

balkrishna industries limited
 Regd. Office :H-3/1, MIDC, "A" Road, Tarapur (Boisar), Maharashtra
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2013



Particulars	STAND ALONE						CONSOLIDATED	
	QUARTER ENDED			YEAR ENDED			YEAR ENDED	
	31/03/2013	31/12/2012	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	
	Unaudited			Audited			Audited	
(Rs. in Lacs)								
1. Income from Operations								
1. (a) Gross Sales	78244	70580	79360	320271	281943	341254	302236	
(b) Net Sales/Income from Operations (Net of Excise Duty)	77396	69840	78666	317308	279482	337382	298968	
(c) Other Operating Income	534	633	189	1749	2514	2011	2696	
Total Income from Operations(Net)	77930	70473	78855	319057	281996	339393	301664	
2. Expenditure								
(a) Cost of materials consumed	41117	37208	49073	181791	174126	192111	185170	
(b) Purchases of stock-in-trade	111	239	418	949	1780	949	1780	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1505	1285	(3082)	(3644)	(4796)	(3592)	(5205)	
(d) Employee benefits Expense	3141	2620	2014	10748	7233	13377	9375	
(e) Depreciation and amortisation expense	3213	2724	2182	10771	8314	11220	8639	
(f) Power & Fuel	2619	2628	2482	11532	9640	16344	13981	
(g) Other Expenses	13849	11010	15263	51242	43432	53318	45366	
Total expenses	65555	57714	68350	263389	239729	283727	259106	
3. Profit from Operations before Other Income, finance costs & exceptional items(1-2)	12375	12759	10505	55668	42267	55666	42558	
4. Other Income	1061	136	821	421	330	451	404	
5. Profit from ordinary activities before finance costs and exceptional items(3+4)	13436	12895	11326	56089	42597	56117	42962	
6. Finance Costs								
- Interest and Finance Charges	348	430	561	1997	1821	2166	1966	
- Applicable Net(Gain)/Loss on Foreign Currency transactions and translation	(317)	1449	(600)	571	954	571	954	
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	13405	11016	11365	53521	39822	53380	40042	
8. Exceptional Items								
9. Profit from Ordinary Activities before tax (7+8)	13405	11016	11365	53521	39822	53380	40042	
10. Tax expense								
- Current	2550	3010	3223	14210	12410	14388	12503	
- Deferred	2392	565	515	3727	560	4001	645	
11. Net Profit from Ordinary Activities After tax (9-10)	8463	7441	7627	35584	26852	34991	26894	
12. Extra ordinary items (Net of tax expenses)								
13. Net Profit for the period (11+12)	8463	7441	7627	35584	26852	34991	26894	
14. Paid up Equity Share Capital (Face Value of Rs. 2 Each)	1,933	1,933	1,933	1,933	1,933	1,933	1,933	
15. Reserves excluding Revaluation Reserve				139964	106076	142367	109075	
16. Earning Per Share(EPS) (Rs.) For respective periods								
Basic and Diluted	8.75	7.70	7.54	36.81	27.43	36.20	27.48	
A. PARTICULARS OF SHAREHOLDINGS								
1. Public Shareholding:								
- Number of Shares	40310585	44107085	44107085	40310585	44108085	40310585	44108085	
- Percentage of Shareholding	41.70	45.63	45.63	41.70	45.63	41.70	45.63	
2. Promoter and Promoter Group Shareholding								
(a) Pledged/Encumbered								
- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of Shares (as a % of the total Share Capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
(b) Non - Encumbered								
- Number of Shares	56348010	52551510	52551510	56348010	52550510	56348010	52550510	
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
- Percentage of Shares (as a % of the total Share Capital of the Company)	58.30	54.37	54.37	58.30	54.37	58.30	54.37	

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STATEMENT OF ASSETS AND LIABILITIES				
PARTICULARS	STANDALONE		CONSOLIDATED	
	YEAR ENDED		YEAR ENDED	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	Audited		Audited	
	(Rs. in Lacs)			
A EQUITY AND LIABILITIES				
1. Shareholders' Funds				
a) Share Capital	1933	1933	1933	1933
b) Reserves and surplus	139964	106076	142367	109075
Sub-total - Shareholders' funds	141897	108009	144300	111008
2. Non-current liabilities				
a) Long-term borrowings	150429	91373	156665	93983
b) Deferred tax liabilities(net)	9986	6259	10669	6667
c) Other long term liabilities	9409	3405	9694	3469
d) Long-term provisions	(17)	(62)	46	(8)
Sub-total - Non-current liabilities	169807	100975	177074	104111
2. Current liabilities				
a) Short-term borrowings	55926	74922	57995	75645
b) Trade Payables	24100	20041	27138	21970
c) Other current liabilities	4974	5606	6323	6359
d) Short-term provisions	2168	1997	2243	2060
Sub-total Current liabilities	87168	102566	93699	106034
TOTAL - EQUITY AND LIABILITIES	398872	311550	415073	321153
B. ASSETS				
1. Non-current assets				
a) Fixed assets	222322	127802	234783	134973
b) Goodwill on consolidation	-	-	6	6
c) Non-current Investments	3291	3224	312	244
d) Long term loans and advances	27916	26687	28752	27838
e) Other non-current assets	1	49	30	93
Sub-total Non-current assets	253530	157762	263883	163154
2. Current assets				
a) Current investments			20	1
b) Inventories	43254	48107	45,674	49,854
c) Trade receivables	50449	47961	51,967	49,002
d) Cash and cash equivalents	26631	35740	27,797	36,984
e) Short-term loans and advances	24378	19499	25,074	19,666
f) Other current assets	630	2481	658	2,492
Sub-total Current assets	145342	153788	151,190	157999
TOTAL - ASSETS	398872	311550	415073	321153

NOTES ON STAND ALONE RESULTS:

- The above results as reviewed by the Audit Committee have been approved by the Board of Directors at its meeting held on 30th May, 2013.
- Segment reporting as required by AS-17 is not applicable as the company operates in one single primary business segment i.e Tyres.
- The implementation of green field tyre plant at Bhuj is progressing as per schedule.
- The Board has recommended Dividend of Rs.1.50 per equity share of Rs. 2/- each. The cash outgo on account of Dividend and Dividend Tax will be Rs.16.96 Crores.
- Previous year's/period's figures have been regrouped/reclassified wherever necessary.
- The details of number of investor complaints for the quarter;
Beginning - Nil, Received - Nil Disposed - Nil, Pending - Nil
- The figures of quarter ended 31.03.2013 are the balancing figures between the audited figures of the full financial year and published year to date figures upto nine month ended 31.12.2012 of the financial year.

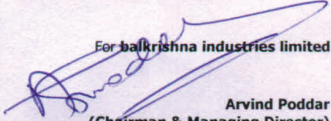
NOTES ON CONSOLIDATED RESULTS :-

- The above consolidated results represent results of:
 - Balkrishna Industries Limited,
 - Its wholly owned subsidiaries namely Balkrishna Paper Mills Limited, Balkrishna Synthetic Limited, BKT Exim Limited and BKT Tyres Limited, and its wholly owned step down subsidiaries of BKT EXIM Limited namely BKT (Europe) Limited, BKT Europe S.r.l & BKT (USA) INC.
- The consolidation has been made in accordance with the principles and procedures as set out in the Accounting Standard (AS) 21 on consolidated financial statements.

Dated : 30th May, 2013

Place: Mumbai

For balkrishna industries limited


Arvind Poddar
(Chairman & Managing Director)

REF. NO.

INDEPENDENT AUDITOR'S REPORT
To the Members of
Balkrishna Industries Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

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



V.A. Merchant

VIRAL A. MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date on the accounts of Balkrishna Industries Limited for the year ended 31st March, 2013.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, physical verification of these fixed assets is being conducted in a phased programme by the management designed to cover all the assets over a period of three to four years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- iii) a) As per the information and explanations given to us, the Company has granted unsecured loan to four parties, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.8,73,67,690 and the year-end balance of the loans granted was Rs. 5,32,92,690.
 - b) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans, including that of not charging the interest to one of the subsidiaries for part of the year, in our opinion and having regard to the holding and subsidiary company relationship, are not, prima facie, prejudicial to the interest of the Company.
 - c) In our opinion and as per the information and explanations given to us, the Company was regular in receipt of the principal amounts whenever demanded. However, no such demand has been made during the year. The receipt of interest is regular wherever applicable.



- d) As per the information and explanations given to us, the outstanding amount of the loan given was not overdue.
- e) The Company has not taken any loan, secured or unsecured, from any party covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- b) In our opinion and as per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, to the extent applicable, during the year with the appropriate authorities. However, as at 31st March, 2013 there were no undisputed dues outstanding for a period of more than six months from the date they became payable. During the year, the Company was not required to deposit any dues in respect of Wealth Tax.



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

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

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

- x) The Company does not have any accumulated losses at the end of the current financial year and has not incurred cash losses during current financial year and in the immediately preceding financial year.



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

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



V. A. Merchant

VIRAL A. MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2013

REF. NO.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Balkrishna Industries Limited

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



Opinion

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

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

Other Matters

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

Our opinion is not qualified in respect of other matters.

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



V.A. Merchant

VIRAL A. MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2013