



Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

Regd. Office : B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431136, Maharashtra
Corp. Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013
Tel.: + 91-22-66663800 | Fax : +91-22-66663898/99 | Email: shares@bkt-tires.com | Website: www.bkt-tires.com

NOTICE

NOTICE is hereby given that the 58th Annual General Meeting of the Members of BALKRISHNA INDUSTRIES LIMITED will be held on Wednesday, the 12th August, 2020 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 Statement of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2020, together with the Report of the Auditors thereon.
- To confirm 1st Interim Dividend of ₹ 2.00 per equity share, 2nd Interim Dividend of ₹ 2.00 per equity share and 3rd Interim Dividend of ₹ 16.00 per equity share, aggregating to ₹ 20.00 per equity share, already paid for the financial year ended 31st March, 2020 and to treat 3rd Interim Dividend of ₹ 16.00 per equity share as Final Dividend for the financial year 2019-20.
- To appoint a Director in place of Mr. Vipul Shah (DIN: 05199526), who retires by rotation and being eligible, offers himself for re-appointment.

NOTES:

- In view of the continuing COVID-19 Pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated May 5, 2020 read with circular no. 14/2020 dated April 8, 2020 and circular no. 17/2020 dated April 13, 2020 (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 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed. Requisite declaration have been received from the Director for seeking re-appointment and his brief profile forms part of this Notice.
- Pursuant to the provisions of the 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 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 and Attendance Slip are not annexed to this Notice.
- 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.18.
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in

case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

- 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 Private Limited "KFinTech" in case the shares are held by them in physical form.
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrar - KFinTech in case the shares are held by them in physical form. We urge the members to utilize the Electronic Clearing System (ECS) for receiving dividends.
- As per the provisions of Section 72 of the Act, 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. The said form can be downloaded from the Company's website www.bkt-tires.com. Members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to the Company's Registrar - KFinTech in case the shares are held in physical form.
- 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.
- 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 5th August, 2020 at Company's email id shares@bkt-tires.com.
- 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 or unclaimed dividends declared up to financial year 2011-12, 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.
- 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 paid 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 2019-20, 2,100 Equity shares of ₹ 2/- each were transferred within 30 days of due date of transfer i.e. 7th October, 2019 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.

13. Unclaimed / Unpaid Dividend for financial year 2012-13, will fall due for transfer to IEPF on 29th October, 2020. Those members who have so far not encashed their dividend warrants from the financial year 2012-13, are requested to contact the Company or Company's Registrar – KFinTech at the earliest.
14. In compliance with the MCA Circulars as mentioned in item no.1 and SEBI Circular dated May 12, 2020, Notice of the 58th AGM along with the Annual Report for year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 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: www.kfintech.com.
15. At the 55th Annual General Meeting held on 9th September, 2017 the Members approved appointment of M/s. N G Thakrar & Co., Chartered Accountants, (Firm Registration No. 110907W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 60th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 58th Annual General Meeting.
16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company's Registrar KFinTech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for E-Voting and joining the AGM are as follows:

A. 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 Listing Regulations, as amended, the Company provides to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 58th 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 Private Limited (KFinTech).
- ii. The Board of Directors has appointed Mr. G.B.B. Babuji, the practicing Company Secretary as the Scrutinizer to scrutinize 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. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut- off date, may obtain the login ID and Password by sending a request at the email id einward.ris@kfintech.com. However, if he/she is already registered with KFinTech for remote e-voting then he/she can use his/ her existing User ID and Password for casting the vote.
- vi. The remote e-voting period commences on Sunday, the 9th August, 2020 (9:00 a.m.) and ends on Tuesday, the 11th August, 2020 (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 5th August, 2020) may cast their votes by remote e-voting. The remote e-voting module shall be disabled by KFinTech for voting thereafter.
- vii. 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.
- viii. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- ix. All documents referred to in the accompanying Notice are open for inspection up to the date of the 58th AGM of the Company through electronic mode.
- x. 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.
- xi. The process and manner for remote e-voting is as under:
 - (I) **Members whose email IDs are registered with the Company/DPs will receive an email from KFinTech informing them of their User ID and Password. Once a Member receives the email, he or she will need to go through the following steps to complete the e-voting process:**
 - a. Launch internet browser by typing the URL: <https://evoting.karvy.com> in the address bar.
 - b. Enter the login credentials (i.e. User ID and Password) which will be sent separately. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1800-3454-001 for your existing Password.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach Password change Menu wherein you are required to mandatorily change your Password. The new Password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your Password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your Password in case you have forgotten your Password. It is strongly recommended that you do not share your Password with any other person and that you take utmost care to keep your Password confidential.

