



55th ANNUAL REPORT

2016 - 2017



GROWING TOGETHER

Balkrishna Industries Limited

Lord Ganesha



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BOARD OF DIRECTORS:

DHARAPRASAD PODDAR

Chairman Emeritus

ARVIND PODDAR

Chairman & Managing Director

RAJIV PODDAR

Joint Managing Director

VIPUL SHAH

Whole Time Director & Company Secretary

VIJAYLAXMI PODDAR

SACHIN NATH CHATURVEDI

KHURSHED DOONGAJI

LAXMIDAS MERCHANT

SANJAY ASHER

ASHOK SARAF

RAMESH PODDAR

(Upto 9th September, 2016)

AUDITORS:

M/s. JAYANTILAL THAKKAR & CO.

Chartered Accountants

INTERNAL AUDITORS:

M/s. DILIP A. JAIN & ASSOCIATES

Chartered Accountants

PLANTS:

TYRE MANUFACTURING:

CALENDERING :

WIND FARM :

MOULD UNIT :

BANKERS:

CORPORATION BANK

STANDARD CHARTERED BANK

STATE BANK OF INDIA

KOTAK MAHINDRA BANK LTD.

BARCLAYS BANK PLC

INDUSIND BANK LTD.

CITI BANK N.A.

THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD.

THE BANK OF NOVA SCOTIA

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

MIZUHO BANK LTD.

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 – 400013
(Maharashtra)

B-66, Waluj MIDC, Waluj Industrial Area,
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)

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

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

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

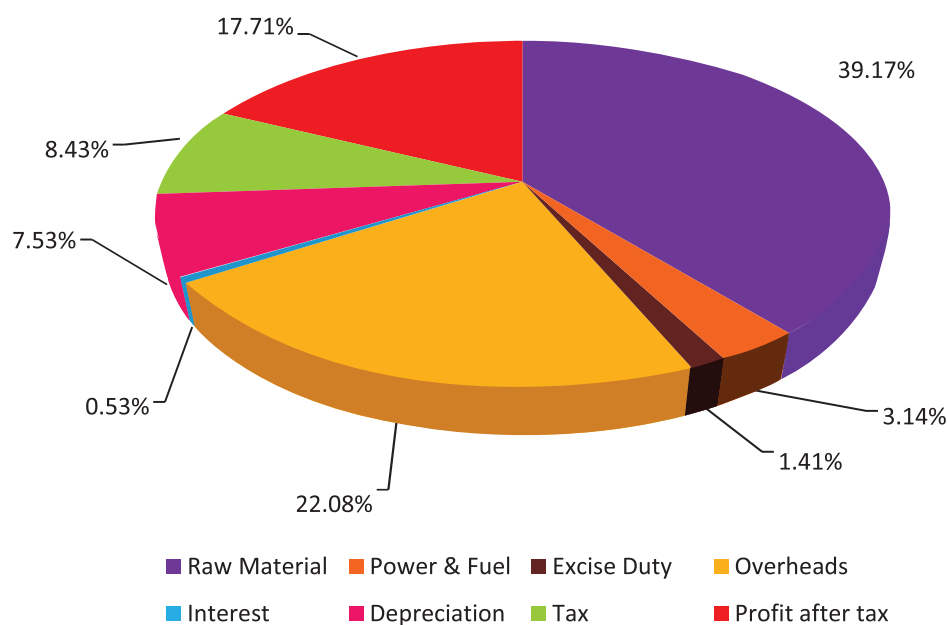
FINANCIAL HIGHLIGHTS (STANDALONE)

(Rs. In Lakhs)

Particulars	Ind AS		I GAAP		
Year ended 31 st March	2017	2016	2015	2014	2013
Revenue From Operations	378830	327252	377991	357671	319057
Other Income	24911	14896	27980	1384	421
Total Income	403741	342148	405971	359055	319478
PBIDT	138097	98710	101416	90763	66859
PBDT	135953	94763	96775	88266	64291
Depreciation	30383	28217	24020	16496	10771
PBT	105570	66546	72755	71770	53520
Taxes	34056	22689	23874	22933	17937
PAT	71514	43857	48881	48837	35583
Dividend	*400%	275%	120%	100%	75%
Earning per Share of Rs. 2 each	73.99	45.37	51.55	50.53	36.81
Total Cash Accruals	95499	62893	72901	63080	44658

*The Board has declared and paid 1st Interim Dividend of Rs. 1.50 per equity share, 2nd Interim Dividend of Rs. 2.00 per equity share and 3rd Interim Dividend of Rs. 2.00 per equity share, aggregating to Rs. 5.50 per equity share and recommended Final Dividend of Rs. 2.50 per equity share for the financial year ended 31st March, 2017.

RUPEES EARNED / SPENT (%)



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

The Directors present the Annual Report of Balkrishna Industries Limited (the Company) along with the audited financial statements for the financial year ended 31st March, 2017. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

The Ministry of Corporate Affairs (MCA) on 16th February, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from 1st April, 2016 with a transition date of 1st April, 2015. Ind AS is applicable to the Company from 1st April, 2016.

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 38 in the notes to accounts in the standalone as well as consolidated financial statement.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

PARTICULARS	Standalone		Consolidated	
	Current Year ended	Previous Year ended	Current Year ended	Previous Year ended
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Revenue from Operations	378830	327252	378384	328946
Other Income	24911	14896	25363	17374
Total Income	403741	342148	403747	346320
Gross Profit	135953	94763	136260	95657
Less: Depreciation	30383	28217	30400	28232
Profit before tax	105570	66546	105860	67425
Less: Provision for tax				
Current Tax	29540	22970	29666	23193
Deferred Tax	4516	(281)	4509	(340)
Profit after Tax	71514	43857	71685	44572

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your company is primarily into tyre industry and within it focuses on "Off Highway segment" which generally consist of agriculture tyres, industrial tyres, construction tyres, mining tyres, port tyres, lawn and garden tyres and all terrain vehicle tyres (ATV).

This segment is known as "large varieties low volume segment" wherein any credible player needs to maintain large number of Stock Keeping Units (SKUs) to meet the diverse requirement of its customers. The major market for these kind of tyres are the developed countries, more particularly, Europe and USA.

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.

Under this segment, there are primarily 3 channel partners;

- 1) Distributors (known as replacement segment)
- 2) Original equipment manufacturer (OEM)
- 3) Institutional players who maintains larger base of fleet.

The growth rate of these segments has been in the range of 3 ~ 4% and in last few years, no major capacity additions have taken place across the globe.

3. OPERATIONS :

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of "Off-Highway Tyres"(OHT), which are mainly used in Agricultural, Industrial & Construction, Earthmover & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV). More than 80% of our revenue is generated through exports.

During the year under consideration on Standalone basis, your Company achieved a Net turnover of Rs. 378830 Lakhs as against Rs. 327252 Lakhs during previous financial year, Earnings before Interest, Depreciation and Tax (EBITDA) has increased to Rs. 138097 Lakhs from Rs. 98710 Lakhs during previous financial year and Net profit has increased to Rs. 71514 Lakhs from Rs. 43857 Lakhs during previous financial year.

During the year under consideration on Consolidated basis, your Company achieved Net turnover of Rs. 378384 Lakhs as against Rs. 328946 Lakhs during previous financial year, Earnings before Interest, Depreciation and Tax (EBITDA) has increased to Rs. 138460 Lakhs from Rs. 99606 Lakhs during previous financial year and Net profit has increased to Rs. 105860 Lakhs from Rs. 67425 Lakhs during previous financial year.

4. EXPORT HOUSE STATUS:

Your Company enjoys the status of "Four Star Export House".

5. DIVIDEND:

The Directors have declared and paid Interim Dividends of 275% (Rs. 5.50 per equity share) and pleased to recommend Final Dividend of Rs. 2.50 per equity share (125%) for the year 2016-2017.

The Final Dividend if approved by the Shareholders, the total dividend payout for the year including tax will be Rs. 9307 Lakhs.

6. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2017 is Rs. 1933 Lakhs. During the year under review the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2017, none of the Directors of the Company hold convertible instruments.

7. RESERVES:

The Company proposes to transfer Rs. 50000 Lakhs to General Reserves.

8. OUTLOOK FOR THE CURRENT YEAR 2017-2018:

The Company's earnings are mainly generated through exports. The overall business environment across the globe has been challenging in past few years, however, the previous year has been good due to revival in commodity cycle and overall good agricultural activities across the globe. Unfortunately, the momentum in revival of commodity cycle has not been of a sustained nature and therefore the business environment still looks challenging. However, the long term prospects of the Company are good and promising. Your Company continues to explore all the avenues to ensure growth of the business which includes, deeper penetration into existing market within India as well as outside India, extending relationship with OEMs and expanding product range. With all such efforts, your Company has aimed to achieve higher sales during the current year.

9. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

10. 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 is continuously marching ahead to explore incremental opportunity in the form of developing "Earthmovers & mining tyres markets and taking advantage of the shift from bias to radial tyres, which is growing up continuously. In order to take advantage of this opportunity, the Company had first set up an all-steel OTR Radial tyre plant at its Chopanki location and further added such capacities by setting up a green field tyre plant at Bhuj to produce large size all steel OTR radial tyres besides other categories of tyres. Your Company is proud to be first Company in India to set up such plant. Your Company is continuously expanding its base into 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.

11. 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. During last two years, the raw material prices have been soft in the backdrop of subdued business environment across the globe. Of late, it moved up and then softened again. Currently, it is moving in narrow range. So is the case with other raw materials.

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 to a large extent.

12. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has aligned its current systems of internal financial control with the requirement of the Companies Act, 2013. Your Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of 31st March, 2017.

KPMG was appointed to assess the effectiveness of internal financial controls of the company during last financial year. Their assessment was based on an internal audit plan, which was reviewed in consultation with the Audit Committee.

The Audit Committee reviewed the reports submitted by the Management, KPMG, Internal Auditors and Statutory Auditors. Based on their evaluation (as defined in section 177 of the Companies Act, 2013 and Clause 18 of SEBI Regulations 2015), the Company's Audit Committee has concluded that, as of 31st March, 2017, the Company's internal financial controls were adequate and operating effectively.

13. 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.

14. SUBSIDIARY COMPANIES:

The company has following 100% subsidiary companies:

BKT EXIM Limited, BKT Tyres Limited, Thritha Synthetics Limited, and Indirect subsidiary Companies i.e subsidiary companies of BKT EXIM Limited - BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC and subsidiary of BKT EXIM US, INC - BKT TIRES INC. 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.

Your Directors had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary BKT EXIM Limited (BKT EXIM) into it and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956 at its meeting held on 18th May, 2016, subject to the approval of the Honorable High Court of Judicature at Bombay ('the High Court'), National Company Law Tribunal ('NCLT') or such other competent authority.

The Company has filed petition in the Bombay High Court, which was transferred to NCLT and is still pending with it.

A statement containing the salient features of the financial position of subsidiary companies in Form AOC-1 attached as **Annexure I**.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 (3)(c) and 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge confirm that:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2017, 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, 2017 and of the Profit of the Company for that period;
- (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.

16. 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. 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. Members can refer Note no. 45 to the financial statement which set out related party disclosures.

The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee 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 entered in the ordinary course of business and at arm's length. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the financial year were in ordinary course of the business and on arm's length basis. No material related party transactions were entered during the financial year by your Company. 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.

17. CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on the website of the Company at link: http://www.bkt-tires.com/en/about-us/investors-desk/download?file_id=1796.

18. 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 exercise is being carried out to ascertain the various risk which the company generally 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.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Ramesh Poddar, resigned w.e.f. 10th September, 2016 as Director from the Board of the Company and the same was considered and accepted by the Board with effect from 10th September, 2016. Your Directors place on record their appreciation of the guidance given and services rendered by Mr. Ramesh Poddar during his tenure as Director of the Company.

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 Annual General Meeting and being eligible seeks re-appointment. The Board recommends her re-appointment.

As recommended by Nomination and Remuneration Committee the Board of Directors of the Company has re-appointed Mr. Vipul Shah as Whole Time Director designated as Director & Company Secretary of the Company for term of five years w.e.f. 11th February, 2017 to 10th February, 2022 subject to approval of members of the Company.

Brief resume of the Directors being re-appointed as required under SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India is provided in 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

20. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination and Remuneration Committee, laid down a Nomination and Remuneration Policy for selection and appointment of the Directors and Key Managerial personnel and their remuneration. The extract of Remuneration Policy is provided in the Corporate Governance Report forms part of Board's Report.

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

(i) Criteria For Appointment Of Managing Directors / Whole Time Director / Director:

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.

(ii) Criteria For Appointment Of Independent Director:

The Independent Director 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.

21. PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The Nomination and Remuneration Committee reviewed 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.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was 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 was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

22. AUDITORS:

Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies, 2013 and Rules made thereunder the terms of office of Messers Jayantilal Thakkar & Co., Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors place on record its appreciation to the services rendered by Messers Jayantilal Thakkar & Co., Chartered Accountants of the Company.

Subject to approval of the members, the Board of Directors of the Company has recommended the appointment of M/s. N G Thakkar & Co., Chartered Accountants (Firm Registration Number 110907W) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

The Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

Secretarial Auditor:

The Board has appointed Mr. GBB Babuji, Company Secretary in Whole Time Practice, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith marked as **Annexure III**.

Cost Auditor:

The Company's revenue from exports, in foreign exchange, exceeds seventy-five per cent of Company's 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 2016-17.

23. AUDITOR'S QUALIFICATION:

There are no qualifications in the reports of the Statutory Auditors and Secretarial Auditors.

There are no frauds reported in the reports of the Auditors as mentioned under sub-section (12) of Section 143.

24. INDUSTRIAL RELATIONS:

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

25. 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.

26. 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. 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.

ii. Audit Committee:

The Audit Committee comprised of Two Independent Non-Executive Directors viz. Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji and One Joint Managing Director Mr. Rajiv Poddar. All the recommendations made by the Audit Committee were accepted by the Board.

iii. Number of Board Meeting:

The Board of Directors of the Company met five 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 utilized by the recipient are provided in the standalone financial statement (Please refer to Note No. 14, 5, 10, 49 & 52 to the Standalone Financial Statement).

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. Cash Flow and Consolidated Financial Statements:

As required under Regulation 34(2) of SEBI LODR, Cash Flow and Consolidated Financial Statements is annexed.

vii. Extract of Annual Return:

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

viii. 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 VI**.

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) 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 Annual General Meeting during the business hours on working days.

ix. 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 mechanism of lodging/redressal complaints. During the year under review, no complaints were reported to the Board.

x. Business Responsibility Report:

As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance prospective, in the prescribed form is annexed as **Annexure VII**.

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 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 Director 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.

27. 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.

28. 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

Place : Mumbai,
Dated : 25th May, 2017

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR