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**Balkrishna Industries Limited**

**53rd Annual Report 2015**





Lord Ganesha

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**BOARD OF DIRECTORS:**

DHARAPRASAD PODDAR  
Chairman Emeritus

ARVIND PODDAR  
Chairman & Managing Director

RAJIV PODDAR  
Joint Managing Director

VIJAYLAXMI PODDAR  
Executive Director

VIPUL SHAH  
Whole Time Director & Company Secretary

SACHIN NATH CHATURVEDI  
RAMESHKUMAR PODDAR  
KHURSHED DOONGAJI  
LAXMIDAS MERCHANT  
SANJAY ASHER  
ASHOK SARAF

**AUDITORS:**

M/s. JAYANTILAL THAKKAR & CO.  
Chartered Accountants

**INTERNAL AUDITORS:**

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

**COST AUDITORS:**

R S RAGHVAN  
Cost Accountants

**PLANTS :****TYRE MANUFACTURING :****CALENDERING :****WIND FARM :****MOULD UNIT :****BANKERS:**

CORPORATION BANK  
THE ROYAL BANK OF SCOTLAND N.V.  
STANDARD CHARTERED BANK  
STATE BANK OF INDIA  
ING VYSYA BANK LIMITED  
BARCLAYS BANK PLC  
BANK OF BARODA  
INDUSIND BANK LIMITED  
CITI BANK N.A.  
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED  
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.  
COMMONWEALTH BANK OF AUSTRALIA  
MIZUHO BANK LIMITED  
THE BANK OF NOVA SCOTIA  
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED  
UNITED OVERSEAS BANK LIMITED

**REGISTERED OFFICE:**

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

**CORPORATE OFFICE:**

BKT House, C/15, Trade World, Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013  
(Maharashtra)

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

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

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

Village Padhdhar, Taluka Bhuj, Dist: Kachchh (Gujarat)

SP4 - 886, RIICO Industrial Area,  
Pathredi 301 707, Dist. Alwar (Rajasthan)

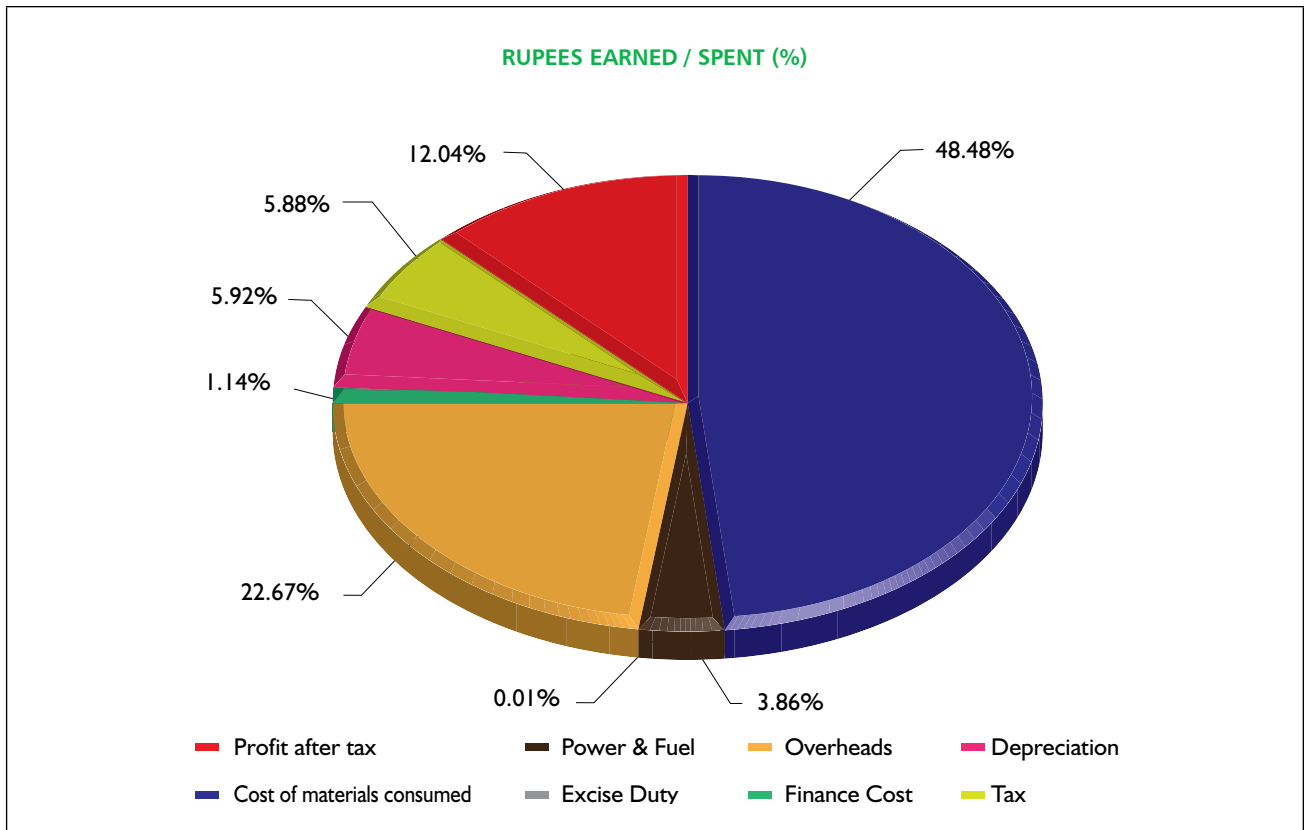
Village Soda Mada, Tehsil: Fatehgarh,  
Dist. Jaisalmer (Rajasthan)

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

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.

**FINANCIAL HIGHLIGHTS (STANDALONE)**

Particulars	(Rs. In Crores)			
Year ended 31st March	2015	2014	2013	2012
Revenue From Operations	3780	3577	3191	2820
Other Income	280	14	4	3
Total Revenue	4060	3591	3195	2823
PBIDT	1014	908	669	510
PBDT	968	882	643	482
Depreciation	240	165	108	83
PBT	728	717	535	399
Taxes	239	229	179	130
PAT	489	488	356	269
Dividend	120%	100%	75%	75%
Earning per Share of Rs. 2 each	50.57	50.53	36.81	27.43
Total Cash Accruals	701	630	447	335



## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 53<sup>rd</sup> Annual Report and Company's Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2015.

(Rs. in Crores)

	Current Year ended		Previous Year ended	
	31.03.2015		31.03.2014	
<b>Revenue from Operations and other Operating Income</b>		<b>3833.83</b>		3615.17
Less : Excise Duty Recovered on Sales		53.93		38.46
Add : Other Income		279.80		13.84
<b>Total Revenue</b>		<b>4059.70</b>		3590.55
<b>Gross Profit</b>		<b>967.75</b>		882.66
Less: Depreciation and Amortization		240.20		164.96
<b>Profit before Tax</b>		<b>727.55</b>		717.70
Less: Provision for Taxation				
Current Tax	215.10		157.00	
Deferred Tax (Net)	23.64	238.74	72.33	229.33
<b>Profit after Tax</b>		<b>488.81</b>		488.37
Balance brought forward from last year		142.43		76.59
<b>PROFIT AVAILABLE FOR APPROPRIATIONS:</b>		<b>631.24</b>		564.96
Transfer to General Reserve		50.00		400.00
Proposed Final Dividend		23.20		19.33
Tax on Final Dividend		4.63		3.20
Add : Income Tax of Earlier Years		9.47		NIL
Balance Carried forward to balance sheet		<b>562.88</b>		142.43

### OPERATIONS:

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of "Off-Highway Specialty Tyres". These specialty tyres are meant for Agricultural, Industrial, Material Handling, Construction, Earthmoving (OTR), Forestry, Lawn & Garden Equipment and All Terrain Vehicles (ATV). More than 85% of our revenue is generated through exports. However, during the year under consideration, consequent to scheme of arrangement under section 391 to 394 of the Company's Act 1956, separately explained in detail in this report, the operations of the company for the part of the year also included activities relating to its erstwhile paper subsidiary. Therefore, the above referred figures for the current year are not comparable with that of previous year.

During the year under consideration, the Company's Total Revenue from its tyre operations has increased from Rs. 3,591 Crores to Rs. 3,919 Crores after taking into account exchange difference attributable to exports. The profit before interest, depreciation and tax (PBITD) attributable to tyre business of the company for the year under consideration has increased to Rs. 1,014 Crores from Rs. 908 Crores during previous year.

### BHUJ PROJECT:

The work on Bhuj Project is substantially completed and company has already commenced partial production over there during previous year itself. As on 31<sup>st</sup> March, 2015, the Company has incurred capital expenditure of approximately Rs. 2,606 Crores.

Your Company enjoys the status of "PREMIER TRADING HOUSE".

### DIVIDEND:

Your Directors are pleased to recommend Dividend of Rs. 2.40 per Equity Share (120%) for the year, with a total payout of Rs. 27.83 Crores, including Tax on Dividend.

### SHARE CAPITAL:

The paid up Share Capital of the Company as on 31<sup>st</sup> March, 2015 was Rs.19.33 Crores. During the year under review the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31<sup>st</sup> March, 2015, none of the Directors of the Company hold convertible instruments.

### RESERVES :

The Company proposes to transfer Rs. 50.00 Crores to Reserves.

#### SCHEME OF ARRANGEMENT :

The Scheme of arrangement ("the Scheme") between Balkrishna Industries Limited (BIL), Balkrishna Paper Mills Limited (BPML) and Nirvikara Paper Mill Limited (NPML) under the provisions of section 391 to 394 of the Companies Act, 1956 was approved by the Hon'ble High Court of Bombay vide Order dated 19th December 2014. Pursuant to the Scheme (i) BPML amalgamated with the Company with effect from the Appointed Date, i.e., 1st April 2013 and (ii) the Paper Division undertaking of the Company along with investment in Balkrishna Synthetics Limited demerged in to Nirvikara Paper Mill Limited (NPML) with effect from the Effective Date, i.e., 10th February 2015. In accordance with the Scheme, an aggregate of 1,07,39,844 equity shares of Rs. 10 each of NPML have been issued to the equity shareholders of the Company in the ratio of 1 equity share of NPML for every 9 equity shares held in the Company and the shares of NPML held by the Company have been cancelled. Accordingly, Balkrishna Synthetics Limited and NPML have ceased to be subsidiaries of the Company.

#### OUTLOOK FOR THE CURRENT YEAR 2015-2016:

The Company's earnings are mainly generated through exports to various countries across the globe. Due to recessionary trends prevailing across the globe, the business environment is tough and challenging. However, your company will continue to make sustained efforts towards growth.

The long-term prospects of the company are definitely positive and the company continues to expand its product range by widening its products offerings and venturing in to new geographies.

#### OPPORTUNITY & THREATS:

##### OPPORTUNITIES:

Your company operates into a segment predominantly known as "large varieties -low volume segment", which is not only capital intensive but also labour intensive. Your Company is fully geared up to take advantage of the peculiarities of the said segment and has developed a large base of SKUs to meet the diverse needs and applications.

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

The Company has incremental opportunity to develop "Earth Moving Tyres" (OTR) markets and take advantage of the shift from bias to radial tires, which are growing up rapidly. In order to take advantage of this opportunity, the company has already set up an all-steel OTR Radial tyre plant at its Chopanki location and proud to be first company in India to set up such plant. Your company is in the process of expanding its base into its various sub-segments like agricultural, industrial, construction, mining, winter and solid tyres under both technologies – bias as well as radials.

##### THREATS:

Like any other Company, your Company is also exposed to various threats like competition from small players, retention of employees, labor unrest, increase in raw material prices and other input costs etc.

#### RISKS / CONCERNS AND RISK MITIGATION:

Fluctuation in Raw Material prices: The Company's major raw material is Natural Rubber, which is an agricultural commodity and actively traded on the commodities exchanges. Its prices fluctuate significantly and have witnessed significant volatility in the past. Recently there has been a softening in the prices of natural rubber and other raw materials which are expected to continue for some more time in the backdrop of subdued business environment across the globe.

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

Since most of the raw materials are imported, the company is exposed to foreign currency risk. However, it enjoys natural hedge as most of its revenues are in foreign currency.

Labour Relations: Since Company's manufacturing process is that of batch processing, it requires lot of skilled as well as un-skilled workers. Maintaining a huge work force is a big challenge.

In order to mitigate the said risk, the Company follows good HR practices to promote the welfare, safety of its workmen and improve the work environment. All workers are paid more than adequate remuneration for their work.

Retention of skilled manpower: Like other players in the industry, the Company is also exposed to this risk, more particularly when there is shortage of skilled manpower in the industry.

The Company is able to manage the said risk by good HR practices and rewarding its employees handsomely.

Currency fluctuation: As stated earlier the company revenues are mainly generated through exports. The Company also imports lot of its raw materials and capital equipment's. Moreover, all its borrowings are in foreign currency and it is therefore exposed to risks due to currency fluctuations.

The Company follows the system of hedging its receivables (net off payables) well in advance by entering into Forward Contracts, thereby protecting itself from the fluctuations in currencies.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

**HUMAN RESOURCES:**

The Company's human resources continue to be its biggest asset. The team has remained as committed as ever and produced results that are considered significant. Quality, quick delivery and focus on resolving customer issues are the hallmark of the team performance. There is a strong focus on TEAM spirit, during the year, many events/training programs were conducted to develop personality and outlook of its employees. Employee relations continue to be cordial.

**SUBSIDIARY COMPANIES:**

The company has following 100% subsidiary companies:

BKT Tyres Limited, Thritha Synthetics Limited, BKT EXIM Limited and Indirect subsidiary Companies i.e subsidiary companies of BKT EXIM Limited; i.e. BKT EUROPE S.R.L., BKT USA INC and BKT TIRES (CANADA) INC. During the year BKT EXIM Limited. has invested in wholly owned subsidiary namely BKT EXIM US, INC and BKT EXIM US, INC has incorporated wholly owned subsidiary namely BKT TIRES INC. A report on the performance and financial position of each of the subsidiaries is provided under 'Details of Subsidiaries' forming part of the Annual Report. The Policy determining material subsidiaries as approved may be accessed on the Company's website at the link [http://www.bkt-tires.com/en/about-us/investors-desk/download?file\\_id=1801](http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1801). During the year Balkrishna Paper Mills Ltd. is merged with Company, Nirvikara Paper Mills Ltd. and Balkrishna Synthetics Ltd. are ceased to be subsidiary Company as per the Scheme of Arrangement approved by the Hon'ble High Court of Bombay on 19<sup>th</sup> December, 2014.

**CONSOLIDATED FINANCIAL STATEMENT:**

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

**DIRECTOR RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (3)(c) of the Companies Act, 2013, your Directors hereby confirmed that:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, 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 31<sup>st</sup> March, 2015 and of the Profit of the Company for the year ended as on that date;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a "going concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are adequate and operating effectively.

**CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Corporate Governance Report forms an integral part of Annual Report. The requisite certificate from Auditor of the Company confirming compliance with the condition of Corporate Governance is attached to the Report on Corporate Governance.

**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 materials in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board may be accessed on the Company's website at the link [http://www.bkt-tires.com/en/about-us/investors-desk/download?file\\_id=1798](http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1798). Members can refer Note no. 42 to the financial statement which set out related party disclosures.

**CORPORATE SOCIAL RESPONSIBILITY:**

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which is approved by the Board.

During the year, the Company has spent Rs.11.01 Crores ( 2%) of the average net profits of last three years) on CSR activities.

The Annual Report on CSR activities is annexed herewith as **Annexure I**.

**RISK MANAGEMENT:**

The Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed excise is being carried out that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.



**DIRECTORS:**

In accordance with provisions of the Act and Articles of Association of the Company, Smt. Vijaylaxmi A Poddar, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Necessary resolution for her re-appointment is placed before the shareholders for approval. Your Directors commend the resolution.

Brief resume of the Director being re-appointed as required under Clause 49 of the Listing Agreement is provided in the Annexure to the notice convening the Annual General Meeting of the Company.

The Company has received declaration from all Independent Directors of the Company confirming that they meet with the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

During the under review, the members has approved appointment of Independent Directors viz., Shri Sachin Nath Chaturvedi, Shri Khurshed Doongaji, Shri Ashok Saraf, Shri Sanjay Asher and Shri Laxmidas Merchant, as Independent Directors for a period of 5 years w.e.f. 13<sup>th</sup> September, 2014.

Shri Subhash Chand B Mantri, the Independent Director has resigned from the Board of Directors of the Company w.e.f. 15<sup>th</sup> May, 2014.

**CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

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

**CRITERIA FOR APPOINTMENT OF MANAGING DIRECTOR / WHOLE TIME DIRECTORS:**

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

**REMUNERATION POLICY:**

The Company follows a policy on remuneration of Directors and Senior Management employees, details of the same are given in the Corporate Governance Report.

**PERFORMANCE EVALUATION:**

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Nomination and Remuneration Committee has laid down the criteria for evaluation of individual Directors, the Board as a whole. Based on the criteria the exercise of evaluation was carried out through as structured process covering various aspects of the Board functioning such as composition of Board and Committees, experience and expertise, performance of specific duties and obligation, governance and compliance issues attendance, contribution at meeting etc.,

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at a separately convened meeting which the performance of the Board as a whole evaluated was reviewed. The performance of the Independent Directors was carried out by the entire Board (Excluding the Director being evaluated).

The Directors expressed their satisfaction with the evaluation.

**FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects.

The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Director include interactive sessions with Executive Directors, Business and Functional Heads, visit to the manufacturing site etc. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members.

The details of such familiarisation programme have been displayed on the company's website link: [http://www.bkt-tires.com/en/about-us/investors-desk/download?file\\_id=1802](http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1802).

**AUDITORS:****Statutory Auditors:**

Messers Jayantilal Thakkar & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and who have furnished certificates of their eligibility for re-appointment as required under Companies Act, 2013.

**Secretarial Auditor:**

The Board has appointed Mr. GBB Babuji, Company Secretary in Whole time Practice, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed herewith marked as **Annexure II**.

**Cost Auditor:**

The Company revenue from exports, in foreign exchange, exceeds seventy five per cent of Companies total revenue, as per Rule 7 (i) of the Companies (Cost Records and Audit) Rules, 2014 Cost Audit is not applicable to the Company for the financial year 2014-15.

**INDUSTRIAL RELATIONS:**

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



**DISCLOSURES:****1. Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporate a whistle blower policy in the terms of Listing Agreements deals with instances of fraud and mismanagement, if any. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [http://www.bkt-tires.com/en/about-us/investors-desk/download?file\\_id=1797](http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1797).

**2. Audit Committee**

The Audit Committee was reconstituted w.e.f. 15<sup>th</sup> May, 2014 comprised of Two Independent Non-Executive Directors viz. Shri Sachin Nath B. Chaturvedi (Chairman), Shri Khurshed M Doongaji and Joint Managing Director Shri Rajiv A Poddar. All the recommendations made by the Audit Committee were accepted by the Board.

**3. Number of Board Meeting**

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

**4. Particulars of loans given, investment made, guarantees given and securities provided**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note No. 14, 17, 21 and 32 to the Standalone Financial Statement).

**5. 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 the Act, are provided in **Annexure III** to this report.

**6. Extract of Annual Return**

Extract of annual return of the Company is annexed herewith as **Annexure IV** to this report.

**7. Particulars of Employees and related disclosures**

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in terms of provisions of the Section 136 (1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at Corporate Office of the Company during the working hours and any member interested in obtaining such information may write to the Company Secretary.

**8. Your Directors further state that during the year under review, there were no cases filed, pursuant to the sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

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

1. Details of relating to deposit and unclaimed deposits or interest thereon.
2. Issue of equity shares with differential rights as to dividend or voting.
3. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
4. Neither the Managing / Joint Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future.

**CAUTIONARY STATEMENTS:**

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

**APPRECIATION:**

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

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

**For and on behalf of the Board of Directors**

Mumbai,  
Dated : 14th May, 2015

**ARVIND M PODDAR**  
**CHAIRMAN & MANAGING DIRECTOR**

**ANNEXURE – I**
**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy is stated herein below : WEBLINK [http://www.bkt-tires.com/en/about-us/investors-desk/download?file\\_id=1796](http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1796)

2. The Composition of CSR Committee

Smt. Vijaylaxmi A Poddar (Chairperson), Shri Arvind M Poddar (Member), Shri Rajiv A Poddar (Member) and Shri Sachin Nath Chaturvedi (Member).

3. Average net profit of the Company for last three financial years : Rs.550.37 Crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs.11.01 Crores

5. Details of CSR spent during the financial year :

(a) Total amount to be spent for the financial year; Rs.11.01 Crores

(b) Amount unspent, if any : NIL

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects / Activities	Sector	Amount Outlay Locations (Budget) Project or Programs wise Districts (State)	Amount Outlay (Budget) Project of Programs wise	Amount Spent on the project or program	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
Rs. in Crores							
1	Heart surgeries of needy and under privileged children	Healthcare	Bangalore (Karnataka), Kolkata, Durgapur (West Bengal), Jaipur (Rajasthan), Ludhiana (Punjab), Mumbai (Maharashtra)	0.25	0.25	0.25	0.25
2	Proving assistance to those affected by recent floods in Jammu & Kashmir	Prime Minister's National Relief Fund	Jammu & Kashmir	3.00	3.00	3.00	3.00
3	Advancement of Quality education and betterment of the under privileged children of the slum Areas	Education	Aurangabad (Maharashtra)	0.75	0.75	0.75	0.75
4	Scholarship to needy and deserving students of Ahsoka University	Scholarship through International Foundation for Research and Education	Kundli (Haryana)	2.00	0.75	0.75	0.75
5	Scholarship/Free ship to Meritorious and needy students in various educational institutions	Free ship through Rajasthani Sammelan	Mumbai (Maharashtra)	2.01	2.01	2.01	2.01
6	To Improve infrastructure of Endoscopy unit of department of gastroenterology at KEM Hospital by sponsoring two equipment	Healthcare	Mumbai (Maharashtra)	0.21	0.21	0.21	0.21
7	Process of installing, building and maintain water management facilities	Rural Development through WASMO	Kotada Dist: Anjar (Gujarat)	0.03	0.03	0.03	0.03