- e. You need to login again with the new credentials.
 - f. On successful login, the system will prompt you to select the E-Voting Event Number for Balkrishna Industries Limited.
 - g. 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, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. If you do not want to cast your vote, select "ABSTAIN".
 - h. Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
 - i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - j. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
 - k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: gbbbabuji@yahoo.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
 - m. In case of any query pertaining to e-voting, please visit 'Help & FAQ's section' available at KFinTech's website <https://evoting.karvy.com>.
 - n. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication.
 - o. Any person who becomes a Member of the Company after despatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 5th August, 2020, may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS : **MYEPWD** <space> E-Voting Event Number + Folio No. or DP ID and Client ID to **9212993399**
 Example for NSDL:
 MYEPWD <SPACE> IN12345612345678
 Example for CDSL:
 MYEPWD <SPACE> 1402345612345678
 Example for Physical:
 MYEPWD <SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID and Client ID and PAN to generate a new Password.
 - c) You may call Company's Registrar KFinTech's on toll free number 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.) for any help.
 - d) You may also send an e-mail request to einward.ris@kfintech.com
- (II). **Members whose email IDs are not registered with the Company/DP have to follow below procedure to get their email address registered and to obtain the Annual report, Notice of AGM and evoting instructions:**
- a. Members holding shares in dematerialised form are requested to provide Depository Participant ID ("DPID") and Client ID ("CLID") (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) to KFinTech on einward.ris@kfintech.com.
 - b. Members holding shares in physical form are requested to provide Folio No., Name of member, PAN (self-attested scanned copy of PAN card) or AADHAR (self-attested scanned copy of Aadhar Card) by email to KFinTech on einward.ris@kfintech.com.
 - c. After due verification, the KFinTech will forward your login credentials to your registered email address.
 - d. You are then requested to follow the remote e-voting instructions given in the Notice.
- B. In case of members opting for e-voting on the day of the AGM:**
- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - ii. Only those members, who are present in the AGM through VC/OAVM facility and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.
 - iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - iv. In case of any assistance during the AGM, members can contact Mr. Thakur Birender Singh (Deputy General Manager) at 040-67161627 / 040-67162222.
19. Instructions for members for attending the AGM through VC/OAVM are as under:
- I. Members will be able to attend the AGM through VC/OAVM provided by KFinTech by accessing the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the members' login by using the remote e-voting credentials. The link for e-AGM will be available in members' login where the EVENT and the name of the company can be selected.
 - II. 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.
 - III. 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.
 - IV. Members will be allowed to attend the AGM through VC/OAVM on first come first served basis.

- V. Members are encouraged to join the AGM through laptops with any internet browsers for better experience.
- VI. Members will be required to allow "camera" and use internet with a good speed to avoid any disturbance during the meeting.
- VII. 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.
- VIII. 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 on Sunday, the 9th August, 2020 at 9.00 a.m. and close on Monday, the 10th August, 2020 at 5.00 p.m.
- IX. 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 Sunday, the 9th August, 2020 at 9.00 a.m. and close on Monday, the 10th August, 2020 at 5.00 p.m. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.
- X. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- XI. Members who need assistance before or during the AGM, can contact Mr. Thakur Birender Singh (Deputy General Manager) at 040-67161627 / 040-67162222.
20. The Scrutinizer 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 48 hours of conclusion of the AGM, a consolidated Scrutinizer'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.
21. 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 www.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.
22. 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 Wednesday, the 12th August, 2020.

By order of Board of Directors
For Balkrishna Industries Limited

Vipul Shah
 Director & Company Secretary
 DIN: 05199526

Place : Mumbai
 Dated : 20th June, 2020

PARTICULARS OF THE DIRECTOR SEEKING 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	Mr. Vipul Shah
DIN	05199526
Qualification	<ul style="list-style-type: none"> • B.Com • Diploma in Business Management • Company Secretary (ACS)
Date of Birth (Age)	2 nd March, 1963 (57 years)
Date of appointment on the Board	11 th February, 2012
Experience and Expertise	He has experience of over 33 years in the areas of company secretarial compliances, finance, accounts and insurance.
No. of Meetings of the Board attended during the year	4 out of 4
List of Directorship/ Membership / Chairmanship of Committees of other Board	-
No. of shares held in the Company	NIL
Disclosure of relationship between Directors and Key Managerial Personnel of the Company	He is not related to any of the Director or Key Managerial Personnel of the Company.
Terms & Conditions of appointment / re-appointment	The terms and conditions of re-appointment is as per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn by such person for Financial Year 2019-20	He has drawn remuneration of ₹ 68 Lakhs for financial year 2019-20.

BALKRISHNA
INDUSTRIES
LIMITED
2019-20

58TH
ANNUAL
REPORT





Lord Ganesha

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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:

Vijaylaxmi Poddar	- Non-Independent Director
Pannkaj Ghadiali	- Independent Director
Shruti Shah	- Independent Director
Rajendra Hingwala	- Independent Director
Sandeep Junnarkar	- Independent Director
Laxmidas Merchant (upto 1 st August, 2019)	- Independent Director
Sanjay Asher (upto 1 st August, 2019)	- Independent Director
Ashok Saraf (upto 1 st August, 2019)	- 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
(w.e.f. 17th May, 2019)

M/s. DILIP A. JAIN & ASSOCIATES
Chartered Accountants
(upto 17th May, 2019)

SECRETARIAL:

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

BANKERS:

Union Bank Of India (Erstwhile Corporation Bank)
Standard Chartered Bank
State Bank of India
Kotak Mahindra Bank
Barclays Bank PLC
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)

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)

Calendering :

SP4-886, RIICO Industrial Area, Pathredhi, Bhiwadi 301 707,
District - Alwar (Rajasthan)

Wind Farm :

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

Mould Unit :

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

REGISTRAR AND SHARE TRANSFER AGENT:

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31-32 Gachibowli, Financial
District, Nanakramguda, Hyderabad – 500 032
Tel No.: +91 40 6716 2222
Fax No.: +91 40 2342 0814
Email Id: einward.ris@kfintech.com
Website: www.kfintech.com

FINANCIAL HIGHLIGHTS (STANDALONE)

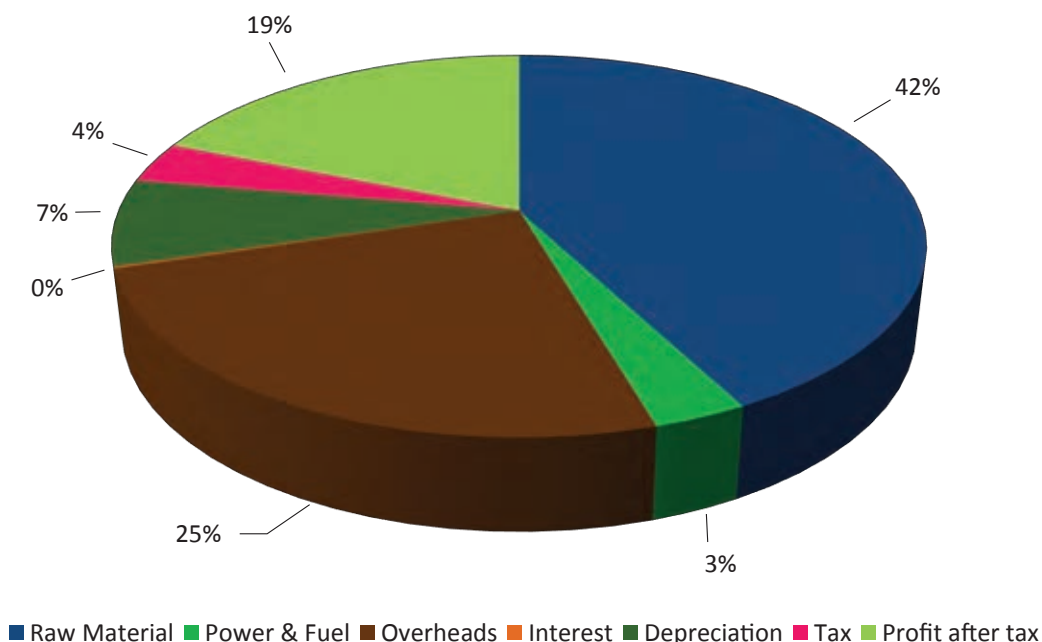
(₹ In Lakhs)

Particulars	Ind AS				
Year ended 31 st March	2020	2019	2018	2017	2016
Revenue From Operations	4,78,249	5,24,450	4,46,446	3,78,466	3,27,252
Other Income	24,877	21,421	33,621	24,961	14,896
Total Income	5,03,126	5,45,871	4,80,067	4,03,427	3,42,148
PBIDT	1,49,812	1,52,535	1,44,289	1,38,154	98,710
PBDT	1,49,085	1,51,556	1,42,983	1,36,010	94,763
Depreciation	36,801	33,255	31,134	30,383	28,217
PBT	1,12,284	1,18,301	1,11,849	1,05,627	66,546
Taxes (Net)	17,786	40,101	37,924	34,069	22,689
PAT	94,498	78,200	73,925	71,558	43,857
Dividend	*1000%	400%	400%	400%	275%
Earning per Share of ₹ 2 each	48.88	40.45	**38.24	**37.02	45.37

*The Board has declared and paid 1st Interim Dividend of ₹ 2.00 per equity share, 2nd Interim Dividend of ₹ 2.00 per equity share and 3rd Interim Dividend of ₹ 16.00 per equity share, and have recommended to consider 3rd Interim Dividend of ₹ 16.00 per equity share as final Dividend for the financial year 2019-20. Thus, the total dividend for the financial year 2019-20 remains ₹ 20.00 per equity share.

**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 years 2018 & 2017 to give effect to the aforesaid issue of Bonus Shares.

RUPEES EARNED / SPENT (%)



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 58th Annual Report of Balkrishna Industries Limited (the "Company") along with the audited financial statements for the financial year ended 31st March, 2020. The consolidated performance of the Company and its subsidiaries 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
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Revenue from Operations	4,78,249	5,24,450	4,81,124	5,20,999
Other Income	24,877	21,421	25,078	21,817
Total Income	5,03,126	5,45,871	5,06,202	5,42,816
Gross Profit	1,49,085	1,51,556	1,51,313	1,50,917
Less: Depreciation	36,801	33,255	37,361	33,261
Profit before tax	1,12,284	1,18,301	1,13,952	1,17,656
Less: Provision for tax				
Current Tax	29,230	39,160	29,431	39,350
Deferred Tax	(11,444)	941	(11,444)	941
Profit after Tax	94,498	78,200	95,965	77,365

2. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company is primarily engaged into Specialty "Off Highway Tire segment" which is consisting of Agriculture, Industrial, Construction, Earthmoving, Mining, Port, Lawn and Garden and All-Terrain Vehicle (ATVs) Tires, etc.

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. 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, Australasia and India.

The first 8 months of the year under review have been challenging due to various macro factors such as; Trade War, unfavourable climate condition in Europe which impacted the demand of our products adversely in various parts of the globe.

From December 2019, after resolution of trade war between USA and China and favourable winter agricultural season in Europe, the demand scenario turned positive and business continued to improve until middle of March 2020 when we all were caught by the deadly Corona Virus more commonly known as "COVID-19" which led to lockdown of the entire country and as a result, our manufacturing activities as well as dispatches remained suspended from 25th March 2020 to the later part of April 2020 when lockdown was partly lifted by the Government as we were falling into essential services. We have undertaken sufficient safety measures across all our plants and followed increased protocol to ensure safety and well-being of our staff members as well as outsiders interacting with our staff members.

After resumption of manufacturing activities and dispatches, we were gradually able to ramp up our activities and are happy to inform you that we have gained normalcy in our manufacturing activities as well as dispatches to a good extent. However, the year ahead also looks challenging as we are still struggling with COVID-19 issues, the solution of which does not seem to be in sight as of today.

3. OPERATIONS AND STATE OF AFFAIRS:

Standalone: During the year under consideration on Standalone basis, your Company achieved a Revenue from Operations of ₹ 4,78,249 Lakhs as against ₹ 5,24,450 Lakhs during the previous financial year. Earnings before Interest, Depreciation and Tax (EBIDTA) has decreased to ₹ 1,49,812 Lakhs from ₹ 1,52,535 Lakhs during previous financial year and Net profit has increased to ₹ 94,498 Lakhs from ₹ 78,200 Lakhs during previous financial year. More than 80% of our revenue is generated through exports.

Consolidated: During the year under consideration on Consolidated basis, your Company achieved Revenue from operations ₹ 4,81,124 Lakhs as against ₹ 5,20,999 Lakhs during the previous financial year. Earnings before Interest, Depreciation and Tax (EBIDTA) has increased to ₹ 1,52,203 Lakhs from ₹ 1,52,030 Lakhs during previous financial year and Net profit has increased to ₹ 95,965 Lakhs from ₹ 77,365 Lakhs during previous financial year.

The decrease in revenue and EBIDTA in standalone and decrease in revenue in consolidated results have happened due to adverse factors explained hereinabove whereas the net profit has increased despite lower revenue due to reduction in rate of tax by the Government of India during the year and consequent adjustments in deferred tax liability.

4. EXPORT HOUSE STATUS:

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

5. PROJECT AND EXPANSION:

Your Company had undertaken various projects/expansion during financial year 2018-19. The current status of these are as under:

- A. Carbon Black: The Second phase of the Carbon Black project was completed on 12th March, 2020 with a capacity of 80,000 tons per annum. The first Phase of 60,000 tons per annum capacity was already completed in the month of June, 2018.
- B. Greenfield Tire Plant in US: The Board had approved to explore to set up a Green Field Tire Project of 20,000 Mts per annum capacity with an estimated capital outlay up to USD 100 million through its wholly owned subsidiary company in USA. After reviewing various aspects of the project in the backdrop of various challenging economic and business environment, the Board decided to keep it in abeyance.
- C. Waluj Plant: The Green Field Tire project was progressing as per schedule, however due to COVID-19, the work was temporarily shut from 25th March, 2020. The project work resumed after the lockdown was lifted. The Company is trying to complete this project as per schedule i.e. before 31st March 2021 subject to delay of one quarter provided there is no further lockdown or any unforeseen circumstances.
- D. Bhuj Plant: The various activities; setting up of ultra large sized all steel OTR Radial Tire Plant, expansion of mixing facility and setting up of a warehouse at Bhuj plant were progressing as per schedule. However, due to COVID-19, the work was temporarily shut from 25th March, 2020. The project work resumed after the lockdown was lifted. The Company is trying to complete these activities as per schedule i.e. before 31st March 2021 subject to delay of one quarter provided there is no further lockdown or any unforeseen circumstances.

6. DIVIDEND:

Your Directors are pleased to inform that your Company has a consistent track record of dividend payment. Your Company had declared and paid 3 interim dividends during the financial year under consideration aggregating to ₹ 20/- per share as compared to total dividend of ₹ 8/- per share for the financial year 2018-19. In view of the various expansion projects being undertaken by the Company, no final dividend is proposed to be declared.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Board has approved and adopted a Dividend Distribution Policy, attached as **Annexure - I**.

7. SHARE CAPITAL:

The paid-up Share Capital of the Company as on 31st March, 2020 was ₹ 3,866 Lakhs. As on 31st March, 2020, the Company has not 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.

8. RESERVES:

The Company proposes to transfer ