhale Road South Mumbai Public School, Mumbai.

It has supported various hospitals towards the renovation, restructuring and expansion of the infrastructure- viz. Tata Memorial Centre, Mumbai, Dr. Babasaheb Ambedkar Vaidyakiya Pratishtan, Aurangabad, Dr. R N Cooper Municipal General Hospital.

Business Responsibility Report (Contd.)

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?

Our Company respects and values employees and actively works to develop a culture, which respects and supports human rights at the workplace as well as outside the organisation. A Human Rights Policy has been developed which extends to all employees, suppliers, vendors and relevant stakeholders. It discourages practices that are in violation of human rights. The Supplier Code of Conduct also lays down parameters to ensure protection of human rights across the value chain.

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

There have been no complaints with regards to human rights violations in the past financial year. The Company have stringent mechanisms to monitor human right violations, the Company's policy like Whistle-Blower and Prevention of Sexual Harassment provides a channel to stakeholders to communicate any human right violation. The Company strives to provide a safe and worry-free environment to all employees and business associates.

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

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

The Company lays high importance to sustainability and is committed to a greener future for our business and society. An Environment policy has been developed to implement sustainable business practices across operations. This policy is applicable to employees, suppliers, business associates and other relevant stakeholders. In addition to this, our value chain partners are encouraged to adopt Environment Management Systems thus promoting environmental responsibility.

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

The Company was the first tire company to adhere to REACH compliance environmental requirement of European union. The Company is focused on improving environmental practices and performance to mitigate climate change. Several initiatives have been undertaken towards reducing the environmental footprint at the manufacturing sites. The Use of low Sulphur alternate fuel for steam generate and Condensate Recovery system in Boiler for energy generation are some measures to improve our performance. Treatment of wastewater from our plants is closely monitored and all our plants are certified zero liquid discharge facilities. There has also been extensive plantation programs of around 1 Lakhs trees at the Bhuj site.

3. Does the Company identify and assess potential environmental risks?

The Company identifies the risks that can impact the business operations and affect the Company's future growth. All plants identify environmental risks through ISO 14001 certifications that helps in developing mitigation strategies and take appropriate actions.

Bhiwadi and Chopanki plants have switched over from coal fire boilers to gas fire boilers which has substantially reduced SO_x and NO_x parameters.

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

Yes, the Company has installed a wind farm which is connected to State Electricity Grid to the west of Jaisalmer, Rajasthan. This wind farm has 4 wind turbine generators with a total capacity of 5 MW. The power generated by the turbines will be provided to the Jaipur Vidyut Vitaran Nigam Limited (JVVNL) as per the 20-year Wheeling and Banking agreement.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, Apart from Item no. 4 above the Company undertakes measures to reduce energy consumption through vigilant energy management and adoption of renewable technologies. Some of the initiatives carried out are mentioned below:

- 1 MW rooftop solar power plant to use renewable energy at Chopanki & Bhuj Plant;
- Use of VFDs in major motors to reduce energy consumption;

Business Responsibility Report (Contd.)

- Audits to correct air leakage at compressor plant;
 - 100% recycling of wastewater from sites;
 - 33% of land at Bhuj plant converted into a green belt;
 - The Company has installed Gas fired boiler at Bhiwadi & Chopanki through which the Emissions have further reduced substantially.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
- Yes. All the emissions generated as a result of our business activities are within the limits prescribed by the State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
- There is no pending show cause notices received from CPCB or SPCB as on 31st March, 2022.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.
- The Company is a member of the following institutions:
- All India Rubber Industries Association (AIRIA)
 - Bombay Chamber of Commerce & Industry (BCC & I)
 - Chemical and Allied Export Promotion Council of India (CAPEXIL)
 - Federation of Indian Export Organisation (FIEO)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).
- A matter pertaining to levy and collection of Social Welfare Surcharge (SWS) was taken up with the Ministry of Finance, Department of Revenue, Government of India through FIEO on 21st October, 2021. The Government of India, Ministry of Finance, Department of Revenue (Tax Research Unit) clarified the matter through Circular No. 3/2022 – Customs dated 1st February, 2022. The SWS is not being charged.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
- Yes, the Company has various programmes in the area of education, healthcare and rural development in pursuit of the CSR Policy.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?
- The various projects are undertaken in the area towards education, infrastructure support, health care which includes Covid Relief activities and helped underprivileged children and women by providing nutrition supplements etc. In-house projects are conducted as well as collaboration with NGOs, foundations, educational institutes, hospitals and various other external agencies for different projects depending on their ground presence, relevant experience and organisational strength. Some of the NGOs, foundations and other partners for our CSR programs are mentioned below :
- Tata Memorial Centre, Mumbai, - The Akshay Patra Foundation, Bangalore, - Swasthya Vidhya Foundation, Mumbai, R Kabra Charitable Trust, Mumbai, - Muktangan Education Trust, Mumbai, - R N Cooper Hospital, Mumbai, White Desert Mahamaya Trust, Bhuj, Shree RadhaKrishna Gashala Charitable Trust, Bhuj.

Business Responsibility Report (Contd.)

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

Yes, the Company has done impact assessment of the projects to understand the benefit of the overall society as a whole. Report on Impact Assessment forms part of Annual Report under Annexure II(i).

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

The Company through its various projects, has contributed in multiple ways for community development projects. For instance-

- It has undertaken various community initiative programs in Bhuj (near its factory) towards education, infrastructure development etc.
- The Company has taken various community initiative programs, supported Covid-19 relief activities (Oxygen plants/ tanks, Bed sheets, PPE kits, etc in hospitals and needy people), supported in serving 2 Lakhs meals to COVID-19 patients and their relatives, supported education of the needy students by providing scholarships, mid-day meals, etc.
- The Company has also contributed for capacity building of teachers for holistic integrated teacher and school education. The education has been provided to around 500 students ranging from pre school to Grade 10 at Gokhale Road South Mumbai Public School, Mumbai.
- It has supported various hospitals towards the renovation, restructuring and expansion of the infrastructure- viz. Tata Memorial Centre, Mumbai, Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad, R.N. Cooper Hospital, Mumbai

The Total amount spent for community development project for financial year 2020-21 is ₹ 2,478 Lakhs.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

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

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

The Company has a customer-centric approach which is regulated by sound accountability, governance structure and process in each of our commercial ventures. We aim to enhance our earning power and create value for our stakeholders.

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

Six consumer complaints are pending, as on end of 31st March, 2022.

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

Yes, the Company displays all the relevant information on the product in the highest mandated standards by law of land. For awareness, transparency and safety, barcodes are applied for each product for authenticity and better tracing to avoid counterfeiting of product.

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

NIL, to ensure transparent working methodology we have designed policies and developed a working culture towards ethical practices. The Company does not have any cases pending or filed cases against us for unfair trade practices, irresponsible advertising and anti-competitive behavior.

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

No, there was no such survey carried out.

Corporate Governance Report

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business, it also can be presented as the combination of rules, processes or laws by which businesses are operated, regulated or controlled. The term encompasses the internal and external factors that affect the interests of the Company's stakeholders, including shareholders, customers, suppliers, government regulators and management. Corporate Governance ensures transparency which ensures strong and balance economic development. This also ensures that the interest of all shareholders (Majority as well as Minority shareholder) are safeguarded. Corporate Governance affects the operational risk and hence, sustainability of a corporation. It influences how the objectives of the Company are set and achieved, how risk is monitored & assessed and how performance is optimised.

Core fundamentals of Corporate Governance includes transparency, accountability, reporting and independence. Corporate Governance extends beyond corporate law. Its fundamental objective is not mere fulfillment of the requirements of the law but in ensuring commitment of the Board in managing the Company in transparent manner by involving ethics for maximizing long-term shareholder value. It is a structure and the associations which governs corporate direction and performance. The Board of Directors have dominant role in Corporate Governance. It ensures to enhance shareholders' value and protect the interests of other stakeholders by improving the Corporate performance and accountability.

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

Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour of ethical and transparent business operations. Balkrishna Industries Limited has over the years followed best practices of Corporate Governance by adhering to practices of trusteeship, transparency and accountability. As a global organisation, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a Global leader while upholding the core values of Quality, Trust, Leadership and Excellence. The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. In addition to compliance with regulatory requirements, Balkrishna Industries Limited endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46, read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Companies Act, 2013 ("the Act") as applicable, with regard to Corporate Governance.

GOVERNANCE STRUCTURE

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

- a. Board of Directors: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- b. Committees of the Board: The Board of Directors has constituted various Board's Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board's Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. These Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of these Committee meetings are placed before the Board for noting.

2. COMPOSITION OF THE BOARD OF DIRECTORS:

- i. As on 31st March, 2022, the Company has Eight Directors. Out of the Eight Directors, Three are Executive Directors and Five (more than 62%) are Non- Executive Directors of which Four (50%) are Independent Directors including one - woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds Directorships in more than seven listed entities during the year 1st April, 2021 to 31st March, 2022. Also no Independent Director serves as an Independent Director in more than

Corporate Governance Report (Contd.)

seven listed entities, and Whole-time Director, Managing Director and Joint Managing Director of the Company doesn't serve as an Independent Director in any listed entity.

Further none of them is a member of more than ten committees or chairman of more than five committees across all the Public Companies in which they are Director.

- iii. Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The tenure of the Independent Directors is in compliance with the provisions laid down under Section 149(10) of the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. Based on the declarations received from the Independent Directors, the Board has confirmed that all the Independent Directors of the Company meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.
- iv. During the financial year 2021-22 the Board of Directors met Six times i.e. 14th May, 2021; 6th August, 2021; 25th September, 2021; 11th November, 2021; 14th February, 2022 and 30th March, 2022. The gap between two meetings did not exceed one hundred and twenty days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards on the Meeting of Board of Directors issued by The Institute of Company Secretaries of India.
The necessary quorum was present for all the meetings.
- v. In case of business exigencies, the Board's approval is taken through circular resolution/s.
The circular resolution/s are noted at the subsequent Board Meeting.
- vi. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2021-22 and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2022 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of Listing Regulations.

Name of the Director	Category of Director	Board Meetings Attended	Whether attended last Annual General Meeting	No. of Directorships held in other public companies as on 31st March, 2022	No. of Committee positions held in other public companies as on 31st March, 2022	
					Member	Chairman
Mr. Arvind Poddar DIN: 00089984	Chairman & Managing Director	6/6	Present	-	-	-
Mr. Rajiv Poddar DIN: 00160758	Joint Managing Director	6/6	Present	-	-	-
Mrs. Vijaylaxmi Poddar DIN: 00160484	Non-Executive Non-Independent Director	6/6	Present	-	-	-
Mr. Vipul Shah DIN: 05199526	Director & Company Secretary	6/6	Present	-	-	-
Mr. Pannkaj Ghadiali DIN: 00003462	Non-Executive Independent Director	6/6	Present	#1	1	-
Mrs. Shruti Shah DIN: 08337714	Non-Executive Independent Director	6/6	Present	#3	1	-
Mr. Rajendra Hingwala DIN: 00160602	Non-Executive Independent Director	6/6	Present	#2	-	-
Mr. Sandeep Junnarkar DIN: 00003534	Non-Executive Independent Director	6/6	Present	#2	2	-

Names of the listed entities and the category of directorship where the person is a Director in other Listed Companies.

Corporate Governance Report (Contd.)

Name of the Director	Directorship in Other Listed Entity and Category of Directorship	
	Names of the Listed Entities	Category of Directorship
Mr. Pannkaj Ghadiali	• Goldiam International Limited	Non-Executive Independent Director
Mrs. Shruti Shah	• Kalyani Steels Limited • Kalyani Investment Company Limited • Jai Corp Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
Mr. Rajendra Hingwala	• DEN Network Limited	Non-Executive Independent Director
Mr. Sandeep Junnarkar	• Reliance Industrial Infrastructure Limited	Non-Executive Independent Director

- vii. The Board comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees.

The following list summarises the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess:

Global Business	Experience in driving business success / dynamics in markets around the world and understanding across various geographical markets, industry verticals and regulatory jurisdictions.
Leadership	Leadership experience resulting in understanding of organisations, processes, strategic planning, strategic choices and experience in guiding and leading management teams to make decisions and risk management.
Sales and Marketing	Developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation.
Financial	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a financial officer, controller, auditor or person performing similar functions.
Technology	A significant background in technology, resulting in knowledge to create new business models.
Governance	Developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Understanding of industry & operations	Understanding of tire, rubber & carbon black industry and its operations.

KEY SKILLS, EXPERTISE AND COMPETENCE

Name of Director	Global Business	Leadership	Sales and Marketing	Financial	Technology	Governance	Understanding of industry and operations
Mr. Arvind Poddar	√	√	√	√	√	√	√
Mr. Rajiv Poddar	√	√	√	√	√	√	√
Mrs. Vijaylaxmi Poddar	√	√	√	√	-	√	√
Mr. Vipul Shah	√	√	-	√	-	√	√
Mr. Pannkaj Ghadiali	√	√	-	√	√	√	-
Mrs. Shruti Shah	-	-	-	√	-	√	-
Mr. Rajendra Hingwala	-	√	-	√	-	√	-
Mr. Sandeep Junnarkar	-	-	-	-	-	√	-

Information placed before the Board

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

Corporate Governance Report (Contd.)

Post Meeting Mechanism

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

Board Support

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

Compliance with the Code of Conduct

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

The Chairman & Managing Director has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2021-22.

Prohibition of Insider Trading

The Code of Conduct for Regulating, Monitoring and Reporting of trading by Designated Persons ("the Code") is applicable to Promoters and Promoter's Group, Key Managerial Personnel, all Directors and such Designated Persons including Connected Persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Vipul Shah is the Compliance Officer for monitoring adherence to the said Regulations. During the financial year under review, there has been due compliance with the said code.

This above mentioned Code is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk>.

viii. Number of shares and convertible instruments held by Non-Executive Directors:

Shares held by Non – Executive Director as on 31st March, 2022:

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

The Company has not issued any convertible instruments.

ix. Disclosure of relationship between Directors inter-se:

Mr. Arvind Poddar, Mrs. Vijaylaxmi Poddar and Mr. Rajiv Poddar are relatives of each other.

None of the other Directors are related to any other Director on the Board.

x. Familiarisation programme for Independent Directors:

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

3. MEETING OF INDEPENDENT DIRECTORS:

Pursuant to Schedule IV to the Act and Regulation 25(3) & (4) of the Listing Regulations, the Company's Independent Directors meeting for the Financial Year 2021-22 was held on 30th March, 2022 inter alia to:

1. Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

Corporate Governance Report (Contd.)

- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting. Mr. Pannkaj Ghadiali was unanimously elected as the Chairman of the said meeting of Independent Directors.

4. COMMITTEES OF THE BOARD:

The Board has constituted the following Committees viz, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Business Responsibility and Sustainability Committee, Finance Committee and Risk Management Committee. Each of the said Committees has been mandated to operate within a given framework.

I. AUDIT COMMITTEE:

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Act, as applicable, besides other terms as referred by the Board of Directors.

The terms of reference of Audit Committee, inter alia consists:

- To review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
- To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- To Evaluate internal financial controls and risk management systems;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process.

The scope of activities of the Audit Committee is prescribed in Part C of Schedule II of Listing Regulation and Section 177 of the Act read with rules made thereof.

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

The Committee met four times during the financial year 2021-22. The meetings were held on 14th May, 2021, 6th August, 2021, 11th November, 2021 and 14th February, 2022. The maximum gap between two meetings was less than one hundred and twenty days.

COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE:

The Committee was reconstituted on 6th August, 2021 as below:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	4/4
Mr. Rajiv Poddar*	Joint Managing Director	Member	2/2
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	4/4

* Mr. Rajiv Poddar has resigned from the committee w.e.f. close of business hours of 6th August, 2021.

All the members are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Pannkaj Ghadiali (Chairman), Mrs. Shruti Shah and Mr. Rajendra Hingwala are Chartered Accountants. The Director & Company Secretary, Mr. Vipul Shah, acts as the Secretary of the Committee. President (Commercial) and CFO, Senior Deputy General Manager (Accounts), Senior Deputy General Manager (Finance), Deputy General Manager (Audit), Statutory Auditors and the Internal Auditors of the Company are permanent invitees to the Audit Committee Meetings.

Mr. Pannkaj Ghadiali, Chairman of the Audit committee, attended the Annual General Meeting of the Company held on 30th June, 2021.

Corporate Governance Report (Contd.)

II. NOMINATION AND REMUNERATION COMMITTEE:

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

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

1. Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the directors, Key Managerial Personnel and senior management personnel;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Discuss on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
5. Recommend to Board all remuneration in whatever form payable to Senior Management.

The committee met three times during the financial year 2021-22. The meetings were held on 14th May, 2021, 10th November, 2021 and 30th March, 2022.

COMPOSITION AND MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	3/3
Mrs. Shruti Shah	Non - Executive Independent Director	Member	3/3
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	3/3
Mr. Rajendra Hingwala	Non - Executive Independent Director	Member	3/3

Mr. Pannkaj Ghadiali, the Chairman of the Nomination and Remuneration Committee, attended the Annual General Meeting of the Company held on 30th June, 2021.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board read with relevant provisions of Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of Independent Directors and the Board as a whole. Separate Independent Directors meeting for the Financial Year 2021-22 was held on 30th March, 2022.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated in their meeting held on 30th March, 2022. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A structured questionnaire (as per SEBI Guidance Note) was circulated to the members of the Board covering various aspects of the Board's functioning, Board's culture, execution and performance of duties, professional obligations and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions, their participation in formulation of business plans, their constructive engagement etc. In addition to the above, the Chairman of the Board/Committee was evaluated on the basis of their leadership, coordination and steering skills.

REMUNERATION OF DIRECTORS:

- a) Remuneration Policy:

The Remuneration Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company. The remuneration policy is in consonance with the existing industry practice. The Nomination and Remuneration Policy is displayed on the Company's website viz <https://www.bkt-tires.com/en/investors-desk>.

Corporate Governance Report (Contd.)

b) Remuneration to Non-Executive Directors:

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

Name of the Director	Sitting Fees (₹ In Lakhs)	Terms of Appointment
Mrs. Vijaylaxmi Poddar	4.00	Retire by Rotation
Mr. Pannkaj Ghadiali	8.25	The term of appointment is for five consecutive years from 8th November, 2017 to 7th November, 2022 as approved by the members in the 56th Annual General Meeting held on 14th July, 2018.
Mrs. Shruti Shah	8.25	The term of appointment is for five consecutive years from 8th February, 2019 to 7th February, 2024 as approved by the members in 57th Annual General Meeting held on 13th July, 2019.
Mr. Rajendra Hingwala	6.25	The term of appointment is for five consecutive years from 28th March, 2019 to 27th March, 2024 as approved by the members in 57th Annual General Meeting held on 13th July, 2019.
Mr. Sandeep Junnarkar	7.50	The term of appointment is for five consecutive years from 28th March, 2019 to 27th March, 2024 as approved by the members in 57th Annual General Meeting held on 13th July, 2019.
TOTAL	34.25	

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

The remuneration of Directors (Executive and Non-Executive)/ Key Managerial Personnel/ Senior Management Personnel was governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders (Directors - Executive and Non-Executive) of the Company. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

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

The details of the remuneration of Directors for the year ended 31st March, 2022 are given below:

(₹ In Lakhs)

Name of the Director	Salary	Perquisites & allowances #	Commission	Total	Service Contract
Mr. Arvind Poddar	300.00	253.89	4000.00	4553.89	1st August, 2021 to 31st July, 2026
Mr. Rajiv Poddar	240.00	201.69	4000.00	4441.69	22nd January, 2019 to 21st January, 2024
Mr. Vipul Shah	32.04	45.77	-	77.81	11th February, 2022 to 10th February, 2027
TOTAL	572.04	420.35	8000.00	9073.39	

#Perquisites and Allowances does not include Contribution to Provident Fund, other Funds and Retirement Benefits to the extent not taxable under Income Tax law.

- Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company.
- Apart from payment of sitting fees, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the year.
- The Notice Period for the Managing /Joint Managing/Whole-Time Director is one month from either side for resigning/terminating from the services of the Company.
- No Severance Fees has been paid or payable by the Company.
- Company does not have Stock Option Scheme and Pension Scheme.

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee has been constituted in compliance with Section 178(5) of the Act and Regulation 20 of Listing Regulations. The said committee deals with all matters related to addressing and resolving

Corporate Governance Report (Contd.)

the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates and reviewing various services rendered by the Registrar & Share Transfer Agent.

The Committee met four times during the financial year 2021-22. The meetings were held on 12th May, 2021, 6th August, 2021, 10th November, 2021 and 14th February, 2022.

COMPOSITION AND MEETINGS OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	4/4
Mr. Vipul Shah	Director & Company Secretary	Member	4/4

Mr. Pannkaj Ghadiali, the Chairman of the Stakeholders' Relationship Committee, attended the Annual General Meeting of the Company held on 30th June, 2021.

During the year, 5 complaints were received which were resolved within stipulated time. There were no complaints pending as on 31st March, 2022.

As at 31st March 2022, there was no Share Transfer pending for Registration for more than 15 days.

COMPLIANCE OFFICER:

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

IV. OTHER COMMITTEES OF THE BOARD:

a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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

- To frame the CSR policy and its review from time to time;
- To recommend to Board an annual action plan in pursuance to CSR Policy;
- To ensure effective implementation and monitoring of CSR activities as per the approved policy, plans and budget;
- To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors.

The Committee met four times during the financial year 2021-22. The meetings were held on 12th May, 2021, 6th August, 2021, 10th November, 2021 and 14th February, 2022.

COMPOSITION AND MEETINGS OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mrs. Vijaylaxmi Poddar	Non-Executive Non-Independent Director	Chairperson	4/4
Mrs. Shruti Shah	Non - Executive Independent Director	Member	4/4
Mr. Rajiv Poddar	Joint Managing Director	Member	4/4
Mr. Vipul Shah	Director & Company Secretary	Member	4/4

Corporate Governance Report (Contd.)

b. Business Responsibility and Sustainability Committee

This Committee observes practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

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

1. To frame Business Responsibility Reporting policy and its review from time to time;
2. To ensure Business Responsibility Reporting is prepared as required by Regulation 34(2)(f) of the Listing Regulations;
3. To ensure effective implementation and monitoring of Business Responsibility Reporting activities. The committee met annually during the financial year 2021-22 on 12th May, 2021.

COMPOSITION AND MEETING OF THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	1/1
Mr. Arvind Poddar	Chairman & Managing Director	Member	1/1
Mr. Rajiv Poddar	Joint Managing Director	Member	1/1
Mr. Sandeep Junnarkar	Non - Executive Independent Director	Member	1/1

The name of Committee has been changed from Business Responsibility Committee to Business Responsibility and Sustainability Committee (BRSC) w.e.f. 14th February, 2022 with reference to the circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10th May, 2021 in order to incorporate the new reporting requirements on ESG (Environment, Social and Governance) parameters called Business Responsibility and Sustainability Report (BRSR).

c. FINANCE COMMITTEE

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

1. To do all acts, deeds related to Forex Related Transactions of the Company (including Derivative Transaction);
2. To open, operate, give instructions for operating, closing or any other instructions in relation to the any of the Bank Account(s), including EEFC Accounts, of the Company and to authorise other officials of the Company to operate and give instructions for operating the Bank Account/s of the Company and consequently add / delete/ modify the list of such authorised signatories;
3. To avail Internet Banking Facility / Online Banking Facility (Including third party payment rights) / view right or access facility from any of the Bank for existing Bank Accounts or New Bank Accounts to be opened in the name of the Company;
4. To invest the surplus funds of the company as and when available not exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is more;

The committee met eleven times during the financial year 2021-22. The meetings were held on 21st May, 2021, 10th July, 2021, 26th July, 2021, 20th August, 2021, 17th September, 2021, 27th September, 2021, 19th October, 2021, 26th October, 2021, 28th October, 2021, 22nd December, 2021 and 21st March, 2022.

COMPOSITION AND MEETINGS OF THE FINANCE COMMITTEE:

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Arvind Poddar	Chairman & Managing Director	Chairman	10/11
Mr. Rajiv Poddar	Joint Managing Director	Member	10/11
Mr. Vipul Shah	Director & Company Secretary	Member	11/11

d. RISK MANAGEMENT COMMITTEE

Risk Management' is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor and control the probability and/or impact of uncertain

Corporate Governance Report (Contd.)

events or to maximise the realisation of opportunities. Risk management also provides a system for setting of priorities when there are competing demands on limited resources. Risk management also attempts to identify and manage threats that could severely impact or bring down the organisation.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Board also approved "Risk Management Report" received from KPMG, consultant of the Company at its Board meeting held on 30th March, 2022, as recommended by the Committee.

The primary objective of Committee is to identify, mitigate, control risk incurred by the Company with a view to prevent unacceptable losses, to provide an effective means of identifying, measuring and monitoring credit exposures incurred by Company and to keep such risk at or below pre-determined levels. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment.

The committee met three times during the financial year 2021-22. The meetings were held on 12th May, 2021, 11th November, 2021 & 30th March, 2022.

COMPOSITION OF THE RISK MANAGEMENT COMMITTEE

Name of the Director	Category of Director	Designation	Meetings Attended
Mr. Pannkaj Ghadiali	Non - Executive Independent Director	Chairman	3/3
Mr. Arvind Poddar	Chairman & Managing Director	Member	3/3
Mr. Rajiv Poddar*	Joint Managing Director	Member	1/1
Mr. Vipul Shah	Director & Company Secretary	Member	3/3
Mr. Madhusudan Bajaj*	President (Commercial) and CFO	Member	1/1

*Risk Management Committee was re-constituted w.e.f. 6th August, 2021. Mr. Rajiv Poddar & Mr. Madhusudan Bajaj resigned from the Committee w.e.f. close of business hours of 6th August, 2021.

5. GENERAL BODY MEETING:

a. Details of the last three Annual General Meetings:

The last three Annual General Meetings (AGM) of the Company were held within the statutory time period and the details of the same are reproduced herein below:

Year	Location	Date	Time	Special Resolution Passed
2018-2019 57th AGM	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136, Maharashtra	13th July, 2019	10.00 A.M	No Special Resolutions were passed in the meeting.
2019-2020 58th AGM	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	12th August, 2020	11.00 AM	No Special Resolutions were passed in the meeting.
2020-2021 59th AGM	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")	30th June, 2021	11.00 AM	No Special Resolutions were passed in the meeting.

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

During the year under review, no special resolution was passed through postal ballot by the Company.

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

There is no immediate proposals for passing any resolution through postal ballot.

6. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results of the Company are published in Business Standard, Sakal and Lokmat. The results are also displayed on the Company's website <https://www.bkt-tires.com/en/investors-desk>. Detailed Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are also displayed on the Company's website and are sent to the Stock Exchanges for dissemination. A Directors' Report & Management Discussion and Analysis Report is a part of the Company's Annual Report.

Corporate Governance Report (Contd.)

7. GENERAL SHAREHOLDER INFORMATION:

a. ANNUAL GENERAL MEETING:

Date	Thursday, 7th July, 2022
Time	11:00 A.M. IST
Venue	Annual General Meeting through Video Conferencing/other Audio Visual Means (VC/OAVM facility) Deemed Venue for the meeting : Registered Office B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad, 431 136, Maharashtra

b. FINANCIAL YEAR: commencing from 1st April and ending on 31st March. Financial Calendar:

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

Sr. No.	Particulars of Quarter	Tentative Dates
1	First Quarter Results	On or before 14th August, 2022
2	Second Quarter & Half Yearly Results	On or before 14th November, 2022
3	Third Quarter & Nine-months Results	On or before 14th February, 2023
4	Fourth Quarter & Annual Results	On or before 30th May, 2023.

c. DIVIDEND PAYMENT DATE:

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

Interim Dividend	Dividend Payment date	₹ Per Equity Share
1st Interim Dividend	24th August, 2021	₹ 4/-
2nd Interim Dividend	6th December, 2021	₹ 4/-
3rd Interim & Special Dividend	4th March, 2022	₹ 16/-*

The Board of Directors have declared and paid 3rd interim dividend of ₹ 4/- (200%) per equity share of ₹ 2/- each and Special Dividend of ₹ 12/- (600%) to reward its shareholders on the occasion of 60th year (Diamond Jubilee Year) at its meeting held on 14th February, 2022'.

The Board of Directors at their Meeting held on 13th May, 2022 has recommended final dividend of ₹ 4 per equity share for financial year 2021-22, subject to the approval from shareholders. The dividend if declared at the Annual General Meeting shall be paid on or after 7th July, 2022 but within the statutory time limit, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e., 27th June, 2022, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Unclaimed Dividend/ Shares

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

Details of Unclaimed dividend as on 31st March, 2022 and due date of transfer is as follows:

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
Final Dividend	2014-2015	11th July, 2015	17th August, 2022
Interim Dividend	2015-2016	9th March, 2016	15th April, 2023
1st Interim Dividend	2016-2017	10th September, 2016	17th October, 2023
2nd Interim Dividend	2016-2017	30th November, 2016	6th January, 2024
3rd Interim Dividend	2016-2017	10th February, 2017	19th March, 2024
Final Dividend	2016-2017	9th September, 2017	14th October, 2024
1st Interim Dividend	2017-2018	29th July, 2017	2nd September, 2024
2nd Interim Dividend	2017-2018	8th November, 2017	13th December, 2024
3rd Interim Dividend	2017-2018	14th February, 2018	21st March, 2025
Final Dividend	2017-2018	14th July, 2018	21st August, 2025
1st Interim Dividend	2018-2019	11th August, 2018	18th September, 2025

Corporate Governance Report (Contd.)

Dividend Details	Financial year ended	Date of Declaration	Due date of transfer
2nd Interim Dividend	2018-2019	5th November, 2018	9th December, 2025
3rd Interim Dividend	2018-2019	8th February, 2019	15th March, 2026
Final Dividend	2018-2019	13th July, 2019	12th August 2026
1st Interim Dividend	2019-2020	10th August, 2019	14th September, 2026
2nd Interim Dividend	2019-2020	14th November, 2019	18th December, 2026
3rd Interim Dividend	2019-2020	14th February, 2020	20th March, 2027
1st Interim Dividend	2020-2021	13th August, 2020	16th September, 2027
2nd Interim Dividend	2020-2021	6th November, 2020	9th December, 2027
3rd Interim Dividend	2020-2021	8th February, 2021	14th March, 2028
Final Dividend	2020-2021	14th May, 2021	1st August, 2028
1st Interim Dividend	2021-2022	6th August, 2021	6th September, 2028
2nd Interim Dividend	2021-2022	11th November, 2021	12th December, 2028
3rd Interim Dividend	2021-2022	14th February, 2022	17th March, 2029

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

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

The members who have a claim on Unclaimed Dividend / Shares may claim the same from IEPFA by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in Form No. IEPF-5. No claims shall lie against the Company in respect of the Unclaimed Dividend / Shares so transferred.

The Company sends periodical communication to the concerned Shareholders to claim their Dividends in order to avoid transfer of Dividends / Shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends by Shareholders are uploaded on the website of the Company at <https://www.bkt-tires.com/en/investors-desk>.

During the year under review, the Company has transferred Unclaimed Dividend and Shares to 'Investor Education and Protection Fund' on 20th October, 2021 and 18th November, 2021 respectively.

Nodal Officer

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

d. COMPANY'S SHARES ARE LISTED ON:

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001

National Stock Exchange of India Limited

5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Annual listing fee as applicable for the year 2021-22 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

e. STOCK CODES/SYMBOL:

BSE: 502355 (Equity) NSE: BALKRISIND

BSE: 973556 (Debt)

ISIN No.: INE787D01026 (Equity)

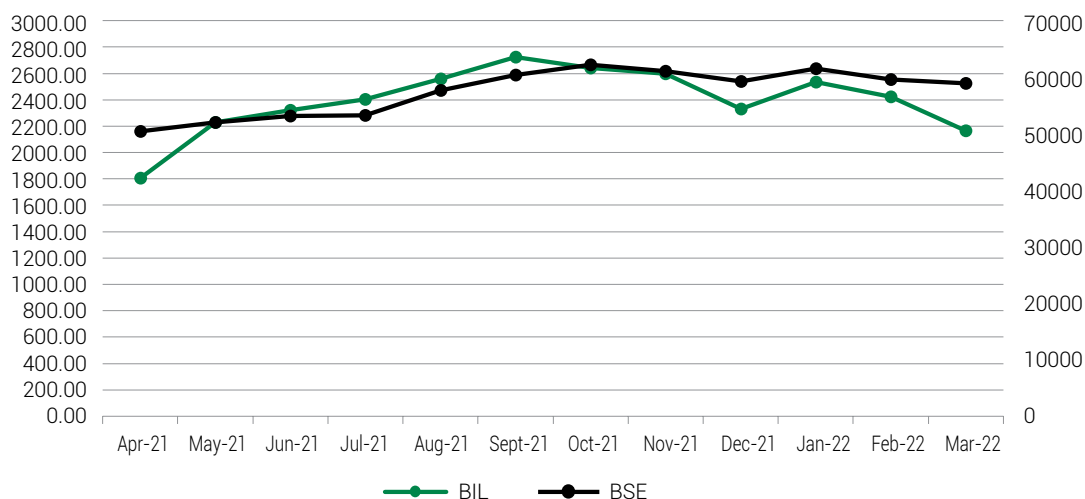
ISIN No.: INE787D08021 (Debt)

Corporate Governance Report (Contd.)

f. MARKET PRICE DATA (In ₹):

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
Apr 2021	1806.00	1553.00	1807.40	1552.00
May 2021	2227.00	1742.60	2223.10	1742.20
Jun 2021	2319.00	2161.50	2322.95	2161.80
Jul 2021	2404.05	2242.60	2404.30	2242.00
Aug 2021	2558.15	2208.00	2559.20	2207.50
Sep 2021	2724.40	2275.90	2723.80	2250.00
Oct 2021	2639.25	2385.00	2639.95	2380.50
Nov 2021	2597.35	2085.70	2599.00	2086.05
Dec 2021	2330.00	2063.60	2330.50	2065.00
Jan 2022	2536.75	2222.90	2537.45	2222.05
Feb 2022	2425.00	1745.20	2426.90	1743.00
Mar 2022	2164.70	1681.95	2165.80	1690.55

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

g. Performance of the share price of the Company in comparison to the BSE Sensex:
Balkrishna Share Price V/S BSE Sensex

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

Not Applicable

i. REGISTRAR AND SHARE TRANSFER AGENT:

Name & Address: KFin Technologies Limited
 (Unit: Balkrishna Industries Limited)
 Selenium Tower B, Plot No. 31-32 Gachibowli Financial District,
 Nanakramguda, Serilingampally, Mandal, Hyderabad – 500 032
 Toll free No. 1- 800-309-4001
 E-mail: einward.ris@kfintech.com
 Website: www.kfintech.com

Contact Person

Mr. Rajesh Kumar Patro,
 Manager - RIS Corporate Registry
 Email: rajesh.patro@kfintech.com

Corporate Governance Report (Contd.)

Mumbai address (for shareholder services):

24 B, Raja Bahadur Mansion,
Ground Floor, 6, Ambalal Doshi
Marg, Behind BSE Ltd, Fort, Mumbai - 400 001
Phone: +91 022 66235454

j. SHARE TRANSFER SYSTEM:

The shares of the Company can be transferred / traded only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Share transfer request is processed within stipulated time, subject to documents being valid and complete in all respects. The company has delegated the authority to Share Transfer Agent. All documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrar directly.

A summary of transfer/ transmission of securities of the Company so approved by the Company Secretary is placed at Quarterly Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges under Regulation 40(10).

k. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2022:

Category (Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
1 - 500	136434	97.51	3804279	1.97
501 - 1000	1173	0.84	885556	0.46
1001 - 2000	777	0.56	1155707	0.60
2001 - 3000	333	0.24	866138	0.45
3001 - 4000	155	0.11	550383	0.28
4001 - 5000	152	0.11	695456	0.36
5001 - 10000	324	0.23	2341790	1.21
10001 - 100000	547	0.39	39788111	20.58
100001 & Above	18	0.01	143229770	74.09
TOTAL	139913	100.00	193317190	100.00

Categories of Shareholding as on 31st March, 2022:

Categories of Shareholders	No. of Shares	% of Total Shares
Promoter and Promoter Group (A)	112690200	58.29
Public Shareholding (B)		
Mutual Funds/UTI	22508577	11.64
Financial Institutions/Banks	278245	0.14
Bodies Corporate	1612996	0.83
Individuals	14610426	7.56
Any Other		
NRI's	738085	0.38
Trust	36327	0.02
Foreign Portfolio Investor	27156462	14.05
Clearing Members	34839	0.02
Alternative Investment Fund	267591	0.14
IEPF	465824	0.24
Qualified Institutional Buyer	12917596	6.68
NBFCs Registered with RBI	22	0.00
Total Public Shareholding (B)	80626990	41.71
Total Shareholding (A+B)	193317190	100.00

Corporate Governance Report (Contd.)

I. DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories. As on 31st March, 2022, 99.63% of Company's shares were dematerialised.

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

Not Applicable.

n. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

o. PLANT LOCATIONS:

Tyre Manufacturing:	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra) F 19/20, Gut no 62, 65, 66, Waluj MIDC, Village Wadgaon Kolhati, Aurangabad 431 136 (Maharashtra) SP-923, RIICO Industrial Area, Phase-III, P.O. Bhiwadi 301 019 Dist: Alwar (Rajasthan) A-300-305 & E-306-313 RIICO Industrial Area, Chopanki P.O. Bhiwadi 301 707, Dist: Alwar (Rajasthan) Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Carbon Black Manufacturing:	Bhuj Bhachau Road, S.H.No.42, Village Padhdhar, Taluka Bhuj 370 105, Dist: Kutch (Gujarat)
Wind farm:	Village Soda Mada, Tehsil: Fatehgarh 345 027, Dist: Jaisalmer (Rajasthan)
Mould Manufacturing:	C-21, M.I.D.C, Phase No. I, Dombivali (E) 421 203, Dist: Thane (Maharashtra)

p. ADDRESS FOR CORRESPONDENCE: BALKRISHNA INDUSTRIES LIMITED.

Registered Office:	B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad- 431 136, Maharashtra. Tel: (0240) – 6646950 / 999, Fax: (0240) – 2554143
Corporate Office:	BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013. Tel: 022 66663800 Fax: 66663899, E-mail: shares@bkt-tires.com

q. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD.

During the financial year 2021-2022 Company has issued 5000 Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹ 10 Lakhs each aggregating to ₹ 500 Crores, In respect of that the Company has obtained credit rating as mentioned below :

Credit Rating Agency	Credit Rating
Care Ratings Limited	CARE AA

8. OTHER DISCLOSURES:

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

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2021-22 were on arm's length basis. During the year, the Company has not entered into any contracts /arrangements / transactions with related parties which could be considered material in accordance with the Policy on materiality of related party transactions and dealing with related party transactions. The policy on materiality of related party transactions has been displayed on the Company's website <https://www.bkt-tires.com/en/investors-desk>.

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

Corporate Governance Report (Contd.)

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

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

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

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

- c. Vigil Mechanism/ Whistle Blower Policy:

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

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

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

- I. Auditor's Report does not contain any qualifications.
- II. The Company is in the regime of financial statements with unmodified audit opinion.

- e. Subsidiary Companies:

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

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

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

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

- g. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Not Applicable

- h. A certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

The Company has obtained a certificate from G.B.B Babuji, Practicing Company Secretary of the Company, confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

- i. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Corporate Governance Report (Contd.)

Particulars	₹ in Lakhs
Fees for audit and related services paid to M/s. N.G. Thakrar & Co. and to entitles of the network of which the auditor is a part	42
Other fees paid to M/s. N.G. Thakrar & Co. and to entitles of the network of which the auditor is a part	6
Total	48

- j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

Particulars	Numbers
Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

- k. Annual Secretarial Compliance report

Company has obtained Annual Secretarial Compliance report from G.B.B Babuji, Practicing Company Secretary of the Company.

9. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

10. ACCOUNTING TREATMENT:

Disclosure of accounting treatment different from accounting standards: None

11. DISCRETIONARY REQUIREMENTS:

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

12. COMPLIANCE WITH GOVERNANCE FRAMEWORK:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

This Corporate Governance Report of the Company for the year 2021-22 is in compliance with the requirements of Corporate Governance under Regulation 27(2) of Listing Regulation

For and on behalf of the Board of Directors

ARVIND PODDAR

Chairman & Managing Director

DIN: 00089984

Place: Mumbai

Dated: 13th May, 2022

Corporate Governance Report (Contd.)

Compliance with the Code of Business Conduct and Ethics

To,
The Members of
Balkrishna Industries Limited

I, Arvind Poddar, Chairman & Managing Director of Balkrishna Industries Limited declare as required under Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with Balkrishna Industries Limited Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2022.

For and on behalf of the Board of Directors

ARVIND PODDAR

Chairman & Managing Director
DIN: 00089984

Place : Mumbai
Dated : 13th May, 2022

CEO / CFO Certification

We the undersigned to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Balkrishna Industries Limited

ARVIND PODDAR

Chairman & Managing Director

Place : Mumbai,
Dated : 13th May, 2022

For Balkrishna Industries Limited

MADHUSUDAN BAJAJ

President (Commercial) and CFO

Corporate Governance Report (Contd.)

Independent Auditors Certificate on Corporate Governance

To

The Members of

BALKRISHNA INDUSTRIES LIMITED

1. The Corporate Governance Report prepared by Balkrishna Industries Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2022. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limit to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2022, referred to in paragraph 1 above.

Other matters and restriction on use

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Corporate Governance Report (Contd.)

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

Place : Mumbai
Dated : 13th May, 2022

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

NATWAR THAKRAR
PARTNER
MEMBERSHIP NO. 036213
UDIN: 22036213AIYISI5790

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Balkrishna Industries Limited having CIN L99999MH1961PLC012185 and having Registered Office at B-66, Waluj Industrial Area, Waluj, Aurangabad 431136, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company	Date of cessation during the year
1.	SHRI ARVIND PODDAR	00089984	31/01/2004	--
2.	SHRI RAJIV PODDAR	00160758	22/01/2009	--
3.	SHRI VIPUL SHAH	05199526	11/02/2012	--
4.	SMT. VIJAYLAXMI PODDAR	00160484	30/05/2012	--
5.	SHRI PANNKAJ CHIMANLAL GHADIALI	00003462	08/11/2017	--
6.	SMT. SHRUTI ANUP SHAH	08337714	08/02/2019	--
7.	SHRI SANDEEP JUNNARKAR	00003534	28/03/2019	--
8.	SHRI RAJENDRA DWARKADAS HINGWALA	00160602	28/03/2019	--

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

G.B.B. Babuji
Practicing Company Secretary
FCS No.1182, CP No.8131
PR: 1353/2021
UDIN : F001182D000314528

Place : Navi Mumbai
Date : 13th May, 2022

Independent Auditor's Report

To the Members of

BALKRISHNA INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Balkrishna Industries Limited (the Company), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

The key audit matters	How our audit addressed the matter
<p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2022, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various locations of the Company was Rs.1,10,459 lakhs in the current year as set out in Note No.2. Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures:</p> <ul style="list-style-type: none"> We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Standalone Financial Statements are considered to be adequate.</p>

Independent Auditor's Report (Contd.)

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 these standalone financial statements.

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 standalone financial statements, 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 standalone 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 management.

Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of management's 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 standalone financial statements 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A. As required by Section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

Independent Auditor's Report (Contd.)

- i. The Company has disclosed the impact of pending litigations as at 31st March, 2022 on its financial position in its standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

For **N.G.THAKRAR & CO.**
Chartered Accountants
(Firm Reg. No. 110907W)

NATWAR THAKRAR

Partner

Membership No. 036213

UDIN: 22036213AIYHPO1934

Place: Mumbai

Date: 13th May, 2022

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, physical verification of these Property, Plant and Equipment is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management, the coverage and procedure of such verification by the management is appropriate, and discrepancies (which is less than 10% in the aggregate for each class of inventory) 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.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a banks on the basis of security of current assets; the quarterly returns or statements filed by the company with such bank are in agreement with the books of account of the Company.
- (iii) The Company has made investments, provided guarantee to its wholly owned subsidiaries and granted unsecured loans to employees during the year, in respect of which:
 - (a) The Company has not provided any loans (other than loan to employees) or advances in the nature of loans during the year, however during the year, the Company has given guarantee to its wholly owned subsidiaries as under-
Aggregate amount of guarantee given during the year Rs.6,773 lakhs
Aggregate amount of guarantee outstanding at the balance sheet date Rs.8,873 lakhs
 - (b) In our opinion, the investments made, guarantee given and the terms and conditions of loans to employees, during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans to employees granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
 - (d) In respect of loans to employees granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan to employees granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
 - (f) The Company has not granted any loans to employees, either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans, investments and guarantees made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from the public within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.

Annexure - A to the Independent Auditors' Report (Contd.)

- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2022 outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Duty of Customs, Excise Duty and Service Tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount	Period to which the Amount Relates	Forum where dispute is pending
		(Rs.in lakhs)		
Sales Tax Act	Sales Tax (Including Interest and Penalty)	3	2004-2005	High Court
		61	2011-2012	Tribunal
		301	1996-97, 2012-2015 & 2017-2018	Commissioner (Appeals)
		7	2013-2014	Assessing Authority
Customs Act	Custom Duty (Including Interest and Penalty)	3,415	2012-2014	Supreme Court
		79	2012-2016	CESTAT
Income Tax Act	Income Tax	1,268	2019-2020	Assessing Authority
Central Excise And Service Tax Act	Excise Duty/ Service tax (Including Interest and Penalty)	4,043	2007-2014	High Court
		1,879	2006-2018	CESTAT
		1,336	2013-2014	Revisional Authority
		53	2016-2018 & 2020-2021	Commissioner Appeals

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.
- (x) (a) In our opinion and according to the information and the explanations given to us, the money raised by way of issue of Non-Convertible Debentures (debt instruments) during the year have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Annexure - A to the Independent Auditors' Report (Contd.)

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. No. 110907W)

NATWAR THAKRAR
Partner

Membership No. 036213
UDIN: 22036213AIYHPO1934

Place: Mumbai
Date: 13th May, 2022

Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

Annexure - B to the Independent Auditors' Report (Contd.)

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and a explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.G.THAKRAR & CO.**
Chartered Accountants
(Firm Reg. No. 110907W)

NATWAR THAKRAR
Partner
Membership No. 036213
UDIN: 22036213AIYHPO1934

Place: Mumbai
Date: 13th May, 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ In Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	3,90,641	3,24,705
(b) Capital Work-in-Progress	2A	1,25,840	85,552
(c) Investment Property	3	7,934	8,639
(d) Intangible Assets	4	26	56
(e) Right of use assets	4A	9	18
(f) Financial Assets			
i) Investments	5	1,21,274	1,02,621
ii) Other Financial Assets	6	8,283	1,761
(g) Income tax Assets (Net)	7	796	6,971
(h) Other Non-Current Assets	8	50,617	34,836
TOTAL NON CURRENT ASSETS		7,05,420	5,65,159
2 CURRENT ASSETS			
(a) Inventories	9	1,63,940	90,927
(b) Financial Assets			
i) Investments	10	68,453	39,203
ii) Trade Receivables	11	1,09,768	73,013
iii) Cash and Cash Equivalents	12	2,945	3,407
iv) Other Bank Balances	13	580	2,022
v) Loans	14	341	417
vi) Other Financial Assets	15	6,513	3,466
(c) Other Current Assets	16	27,749	26,402
TOTAL CURRENT ASSETS		3,80,289	2,38,857
TOTAL ASSETS		10,85,709	8,04,016
II EQUITY AND LIABILITIES			
EQUITY			
(a) Share Capital	17	3,866	3,866
(b) Other Equity	18	6,88,589	5,96,855
TOTAL EQUITY		6,92,455	6,00,721
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	19	50,079	125
ii) Lease Liabilities	19A	4	10
iii) Other Financial Liabilities	20	43	1
(b) Provisions	21	2,395	2,482
(c) Deferred Tax Liabilities (Net)	22	25,091	20,350
(d) Other Non-Current Liabilities	23	3,081	3,255
TOTAL NON CURRENT LIABILITIES		80,693	26,223
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	24	1,94,179	89,264
ii) Lease Liabilities	24A	5	9
iii) Trade Payable			
Total outstanding due of Micro and Small Enterprise	25	1,638	1,606
Total outstanding due of creditors Other than Micro and Small Enterprise	25	79,115	61,739
iv) Other Financial Liabilities	26	12,039	7,408
(b) Other Current Liabilities	27	25,138	16,535
(c) Provisions	28	447	511
TOTAL CURRENT LIABILITIES		3,12,561	1,77,072
TOTAL EQUITY AND LIABILITIES		10,85,709	8,04,016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 to 57

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ In Lakhs)

Particulars	Note No.	Year Ended 31st March, 2022	Year Ended 31st March, 2021
I Income			
Revenue From Operations	29	8,26,671	5,75,792
Other Income	30	43,060	16,145
Total Income		8,69,731	5,91,937
II Expenses :			
Cost of Materials Consumed	31	3,95,776	2,37,946
Purchases of Stock-in-Trade	32	7,612	7,219
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(25,533)	(14,883)
Employee Benefits Expense	34	38,043	32,594
Finance Cost	35	786	982
Depreciation and Amortisation Expense	36	44,377	40,615
Other Expenses	37	2,13,223	1,34,365
Total Expenses		6,74,284	4,38,838
III Profit Before Tax (I-II)		1,95,447	1,53,099
IV Tax Expenses			
Current tax		45,746	37,100
Short/(Excess) provision of earlier years		6,154	(184)
Deferred tax		2,478	645
Total Tax Expenses		54,378	37,561
V Profit After Tax (III-IV)		1,41,069	1,15,538
VI Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Remeasurements of Defined Benefit Plans		271	(39)
ii) Income Tax		(68)	10
2 i) Items that will be reclassified to profit or loss :			
The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		8,718	7,483
ii) Income Tax		(2,194)	(1,883)
Total Other Comprehensive Income (1+2)		6,727	5,571
VII Total Comprehensive Income (V+VI)		1,47,796	1,21,109
VIII Earnings per equity share:			
Basic and Diluted	42	72.97	59.77

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 to 57

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

(a) Equity share capital

Particulars	No. of Shares	Amount (₹ in Lakhs)
Balance at the 1st April, 2020	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2021	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2022	19,33,17,190	3,866

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Statement of other comprehensive Income		
	General Reserve	Retained earnings	Remeasurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	Total other equity
Balance at the 1st April, 2020	3,60,000	1,44,783	(1,630)	(4,209)	4,98,944
Total Comprehensive					
Profit for the year	-	1,15,538	-	-	1,15,538
Other comprehensive income for the year	-	-	(29)	5,600	5,571
Transactions with owners of the Company					
Interim Dividend on Equity Shares	-	(23,198)	-	-	(23,198)
Interim Dividend Distribution Tax	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-
Transferred to General Reserve	-	(40,000)	-	-	(40,000)
Transferred from Retained Earnings	40,000	-	-	-	40,000
Balance as at 31st March, 2021	4,00,000	1,97,123	(1,659)	1,391	5,96,855
Total Comprehensive					
Profit for the year	-	1,41,069	-	-	1,41,069
Other comprehensive income for the year	-	-	203	6,524	6,727
Transactions with owners of the Company					
Interim Dividend on Equity Shares	-	(46,396)	-	-	(46,396)
Interim Dividend Distribution Tax	-	-	-	-	-
Dividend on Equity Shares	-	(9,666)	-	-	(9,666)
Dividend Distribution Tax on Equity Shares	-	-	-	-	-
Transferred to General Reserve	-	(40,000)	-	-	(40,000)
Transferred from Retained Earnings	40,000	-	-	-	40,000
Balance as at 31st March, 2022	4,40,000	2,42,130	(1,456)	7,915	6,88,589

As per our report of even date attached

 For **N.G. THAKRAR & CO.**
 Chartered Accountants
 (Firm Reg. no.110907W)

NATWAR THAKRAR
 Partner
 Membership No.036213

 Mumbai,
 Dated: 13th May, 2022

MADHUSUDAN BAJAJ
 President (Commercial) & CFO

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

 Mumbai,
 Dated: 13th May, 2022

Standalone Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,95,447	1,53,099
Adjustment for :		
Depreciation and Amortisation	44,377	40,615
Withdrawal of Provision of Doubtful Loan	(75)	-
Net mark to market (Gain)/Loss on investments	(9,951)	(4,662)
Income from Investments	(3,165)	(2,269)
Finance Cost	786	982
Interest Income including on investments	(4,149)	(4,031)
(Profit) /Loss on Sale of Property, Plant and equipment	(115)	60
Property, Plant and equipment Discarded	2	1
Unrealised Foreign Exchange differences (Gain)/Loss	(3,912)	(1,804)
Actuarial gains/(losses) reclassified to OCI	271	(39)
Export Incentive on account of EPCG (Benefit)/Utilised	(3,203)	(3,036)
	20,866	25,817
Operating profit before working capital changes	2,16,313	1,78,916
Adjustment for:		
Trade and other receivables	(36,785)	(11,210)
Other Financial Assets	1,442	(79)
Inventories	(73,014)	(32,892)
Trade payables	25,895	36,446
	(82,462)	(7,735)
Cash generated from operations	1,33,851	1,71,181
Direct taxes paid	(45,724)	(34,878)
Net cash from Operating Activities	88,127	1,36,303
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and equipment	(1,58,730)	(91,134)
Sale of Property, Plant and equipment	711	305
Purchase of Investments	(2,66,722)	(1,66,360)
Sale of Investments	2,31,559	1,37,454
Inter Corporate Loan Refund Received	75	-
Interest received	4,148	3,506
Income/Dividend Received on Investments	84	375
Net cash used in Investing Activities	(1,88,875)	(1,15,854)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of Short Term Borrowings (Net)	(9,316)	(13,529)
Proceeds from Long Term Borrowings	3,33,508	60,468
Repayment of Long Term Borrowings	(1,67,097)	(42,144)
Dividend paid (including tax thereon)	(56,033)	(23,157)
Lease Liability paid	(11)	(80)
Finance Cost paid	(774)	(979)
Net Cash from Financing Activities	1,00,277	(19,421)
Net Increase/(Decrease) in cash and cash equivalent	(471)	1,028
Exchange difference on cash and cash equivalent	9	55
Cash and cash equivalent as at the beginning of the year	3,407	2,324
Cash and cash equivalent as at the end of the year	2,945	3,407

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

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213
Mumbai,
Dated: 13th May, 2022

MADHUSUDAN BAJAJ
President (Commercial) & CFO

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Notes Forming Part of the Standalone Financial Statements

For the year ended 31st March, 2022

1(A) GENERAL INFORMATION

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

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

(B) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

- (i) The financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- (ii) The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 1. Financial instruments measured at fair value through profit and loss
 2. Financial instruments measured at fair value through other comprehensive income
 3. Defined benefit plans – plan assets measured at fair value

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

(c) Revenue recognition

The Company has adopted Ind AS 115, Revenue from Contract with Customers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised; when the significant risks and rewards in respect of ownership of products are transferred by the Company, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of variable consideration on account of various Discounts, Rebates, incentives offered by the Company as a part of the contract.

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Sale of goods

Revenue from sale of products is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company as well as the controls on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Export Benefits

Export Incentives under prevalent schemes under EXIM policy/ Foreign Trade Policy are accounted once received by Company from the Government. 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.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a systematic basis as and when export obligation are fulfilled.

Dividend income

Dividend is recognised as revenue when the right to receive payment has been established.

Interest income

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

(d) Property, Plant and Equipment (PPE)

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of PPE is recognised in profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

Leasehold land are amortised over the lease period.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Profit and loss on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 30 years for factory building and 60 years for residential and office premises.

(f) Intangible assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are amortised on a straight line basis over a period of 6 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific to which it relates.

The Company has elected to continue with the carrying value of all its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

(g) Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(h) Borrowing cost

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

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

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

(i) Lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(j) **Income Tax**

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

i. **Current tax**

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

Current tax assets and liabilities are offset only if:

- a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

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

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

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

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

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

(k) **Cash and cash equivalents**

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

(l) **Inventories**

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

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

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

(m) Research and development

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

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity instruments

- The Company subsequently measures all equity investments in companies other than equity investments in subsidiaries, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit and loss as other income when the Company's right to receive payments is established.

De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

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

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

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

iii. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(o) **Employee benefits**

i. **Short term employee benefits**

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

ii. **Defined contribution plans**

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

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

iii. **Defined benefit plans**

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

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

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Where an inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the year end and wherever practicable, an estimate of their financial effect.

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

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

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(s) Key estimates and assumptions

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

Estimates and assumptions are required in particular for:

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

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(t) **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(u) **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH, 2022

(₹ In Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March, 2022	Total upto 1st April, 2021	*For the Year	Deductions During the year	Total upto 31st March, 2022	As At 31st March, 2022
Tangible assets									
(a) Land									
Freehold	7,059	-	-	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	134	29	-	163	1,581
(b) Buildings	1,11,345	41,221	2	1,52,564	21,529	4,177	#0	25,706	1,26,858
(c) Plant and Equipment	3,72,407	59,271	200	4,31,478	1,61,255	36,616	178	1,97,693	2,33,785
(d) Furniture and Fixtures	7,280	1,365	6	8,639	3,758	719	5	4,472	4,167
(e) Vehicles	2,663	735	114	3,284	1,399	308	86	1,621	1,663
(f) Office Equipment	1,017	208	4	1,221	778	120	4	894	327
(g) Others:									
Electric Installations	17,296	6,739	34	24,001	8,346	2,024	34	10,336	13,665
Air Conditioners	1,219	214	2	1,431	929	146	2	1,073	358
Computer	1,670	706	6	2,370	867	331	6	1,192	1,178
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,23,700	1,10,459	368	6,33,791	1,98,995	44,470	315	2,43,150	3,90,641

 * Including Depreciation capitalised ₹304 Lakhs
 # ₹ 22,236

PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2021

(₹ In Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	*For the Year	Deductions During the year	Balance As at 31st March, 2021	As At 31st March, 2021
Tangible Assets:									
(a) Land									
Freehold	6,500	560	1	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	112	22	-	134	1,610
(b) Buildings	1,05,370	6,043	68	1,11,345	17,642	3,893	6	21,529	89,816
(c) Plant and Equipment	3,36,062	36,753	408	3,72,407	1,28,099	33,387	231	1,61,255	2,11,152
(d) Furniture and Fixtures	6,863	417	-	7,280	3,040	718	-	3,758	3,522
(e) Vehicles	2,425	311	73	2,663	1,155	302	58	1,399	1,264
(f) Office Equipment	980	37	-	1,017	643	135	-	778	239
(g) Others:									
Electric Installations	15,441	1,855	-	17,296	6,588	1,758	-	8,346	8,950
Air Conditioners	1,121	98	-	1,219	753	176	-	929	290
Computer	1,127	543	-	1,670	688	179	-	867	803
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,77,633	46,617	550	5,23,700	1,58,720	40,570	295	1,98,995	3,24,705

* Including Depreciation capitalised ₹260 Lakhs.

NOTE NO. 2A CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2022

(₹ In Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	90,739	25,823	6,862	2,416	1,25,840
Project temporarily suspended	-	-	-	-	-
Total	90,739	25,823	6,862	2,416	1,25,840

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2021

(₹ In Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	56,470	23,443	4,899	740	85,552
Project temporarily suspended	-	-	-	-	-
Total	56,470	23,443	4,899	740	85,552

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions During the year	Deductions During the year	Balance As at 31st March, 2022	Balance As at 1st April, 2021	For the Year	Deductions During the year	Balance As at 31st March, 2022	As At 31st March, 2022
Buildings	9,372	-	568	8,804	733	160	23	870	7,934
TOTAL INVESTMENT PROPERTY	9,372	-	568	8,804	733	160	23	870	7,934

INVESTMENT PROPERTY AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	For the Year	Deductions During the year	Balance As at 31st March, 2021	As At 31st March, 2021
Buildings	9,146	340	114	9,372	575	162	4	733	8,639
TOTAL INVESTMENT PROPERTY	9,146	340	114	9,372	575	162	4	733	8,639

i) Amounts recognised in profit and loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rental income derived from investment properties	714	745
Direct operating expenses (including repair and maintenance) generating rental income	(117)	(141)
Profit from investment properties before depreciation	597	604
Depreciation	154	160
Profit from investment properties	443	445

ii) Fair value

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Investment properties	24,865	21,908

Estimation of fair value

The Company obtains independent valuations for its investment properties from an independent valuer.

The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions During the year	Deductions During the year	Balance As at 31st March, 2022	Balance As at 1st April, 2021	For the Year	Deductions During the year	Balance As at 31st March, 2022	As At 31st March, 2022
Computer software	602	12	-	614	550	40	-	590	24
Trademark	10	-	-	10	6	2	-	8	2
TOTAL INTANGIBLE	612	12	-	624	556	42	-	598	26

INTANGIBLE ASSETS AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	For the Year	Deductions During the year	Balance As at 31st March, 2021	As At 31st March, 2021
Computer software	602	-	-	602	482	68	-	550	52
Trademark	10	-	-	10	4	2	-	6	4
TOTAL INTANGIBLE	612	-	-	612	486	70	-	556	56

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 4A - RIGHT OF USE ASSETS

The Company has lease contracts for various item of buildings and vehicles in its operation. Lease of building generally have lease term between 2 to 4 years. The Companies obligation under it leases are secured by the lessor title to the lease assets. Generally the Company is restricted from assigning and sub leasing the lease assets. There are no major lease contracts that include extension and termination options and variable lease payments. The effective rate of interest for lease liabilities is 8.70%.

Set out below are the carrying amounts of rights-of-use assets recognised and the movement during the period: (₹ in Lakhs)

Particulars	Leasehold Building	Vehicle	Total
As at 1st April, 2020	48	49	97
Addition/(Deduction)- Net	-	(6)	(6)
Less: Depreciation expenses	48	25	73
As at 31st March, 2021	-	18	18
Addition/(Deduction)- Net	-	-	-
Less: Depreciation expenses	-	9	9
As at 31st March, 2022	-	9	9

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	19	101
Addition/(Deduction)- Net	-	(6)
Accretion of Interest	1	4
Less: Payments	11	80
Closing Balance	9	19
Current	5	9
Non-Current	4	10

The following are the amounts recognised in profit and loss : (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation expenses of right of use assets	9	73
Interest expenses on lease liabilities	1	4
Expenses relating to short term lease and low value leased (included in other expenses)	462	228
Total amount Recognised in profit and loss	472	305

The Company had total cash outflow for lease of ₹ 473 Lakhs in 31st March, 2022 (Previous Year ₹ 308 Lakhs)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
A Investments in Equity Instruments at Cost				
(Fully paid up Shares)				
Unquoted				
a) In 100 % Subsidiaries Companies				
BKT Tyres Limited of ₹ 10 each	50,000	5	50,000	5
BKT EUROPE SRL	-	13	-	13
BKT USA INC	1,000	1	1,000	1
BKT Tires (Canada) Inc	5,000	3	5,000	3
BKT Exim US Inc.	6,000	37	6,000	37
b) In other Company				
National Stock Exchange of India Limited of ₹ 1 each	1,12,500	1,308	1,00,000	1,059
Care Health Insurance Limited of ₹ 10 each	4,65,116	1,000	-	-
		2,367		1,118

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
B Investment carried at amortised cost				
Unquoted				
a) Investment in Preference Shares				
(Fully paid up Shares)				
Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Limited of ₹10 each	11,14,223	72	11,14,223	66
7.50 % Preference Shares of Tata Capital Limited of ₹ 1,000/- each	2,00,000	2,011	2,00,000	2,016
7.15 % Preference Shares of Tata Capital Limited of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
0.001% Series C Compulsorily Convertible Non Cumulative Preference Shares of Vay Network Services Private Limited of ₹ 2 each	11,190	94	-	-
0.0001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Newspace Research & Technology Private Limited of ₹ 10 each	1,42,857	500	-	-
0.01% Series B Compulsorily Convertible Non Cumulative Preference Shares of Bombinate Technologies Private Limited of ₹ 100 each	602	500	-	-
0.01% Series A Compulsorily Convertible Non Cumulative Preference Shares of Altigreen Propulsion Labs Private Limited of ₹ 100 each	1,356	200	-	-
0.001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Globalbees Brands Private Limited of ₹ 5 each	104	528	-	-
		5,905		4,082
Quoted				
b) Investment in Tax Free Bonds				
7.35 % NABARD Tax Free Bonds of ₹ 1,000 each	50,099	501	50,099	501
7.07 % NABARD Tax Free Bonds of ₹ 10,00,000 each	1,330	13,597	1,330	13,675
7.39% HUDCO Tax Free Bond of ₹ 1,000 each	2,50,000	2,567	2,50,000	2,574
7.14 % NHAI Tax Free Bond of ₹ 1,000 each	2,85,698	2,894	2,85,698	2,904
7.36% IIFC Tax Free Bond of ₹ 1,000 each	5,00,000	5,217	5,00,000	5,256
7.35 % IRFC Tax Free Bonds of ₹ 1,000 each	58,783	588	58,783	573
7.19 % IRFC Tax Free Bonds of ₹ 10,00,000 each	-	-	200	2,039
		25,364		27,522
c) Investment in Perpetual Bonds				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,015	100	1,024
8.50 % SBI Perpetual Bond of ₹ 10,00,000 each	200	2,000	200	2,000
8.75 % SBI Perpetual Bond of ₹ 10,00,000 each	290	2,920	290	2,929
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,997	700	6,995
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,475	450	4,468
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,801	480	4,801
11.03% Tata Motors Fin Limited Perpetual Bond of ₹ 10,00,000 each	20	205	20	209
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	503	50	504
		22,916		22,930

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ In Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
C Investment carried at fair value through Profit and Loss				
a) Investment in Non Convertible Debenture				
Edelweiss Assets Reconstruction co. Limited of ₹ 1,00,000 each	-	-	1,486	1,966
L&T Infra Debt fund Limited of ₹ 10,00,000 each	251	3,125	251	2,807
Shriram City Union Finance Limited of ₹ 10,00,000 each	200	2,173	50	505
MAS Financial Services Limited of ₹ 10,00,000 each	50	524	-	-
S K Fincorp Limited of ₹ 1,00,000 each	1,500	1,661	-	-
S K Fincorp Limited of ₹ 5,00,000 each	200	1,109	-	-
Muthooth Fincorp Limited of ₹ 10,00,000 each	3,500	3,779	-	-
Avendues Finance Private Limited of ₹ 10,00,000 each	110	1,165	-	-
		13,536		5,278
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹10 each	3,67,27,002	7,486	3,67,27,002	4,565
IIFL India Private Equity Fund Series 1A of ₹10 each	46,03,432	473	25,01,226	329
IIFL Special Opportunities Fund Series 8 of ₹10 each	46,24,798	592	-	-
IIFL Special Opportunities Fund of Fund 1 of ₹10 each	90,27,646	1,143	-	-
IIFL Special Opportunities Fund Series 10 of ₹10 each	17,50,000	175	-	-
BPEA Credit India Fund III of ₹ 100 each	5,10,000	514	1,50,000	150
Chirate Ventures India Fund IV of ₹ 1,00,000 each	615	941	400	459
TVS Shriram Growth Fund 3 of ₹ 1,000 each	88,639	1,270	33,000	330
Influxor Technology Fund of ₹ 1,00,000 each	175	164	100	100
Blume Venture Fund IX of ₹ 100 each	6,00,000	876	3,25,000	325
Xponentia Opportunities Fund of ₹ 1,00,000 each	399	500	243	293
Avendus Future Leader Fund II of ₹1,00,000 each	113	112	-	-
Multiple Private Equity Fund III of ₹ 100 each	1,71,837	189	-	-
Six Sense India Opportunity of ₹ 1,000 each	1,10,000	1,140	-	-
3One4 Capital - Fund III of ₹1,00,000 each	1,500	642	-	-
Trifeca Venture Debt Fund III of ₹100 each	8,88,200	963	-	-
Sageone- Flagship Growth 2 Fund of ₹1000 each	50,032	506	-	-
White Oak India Equity Fund V of ₹10 each	49,87,481	510	-	-
Alchemy Leaders of Tomorrow Fund of ₹100 each	41,268	499	-	-
Avendus Structure Credit Fund II of ₹ 1,00,000 each	300	300	-	-
Alteria Capital Fund II of ₹ 100 each	12,00,000	1,271	-	-
		20,266		6,551
c) Investment in Mutual fund				
Quoted:				
HDFC Fixed Maturity Plan Series 44 Direct Growth of ₹10 each	-	-	5,00,00,000	5,974
Bharat Bond ETF April, 2030 of ₹ 1,000 each	10,00,000	12,058	10,00,000	11,312
Bharat Bond ETF April, 2031 of ₹ 1,000 each	17,50,233	18,862	17,50,233	17,854
		30,920		35,140
Total Non Current Investments		1,21,274		1,02,621
Aggregate amount of quoted investments and market value thereof		92,737		90,870
Aggregate amount of unquoted investments.		28,537		11,751

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 6 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Derivative Assets	6,123	-
Security Deposits	1,870	1,478
Bank deposits more than 12 month maturity		
In Margin	290	283
In Fixed Deposit (Current Year ₹ 5,097; Previous Year ₹ 50,000)	0	0
	8,283	1,761

NOTE NO. 7 INCOME TAX ASSETS(NET)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	796	6,971
	796	6,971

NOTE NO. 8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
(a) Capital Advances	50,407	34,630
(b) Others loans and advances		
VAT/Service Tax Receivable	153	153
Prepaid expense	57	53
	50,617	34,836

NOTE NO. 9 INVENTORIES :

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	91,011	44,271
(b) Work-in-Progress	16,202	9,168
(c) Finished Goods	46,567	28,061
(d) Stock-in-Trade	1,037	1,044
(e) Stores and Spares	7,323	7,133
(f) Others -Packing Materials and Fuel	1,800	1,250
	1,63,940	90,927

NOTE NO. 10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
A Investment carried at amortised cost				
Unquoted				
Investments in Government Securities				
In 6 Year National Saving Certificates (Current Year Nil, Previous Year ₹10,000)		-		0
		-		0
B Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture/Market Link Debentures				
Muthoot Fincorp Limited of ₹1,00,000 each	100	1,002	-	-
Shriram City Union finance Limited of ₹ 10,00,000 each	50	552	-	-
Edelweiss Assets Reconstruction co. Limited of ₹ 1,00,000 each	1,486	2,185	-	-
Five Star Business Finance Limited of ₹ 10,00,000 each	100	1,113	-	-
Samastha Microfinance Limited of ₹ 1,00,000 each	-	-	1,500	1,944
		4,852		1,944

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
b) Investment in Equity instruments				
Music Broadcast Limited of ₹1 each	10,20,000	263	10,20,000	240
MindSpace Business Park REIT of ₹ 10 each	2,52,800	876	23,400	69
Nation Highways Infra Trust InvIT of ₹101 each	10,00,000	1,090	-	-
India Infrastructure Trust InvIT	10,00,000	980	-	-
Power Grid InvIT of ₹100 each	9,96,100	1,334	-	-
		4,543		309
c) In Mutual Fund				
HDFC Fixed Maturity Plan Series 39/44 Growth of ₹10 each	5,00,00,000	6,215	1,50,00,000	1,934
HDFC Housing Opportunity of ₹10 each	-	-	1,00,00,000	1,095
Nippon India Mutual Fund ETF Nifty Bees of ₹1 each	54,79,412	10,349	10,25,483	1,612
Nippon India Mutual Fund ETF Bank Bees of ₹1 each	4,24,810	1,553	-	-
Nippon India Mutual Fund ETF Silver Bees of ₹10 each	17,951	12	-	-
Nippon India Mutual Fund ETF Gold Bees of ₹1 each	50,31,581	2,220	17,58,405	671
Motilal Oswal Mutual Fund Nasdaq 100 ETF of ₹1 each	21,90,644	2,546	-	-
Unquoted				
Aditya Birla Sun Life Liquid Fund of ₹100 each	4,37,535	1,501	-	-
Aditya Birla Sun Life Saving Fund of ₹100 each	-	-	47,008	200
Motilal Oswal Nasdaq fund of fund 100 ETF of ₹ 1 each	2,96,141	69	-	-
HDFC Low Duration fund of ₹10 each	-	-	72,74,413	3,461
ICICI Prudential Gilt Fund of ₹10 each	6,37,519	545	6,37,519	520
SBI Magnum Gilt Fund Long Term Plan of ₹1,000 each	3,40,15,713	18,503	3,40,15,713	17,773
SBI Magnum Income Fund of ₹10 each	19,56,921	1,176	19,56,921	1,123
Nippon India Low Duration Fund of ₹1,000 each	-	-	33,691	1,018
Nippon India Nivesh Lakshya Fund of ₹10 each	8,66,67,610	12,359	5,42,58,610	7,543
		57,048		36,950
d) Investment in Tax Free Bond				
7.19% IRFC Tax Free Bonds of ₹10,00,000 each	200	2,010	-	-
		68,453		39,203
Aggregate amount of quoted investments and Market value thereof		34,299		7,565
Aggregate amount of Unquoted investments		34,154		31,638

NOTE NO. 11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Trade receivable Considered good - Secured	11,165	17,404
Trade receivable Considered good - Unsecured #	98,603	55,609
	1,09,768	73,013

Includes Receivable from Related parties (Refer Note no.43)

NOTE NO. 12 CASH AND CASH EQUIVALENTS:

(₹ in Lakhs)

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Balances with banks	2,921	3,379
Cash on hand	24	28
	2,945	3,407

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Unpaid Dividend	295	266
Margin Money (Including Fixed Deposit) #	285	1,756
	580	2,022
#(Held against guarantee and other commitments)		

NOTE NO. 14 LOANS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,502	1,577
Loans receivable - Credit impaired	-	-
	1,502	1,577
Less: Provision for loans which have significant increase in credit risk	1,502	1,577
	-	-
Loans and advances to employees (considered good)	341	417
	341	417

NOTE NO. 15 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Derivative Assets	4,656	1,903
Interest accrued on Investments	1,521	1,518
Interest accrued on Deposits and Loans	44	45
Dividend/Income accrued on Investments	292	-
	6,513	3,466

NOTE NO. 16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Advance Payment to Suppliers	7,930	16,621
GST/Excise/Sales Tax/Custom Duty etc. Receivables	18,904	9,755
Prepaid Expenses	915	26
	27,749	26,402

NOTE NO. 17 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Authorised :		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	9,100	9,100
Issued Subscribed and fully paid up:		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	3,866	3,866

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Reconciliation of number of Equity shares outstanding at the beginning and end of the year :

Equity Share :	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Amount (₹ In Lakhs)	Number of Shares	Amount (₹ In Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	19,33,17,190	3,866
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

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

Name of Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Holding %	Number of Shares	Holding %
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.71	5,35,77,010	27.71

Shares held by the promoters and promoters groups at the end of the year

Sr no	Names	Number of shares	% of total shares	@ % Change during the year
1.	Arvind M Poddar	1,000	0.00	-
2.	Vijyalaxmi A Poddar	1,000	0.00	-
3.	Rajiv A Poddar	5,35,77,010	27.71	-
4.	Khushboo R Poddar	75,93,000	3.93	-
5.	Shyamlata S Poddar	1,000	0.00	-
6.	Rishabh Poddar	27,90,180	1.44	-
7.	TMP Enterprises LLP	4,93,360	0.26	-
8.	VKP Enterprises LLP	4,82,32,880	24.95	-
9.	RAP Enterprises LLP	250	0.00	-
10.	AKP Enterprises LLP	250	0.00	-
11.	Balgopal Holding & Traders Limited	100	0.00	-
12.	Poddar Brothers Investment Private Limited	100	0.00	-
13.	S P Investrade (India) Limited	70	0.00	-
	Total	11,26,90,200	58.29	

@ At the beginning of the FY 2021-22, 5,820 equity shares representing 0.01% were held by 21 Promoters of the Company. During the Year, in terms of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, said 21 Promoters of the Company aggregating to 5,820 equity shares were Re-classified from Category of "Promoter" to the Category of "Public" vide BSE Limited and National Stock Exchange of India Limited approval letter dated 3rd December, 2021.

NOTE NO.18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Other Reserve (General Reserve)		
Opening Balance	4,00,000	3,60,000
Add: Transferred from Profit and Loss account	40,000	40,000
Closing Balance	4,40,000	4,00,000
b) Retained Earnings		
Opening Balance	1,97,123	1,44,783
Add: Net Profit for the current year	1,41,069	1,15,538
Less: Interim Dividend	46,396	23,198
Less: Dividend on equity shares	9,666	-
Less: Transfer to General Reserve	40,000	40,000
Closing Balance	2,42,130	1,97,123
c) Remeasurements of the net defined benefit plans		
Opening Balance	(1,659)	(1,630)
Movement during the year	203	(29)
Closing Balance	(1,456)	(1,659)
d) Effective portion of cash flow hedges		
Opening Balance	1,391	(4,209)
Movement during the year	6,524	5,600
Closing Balance	7,915	1,391
	6,88,589	5,96,855

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

General reserve

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

Retained earnings

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

Remeasurements of the net defined benefit Plans

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

Cash flow hedging reserve

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

NOTE NO. 19 BORROWINGS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured-At amortised cost		
Non Convertible Debentures	50,000	-
Allotment of 5,000 rated, listed, unsecured, redeemable, non-convertible debentures of a face value of ₹ 10,00,000. The Interest rate coupon for the debenture is fixed @5.67% per annum for the entire tenure and will be payable semi-annually. In order to leverage the interest rate scenario and Euro receivable of the Company, the Company has swapped the Debentures liability to Euro fixed liability whereby the effective coupon for the Company will be 0.055% per annum.		
The repayment schedule will be in three installment i.e ₹17,500 Lakhs at the end of 2.5 years, Rs17,500 Lakhs at the end of 3 years and ₹15,000 Lakhs at the end of 3.5 years from the allotment date.		
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)	79	125
	50,079	125

NOTE NO.19 A LEASE LIABILITES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	4	10
	4	10

NOTE NO.20 OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Distributors/Dealers Deposit	1	1
Derivative Liability (Mark to Market)	42	-
	43	1

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.21 PROVISIONS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity	1,971	2,058
Leave Encashment	424	424
	2,395	2,482

NOTE NO.22 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
The balance comprises temporary difference attributable to:		
Deferred tax liabilities	26,315	21,631
Deferred tax assets	1,224	1,281
Net Deferred tax liabilities	25,091	20,350

NOTE NO.23 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Income (Export Incentive)	3,081	3,255
	3,081	3,255

NOTE NO.24 BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks	12,521	18,683
Unsecured		
From Banks	1,81,612	70,527
From Others		
Current maturity of long term debt	46	54
	1,94,179	89,264
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

NOTE NO.24A LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	5	9
	5	9

NOTE NO.25 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables (including Acceptances) due to:		
Total outstanding due of Micro and Small Enterprise	1,638	1,606
Total outstanding due of creditors Other than Micro and Small Enterprise	79,115	61,739
	80,753	63,345
(Refer Note No. 45 for Micro and Small Enterprise)		

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.26 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due	11	-
Unpaid Dividend	295	266
Other Payable (capital creditors)	11,571	7,097
Derivative liabilities	162	45
	12,039	7,408

NOTE NO.27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income received in advance	6,018	4,237
Security Deposit	4,767	4,211
Statutory dues	14,353	8,087
	25,138	16,535

NOTE NO.28 PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Leave encashment	447	511
	447	511

NOTE NO.29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Sale of Products	8,18,056	5,65,003
Other Operating Revenue:		
Export Incentives	6,074	9,447
Scrap Sales	2,128	1,292
Others	413	50
	8,615	10,789
Total Revenue from Operations	8,26,671	5,75,792
DISAGGREGATION OF REVENUE		
Revenue based on Geography		
Export	6,85,890	4,45,389
Domestic #	1,40,781	1,30,403
Total Revenue from operations	8,26,671	5,75,792
# (Including export incentive on account of MEIS licence)		
Reconciliation of Revenue from operations with contract price		
Contract Price	8,38,769	5,89,932
Less:		
Sales returns	496	300
Sales Incentives and Bonus	9,366	11,242
Others	2,236	2,598
	12,098	14,140
Total Revenue from operations	8,26,671	5,75,792

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Company provides performance warranty for its products. The amount of liability towards such warranty is not material.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.30 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Income on:		
Non Current Investments	3,776	3,238
Current Investments	53	-
Deposits/Loans and Advances/Income tax refund	320	793
	4,149	4,031
Net gain on foreign currency transaction and translation	24,585	4,213
Income from Non current Investment	998	2
Dividend Income on investments	376	324
Net gain on sale of Non Current Investments	1,136	1,157
Net mark to market gain/(loss) on investments	9,951	4,662
Net gain on sale of Current Investments	655	786
Profit on sale of Property Plant and Equipment	115	-
Withdrawal of Provision of Doubtful Loan	75	-
Other non-operating income	1,020	970
	43,060	16,145

NOTE NO.31 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Raw Material Consumed	3,95,776	2,37,946
	3,95,776	2,37,946

NOTE NO.32 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Purchase of Traded Goods	7,612	7,219
	7,612	7,219

NOTE NO.33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Stock :		
Work-in-Progress	9,168	7,675
Stock in Trade	1,044	561
Finished Goods	28,061	15,154
	38,273	23,390
Less :		
Closing Stock :		
Work-in-Progress	16,202	9,168
Stock in Trade	1,037	1,044
Finished Goods	46,567	28,061
	63,806	38,273
Net (Increase)/Decrease in Inventories	(25,533)	(14,883)

NOTE NO.34 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Salaries and wages	35,014	30,032
Contribution to provident and other funds	2,045	1,832
Staff welfare expenses	984	730
	38,043	32,594

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.35 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest expenses	714	884
Other borrowing cost	71	94
Interest on Lease Liability	1	4
	786	982

NOTE NO.36 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Depreciation and amortisation	44,368	40,542
Depreciation of Right-of-use assets	9	73
	44,377	40,615

NOTE NO.37 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Consumption of stores and spare parts	20,465	16,438
Packing material consumed	1,688	1,213
Power and fuel(Net)	27,481	16,798
Freight and forwarding	86,722	30,034
Labour/Job Charges	17,629	13,544
Water charges	803	580
Repairs and Maintenance to Plant & Machinery	3,486	3,851
Repairs and Maintenance to Building	2,217	2,727
Repairs and Maintenance to Others	797	661
Insurance Charges	2,269	1,807
Rates and Taxes excluding taxes on income	7,178	4,924
Rent	462	228
Legal and Professional charges	2,540	2,590
Advertisement, Publicity, Sales Promotion and Marketing Service expenses	32,976	33,775
Commission	271	134
Travelling Expenses	1,012	699
Directors Meeting Fees	34	28
Loss on sale of Property plant and equipment	-	60
Property plant and equipment Discarded	2	1
Interest to Others	20	38
Contribution towards CSR expenses	2,909	2,360
Miscellaneous expenses	2,262	1,875
	2,13,223	1,34,365

NOTE NO.38**i) Tax Reconciliation****(a) The Income tax expense consists of the followings:**

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Current income tax	45,746	37,100
Short/(Excess) provision of earlier year	6,154	(184)
Deferred tax expense	2,478	645
Tax expense for the year	54,378	37,561

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	271	(68)	203	(39)	10	(29)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow Hedges	8,718	(2,194)	6,524	7,483	(1,883)	5,600
	8,989	(2,262)	6,727	7,444	(1,873)	5,571

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

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit before tax	1,95,447	1,53,099
Indian statutory income tax rate (%)	25.168%	25.168%
Expected income tax expenses	49,190	38,532
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(483)	(482)
Deduction under Income Tax Act.	(80)	(83)
Impact of differential tax rate	(1,205)	(715)
Permanent differences	774	688
Others- Allowance, Income tax of earlier year, Revision in tax rate etc.	6,182	(379)
Total Income Tax expenses	54,378	37,561
Effective Tax Rate	27.822%	24.534%

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022			
	Net balance 1st April, 2021	Recognised in profit and loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(17,563)	(168)	-	(17,731)
Investments	(1,698)	(1,505)	-	(3,203)
Employee benefits	883	30	(68)	845
Cash Flow Hedge	(468)	-	(2,194)	(2,662)
Provision for Doubtful Advances	398	(19)	-	379
Others (Net)	(1,902)	(817)	-	(2,719)
Deferred tax assets/(liabilities)	(20,350)	(2,479)	(2,262)	(25,091)

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	Net balance 1st April, 2020	Recognised in profit and loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets/(liabilities)				
Property, plant and equipment	(18,333)	770	-	(17,563)
Investments	(1,038)	(660)	-	(1,698)
Employee benefits	828	45	10	883
Cash Flow Hedge	1,415	-	(1,883)	(468)
Provision for Doubtful Advances	398	-	-	398
Others (Net)	(1,101)	(801)	-	(1,902)
Deferred tax assets/(liabilities)	(17,831)	(645)	(1,873)	(20,350)

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

NOTE NO.39 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

A. Accounting classification and fair values

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Cash and cash equivalents (Including other bank balances)	-	-	3,525	3,525	-	-	-	-
Mutual Fund	87,968	-	-	87,968	53,814	34,154	-	87,968
Debentures	18,388	-	-	18,388	18,388	-	-	18,388
Equities	4,543	-	-	4,543	4,543	-	-	4,543
Loans	-	-	341	341	-	-	-	-
Trade receivables	-	-	1,09,768	1,09,768	-	-	-	-
Other financial assets	-	-	2,147	2,147	-	-	-	-
Foreign exchange forward contracts	-	10,779	-	10,779	-	10,779	-	10,779
preference shares and bonds	-	-	56,195	56,195	-	-	-	-
Alternate Investment Fund	20,266	-	-	20,266	-	20,266	-	20,266
Security deposit	-	-	1,870	1,870	-	-	-	-
TOTAL	1,31,165	10,779	1,73,846	3,15,790	76,745	65,199	-	1,41,944
Financial Liabilities:								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	50,079	50,079	-	-	-	-
Other financial liabilities	-	-	11,887	11,887	-	-	-	-
Short term borrowings	-	-	1,94,179	1,94,179	-	-	-	-
Trade payables	-	-	80,753	80,753	-	-	-	-
Foreign exchange forward contracts	-	204	-	204	-	204	-	204
TOTAL	-	204	3,36,898	3,37,102	-	204	-	204

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Cash and cash equivalents (Including other bank balances)	-	-	5,429	5,429	-	-	-	-
Mutual Fund	72,090	-	-	72,090	40,452	31,638	-	72,090
Debentures	7,222	-	-	7,222	7,222	-	-	7,222
Equities	309	-	-	309	309	-	-	309
Loans	-	-	417	417	-	-	-	-
Trade receivables	-	-	73,013	73,013	-	-	-	-
Other financial assets	-	-	1,846	1,846	-	-	-	-
Foreign exchange forward contracts	-	1,903	-	1,903	-	1,903	-	1,903
preference shares and bonds	-	-	54,534	54,534	-	-	-	-
Alternate Investment Fund	6,551	-	-	6,551	-	6,551	-	6,551
Security deposit	-	-	1,478	1,478	-	-	-	-
TOTAL	86,172	1,903	1,36,717	2,24,792	47,983	40,092	-	88,075
Financial Liabilities:								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	125	125	-	-	-	-
Other financial liabilities	-	-	7,383	7,383	-	-	-	-
Short term borrowings	-	-	89,264	89,264	-	-	-	-
Trade payables	-	-	63,344	63,344	-	-	-	-
Foreign exchange forward contracts	-	45	-	45	-	45	-	45
TOTAL	-	45	1,60,116	1,60,161	-	45	-	45

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

B. Measurement of fair values

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level3.

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level: 2			
Forward contracts	Market valuation techniques The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level: 1 and Level: 2			
Mutual Fund/Debentures/ Bonds and Alternate Investment Fund	Net Asset value	Not applicable	Not applicable

C. Financial risk management

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

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

i. Risk management framework

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

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

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

ii. Credit risk

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

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

Trade receivables

Around 83% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the Company's credit risk in this respect.

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Impairment

Provision for doubtful debts movement	(₹ in Lakhs)
Balance as at 1st April, 2020	-
Impairment loss recognised	7
Amounts written off	7
Balance as at 31st March, 2021	-
Impairment loss recognised	19
Amounts written off	19
Balance as at 31st March, 2022	-

Concentration of credit risk

At 31st March, 2022, the carrying amount of the Company's most significant customer is ₹ 26,332 Lakhs (previous Year ₹ 20,048 Lakhs)

Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Company had made provisions of doubtful loan in earlier year of ₹ 1,650 Lakhs. Till 31st March, 2022 the Company had recovered ₹ 148 Lakhs against this doubtful loan and as such the provision for such doubtful loan was reduced to ₹ 1,502 Lakhs as on 31st March, 2022. The Company has no collateral securities in respect of said loan.

Investment in debentures and preference shares

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

Investment in mutual funds and bonds

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

Derivatives

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

Cash and cash equivalents

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

iii. Liquidity risk

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

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

As at 31st March, 2022, the Company had working capital of ₹ 67,728 Lakhs, including cash and cash equivalents of ₹ 2,945 Lakhs, and highly marketable current investments of ₹ 68,453 Lakhs.

As at 31st March, 2021, the Company had working capital of ₹ 61,785 Lakhs, including cash and cash equivalents of ₹ 3,407 Lakhs, and highly marketable current investments of ₹ 39,203 Lakhs.

Exposure to liquidity risk

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

* all non derivative financial liabilities

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

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

As at 31st March, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non Current						
Unsecured Long term loans and borrowings	50,125	50,125	45	35	50,045	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	12,521	12,521	12,521	-	-	-
Unsecured Short term loans and borrowings	1,81,612	1,81,612	1,81,612	-	-	-
Trade payables	80,753	80,753	80,753	-	-	-
Other payable (Capital creditors)	11,571	11,571	11,571	-	-	-
Unpaid Dividend	295	295	295	-	-	-
Interest accrued but not due	11	11	11	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	8,873	8,873	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	42	42	-	40	2	-
Current						
Foreign exchange forward contract	162	162	162	-	-	-

(₹ In Lakhs)

As at 31st March, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non Current						
Unsecured Long term loans and borrowings	179	179	54	81	44	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	18,683	18,683	18,683	-	-	-
Unsecured Short term loans and borrowings	70,527	70,527	70,527	-	-	-
Trade payables	63,345	63,345	63,345	-	-	-
Other payable (Capital creditors)	7,097	7,097	7,097	-	-	-
Unpaid Dividend	266	266	266	-	-	-
Interest accrued but not due (₹ 41,223)	0	0	0	-	-	-
Financial / corporate guarantee in respect of loan taken by subsidiary *	-	10,681	10,681	-	-	-
Derivative financial liabilities						
Current						
Foreign exchange forward contract	45	45	45	-	-	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

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

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

iv. Market risk

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

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the Company. The functional currency of the Company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the Company generally hedges its estimated foreign currency exposure in respect of forecasted sales over the forthcoming financial years in advance. The Company uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The Company, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2022:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 283.95 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 162 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 170 million	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2021:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 43.01 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 45 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 12 million	Sell

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Exposure to currency risk

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	62,700	39,691	-	38,134	20,370	-
Cash and Cash Equivalents	439	2,034	8	1,233	1,559	-
Total (A)	63,139	41,725	8	39,367	21,929	-
Financial liabilities (B)						
Secured Loans	11,005	1,516	-	18,637	-	-
Unsecured Loans	2,17,407	-	-	61,449	-	-
Interest on loans	11	-	-	-	-	-
Trade payables	2,997	4,117	238	3,849	6,404	105
Total (B)	2,31,420	5,633	238	83,935	6,404	105
Net statement of financial position exposure (A-B)	(1,68,281)	36,092	(230)	(44,568)	15,525	(105)

Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of Company would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the Balance Sheet date.

(₹ in Lakhs)

31st March, 2022	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(3,366)	3,366
USD	3%	1,083	(1,083)
Others	10%	(23)	23

(₹ in Lakhs)

31st March, 2021	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(891)	891
USD	3%	466	(466)
Others	10%	(11)	11

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

b) Interest rate risk

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

For details of the Company's short-term loans and borrowings, including interest rate profiles, refer to Note 50 of these financial statements.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets	56,771	56,573
Financial liabilities	(2,35,928)	(83,686)
	(1,79,157)	(27,113)
Variable-rate instruments		
Financial liabilities	(8,205)	5,524
	(8,205)	5,524

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

(₹ in Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2022		
Variable-rate instruments	(82)	82
sensitivity (net)	(82)	82
As at 31st March, 2021		
Variable-rate instruments	(55)	55
sensitivity (net)	(55)	55

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

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March, 2022 and 31st March, 2021. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2022						
Financial assets						
Derivative financial instruments	10,779	-	10,779	10,779	-	10,779
Total	10,779	-	10,779	10,779	-	10,779
Financial liabilities						
Derivative financial instruments	204	-	204	204	-	204
Total	204	-	204	204	-	204

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2021						
Financial assets						
Derivative financial instruments	1,903	-	1,903	1,903	-	1,903
Total	1,903	-	1,903	1,903	-	1,903
Financial liabilities						
Derivative financial instruments	45	-	45	45	-	45
Total	45	-	45	45	-	45

NOTE NO.40**Hedge accounting**

As part of its risk management strategy, the Company endeavours to hedge its net foreign currency exposure of highly forecasted sale transactions for the forthcoming financial years in advance. The Company uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realisation is likely to take place. For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

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

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

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

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

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

Disclosure of effects of hedge accounting on financial position**As at 31st March, 2022**

Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customised contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

As at 31st March, 2022

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in Balance Sheet position where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	332 Million EUR 283.95 Million USD	8,011	204	Nil	FY 2021-22 to 2026-27	1 USD = INR 81.2793 1 EUR = INR 90.6088
Cross Currency Swap	57.46 Million EUR	2,768	-	Non current Borrowing	FY 2024-25 to 2025-26	1 EUR = INR 87.0235
Particulars	Change in fair value for the year	Change in fair value for the year recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2021-22	8,718	Nil	Not applicable	Nil	Not applicable

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

(₹ in Lakhs)

Particulars	Movement in Cash flow hedge reserve	
	As at 31st March, 2022	As at 31st March, 2021
Opening balance	1,391	(4,209)
Effective portion of changes in fair value:		
Foreign currency risk	8,718	7,483
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	(2,194)	(1,883)
Closing balance	7,915	1,391

NOTE NO.41 CAPITAL MANAGEMENT

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

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

The Company's net debt to equity ratio was as follows.

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Borrowings	1,94,179	89,264
Current maturity of long term debt	(46)	(54)
Gross Debt	1,94,133	89,210
Less - Cash and Cash Equivalents	2,945	3,407
Less - Current Investments	68,453	39,203
Net debt	1,22,735	46,600

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total equity	6,92,455	6,00,721
Add/(Less) : Hedging reserve	(7,915)	(1,391)
Equity	6,84,540	5,99,330
Net debt to Equity ratio	0.18	0.08

NOTE NO.42 EARNING PER SHARE (EPS)

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit attributable to equity holders (₹ in Lakhs)	1,41,069	1,15,538
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	72.97	59.77

NOTE NO.43 RELATED PARTY DISCLOSURES**I) Related Party Relationships***

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance (up to 28.08.2020), Mr. Madhusudan Bajaj (w.e.f 28.08.2020)-President commercial & CFO.

b) Relatives of Key Management Personnel :

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal (up to 28.08.2020), Mrs. Vijaya Bajaj (w.e.f. 28.08.2020)

c) Other Related Parties - (Enterprises-KMP having significant influence/owned by major shareholders), Clothing Culture Private Limited**d) The Company has following subsidiary companies:**

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

II Related Party Transactions \$

(₹ in Lakhs)

Transactions	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials	-	11	-	-	15	-
Rent received	-	66	-	-	66	-
Recovery of Expenses (Other related party ₹ 38,495)	-	0	-	-	24	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Transactions	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Rent paid	372	-	-	203	-	-
Maintenance Expenses	14	-	-	5	-	-
Vehicle Hiring Charges	3	-	-	7	-	-
Remuneration	28	-	-	28	-	-
Meeting Fees	4	-	-	3	-	-
Marketing Service Expenses	-	-	24,045	-	-	23,185
Guarantee Commission Received	-	-	54	-	-	56
Sale of goods/Materials	-	-	20,769	-	-	10,676
Guarantee given to Bank on behalf of subsidiary	-	-	8,873	-	-	10,681
Finance charges recover against Guarantee Commission	-	-	8	-	-	9
Development Charges Paid (R&D)	-	-	13	-	-	-

(₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Outstanding Balances								
Remuneration payable (Outstanding for Relative of (KMP) is ₹ 16,800 (Previous Year ₹ 16,800))	8,000	6,500	0	0	-	-	-	-
Trade Receivables	-	-	-	-	6,686	1,564	-	-
Trade Payables	-	-	-	-	440	417	-	-

III Key management personnel compensation

Key management personnel compensation comprised the following

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Remuneration	9,258	7,747
Recovery of Expenses	25	-

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Purchase of Goods/ Materials						
Clothing Culture Private Limited	-	11	-	-	15	-
Rent received						
Clothing Culture Private Limited	-	66	-	-	66	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Relatives of (KMP)	Other related Party	Subsidiaries	Relatives of (KMP)	Other related Party	Subsidiaries
Recovery of Expenses						
Clothing Culture Private Limited (Other related parties ₹ 38,495)	-	0	-	-	24	-
Rent Paid						
Mrs. Pooja Dhoot	167	-	-	135	-	-
Mrs. Khushboo Poddar	205	-	-	68	-	-
Maintenance Expenses						
Mrs. Pooja Dhoot	6	-	-	3	-	-
Mrs. Khushboo Poddar	8	-	-	2	-	-
Vehicle Hiring Charges						
Mr. Gunal Bansal	-	-	-	3	-	-
Mrs Vijaya Bajaj	3	-	-	4	-	-
Meeting Fees						
Mrs. Vijaylaxmi Poddar	4	-	-	3	-	-
Remuneration						
Mrs. Khushboo Poddar	28	-	-	28	-	-
Marketing Service Expenses						
BKT EUROPE S.R.L.	-	-	17,989	-	-	17,820
BKT(USA)INC	-	-	4,071	-	-	3,558
BKT TIRES (CANADA) INC.	-	-	1,236	-	-	951
BKT TIRES INC.	-	-	749	-	-	856
Sales of Goods/ Materials						
BKT EUROPE S.R.L.	-	-	8,339	-	-	5,214
BKT TIRES INC.	-	-	12,430	-	-	5,462
Guarantee Commission Received						
BKT EUROPE S.R.L.	-	-	31	-	-	35
BKT EXIM US, INC	-	-	23	-	-	21
Guarantee given to Bank on behalf of subsidiaries						
BKT EUROPE S.R.L.	-	-	5,917	-	-	6,638
BKT EXIM US, INC	-	-	2,956	-	-	4,043
Finance charges recover against Guarantee Commission						
BKT EUROPE S.R.L.	-	-	3	-	-	4
BKT EXIM US, INC	-	-	5	-	-	4
Development Charges Paid						
BKT Europe S.R.L	-	-	13	-	-	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Subsidiaries		Other related Party	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Remuneration payable							-	-
Mr. Arvind M Poddar	4,000	3,200	-	-	-	-	-	-
Mr. Rajiv A Poddar	4,000	3,300	-	-	-	-	-	-
Mr. Vipul Shah (KMP - ₹ 16,800 Previous Year ₹ 16,800)	0	0	-	-	-	-	-	-
Mr. Madhusudan Bajaj- (KMP - ₹ 16,800 Previous Year ₹ 16,800)	0	0	-	-	-	-	-	-
Mrs. Khushboo Poddar- Outstanding for Relative of KMP is ₹ 16,800 (Previous Year ₹ 16,800)	-	-	0	0	-	-	-	-
Trade Receivables								
BKT EUROPE S.R.L.	-	-	-	-	4,330	843	-	-
BKT TIRES INC.	-	-	-	-	2,324	690	-	-
BKT EXIM US, INC	-	-	-	-	32	31	-	-
Trade Payables								
BKT(USA)INC	-	-	-	-	330	314	-	-
BKT TIRES (CANADA) INC.	-	-	-	-	110	103	-	-

Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Remuneration		
Mr. Arvind M Poddar	4,554	3,742
Mr. Rajiv A Poddar	4,442	3,732
Mr. Vipul Shah	78	71
Mr. Madhusudhan Bajaj	184	101*
Mr. Basantkumar Bansal	-	101
Recovery of Expenses		
Mr. Arvind M Poddar	9	-
Mr. Rajiv A Poddar	16	-

** Excluding Provision for gratuity and leave encashment

Terms and conditions of transactions with related parties

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

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

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

NOTE NO.44 COVID-19

As per the current reports the COVID-19 pandemic is receding and most businesses are back to pre-pandemic levels. The Company does not see any challenge in the recoverability and carrying value of all its assets and investments.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.45 TRADE PAYABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,618	-	-	-	1,618
Others	77,658	238	33	93	78,022
Dispute due MSME	20	-	-	-	20
Dispute due Others	8	30	1	1,054	1,093

TRADE PAYABLE AGEING AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,606	-	-	-	1,606
Others	59,782	384	182	337	60,685
Dispute due MSME	-	-	-	-	-
Dispute due Others	1	-	-	1,053	1,054

As at 31st March, 2022, the Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	1,638	1,606
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

NOTE NO.46 EMPLOYEE BENEFIT OBLIGATIONS**(A) Defined Contribution Plan**

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	81	81
Employees' Provident fund	1,251	1,092

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the Company has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the Company. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Particulars	(₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
	Gratuity (Funded plan)	Gratuity (Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	6,473	5,752
Amount recognised in profit and loss		
Current service cost	555	506
Interest cost	445	396
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Demographic assumptions	3	-
Financial assumptions	(295)	14
Experience adjustment (As at 31st March, 2021 ₹ 35,359)	34	0
Other		
Benefits paid	(181)	(195)
Closing defined benefit obligation	7,034	6,473
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	4,415	3,796
Amount recognised in profit and loss		
Interest income	305	262
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	12	(25)
Other		
Contributions by employer	512	577
Benefits paid	(181)	(195)
Closing fair value of plan assets	5,063	4,415
Actual return on Plan Assets	318	236
(iii) Plan assets comprise the following		
	Unquoted	Unquoted
Insurance fund (100%)	5,063	4,415
(iv) Principal actuarial assumptions used	%	%
Discount rate	7.27	6.87

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Gratuity (Funded plan)	Gratuity (Funded plan)
Rate of employee turnover	For Service 4 years and below 10 % p.a. & thereafter 2%p.a	For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate	8.50	8.50
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	7,034	6,473
Fair value of plan assets as at year end	5,063	4,415
Net (asset) / liability recognised as at year end	1,971	2,058
Recognised under :		
Long term provisions	1,971	2,058
	1,971	2,058

(vi) Sensitivity analysis

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement) - Gratuity	(652)	780	(631)	757
Employee turnover (1% movement) - Gratuity	(59)	68	(83)	96
Future salary growth (1% movement) - Gratuity	636	(593)	642	(584)

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

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2022					
Defined benefit obligations (Gratuity)	345	415	1,896	2,550	5,206
	345	415	1,896	2,550	5,206

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31st March, 2021					
Defined benefit obligations (Gratuity)	296	299	1,561	2,444	4,600
	296	299	1,561	2,444	4,600

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March, 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 0.06 Lakhs (31st March, 2021 : ₹ 25.28 Lakhs).

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.47 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Contingent Liabilities		
a) Claims against the Company not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	13,272	14,414
Disputed income tax demands	1,268	6,544
Others (Municipal, Gram panchayat tax, Electricity Duty etc.)	676	531
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	5,060	3,384
c) Corporate Guarantee/Bonds given by the Company:		
To the President of India through commissioner / Dy. commissioner of Custom	14,924	43,023
To Bank against loan taken by subsidiary	6,335	6,626
d) Standby Letter of Credit issued by Company's banker for loan taken by subsidiary	2,539	4,055
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	96,570	61,367

NOTE NO.48 PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Audit Fees	42	40
For Other services	6	6
	48	46

NOTE NO.49 RESEARCH AND DEVELOPMENT COST/EXPENDITURE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue	2,864	2,417
Capital	1,397	785
	4,261	3,202

NOTE NO.50 NATURE OF SECURITY IN RESPECT OF SECURED LOAN (SHORT TERM):

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Working Capital Loans from Banks Repayable on Demand:		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPEs of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	-	18,683
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets and further secured by first charge by way of hypothecation on all the present and future movable PPEs of the Company.	12,521	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.51 TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Sr no	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1.	Undisputed Trade Receivable - Consider Good	1,09,341	420	7	-	-	1,09,768
2.	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4.	disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5.	disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6.	disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Sr. no.	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1.	Undisputed Trade Receivable - Consider Good	72,899	33	64	17	-	73,013
2.	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4.	disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5.	disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6.	disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

NOTE NO.52 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has recommended a further final dividend of ₹ 4 (200%) per equity share of ₹ 2 each.

NOTE NO.53 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY

(₹ in Lakhs)

Sr. No	PARTICULARS	Year ended 31st March, 2022	Year ended 31st March, 2021
1.	Amount required to be spent by the Company during the year	2,478	2,232
2.	Amount of expenditure incurred on		
	i) Construction/acquisition of any assets	1,727	912
	ii) On purpose of other than (i) above	762	900
3.	Shortfall at the end of the year		420
4.	Total of Previous year shortfall	-	-
5.	Reason for shortfall	-	The project was identified at the end of the FY 2020-21 and there was no immediate fund requirement hence payment made in May, 2021.
6.	Nature of CSR activities		Healthcare, Education and Rural development
7.	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-	-

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021) effective from 22nd January, 2021,, if a Company fails to spend the prescribed CSR amount during the year and such unspent amount pertains to any ongoing project, the Company shall transfer the unspent amount to a special bank account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account within a period of 30 days from the end of the relevant financial year. ₹ 3 Lakhs unspent during the FY 2021-2022 has been already deposited by the Company in a separate bank account within the stipulated period.

NOTE NO.54 RATIOS

Sr No.	Particulars	Numerator	Denominator	Year Ended		% Variance	Remarks for variance more than 25%
				31st March, 2022	31st March, 2021		
1.	Current Ratio (In times)	Current Assets	Current Liabilities	1.22	1.35	(9.80)	
2.	Debt-Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.35	0.15	137.05	There has been increase in working capital and issuance of NCD
3.	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	384.78	510.38	(24.61)	
4.	Return on Equity (ROE) (%)	Net Profits after taxes	Average Shareholder's Equity	21.82	19.23	13.44	
5.	Inventory Turnover (In times)	Cost of goods sold	Average Inventories	10.14	11.17	(9.17)	
6.	Trade receivables Turnover (In times)	Net Sales	Average Trade Receivables	8.95	8.19	9.27	
7.	Trade Payables Turnover Ratio (In times)	Total Purchase	Avg Trade Payables	9.05	8.24	9.79	
8.	Net capital turnover ratio (In times)	Net Sales	Working Capital	12.63	10.97	15.13	
9.	Net profit ratio (%)	Net Profit	Net Sales	17.24	20.45	(15.67)	
10.	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	20.41	21.69	(5.91)	
11.	Return on investment (%)	Income generated from investments	Average Investments	10.25	8.37	22.56	

NOTE NO.55 OTHER STATUTORY INFORMATIONS

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.

Notes Forming Part of the Standalone Financial Statements For the year ended 31st March, 2022 (Contd.)

- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) All the title deeds of immovable properties are in the name of Company.
- viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

NOTE NO.56

The code of Social Security, 2020 (code) relating to employee benefits during employment and post-employment received Presidential asset in September, 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

NOTE NO.57

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

NOTES FORMING THE PART OF FINANCIAL STATEMENTS 1 TO 57

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Independent Auditor's Report

To the Members of

BALKRISHNA INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Balkrishna Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements 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 ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

The key audit matters	How our audit addressed the matter
<p>Capitalisation of property, plant and equipment</p> <p>During the year ended 31st March, 2022, the Company has incurred significant capital expenditure. Further the total additions to property, plant and equipment at various factories of the Company was Rs. 1,11,268 lakhs in the current year as set out in Note No.2. Significant level of judgement is involved to ensure that the aforesaid capital expenditure/additions meet the recognition criteria of Ind AS 16 - Property, Plant and Equipment.</p> <p>As a result, the aforesaid matter was determined to be a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures included the following substantive procedures</p> <ul style="list-style-type: none"> We assessed the capitalisation process and tested the design and operating effectiveness of the controls in the process. Assessed the nature of the additions made to property, plant and equipment and capital work-in-progress on a test check basis to test that they meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. Reviewed the project completion details provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. <p>Based on the above procedures, management's assessment in respect of Capitalisation of property, plant and equipment in the Consolidated Financial Statements are considered to be adequate</p>

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (Contd.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 these consolidated financial statements.

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 consolidated financial statements, 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 entity has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements 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 auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- (a) We did not audit the financial statements of the 5 foreign subsidiaries, whose financial results include total assets of (before consolidation adjustments) Rs.21,685 lakhs, total revenue of (before consolidation adjustments) Rs.47,804 lakhs, total net profit after tax of (before consolidation adjustments) Rs.1,900 lakhs, total comprehensive income of (before consolidation adjustments) Rs.1,016 lakhs and net cash outflows of (before consolidation adjustments) Rs.438 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited/ reviewed by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary which is incorporated in India, as on 31st March, 2022 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further the only Indian Subsidiary has not paid any remuneration to its directors during the current year.

Independent Auditor's Report (Contd.)

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group.
 - ii. the Company and its subsidiary company incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2022.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The dividend declared or paid during the year by the Holding Company is in compliance with section 123 of the Act.
2. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **N.G.THAKRAR & CO.**
Chartered Accountants
(Firm Reg. No. 110907W)

NATWAR THAKRAR
Partner
Membership No. 036213
UDIN: 22036213AIYHZP6606

Place: Mumbai
Date: 13th May, 2022

Annexure - A to the Independent Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of Balkrishna Industries Limited ("the Company") and its subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

Annexure - A to the Independent Auditors' Report (Contd.)

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to financial statements as at 31st March, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **N.G.THAKRAR & CO.**
Chartered Accountants
(Firm Reg. No. 110907W)

NATWAR THAKRAR
Partner
Membership No. 036213
UDIN: 22036213AIYHZP6606

Place: Mumbai
Date: 13th May, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	3,93,906	3,28,299
(b) Capital Work-in-Progress	2A	1,25,840	85,552
(c) Investment Property	3	7,934	8,639
(d) Intangible Assets	4	90	76
(e) Right of use assets	4A	9	18
(f) Financial Assets			
i) Investments	5	1,21,215	1,02,562
ii) Other Financial Assets	6	8,288	1,765
(g) Income tax Assets (Net)	7	581	6,989
(h) Other Non-Current Assets	8	50,617	34,836
TOTAL NON-CURRENT ASSETS		7,08,480	5,68,736
2 CURRENT ASSETS			
(a) Inventories	9	1,67,209	93,972
(b) Financial Assets			
i) Investments	10	68,453	39,203
ii) Trade Receivables	11	1,09,615	75,359
iii) Cash and Cash Equivalents	12	4,591	5,492
iv) Other Bank Balances	13	580	2,022
v) Loans	14	352	431
vi) Other Financial Assets	15	6,513	3,466
(c) Other Current Assets	16	32,105	27,968
TOTAL CURRENT ASSETS		3,89,418	2,47,913
TOTAL ASSETS		10,97,898	8,16,649
II EQUITY AND LIABILITIES			
EQUITY			
(a) Share Capital	17	3,866	3,866
(b) Other Equity	18	6,89,435	5,96,116
TOTAL EQUITY		6,93,301	5,99,982
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	19	50,104	148
ii) Lease Liabilities	19A	4	10
iii) Other Financial Liabilities	20	43	1
(b) Provisions	21	2,712	2,750
(c) Deferred Tax Liabilities (Net)	22	25,090	20,350
(d) Other Non-Current Liabilities	23	3,081	3,255
TOTAL NON CURRENT LIABILITIES		81,034	26,514
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	24	2,02,746	99,945
ii) Lease Liabilities	24A	5	9
iii) Trade Payable			
Total outstanding due of Micro and Small Enterprise	25	1,638	1,606
Total outstanding due of creditors Other than Micro and Small Enterprise	25	81,288	63,896
iv) Other Financial Liabilities	26	12,039	7,408
(b) Other Current Liabilities	27	25,400	16,778
(c) Provisions	28	447	511
TOTAL CURRENT LIABILITIES		3,23,563	1,90,153
TOTAL EQUITY AND LIABILITIES		10,97,898	8,16,649

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 to 59

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31st March, 2022	Year Ended 31st March, 2021
I Income			
Revenue From Operations	29	8,29,512	5,78,319
Other Income	30	43,792	17,216
Total Income		8,73,304	5,95,535
II Expenses :			
Cost of Materials Consumed	31	3,95,788	2,37,946
Purchases of Stock-in-Trade	32	7,753	7,558
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	33	(25,757)	(14,400)
Employee Benefits Expense	34	43,007	37,086
Finance Cost	35	915	1,138
Depreciation and Amortisation Expense	36	45,537	41,630
Other Expenses	37	2,07,846	1,29,085
Total Expenses		6,75,089	4,40,043
III Profit Before Tax (I-II)		1,98,215	1,55,492
IV Tax Expenses			
Current tax		46,045	37,278
Short/(Excess) provision of earlier years		6,154	(184)
Deferred tax		2,478	645
Total Tax Expenses		54,677	37,739
V Profit After Tax (III-IV)		1,43,538	1,17,753
VI Other Comprehensive Income			
1 i) Items that will not be reclassified to profit or loss :			
Re-measurements of Defined Benefit Plans		271	(39)
ii) Income Tax		(68)	10
2 i) Items that will be reclassified to profit or loss :			
The effective portion of gain and (losses) on hedging instruments in a cash flow hedge		8,718	7,483
ii) Income Tax		(2,194)	(1,883)
iii) Exchange differences on translation of financial statements of foreign operation		(884)	(972)
Total Other Comprehensive Income (1+2)		5,843	4,599
VII Total Comprehensive Income (V+VI)		1,49,381	1,22,352
VIII Earnings per equity share:			
Basic and Diluted	42	74.25	60.91

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 to 59

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director
RAJIV PODDAR Joint Managing Director

MADHUSUDAN BAJAJ
President (Commercial) & CFO

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(a) Equity share capital

Particulars	No. of Shares	Amount (₹ in Lakhs)
Balance as at 1st April, 2020	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2021	19,33,17,190	3,866
Changes in equity share capital	-	-
Balance as at 31st March, 2022	19,33,17,190	3,866

(b) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Statement of other comprehensive Income			Total other equity
	Capital Reserve	General Reserve	Retained earnings	Re-measurements of the net defined benefit Plans	Effective portion of Cash flow Hedges	Foreign Currency translation reserve	
Balance as at 1st April, 2020	4	3,60,000	1,44,228	(1,630)	(4,209)	(1,431)	4,96,962
Total Comprehensive							
Profit for the year	-	-	1,17,753	-	-	-	1,17,753
Other comprehensive income for the year	-	-	-	(29)	5,600	-	5,571
Transactions with owners of the Company							
Interim Dividend on Equity Shares	-	-	(23,198)	-	-	-	(23,198)
Transferred to Capital Reserve	-	-	(30)	-	-	-	(30)
Transferred to General Reserve	-	-	(40,000)	-	-	-	(40,000)
Transferred from Retained Earnings	30	40,000	-	-	-	-	40,030
Foreign currency translation reserve	-	-	-	-	-	(972)	(972)
Balance as at 31st March, 2021	34	4,00,000	1,98,753	(1,659)	1,391	(2,403)	5,96,116
Total Comprehensive							
Profit for the year	-	-	1,43,538	-	-	-	1,43,538
Other comprehensive income for the year	-	-	-	203	6,524	-	6,727
Transactions with owners of the Company							
Interim Dividend on Equity Shares	-	-	(46,396)	-	-	-	(46,396)
Interim Dividend Distribution Tax	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	(9,666)	-	-	-	(9,666)
Transfer to Capital Reserve	-	-	-	-	-	-	-
Transferred to General Reserve	-	-	(40,000)	-	-	-	(40,000)
Transferred from Retained Earnings	-	40,000	-	-	-	-	40,000
Foreign currency translation reserve	-	-	-	-	-	(884)	(884)
Balance as at 31st March, 2022	34	4,40,000	2,46,229	(1,456)	7,915	(3,287)	6,89,435

As per our report of even date attached

 For **N.G. THAKRAR & CO.**
 Chartered Accountants
 (Firm Reg. no.110907W)

NATWAR THAKRAR
 Partner
 Membership No.036213

 Mumbai,
 Dated: 13th May, 2022

MADHUSUDAN BAJAJ
 President (Commercial) & CFO

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

 Mumbai,
 Dated: 13th May, 2022

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	Year Ended	
	31st March, 2022	31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	1,98,215	1,55,492
Adjustment for :		
Depreciation and Amortisation	45,537	41,630
Withdrawal of Provision of Doubtful Loan	(75)	-
Net mark to market (Gain)/Loss on investments	(9,951)	(4,662)
Income from Investments	(3,165)	(2,269)
Finance Cost	915	1,138
Interest Income including on investments	(4,150)	(4,031)
(Profit)/Loss on Sale of Property, Plant and equipment	(115)	66
Property, Plant and equipment Discarded	2	1
Unrealised Foreign Exchange differences (Gain)/Loss	(4,796)	(2,776)
Actuarial gains/(losses) reclassified to OCI	271	(39)
Export Incentive on account of EPCG (Benefit)/Utilised	(3,203)	(3,036)
	21,270	26,022
Operating profit before working capital changes	2,19,485	1,81,514
Adjustment for:		
Trade and other receivables	(35,094)	(6,124)
Other Financial Assets	1,442	(79)
Inventories	(73,237)	(32,408)
Trade payables	23,999	26,104
	(82,890)	(12,507)
Cash generated from operations	1,36,595	1,69,007
Direct taxes paid	(45,791)	(35,104)
Net cash from Operating Activities	90,804	1,33,903
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and equipment	(1,59,529)	(92,622)
Sale of Property, Plant and equipment	635	304
Purchase of Investments	(2,66,722)	(1,66,360)
Sale of Investments	2,31,559	1,37,454
Inter Corporate Loan Refund Received	75	-
Interest received	4,149	3,507
Income Received on Investments	84	375
Net cash used in Investing Activities	(1,89,749)	(1,17,342)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Short Term Borrowings (Net)	(9,316)	(12,164)
Proceeds from Long Term Borrowings	3,33,509	62,874
Repayment of Long Term Borrowings	(1,69,210)	(42,144)
Dividend paid (including tax thereon)	(56,033)	(23,157)
Lease Liability paid	(11)	(80)
Finance cost paid	(903)	(1,135)
Net Cash from Financing Activities	98,036	(15,806)
Net increase in cash and cash equivalent	(909)	755
Exchange difference on cash and cash equivalent	8	55
Cash and cash equivalent as at the beginning of the year	5,492	4,682
Cash and cash equivalent as at the end of the year	4,591	5,492

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

As per our report of even date attached

For **N.G. THAKRAR & CO.**

Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

MADHUSUDAN BAJAJ
President (Commercial) & CFO

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

1(A) GENERAL INFORMATION

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

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

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

(B) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

- (i) The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.
- (ii) The consolidated financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 1. Financial instruments measured at fair value through profit and loss
 2. Financial instruments measured at fair value through other comprehensive income
 3. Defined benefit plans – plan assets measured at fair value

(b) Basis of consolidation

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

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

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

Name of the Subsidiary Company	Country of Incorporation
Direct Subsidiaries	
BKT Tyres Limited	India
BKT EUROPE S.R.L.	Italy
BKT TIRES (CANADA) INC.	Canada
BKT USA INC.	USA
BKT EXIM US, INC.	USA
Indirect Subsidiaries	
BKT TIRES INC.	USA

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

(d) Revenue recognition

The Group has adopted Ind AS 115, Revenue from Contract with Customers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised; when the significant risks and rewards in respect of ownership of products are transferred by the Group, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Amounts disclosed as revenue are net of variable consideration on account of various Discounts, Rebates, incentives offered by the Company as a part of the contract.

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

Sale of goods

Revenue from sale of products is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Group as well as the controls on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Export Benefits

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a systematic basis as and when export obligation are fulfilled.

Dividend income

Dividend is recognised as revenue when the right to receive payment has been established.

Interest income

For all interest bearing financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

(e) Property, Plant and Equipment (PPE)

i. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

The Group has elected to continue with the carrying value of all its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of PPE is recognised in profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets in accordance with Schedule II to the Companies Act, 2013, on Straight Line Method except in respect of Plant and Equipment where the useful life is considered differently based on an independent technical evaluation as 10 to 15 years.

Leasehold land are amortised over the lease period.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Profit and loss on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

(f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives.

Investment properties generally have a useful life of 30 years for factory building and 60 years for residential and office premises.

(g) Intangible assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware, and are amortised on a straight line basis over a period of 6 years, which in Management's estimate represents the period during which the economic benefits will be derived from their use.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific to which it relates.

The Group has elected to continue with the carrying value of all its intangible assets as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101

(h) Impairment of non-financial assets

Assets that have a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(i) Borrowing cost

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

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

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

(j) Lease

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(k) Income Tax

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

i. Current tax

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Current tax assets and liabilities are offset only if:

- a) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- b) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

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

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

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

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

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

(l) Cash and cash equivalents

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

(m) Inventories

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

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

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

(n) Research and development

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

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

i **Financial assets**

Classification

The Group shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
 - a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss.
- Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity instruments

- The Group subsequently measures all equity investments in companies other than equity investments in subsidiaries, at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit and loss as other income when the Group's right to receive payments is established.

De-recognition

- A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
 - The rights to receive cash flows from the asset have expired, or
 - The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
 - When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance
- (b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Financial liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised.

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

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Derecognition

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

Offsetting of financial instruments

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

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to foreign exchange risks. For contracts where hedge accounting is not followed, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

iii. Hedge accounting

Forward exchange contracts entered to hedge highly probable forecast revenues are recorded using the principles of hedge accounting as per Ind AS 109. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of Ind AS 109 have been met are initially measured at fair value and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognised directly under shareholder's funds in the cash flow hedging reserve and the ineffective portion is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(p) Employee benefits

i. Short term employee benefits

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

ii. Defined contribution plans

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

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

iii. Defined benefit plans

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

(q) Provisions, Contingent Liabilities and Contingent Assets

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

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Where an inflow of economic benefits is probable, the Company shall disclose a brief description of the nature of the contingent assets at the year end and wherever practicable, an estimate of their financial effect.

(r) Earnings per share (EPS)

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

(s) Current vs non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

The Group classifies all other liabilities as non-current.

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

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

(t) **Key estimates and assumptions**

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

Estimates and assumptions are required in particular for:

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

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management estimate, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

- Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- Provisions and contingent liabilities

The Group exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

- Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(u) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.2 PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions// Adjustment During the year	Deductions During the year	Balance As at 31st March, 2022	Balance As at 1st April, 2021	*For the Year	Deductions During the year	Total upto 31st March, 2022	As At 31st March, 2022
Tangible assets									
(a) Land									
Freehold	7,059	-	-	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	134	29	-	163	1,581
(b) Buildings	1,11,345	41,221	2	1,52,564	21,529	4,177	#0	25,706	1,26,858
(c) Plant and Equipment	3,72,407	59,271	200	4,31,478	1,61,255	36,616	178	1,97,693	2,33,785
(d) Furniture and Fixtures	7,837	1,531	6	9,362	3,865	796	5	4,656	4,706
(e) Vehicles	2,664	735	114	3,285	1,399	308	86	1,621	1,664
(f) Office Equipment	2,312	274	4	2,582	1,089	305	4	1,390	1,192
(g) Others:									
Electric Installations	17,295	6,739	34	24,000	8,346	2,024	34	10,336	13,664
Air Conditioners	1,219	214	2	1,431	929	146	2	1,073	358
Computer	1,683	706	6	2,383	876	332	6	1,202	1,181
Lease hold improvement	3,320	577	-	3,897	1,164	875	-	2,039	1,858
TOTAL PROPERTY, PLANT AND EQUIPMENT	5,28,885	1,11,268	368	6,39,785	2,00,586	45,608	315	2,45,879	3,93,906

* Including Depreciation capitalised ₹304 Lakhs

₹ 22,236

PROPERTY, PLANT AND EQUIPMENTS AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions/ Adjustment During the year	Deductions During the year	Balance As at 31st March, 2021	Balance As at 1st April, 2020	*For the Year	Deductions During the year	Balance As at 31st March, 2021	As At 31st March, 2021
Tangible Assets:									
(a) Land									
Freehold	6,500	560	1	7,059	-	-	-	-	7,059
Leasehold	1,744	-	-	1,744	112	22	-	134	1,610
(b) Buildings	1,05,370	6,043	68	1,11,345	17,642	3,893	6	21,529	89,816
(c) Plant and Equipment	3,36,062	36,753	408	3,72,407	1,28,099	33,387	231	1,61,255	2,11,152
(d) Furniture and Fixtures	7,378	463	4	7,837	3,084	785	4	3,865	3,972
(e) Vehicles	2,426	311	73	2,664	1,155	302	58	1,399	1,265
(f) Office Equipment	2,185	128	1	2,312	751	339	1	1,089	1,223
(g) Others:									
Electric Installations	15,440	1,855	-	17,295	6,588	1,758	-	8,346	8,949
Air Conditioners	1,121	98	-	1,219	753	176	-	929	290
Computer	1,148	543	8	1,683	703	181	8	876	807
Lease hold improvement	1,896	1,430	6	3,320	429	736	1	1,164	2,156
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,81,270	48,184	569	5,28,885	1,59,316	41,579	309	2,00,586	3,28,299

* Including Depreciation capitalised ₹260 Lakhs.

NOTE NO. 2A CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	90,739	25,823	6,862	2,416	1,25,840
Project temporarily suspended	-	-	-	-	-
Total	90,739	25,823	6,862	2,416	1,25,840

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

CAPITAL WORK IN PROGRESS AGEING AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Less than one year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	56,470	23,443	4,899	740	85,552
Project temporarily suspended	-	-	-	-	-
Total	56,470	23,443	4,899	740	85,552

NOTE NO.3 INVESTMENT PROPERTY AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions During the year	Deductions/ Adjustments During the year	Balance As at 31st March, 2022	As at 1st April, 2021	For the Year	Deductions During the year	Total upto 31st March, 2022	As At 31st March, 2022
Buildings	9,372	-	568	8,804	733	160	23	870	7,934
TOTAL INVESTMENT PROPERTY	9,372	-	568	8,804	733	160	23	870	7,934

INVESTMENT PROPERTY AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions/ Adjustment During the year	Deductions/ Adjustments During the year	Balance As at 31st March, 2021	As at 1st April, 2020	For the Year	Deductions During the year	Total upto 31st March, 2021	As At 31st March, 2021
Buildings	9,146	340	114	9,372	575	162	4	733	8,639
TOTAL INVESTMENT PROPERTY	9,146	340	114	9,372	575	162	4	733	8,639

i) Amounts recognised in profit and loss for investment properties

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Rental income derived from investment properties	714	745
Direct operating expenses (including repair and maintenance) generating rental income	(117)	(141)
Profit from investment properties before depreciation	597	604
Depreciation	154	160
Profit from investment properties	443	444

ii) Fair value

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Investment properties	24,865	21,908

Estimation of fair value

The Group obtains independent valuations for its investment properties from an independent valuer.

The main inputs used for determining fair values of investment properties are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data.

NOTE NO.4 INTANGIBLE ASSETS AS AT 31ST MARCH 2022

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2021	Additions During the year	Deductions/ Adjustments During the year	Balance As at 31st March, 2022	As at 1st April, 2021	For the Year	Deductions During the year	Total upto 31st March, 2022	As At 31st March, 2022
Computer software	629	78	-	707	557	62	-	619	88
Trademark	10	-	-	10	6	2	-	8	2
TOTAL INTANGIBLE	639	78	-	717	563	64	-	627	90

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

INTANGIBLE ASSETS AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	GROSS BLOCK (AT COST)				Depreciation (Including Amortisation)				(Net Block)
	Balance As at 1st April, 2020	Additions During the year	Deductions/ Adjustments During the year	Balance As at 31st March, 2021	As at 1st April, 2020	For the Year	Deductions During the year	Total upto 31st March, 2021	As At 31st March, 2021
Computer software	606	23	-	629	483	74	-	557	72
Trademark	10	-	-	10	4	2	-	6	4
TOTAL INTANGIBLE	616	23	-	639	487	76	-	563	76

NOTE NO. 4A - RIGHT OF USE ASSETS

The Group has lease contracts for various item of buildings and vehicles in its operation. Lease of building generally have lease term between 2 to 4 years. The Companies obligation under it leases are secured by the lessor title to the lease assets. Generally the Company is restricted from assigning and sub leasing the lease assets. There are no major lease contracts that include extension and termination options and variable lease payments. The effective rate of interest for lease liabilities is 8.70%.

Set out below are the carrying amounts of rights-of-use assets recognised and the movement during the period:

(₹ in Lakhs)

Particulars	Leasehold Building	Vehicle	Total
As at 1st April, 2020	48	49	97
Addition	-	(6)	(6)
Less: Depreciation expenses	48	25	73
As at 31st March, 2021	-	18	18
Addition/(Deduction) - Net	-	-	-
Less: Depreciation expenses	-	9	9
As at 31st March, 2022	-	9	9

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	19	101
Addition/(Deduction) - Net	-	(6)
Accretion of Interest	1	4
Less: Payments	11	80
Closing Balance	9	19
Current	5	9
Non-Current	4	10

The following are the amounts recognised in profit and loss :

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation expenses of right of use assets	9	73
Interest expenses on lease liabilities	1	4
Expenses relating to short term lease and low value leased (included in other expenses)	985	763
Total amount recognised in profit and loss	995	840

The Group had total cash outflow for lease of ₹ 996 Lakhs in 31st March, 2022 (Previous Year ₹ 843 Lakhs)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
INVESTMENTS (NON CURRENT)				
A. Investments in Equity Instruments at Cost				
(Fully paid up Shares)				
Unquoted				
National Stock Exchange of India Limited of ₹ 1 each	1,12,500	1,308	1,00,000	1,059
Care Health Insurance Limited of ₹ 10 each	4,65,116	1,000	-	-
		2,308		1,059

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
B. Investment carried at amortised cost				
Unquoted				
a) Investment in Preference Shares				
(Fully paid up Shares)				
Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Limited of ₹ 10 each	11,14,223	72	11,14,223	66
0.001% Series C Compulsorily Convertible Non Cumulative Preference Shares of Vay Network Services Private Limited of ₹ 2 each	11,190	94	-	-
7.50 % Preference Shares of Tata Capital Limited of ₹ 1,000/- each	2,00,000	2,011	2,00,000	2,016
7.15 % Preference Shares of Tata Capital Limited of ₹ 1,000/- each	2,00,000	2,000	2,00,000	2,000
0.0001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Newspace Research & Technology Private Limited of ₹ 10 each	1,42,857	500	-	-
0.01% Series B Compulsorily Convertible Non Cumulative Preference Shares of Bombinate Technologies Private Limited of ₹ 100 each	602	500	-	-
0.01% Series A Compulsorily Convertible Non Cumulative Preference Shares of Altigreen Propulsion Labs Private Limited of ₹ 100 each	1,356	200	-	-
0.001% Series A Compulsorily Convertible Non Cumulative Preference Shares of Globalbees Brands Private Limited of ₹ 5 each	104	528	-	-
		5,905		4,082
Quoted				
b) Investment in Tax Free Bonds				
7.35 % NABARD Tax Free Bonds of ₹ 1,000 each	50,099	501	50,099	501
7.07 % NABARD Tax Free Bonds of ₹ 10,00,000 each	1,330	13,597	1,330	13,675
7.39% HUDCO Tax Free Bond of ₹ 1,000 each	2,50,000	2,567	2,50,000	2,574
7.14 % NHAI Tax Free Bond of ₹ 1,000 each	2,85,698	2,894	2,85,698	2,904
7.36% IIFC Tax Free Bond of ₹ 1,000 each	5,00,000	5,217	5,00,000	5,256
7.35 % IRFC Tax Free Bonds of ₹ 1,000 each	58,783	588	58,783	573
7.19 % IRFC Tax Free Bonds of ₹ 10,00,000 each	-	-	200	2,039
		25,364		27,522
c) Investment in Perpetual Bonds				
9.56 % SBI Perpetual Bond of ₹ 10,00,000 each	100	1,015	100	1,024
8.50 % SBI Perpetual Bond of ₹ 10,00,000 each	200	2,000	200	2,000
8.75 % SBI Perpetual Bond of ₹ 10,00,000 each	290	2,920	290	2,929
8.70 % BOB Perpetual Bond of ₹ 10,00,000 each	700	6,997	700	6,995
8.25 % BOB Perpetual Bond of ₹ 10,00,000 each	450	4,475	450	4,468
8.50 % BOB Perpetual Bond of ₹ 10,00,000 each	480	4,801	480	4,801
11.03% Tata Motors Fin Ltd Perpetual Bond of ₹ 10,00,000 each	20	205	20	209
8.70 % HDB Perpetual Bond of ₹ 10,00,000 each	50	503	50	504
		22,916		22,930

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.5 INVESTMENTS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
C. Investment carried at fair value through Profit and Loss				
a) Investment in Non Convertible Debenture				
Edelweiss Assets Reconstruction co. Limited of ₹1,00,000 each	-	-	1,486	1,966
L&T Infra Debt fund Limited of ₹10,00,000 each	251	3,125	251	2,807
Shriram City Union Finance Limited of ₹ 10,00,000 each	200	2,173	50	505
MAS Financial Services Limited of ₹10,00,000 each	50	524	-	-
S K Fincorp Limited of ₹1,00,000 each	1,500	1,661	-	-
S K Fincorp Limited of ₹5,00,000 each	200	1,109	-	-
Muthooth Fincorp Limited of ₹10,00,000 each	3,500	3,779	-	-
Avenues Finance Private Ltd of ₹10,00,000 each	110	1,165	-	-
		13,536		5,278
Unquoted:				
b) Investment in Alternate Investment Fund				
IIFL Special Opportunities Fund Series 7 of ₹10 each	3,67,27,002	7,486	3,67,27,002	4,565
IIFL India Private Equity Fund Series 1A of ₹10 each	46,03,432	473	25,01,226	329
IIFL Special Opportunities Fund Series 8 of ₹10 each	46,24,798	592	-	-
IIFL Special Opportunities Fund of Fund 1 of ₹10 each	90,27,646	1,143	-	-
IIFL Special Opportunities Fund Series 10 of ₹10 each	17,50,000	175	-	-
BPEA Credit India Fund III of ₹100 each	5,10,000	514	1,50,000	150
Chirate Ventures India Fund IV of ₹ 1,00,000 each	615	941	400	459
TVS Shriram Growth Fund 3 of ₹ 1,000 each	88,639	1,270	33,000	330
Infloxor Technology IX of ₹1,00,000 each	175	164	100	100
Blume Venture Fund IX of ₹100 each	6,00,000	876	3,25,000	325
Xponentia Opportunities Fund of ₹ 1,00,000 each	399	500	243	293
Aventus Future Leader Fund II of ₹ 1,00,000 each	113	112	-	-
Multiple Pvt Equity Fund III of ₹ 100 each	1,71,837	189	-	-
Six Sense India Opportunity of ₹ 1,000 each	1,10,000	1,140	-	-
3One4 Capital - Fund III of ₹1,00,000 each	1,500	642	-	-
Trifeca Venture Debt Fund III of ₹ 100 each	8,88,200	963	-	-
Sageone - Flagship Growth 2 Fund of ₹ 1000 each	50,032	506	-	-
White Oak India Equity Fund V of ₹ 10 each	49,87,481	510	-	-
Alchemy Leaders of Tomorrow Fund of ₹ 100 each	41,268	499	-	-
Aventus Structure Credit Fund II of ₹ 1,00,000 each	300	300	-	-
Alteria Capital Fund II of ₹ 100 each	12,00,000	1,271	-	-
		20,266		6,551
c) Investment in Mutual fund				
Quoted:				
HDFC Fixed Maturity Plan Series 44 Direct Growth of ₹ 10 each	-	-	5,00,00,000	5,974
Bharat Bond ETF April, 2030 of ₹ 1,000 each	10,00,000	12,058	10,00,000	11,312
Bharat Bond ETF April, 2031 of ₹ 1,000 each	17,50,233	18,862	17,50,233	17,854
		30,920		35,140
Total of Non Current Investments		1,21,215		1,02,562
Aggregate amount of quoted investments and market value thereof		92,736		90,870
Aggregate amount of unquoted investments.		28,479		11,692

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 6 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Derivative Assets	6,124	-
Security Deposits	1,874	1,482
Bank deposits more than 12 month maturity		
In Margin	290	283
In Fixed Deposit (Current Year ₹ 5,097; Previous Year ₹ 50,000)	0	0
	8,288	1,765

NOTE NO. 7 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Advance Payments of Taxes and Tax deducted at source (Net of Provisions)	581	6,989
	581	6,989

NOTE NO. 8 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
(a) Capital Advances	50,407	34,630
(b) Others loans and advances		
VAT/Service Tax Receivable	153	153
Prepaid expense	57	53
	50,617	34,836

NOTE NO. 9 INVENTORIES :

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
(At lower of Cost and Net Realisable Value)		
(a) Raw materials	91,011	44,271
(b) Work-in-Progress	16,202	9,168
(c) Finished Goods	46,567	28,061
(d) Stock-in-Trade	4,306	4,089
(e) Stores and Spares	7,323	7,133
(f) Others-Packing Materials and Fuel	1,800	1,250
	1,67,209	93,972

NOTE NO. 10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
A. Investment carried at amortised cost				
Unquoted				
Investments in Government Securities				
In 6 Year National Saving Certificates (Current Year Nil , Previous Year ₹ 10,000)		-		0
		-		0
B. Investment carried at fair value through Profit and Loss				
Quoted				
a) Investment in Non Convertible Debenture/Market Link Debentures				
Muthoot Fincorp Limited of ₹ 1,00,000 each	100	1,002	-	-
Shriram City Union finance Limited of ₹ 10,00,000 each	50	552	-	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 10 INVESTMENTS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Units	Amount	Units	Amount
Edelweiss Assets Reconstruction co. Limited of ₹ 1,00,000 each	1,486	2,185	-	-
Five Star Business Finance Limited of ₹ 10,00,000 each	100	1,113	-	-
Samastha Microfinance Limited of ₹ 1,00,000 each	-	-	1,500	1,944
		4,852		1,944
b) Investment in Equity instruments				
Music Broadcast Ltd. of ₹ 1 each	10,20,000	263	10,20,000	240
MindSpace Business Park REIT of ₹ 10 each	2,52,800	876	23,400	69
Nation Highways Infra Trust InvIT of ₹ 101 each	10,00,000	1,090	-	-
India Infrastructure Trust InvIT	10,00,000	980	-	-
Power Grid InvIT of ₹ 100 each	9,96,100	1,334	-	-
		4,543		309
c) In Mutual Fund				
HDFC Fixed Maturity Plan Series 39/44 Growth of ₹ 10 each	5,00,00,000	6,215	1,50,00,000	1,934
HDFC Housing Opportunity of ₹ 10 each	-	-	1,00,00,000	1,095
Nippon India Mutual Fund ETF Nifty Bees of ₹ 1 each	54,79,412	10,349	10,25,483	1,612
Nippon India Mutual Fund ETF Bank Bees of ₹ 1 each	4,24,810	1,553	-	-
Nippon India Mutual Fund ETF Silver Bees of ₹ 10 each	17,951	12	-	-
Nippon India Mutual Fund ETF Gold Bees of ₹ 1 each	50,31,581	2,220	17,58,405	671
Motilal Oswal Mutual Fund Nasdaq 100 ETF of ₹ 1 each	21,90,644	2,546	-	-
Unquoted				
Aditya Birla Sun Life Liquid Fund of ₹ 100 each	4,37,535	1,501	-	-
Aditya Birla Sun Life Saving Fund of ₹ 100 each	-	-	47,008	200
Motilal Oswal Nasdaq fund of fund 100 ETF of ₹ 1 each	2,96,141	69	-	-
HDFC Low Duration fund of ₹ 10 each	-	-	72,74,413	3,461
ICICI Prudential Gilt Fund of ₹ 10 each	6,37,519	545	6,37,519	520
SBI Magnum Gilt Fund Long Term Plan of ₹ 1,000 each	3,40,15,713	18,503	3,40,15,713	17,773
SBI Magnum Income Fund of ₹ 10 each	19,56,921	1,176	19,56,921	1,123
Nippon India Low Duration Fund of ₹ 1,000 each	-	-	33,691	1,018
Nippon India Nivesh Lakshya Fund of ₹ 10 each	8,66,67,610	12,359	5,42,58,610	7,543
		57,048		36,950
d) Investment in Tax Free Bond				
7.19% IRFC Tax Free Bonds of ₹ 10,00,000 each	200	2,010	-	-
		68,453		39,203
Aggregate amount of quoted investments and Market value thereof		34,300		7,565
Aggregate amount of Unquoted investments		34,153		31,638

NOTE NO. 11 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade receivable Considered good - Secured	11,165	17,404
Trade receivable Considered good - Unsecured	98,450	57,955
	1,09,615	75,359

NOTE NO. 12 CASH AND CASH EQUIVALENTS:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks	4,566	5,463
Cash on hand	25	29
	4,591	5,492

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 13 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unpaid Dividend	295	266
Margin Money (Including Fixed Deposit) #	285	1,756
	580	2,022
#(Held against guarantee and other commitments)		

NOTE NO. 14 LOANS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Loans and advances to other than related parties		
Loans receivable - Considered good	-	-
Loans receivable which have significant increase in credit risk	1,502	1,577
Loans receivable - Credit impaired	-	-
	1,502	1,577
Less: Provision for loans which have significant increase in credit risk	1,502	1,577
	-	-
Loans and advances to employees (considered good)	352	431
	352	431

NOTE NO. 15 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Derivative Assets	4,656	1,903
Interest accrued on Investments	1,521	1,518
Interest accrued on Deposits and Loans	44	45
Dividend/Income accrued on Investments	292	-
	6,513	3,466

NOTE NO. 16 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Payment to Suppliers	8,344	16,825
GST/Excise/Sales Tax/Custom Duty etc. Receivables	21,885	10,805
Prepaid Expenses	1,876	338
	32,105	27,968

NOTE NO. 17 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised :		
44,50,00,000 Equity Shares of ₹ 2 each	8,900	8,900
20,00,000 Redeemable Preference Shares of ₹ 10 each	200	200
	9,100	9,100
Issued Subscribed and fully paid up:		
19,33,17,190 Equity Shares of ₹ 2 each fully paid up	3,866	3,866
	3,866	3,866

Terms/rights attached to equity shares:

All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Reconciliation of number of Equity shares outstanding at the beginning and end of the year :

Equity Share :	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Amount (₹ In Lakhs)	Number of Shares	Amount (₹ In Lakhs)
Balance at the beginning of the year	19,33,17,190	3,866	19,33,17,190	3,866
Balance at the end of the year	19,33,17,190	3,866	19,33,17,190	3,866

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

Name of Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Holding %	Number of Shares	Holding %
VKP ENTERPRISES LLP	4,82,32,880	24.95	4,82,32,880	24.95
RAJIV A PODDAR	5,35,77,010	27.71	5,35,77,010	27.71

Shares held by the promoters and promoters groups at the end of the year

Sr. no.	Names	Number of shares	% of total shares	@ % Change during the year
1.	Arvind M Poddar	1,000	0.00	-
2.	Vijyalaxmi A Poddar	1,000	0.00	-
3.	Rajiv A Poddar	5,35,77,010	27.71	-
4.	Khushboo R Poddar	75,93,000	3.93	-
5.	Shyamlata S Poddar	1,000	0.00	-
6.	Rishabh Poddar	27,90,180	1.44	-
7.	TMP Enterprises LLP	4,93,360	0.26	-
8.	VKP Enterprises LLP	4,82,32,880	24.95	-
9.	RAP Enterprises LLP	250	0.00	-
10.	AKP Enterprises LLP	250	0.00	-
11.	Balgopal Holding & Traders Ltd	100	0.00	-
12.	Poddar Brothers Investment Private Ltd	100	0.00	-
13.	S P Investrade (India) Limited	70	0.00	-
	Total	11,26,90,200	58.29	

@ At the beginning of the FY 2021-22, 5,820 equity shares representing 0.01% were held by 21 Promoters of the Company. During the Year, in terms of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, said 21 Promoters of the Company aggregating to 5,820 equity shares were Re-classified from Category of "Promoter" to the Category of "Public" vide BSE Limited and National Stock Exchange of India Limited approval letter dated 3rd December, 2021.

NOTE NO.18 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Capital Reserve		
Opening Balance	34	4
Add: Movement during the year	-	30
Closing Balance	34	34
b) Other Reserve (General Reserve)		
Opening Balance	4,00,000	3,60,000
Add: Transferred from Profit and Loss account	40,000	40,000

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Closing Balance	4,40,000	4,00,000
c) Retained earnings		
Opening Balance	1,98,753	1,44,228
Add: Net Profit for the current year	1,43,538	1,17,753
Less: Interim Dividend	46,396	23,198
Less: Dividend on equity shares	9,666	-
Less: Transfer to General Reserve	40,000	40,000
Less: Transfer to Capital Reserve	-	30
Closing Balance	2,46,229	1,98,753
Other Comprehensive Income (OCI) :		
d) Remeasurements of the net defined benefit plans		
Opening Balance	(1,659)	(1,630)
Movement during the year	203	(29)
Closing Balance	(1,456)	(1,659)
e) Effective portion of cash flow hedges		
Opening Balance	1,391	(4,209)
Movement during the year	6,524	5,600
Closing Balance	7,915	1,391
f) Foreign Currency translation reserve		
Opening Balance	(2,403)	(1,431)
Movement during the year	(884)	(972)
Closing Balance	(3,287)	(2,403)
	6,89,435	5,96,116

General reserve

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

Retained earnings

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

Re-measurements of the net defined benefit Plans

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

Cash flow hedging reserve

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

Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than INR is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO. 19 BORROWINGS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured - At Amortised cost		
Non-Convertible Debentures	50,000	-
Allotment of 5,000 rated, listed, unsecured, redeemable, non-convertible debentures of a face value of ₹ 10,00,000. The Interest rate coupon for the debenture is fixed @5.67% per annum for the entire tenure and will be payable semi-annually. In order to leverage the interest rate scenario and Euro receivable of the Company, the Company has swapped the Debentures liability to Euro fixed liability whereby the effective coupon for the Company will be 0.055% per annum. The repayment schedule will be in three installment i.e. ₹17,500 Lakhs at the end of 2.5 years, ₹17,500 Lakhs at the end of 3 years and ₹15,000 Lakhs at the end of 3.5 years from the allotment date.		
From Others	25	23
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)	79	125
	50,104	148

NOTE NO.19 A LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	4	10
	4	10

NOTE NO.20 OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Distributors/Dealers Deposit	1	1
Derivative Liability (Mark to Market)	42	-
	43	1

NOTE NO.21 PROVISIONS (NON CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits -		
Gratuity	1,971	2,058
Leave Encashment	424	424
Others	317	268
	2,712	2,750

NOTE NO.22 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
The balance comprises temporary difference attributable to:		
Deferred tax liabilities	26,314	21,631
Deferred tax assets	1,224	1,281
Net Deferred tax liabilities	25,090	20,350

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.23 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Income (Export Incentive)	3,081	3,255
	3,081	3,255

NOTE NO.24 BORROWINGS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
From Banks	21,088	29,364
Unsecured		
From Banks	1,81,612	70,527
From Others		
Current maturity of long term debt	46	54
	2,02,746	99,945
(Refer Note No. 50 for details of securities provided and repayment terms of above loans)		

NOTE NO.24A LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	5	9
	5	9

NOTE NO.25 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables (including Acceptances) due to:		
Total outstanding due of Micro and Small Enterprise	1,638	1,606
Total outstanding due of creditors Other than Micro and Small Enterprise	81,288	63,896
	82,926	65,502
(Refer Note No. 45 for Micro and Small Enterprise)		

NOTE NO.26 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due	11	-
Unpaid Dividend	295	266
Other Payable (capital creditors)	11,571	7,097
Derivative liabilities	162	45
	12,039	7,408

NOTE NO.27 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Income received in advance	6,018	4,237
Security Deposit	4,767	4,211
Statutory dues	14,615	8,330
	25,400	16,778

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.28 PROVISIONS (CURRENT)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Leave encashment	447	511
	447	511

NOTE NO.29 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Sale of Products	8,20,897	5,67,530
Other Operating Revenue:		
Export Incentives	6,074	9,447
Scrap Sales	2,128	1,292
Others	413	50
	8,615	10,789
Total Revenue from Operations	8,29,512	5,78,319
DISAGGREGATION OF REVENUE		
Revenue based on Geography		
Export	6,88,731	4,47,993
Domestic #	1,40,781	1,30,326
Total Revenue from operations	8,29,512	5,78,319
# (Including export incentive on account of MEIS license)		
Reconciliation of Revenue from operations with contract price		
Contract Price	8,43,773	5,93,074
Less:		
Sales returns	532	300
Sales Incentives and Bonus	11,055	11,678
Others	2,674	2,777
	14,261	14,755
Total Revenue from operations	8,29,512	5,78,319

The amounts receivable from customers become due after expiry of credit period which on an average is less than 45 days. There is no significant financing component in any transaction with the customers.

The Group provides performance warranty for its products. The amount of liability towards such warranty is not material.

NOTE NO.30 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest Income on:		
Non Current Investments	3,776	3,238
Current Investments	53	-
Deposits/Loans and Advances/Income tax refund	321	793
	4,150	4,031
Net gain on foreign currency transaction and translation	24,579	4,210
Income from Non current Investment	998	2
Dividend Income on investments	376	324
Net gain on sale of Non Current Investments	1,136	1,157
Net gain on sale of Current Investments	655	786
Net mark to market gain/(loss) on investments	9,951	4,662
Profit on sale of Property Plant and Equipment	115	-
Withdrawal of Provision of Doubtful Loan	75	-
Other non-operating income	1,757	2,044
	43,792	17,216

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.31 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Raw Material Consumed	3,95,788	2,37,946
	3,95,788	2,37,946

NOTE NO.32 PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Purchase of Traded Goods	7,753	7,558
	7,753	7,558

NOTE NO.33 CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Opening Stock :		
Work-in-Progress	9,168	7,675
Stock in Trade	4,089	4,089
Finished Goods	28,061	15,154
	41,318	26,918
Less :		
Closing Stock :		
Work-in-Progress	16,202	9,168
Stock in Trade	4,306	4,089
Finished Goods	46,567	28,061
	67,075	41,318
Net (Increase)/Decrease in Inventories	(25,757)	(14,400)

NOTE NO.34 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Salaries and wages	39,285	33,920
Contribution to provident and other funds	2,512	2,235
Staff welfare expenses	1,210	931
	43,007	37,086

NOTE NO.35 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest expenses	824	1,020
Other borrowing cost	90	114
Interest on Lease Liability	1	4
	915	1,138

NOTE NO.36 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Depreciation and amortisation	45,528	41,557
Depreciation of Right-of-use assets	9	73
	45,537	41,630

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.37 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Consumption of stores and spare parts	20,465	16,438
Packing material consumed	1,687	1,213
Power and fuel(Net)	27,481	16,798
Freight and forwarding	88,087	30,883
Labour/Job Charges	17,629	13,544
Water charges	803	580
Repairs and Maintenance to Plant & Machinery	3,486	3,851
Repairs and Maintenance to Building	2,217	2,727
Repairs and Maintenance to Others	881	712
Insurance Charges	2,332	1,862
Rates and Taxes excluding taxes on income	7,216	4,950
Rent	985	763
Legal and Professional charges	2,976	3,120
Advertisement, Publicity, Sales Promotion and Marketing Service expenses	23,851	25,431
Commission	271	135
Travelling Expenses	1,631	1,047
Directors Meeting Fees	34	28
Loss on sale of Property plant and equipment	-	66
Property plant and equipment Discarded	2	1
Interest to Others	20	38
Contribution towards CSR expenses	2,909	2,360
Miscellaneous expenses	2,883	2,538
	2,07,846	1,29,085

NOTE NO.38**i) Tax Reconciliation****(a) The Income tax expense consists of the followings:**

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Current income tax	46,045	37,278
Short/(Excess) provision of earlier year	6,154	(184)
Deferred tax expense	2,478	645
Tax expense for the year	54,677	37,739

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
a) Items that will not be reclassified to profit or loss						
Remeasurement of post employment benefit obligations	271	(68)	203	(39)	10	(29)
b) Items that will be reclassified to profit or loss						
Effective portion of Cash flow hedges	8,718	(2,194)	6,524	7,483	(1,883)	5,600
c) Exchange difference on translation	(884)	-	(884)	(972)	-	(972)
	8,105	(2,262)	5,843	6,472	(1,873)	4,599

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit before tax	1,98,215	1,55,492
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expenses	49,887	39,134
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:-		
Income exempt from income tax	(483)	(482)
Deduction under Income Tax Act.	(80)	(83)
Impact of differential tax rate	(1,603)	(728)
Permanent differences	774	688
Others - Allowance, Income tax of earlier year, Revision in tax rate etc.	6,182	(790)
Total Income tax expenses	54,677	37,739
Effective Tax Rate	27.585%	24.271%

ii) Deferred Tax Disclosure

(a) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022			
	Net balance 1st April, 2021	Recognised in profit and loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets / (liabilities)				
Property, plant and equipment	(17,563)	(167)	-	(17,730)
Investments	(1,698)	(1,505)	-	(3,203)
Employee benefits	883	30	(68)	845
Cash Flow Hedge	(468)	-	(2,194)	(2,662)
Provision for Doubtful Advances	398	(19)	-	379
Others (Net)	(1,902)	(817)	-	(2,719)
Deferred tax assets / (liabilities)	(20,350)	(2,478)	(2,262)	(25,090)

(b) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As at 31st March, 2021			
	Net balance 1st April, 2020	Recognised in profit and loss	Recognised in OCI	Net Deferred tax assets / (liabilities)
Deferred tax assets / (liabilities)				
Property, plant and equipment	(18,333)	770	-	(17,563)
Investments	(1,038)	(660)	-	(1,698)
Employee benefits	828	45	10	883
Cash flow hedge	1,415	-	(1,883)	(468)
Provision for Doubtful Advances	398	-	-	398
Others (Net)	(1,101)	(801)	-	(1,902)
Deferred tax assets / (liabilities)	(17,831)	(646)	(1,873)	(20,350)

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

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.39 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**A. Accounting classification and fair values**

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and cash equivalents (Including other bank balances)	-	-	5,171	5,171	-	-	-	-
Mutual Fund	87,968	-	-	87,968	53,814	34,154	-	87,968
Debentures	18,388	-	-	18,388	18,388	-	-	18,388
Equities	4,543	-	-	4,543	4,543	-	-	4,543
Loans	-	-	352	352	-	-	-	-
Trade receivables	-	-	1,09,615	1,09,615	-	-	-	-
Other financial assets	-	-	2,147	2,147	-	-	-	-
Foreign exchange forward contracts	-	10,780	-	10,780	-	10,780	-	10,780
Preference shares and bonds	-	-	56,195	56,195	-	-	-	-
Alternate Investment Fund	20,266	-	-	20,266	-	20,266	-	20,266
Security deposit	-	-	1,874	1,874	-	-	-	-
TOTAL	1,31,165	10,780	1,75,354	3,17,299	76,745	65,200	-	1,41,945
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	50,104	50,104	-	-	-	-
Other financial liabilities	-	-	11,887	11,887	-	-	-	-
Short term borrowings	-	-	2,02,746	2,02,746	-	-	-	-
Trade payables	-	-	82,926	82,926	-	-	-	-
Foreign exchange forward contracts	-	204	-	204	-	204	-	204
TOTAL	-	204	3,47,663	3,47,867	-	204	-	204

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2021							
	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Cash and cash equivalents (Including other bank balances)	-	-	7,514	7,514	-	-	-	-
Mutual Fund	72,090	-	-	72,090	40,452	31,638	-	72,090
Debentures	7,222	-	-	7,222	7,222	-	-	7,222
Equities	309	-	-	309	309	-	-	309
Loans	-	-	431	431	-	-	-	-
Trade receivables	-	-	75,359	75,359	-	-	-	-
Other financial assets	-	-	1,846	1,846	-	-	-	-
Foreign exchange forward contracts	-	1,903	-	1,903	-	1,903	-	1,903
Preference shares and bonds	-	-	54,534	54,534	-	-	-	-
Alternate Investment Fund	6551	-	-	6,551	-	6,551	-	6,551
Security deposit	-	-	1,482	1,482	-	-	-	-
TOTAL	86172	1,903	1,41,166	2,29,241	47,983	40,092	-	88,075
Financial liabilities								
Long term borrowings (Including current maturity of Long term borrowings)	-	-	148	148	-	-	-	-
Other financial liabilities	-	-	7,383	7,383	-	-	-	-
Short term borrowings	-	-	99,945	99,945	-	-	-	-
Trade payables	-	-	65,501	65,501	-	-	-	-
Foreign exchange forward contracts	-	45	-	45	-	45	-	45
TOTAL	-	45	1,72,978	1,73,023	-	45	-	45

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

B. Measurement of fair values

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

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

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

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

Transfers between Levels

There have been no transfers between Levels during the reporting periods

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Level: 2			
Forward contracts	Market valuation techniques The group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Level: 1 and Level: 2			
Mutual Fund/Debentures/ Bonds and Alternate Investment Fund	Net Asset value	Not applicable	Not applicable

C. Financial risk management

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

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

i. Risk management framework

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

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

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

ii. Credit risk

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

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

Trade receivables

Around 83% of the sales are export sales. For major part of the sales, customer credit risk is managed by requiring domestic and export customers to pay advances before transfer of ownership, therefore substantially eliminating the group's credit risk in this respect.

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Impairment	(₹ in Lakhs)
Provision for doubtful debts movement	
Balance as at 1st April, 2020	-
Impairment loss recognised	7
Amounts written off	7
Balance as at 31st March, 2021	-
Impairment loss recognised	19
Amounts written off	19
Balance as at 31st March, 2022	-

Concentration of credit risk

At 31st March, 2022, the carrying amount of the group's most significant customer is ₹ 26,332 Lakhs (31st March, 2021 : ₹ 20,048 Lakhs)

Loans to others

The credit worthiness of the counter party is evaluated by the management on an ongoing basis and necessary provisions are made wherever needed. The Company had made provisions of doubtful loan in earlier year of ₹ 1,650 Lakhs. Till 31st March, 2022 the Company had recovered ₹ 148 Lakhs against this doubtful loan and as such the provision for such doubtful loan was reduced to ₹ 1,502 Lakhs as on 31st March, 2022. The Company has no collateral securities in respect of said loan.

Investment in debentures and preference share

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

Investment in mutual funds and bonds

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

Derivatives

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

Cash and cash equivalents

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

iii. Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation. The group has obtained fund and non-fund based working capital lines from various banks. The group also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As at 31st March, 2022, the Group had working capital of ₹ 65,855 Lakhs, including cash and cash equivalents of ₹ 4,591 Lakhs, and highly marketable current investments of ₹ 68,453 Lakhs.

As at 31st March, 2021, the Group had working capital of ₹ 57,760 Lakhs, including cash and cash equivalents of ₹ 5,492 Lakhs, and highly marketable current investments of ₹ 39,203 Lakhs.

Exposure to liquidity risk

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

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

As at 31st March, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non Current						
Unsecured Long term loans and borrowings	50,150	50,150	45	60	50,045	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	21,088	21,088	21,088	-	-	-
Unsecured Short term loans and borrowings	1,81,612	1,81,612	1,81,612	-	-	-
Trade payables	82,926	82,926	82,926	-	-	-
Other payable (Capital creditors)	11,571	11,571	11,571	-	-	-
Unpaid Dividend	295	295	295	-	-	-
Interest accrued but not due	11	11	11	-	-	-
Derivative financial liabilities						
Non Current						
Foreign exchange forward contract	42	42	-	40	2	-
Current						
Foreign exchange forward contract	162	162	162	-	-	-

(₹ in Lakhs)

As at 31st March, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current						
Unsecured Long term loans and borrowings	202	202	54	104	44	-
Other financial liabilities	1	1	-	1	-	-
Current						
Secured Short term loans and borrowings	29,364	29,364	29,364	-	-	-
Unsecured Short term loans and borrowings	70,527	70,527	70,527	-	-	-
Trade payables	65,502	65,502	65,502	-	-	-
Other payable (Capital creditors)	7,097	7,097	7,097	-	-	-
Unpaid Dividend	266	266	266	-	-	-
Derivative financial liabilities						
Current						
Foreign exchange forward contract	45	45	45	-	-	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

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

iv. Market risk

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

a) Currency risk

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchase, other expenses and borrowings are denominated and the functional currency of the group. The functional currency of the group is Indian Rupees (INR). The currencies in which these transactions are primarily denominated are EURO and USD.

At any point in time, the group generally hedges its estimated foreign currency exposure in respect of its forecast sales over the forthcoming financial years in advance . The group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges.

The group, as per its risk management policy, uses foreign exchange forward contract and cross currency forward contracts primarily to hedge foreign exchange. The group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2022:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 283.95 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 162 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 170 million	Sell

Following is the derivative financial instruments to hedge the foreign exchange rate risk as at 31st March, 2021:

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of highly probable forecasted sales transactions	Forward contract	USD	INR	USD 43.01 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	USD	EUR 45 million	Sell
Hedges of highly probable forecasted sales transactions	Forward contract	EUR	INR	EUR 12 million	Sell

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Exposure to currency risk

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

(₹ in Lakhs)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	EUR	USD	Others	EUR	USD	Others
Financial assets (A)						
Trade receivables	65,901	43,355	110	40,579	22,149	103
Cash and cash equivalent	1,213	2,826	85	2,387	2,453	32
Security Deposits	5	-	-	5	-	-
Loans	-	-	11	-	-	14
Total (A)	67,119	46,181	206	42,971	24,602	149
Financial liabilities (B)						
Secured Loans	16,616	4,472	-	25,275	4,043	-
Unsecured Loans	2,17,407	-	24	61,449	-	23
Interest on Loan	11	-	-	-	-	-
Trade payables	9,752	6,614	286	6,921	7,434	142
Total (B)	2,43,786	11,086	310	93,645	11,477	165
Net statement of financial position exposure (A-B)	(1,76,667)	35,095	(104)	(50,674)	13,125	(16)

Sensitivity analysis

The strengthening / weakening of the respective foreign currencies with respect to functional currency of group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant. The following analysis has been worked out based on the exposures as of the balance sheet date.

(₹ in Lakhs)

31st March, 2022	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(3,533)	3,533
USD	3%	1,053	(1,053)
Others	10%	(10)	10

(₹ in Lakhs)

31st March, 2021	Profit / (loss)		
	Strengthening / Weakening %	Strengthening	Weakening
EUR	2%	(1,013)	1,013
USD	3%	394	(394)
Others	10%	(2)	2

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

b) Interest rate risk

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

For details of the group's short-term loans and borrowings, including interest rate profiles, refer to Note no.50 of these financial statements.

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets	56,770	56,573
Financial liabilities	(2,35,928)	(83,686)
	(1,79,158)	(27,113)
Variable-rate instruments		
Financial liabilities	(16,772)	(16,205)
	(16,772)	(16,205)

Interest rate sensitivity - fixed rate instruments

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

Interest rate sensitivity - variable rate instruments

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

(₹ in Lakhs)

Particulars	Profit / (loss)	
	100 bps increase	100 bps decrease
As at 31st March, 2022		
Variable-rate instruments sensitivity (net)	(168)	168
	(168)	168
As at 31st March, 2021		
Variable-rate instruments sensitivity (net)	(162)	162
	(162)	162

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

Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 31st March, 2022 and 31st March, 2021. The column 'net amount' shows the impact on the group's balance sheet if all set-off rights were exercised.

(₹ in Lakhs)

Particulars	Effects of offsetting on the balance sheet			Related amounts and offset		
	Gross Amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instrument collateral	Net amount
As at 31st March, 2022						
Financial assets						
Derivative financial instruments	10,779	-	10,779	10,779	-	10,779
Total	10,779	-	10,779	10,779	-	10,779
Financial liabilities						
Derivative financial instruments	204	-	204	204	-	204
Total	204	-	204	204	-	204
As at 31st March, 2021						
Financial assets						
Derivative financial instruments	1,903	-	1,903	1,903	-	1,903
Total	1,903	-	1,903	1,903	-	1,903
Financial liabilities						
Derivative financial instruments	45	-	45	45	-	45
Total	45	-	45	45	-	45

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.40**Hedge accounting**

As part of its risk management strategy, the group generally hedges its net foreign currency exposure of highly forecasted sale transactions for the forthcoming financial years in advance. The group uses forward contracts to hedge its currency exposure. Such contracts are designated as cash flow hedges.

The forward contracts are generally denominated in the same currency in which the sales realisation is likely to take place. For derivative contracts designated as hedge, the group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness.

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

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

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

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

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

a. Disclosure of effects of hedge accounting on financial position**As at 31st March, 2022**

Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
Forward contract	Foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Group enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customised contracts transacted in the over-the-counter market.	Cash flow hedge

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at 31st March, 2022

Particulars	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Line item in the Balance Sheet where the hedging instrument is included	Maturity date	Average strike price/ rate
Foreign exchange forward contracts	332 Million EUR 283.95 Million USD	8011	204	Nil	FY 2021-22 to FY 2026-27	1 USD = INR 81.2793 1 EUR = INR 90.6088
Cross Currency Swap	57.46 Million EUR	2768	-	Non current Borrowing	FY 2024-25 to FY 2025-26	1 EUR=INR 87.0235

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Particulars	Change in fair value for the year	Change in fair value for the year recognised in OCI	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	FY 2021-22	8,718	Nil	Not applicable	Nil	Not applicable

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

(₹ in Lakhs)

Movement in Cash flow hedge reserve	As at 31st March, 2022	As at 31st March, 2021
Opening balance	1,391	(4,209)
Effective portion of changes in fair value:		
Foreign currency risk	8,718	7,483
Net amount reclassified to profit or loss:		
Foreign currency risk	-	-
Tax on movements on reserves during the year	(2,194)	(1,883)
Closing balance	7,915	1,391

NOTE NO.41 CAPITAL MANAGEMENT

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

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

The group's net debt to equity ratio was as follows.

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Borrowings	2,02,746	99,945
Current maturity of long term debt	(46)	(54)
Gross Debt	2,02,700	99,891
Less - Cash and Cash Equivalents	4,591	5,492
Less - Current Investments	68,453	39,203
Net debt	1,29,656	55,196
Total equity	6,93,301	5,99,982
Add/(Less) : Hedging reserve	(7,915)	(1,391)
Equity	6,85,386	5,98,591
Net debt to Equity ratio	0.19	0.09

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.42 EARNING PER SHARE (EPS)

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

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Profit attributable to equity holders (₹ in Lakhs)	1,43,538	1,17,753
Weighted average number of shares outstanding during the year	19,33,17,190	19,33,17,190
Nominal Value of Equity Shares (in ₹)	2	2
Earning Per Share Basic and Diluted (in ₹)	74.25	60.91

NOTE NO.43 RELATED PARTY DISCLOSURES

(Where transactions have taken place)

I Related Party Relationships***a) Key Management Personnel (KMP)**

Mr. Arvind Poddar - Chairman & Managing Director, Mr. Rajiv Poddar - Joint Managing Director, Mr. Vipul Shah - Director & Company Secretary, Mr. Basant Bansal - Director Finance (up to 28.08.2020), Mr. Madhusudan Bajaj (w.e.f. 28.08.2020)-President commercial & CFO.

b) Relatives of Key Management Personnel (KMP)

Mrs. Vijaylaxmi Poddar, Mrs. Khushboo Poddar, Mrs. Pooja Dhoot, Mr. Gunal Bansal (up to 28.08.2020), Mrs. Vijaya Bajaj (w.e.f. 28.08.2020)

c) Other Related Parties - (Enterprises-KMP having significant influence/owned by major shareholders), Clothing Culture Private Limited**II Related Party Transactions \$**

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods / Materials	-	11	-	15
Rent received	-	66	-	66
Recovery of Expenses (Other related party ₹ 38,495)	-	0	-	24
Rent Paid	372	-	203	-
Maintenance Expenses	14	-	5	-
Vehicle Hiring Charges	3	-	7	-
Remuneration	28	-	28	-
Meeting fees	4	-	3	-

(₹ in Lakhs)

Transactions	Key Management Personnel		Relatives of (KMP)	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Remuneration payable (Outstanding for Relative of (KMP) is ₹ 16,800 (Previous Year ₹ 16,800))	8,000	6,500	0	0

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

III Key management personnel compensation

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Remuneration	9,258	7,747
Recovery of Expenses	25	-

Disclosure in Respect of Related Party Transaction during the year :

(₹ in Lakhs)

Transactions	Year ended 31st March, 2022		Year ended 31st March, 2021	
	Relatives of (KMP)	Other related Party	Relatives of (KMP)	Other related Party
Purchase of Goods / Materials				
Clothing Culture Ltd	-	11	-	15
Rent received				
Clothing Culture Ltd	-	66	-	66
Recovery of Expenses				
Clothing Culture Ltd (Other related party ₹38,495)	-	0	-	24
Rent Paid				
Mrs. Pooja Dhoot	167	-	135	-
Mrs. Khushboo Poddar	205	-	68	-
Maintenance Expenses				
Mrs. Pooja Dhoot	6	-	3	-
Mrs. Khushboo Poddar	8	-	2	-
Vehicle hiring Charges				
Mr. Gunal Bansal	-	-	3	-
Mrs. Vijaya Bajaj	3	-	4	-
Meeting Fees				
Mrs. Vijaylaxmi Poddar	4	-	3	-
Remuneration				
Mrs. Khushboo Poddar	28	-	28	-

(₹ in Lakhs)

Particulars	KMP		Relatives of (KMP)		Other related Party	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Outstanding Balances						
Remuneration payable						
Mr. Arvind M Poddar	4,000	3,200	-	-	-	-
Mr. Rajiv A Poddar	4,000	3,300	-	-	-	-
Mr. Vipul Shah (KMP- ₹ 16,800 Previous Year ₹ 16,800)	0	0	-	-	-	-
Mr. Madhusudan Bajaj- (KMP - ₹ 16,800 Previous Year ₹ 16,800)	0	0	-	-	-	-
Mrs. Khushboo Poddar-Outstanding for Relative of KMP is ₹ 16,800 (Previous Year ₹ 16,800)	-	-	0	0	-	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Remuneration		
Mr. Arvind M Poddar	4,554	3,742
Mr. Rajiv A Poddar	4,442	3,732
Mr. Vipul Shah	78	71
Mr. Madhusudhan Bajaj	184	101*
Mr. Basant Kumar Bansal	-	101
Recovery of Expenses		
Mr. Arvind M Poddar	9	-
Mr. Rajiv A Poddar	16	-

** Excluding Provision for gratuity and leave encashment

Terms and conditions of transactions with related parties

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

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

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

NOTE NO.44 COVID-19

As per the current reports the COVID-19 pandemic is receding and most businesses are back to pre-pandemic levels. The Company does not see any challenge in the recoverability and carrying value of all its assets and investments.

NOTE NO.45 TRADE PAYABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,618	-	-	-	1,618
Others	79,831	238	33	93	80,195
Dispute due MSME	20	-	-	-	20
Dispute due Others	8	30	1	1,054	1,093

TRADE PAYABLE AGEING AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 years	1-2 years	2-3 Years	More than 3 Years	
MSME	1,606	-	-	-	1,606
Others	61,939	384	182	337	62,842
Dispute due MSME	-	-	-	-	-
Dispute due Others	1	-	-	1,053	1,054

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

As at 31st March, 2022, the Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) The principal amount remaining unpaid to any supplier at the end of the year	1,638	1,606
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) "The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

NOTE NO.46 EMPLOYEE BENEFIT OBLIGATIONS

(A) Defined Contribution Plan

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

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Charge to the Statement of Profit and Loss based on contributions:		
Superannuation	81	81
Employees' Provident fund	1,251	1,092

(B) Defined Benefit Plan

In accordance with the provisions of the Payment of Gratuity Act, 1972, the group has a defined benefit plan which provides for gratuity payments. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the years of employment with the group. Liabilities in respect of the gratuity plan are determined by an actuarial valuation, based upon which the group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC of India, a funded defined benefit plan for qualifying employees.

The most recent actuarial valuation of the defined benefit obligation along with the fair valuation of the plan assets in relation to the gratuity scheme was carried out as at 31st March, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Gratuity (Funded plan)	Gratuity (Funded plan)
(i) Change in Defined Benefit Obligation		
Opening defined benefit obligation	6,473	5,752
Amount recognised in profit and loss		
Current service cost	555	506
Interest cost	445	396
Amount recognised in other comprehensive income		
Actuarial loss / (gain) arising from:		
Demographic assumptions	3	-
Financial assumptions	(295)	14
Experience adjustment (As at 31st March, 2021 ₹ 35,539)	34	0
Other		
Benefits paid	(181)	(195)
Closing defined benefit obligation	7,034	6,473
(ii) Change in Fair Value of Assets		
Opening fair value of plan assets	4,415	3,796
Amount recognised in profit and loss		
Interest income	305	262
Amount recognised in other comprehensive income		
Actuarial gain / (loss)		
Return on Plan Assets, Excluding Interest Income	12	(25)
Other		
Contributions by employer	512	577
Benefits paid	(181)	(195)
Closing fair value of plan assets	5,063	4,415
Actual return on Plan Assets	318	236
(iii) Plan assets comprise the following		
	Unquoted	Unquoted
Insurance fund (100%)	5,063	4,415
(iv) Principal actuarial assumptions used	%	%
Discount rate	7.27	6.87
Rate of employee turnover	For Service 4 years and below 10 % p.a. & thereafter 2%p.a	For Service 4 years and below 10 % p.a. & thereafter 2%p.a
Future Salary growth rate	8.50	8.50
(v) Amount recognised in the Balance Sheet		
Present value of obligations as at year end	7,034	6,473
Fair value of plan assets as at year end	5,063	4,415
Net (asset) / liability recognised as at year end	1,971	2,058
Recognised under :		
Long term provisions	1,971	2,058
	1,971	2,058

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)
(vi) Sensitivity analysis

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement) - Gratuity	(652)	780	(631)	757
Employee turnover (0.5% movement) - Gratuity	(59)	68	(83)	96
Future salary growth (0.5% movement) - Gratuity	636	(593)	642	(584)

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

(vii) Expected future cash flows

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As At 31st March, 2022					
Defined benefit obligations (Gratuity)	345	415	1,896	2,550	5,206
	345	415	1,896	2,550	5,206

(₹ in Lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31st March, 2021					
Defined benefit obligations (Gratuity)	296	299	1,561	2,444	4,600
	296	299	1,561	2,444	4,600

Other long-term employee benefits:

Compensated absences are payable to employees at the rate of daily basic salary for each day of accumulated leave partially at the year end and partially on death or on resignation or upon retirement. The charge towards compensated absences for the year ended 31st March, 2022 based on actuarial valuation using the projected accrued benefit method is ₹ 0.06 Lakhs (31st March, 2021 : ₹ 25.28 Lakhs).

NOTE NO.47 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Contingent Liabilities		
a) Claims against the group not acknowledge as debts		
Disputed claims for excise, sales tax, customs and service tax	13,272	14,414
Disputed income tax demands	1,268	6,544
Others (Municipal, Gram panchayat tax, Electricity Duty etc.)	676	531
b) Guarantees given by the group's bankers on behalf of the group against the group's Indemnity	5,060	3,384
c) Corporate Guarantee / Bonds given by the group:		
To the President of India through commissioner / Dy. commissioner of Custom	14,924	43,023
d) Standby Letter of Credit issued by group's banker for loan taken by stepdown subsidiary	305	-
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	96,570	61,367

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.48 PAYMENT TO AUDITORS

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Audit Fees	81	77
For Taxation matters	2	2
For Other services - Certification, etc.	20	16
	103	95

NOTE NO.49 RESEARCH AND DEVELOPMENT COST/EXPENDITURE

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Research and Development Cost/Expenditure		
Revenue	2,864	2,417
Capital	1,397	785
	4,261	3,202

NOTE NO.50 NATURE OF SECURITY IN RESPECT OF SECURED LOAN (SHORT TERM)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) At Parent Company:		
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable PPE of the Company on pari - passu basis and immovable PPE of the Company situated at Bhiwadi, Chopanki, Jaisalmer & major assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	-	18,683
Secured by first charge by way of hypothecation of Inventories, Receivables and other current assets and further secured by first charge by way of hypothecation on all the present and future movable PPEs of the Company.	12,521	-
b) At subsidiary Companies:		
Secured by first charge by way of security agreement of all the assets of BKT EXIM US,INC (including its subsidiary) and further Guarantee by BKT Tire Inc and the Parent Company.	2,956	4,043
Secured by Guarantee of the Parent Company.	5,611	6,638

NOTE NO.51 TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2022

(₹ in Lakhs)

Sr. no.	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1.	Undisputed Trade Receivable - Consider Good	1,09,188	420	7	-	-	1,09,615
2.	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4.	disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5.	disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6.	disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

TRADE RECEIVABLE AGEING AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Sr. no.	Particulars	Less than 6 months	6 month -1 year	1-2 Years	2-3 Years	More than 3 years	Total
1.	Undisputed Trade Receivable - Consider Good	75,245	33	64	17	-	75,359
2.	Undisputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
3.	Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
4.	disputed Trade Receivable - Consider Good	-	-	-	-	-	-
5.	disputed Trade Receivable - which have significant increase in Credit risk	-	-	-	-	-	-
6.	disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-

NOTE NO.52 SEGMENT REPORTING

A. General Information

Factors used to identify the entity's reportable segments including the basis of organisation

For management purposes the group has only one reportable segment as follows:

- Manufacture and sale of tyres

The Managing Director of the group acts as the Chief Operating Decision Maker ("CODM").

The CODM evaluates the group's performance and allocates resources based on an analysis of various performance indicators by operating segments.

B. Geographic information

The geographic information analyses the group's revenue and non-current assets by the group's country of domicile and other countries.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the group derives revenues		
Revenue from the Country of Domicile- India	1,40,781	1,30,403
Revenue from foreign countries		
Europe	4,28,273	2,83,491
North America	1,39,107	75,897
Others	1,21,351	88,528
	8,29,512	5,78,319

C. Information about major customer

Revenue from major customer of the group was ₹ 90,249 Lakhs as on 31st March, 2022 (Previous year 31st March, 2021: ₹ 63,808 Lakhs.)

D. Segment Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
In India	5,75,058	4,53,788
Outside India	3329	3,614
Total	5,78,387	4,57,402

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.53

Additional information as required by paragraph 2 of Division 2 of schedule III to the companies Act 2013 - 'General instruction for the preparation of consolidated financial statement' Division 2 of Schedule III

31st March, 2022

(₹ in Lakhs)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit and Loss	Amount (₹)	As % of Consolidated Other comprehensive income	Amount (₹)	As % of Total comprehensive income	Amount (₹)
Parent	99.88%	6,92,455	98.28%	1,41,069	115.13%	6,727	98.94%	1,47,796
Subsidiaries								
Foreign								
1. BKT USA INC	0.16%	1,077	0.15%	212	(0.67%)	(39)	0.12%	172
2. BKT EXIM US, INC	0.12%	806	0.37%	527	(5.59%)	(327)	0.13%	200
3. BKT TIRES (CANADA) INC	0.03%	231	0.05%	67	(0.30%)	(18)	0.03%	49
4. BKT EUROPE S.R.L.	0.12%	860	0.76%	1,094	(8.56%)	(500)	0.40%	594
Indian								
5. BKT Tyres Limited	0.00%	4	0.00%	(1)	-	-	0.00%	(1)
Elimination	(0.31%)	(2,132)	0.40%	570	-	-	0.38%	570
Total	100.00%	6,93,301	100.00%	1,43,538	100.00%	5,843	100.00%	1,49,381

31st March, 2021

(₹ in Lakhs)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit and loss		Share in Other comprehensive Income		Share in Total comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit and Loss	Amount (₹)	As % of Consolidated Other comprehensive income	Amount (₹)	As % of Total comprehensive income	Amount (₹)
Parent	100.11%	6,00,721	98.12%	1,15,538	121.12%	5,571	98.98%	1,21,109
Subsidiaries								
Foreign								
1. BKT USA INC	0.15%	905	0.12%	143	(0.66%)	(30)	0.09%	113
2. BKT EXIM US, INC (Share in other comprehensive income ₹ 49,133)	0.10%	606	0.13%	157	0.01%	0	0.13%	157
3. BKT TIRES (CANADA) INC	0.03%	182	0.06%	71	(0.55%)	(25)	0.04%	46
4. BKT EUROPE S.R.L.	0.04%	266	0.84%	989	(19.92%)	(917)	0.06%	72
Indian								
5. BKT Tyres Limited (Share in Profit and Loss ₹ 48,454)	0.00%	5	0.00%	(0)	-	-	0.00%	(0)
Elimination	(0.44%)	(2,703)	0.73%	855	-	-	0.70%	855
Total	100.00%	5,99,982	100.00%	1,17,753	100.00%	4,599	100.00%	1,22,352

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)
NOTE NO.54 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITY:

(₹ in Lakhs)

Sr No.	Particulars	Year ended	
		31st March, 2022	31st March, 2021
1.	Amount required to be spent by the Company during the year	2,478	2,232
2.	Amount of expenditure incurred on		
	i) Construction/acquisition of any assets	1,727	912
	ii) On purpose of other than (i) above	762	900
3.	Shortfall at the end of the year	-	(420)
4.	Total of Previous year shortfall		
5.	Reason for shortfall		The project was identified at the end of the FY 2020-21 and there was no immediate fund requirement hence payment made in May, 2021.
6.	Nature of CSR activities	Healthcare, Education and Rural development	
7.	Details of related party transactions in relation to CSR expenditure as per relevant		

In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021) effective from 22nd January, 2021, if a Company fails to spend the prescribed CSR amount during the year and such unspent amount pertains to any ongoing project, the Company shall transfer the unspent amount to a special bank account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account within a period of 30 days from the end of the relevant financial year. ₹ 3 Lakhs unspent during the FY 2021-2022 has been already deposited by the Company in a separate bank account within the stipulated period.

NOTE NO.55 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors has recommended a further final dividend of ₹ 4 (200%) per equity share of ₹ 2 each.

NOTE NO.56 RATIOS

Sr No.	Particulars	Numerator	Denominator	Year Ended		%	Remarks for variance more than 25%
				31st March, 2022	31st March, 2021		
1.	Current Ratio (In times)	Current Assets	Current Liabilities	1.20	1.30	(7.69)	-
2.	Debt-Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.36	0.17	118.61	There has been increase in working capital and issuance of NCD
3.	Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	188.67	190.50	(0.96)	-
4.	Return on Equity (ROE) (%)	Net Profits after taxes	Average Shareholder's Equity	22.20	19.63	13.10	-

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

Sr No.	Particulars	Numerator	Denominator	Year Ended		% Variance	Remarks for variance more than 25%
				31st March, 2022	31st March, 2021		
5.	Inventory Turnover (In times)	Cost of goods sold	Average Inventories	9.55	10.11	(5.58)	-
6.	Trade receivables Turnover (In times)	Net Sales	Average Trade Receivables	8.88	8.45	5.05	-
7.	Trade Payables Turnover Ratio (In times)	Total Purchase	Avg Trade Payables	8.78	7.88	11.41	-
8.	Net capital turnover ratio (In times)	Net Sales	Working Capital	13.28	12.06	10.13	-
9.	Net profit ratio (%)	Net Profit	Net Sales	17.49	20.75	(15.73)	-
10.	Return on capital employed (ROCE) (%)	Earning before interest and taxes	Capital Employed	20.50	21.74	(5.70)	-
11.	Return on investment (%)	Income generated from investments	Average Investments	10.25	8.37	22.56	-

NOTE NO.57**OTHER STATUTORY INFORMATIONS:**

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries)
 - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) All the title deeds of immovable properties are in the name of Company.
- viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Notes to the Consolidated Financial Statements For the year ended 31st March, 2022 (Contd.)

NOTE NO.58

The code of Social Security, 2020 (code) relating to employee benefits during employment and post-employment received Presidential asset in September, 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

NOTE NO.59

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1 TO 59

As per our report of even date attached

For **N.G. THAKRAR & CO.**
Chartered Accountants
(Firm Reg. no.110907W)

NATWAR THAKRAR
Partner
Membership No.036213

Mumbai,
Dated: 13th May, 2022

For and on behalf of the Board of Directors

ARVIND PODDAR Chairman & Managing Director

RAJIV PODDAR Joint Managing Director

VIPUL SHAH Director & Company Secretary

Mumbai,
Dated: 13th May, 2022

MADHUSUDAN BAJAJ
President (Commercial) & CFO

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OFFICIAL TIRE PARTNER





Balkrishna Industries Limited

CIN: L99999MH1961PLC012185

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

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

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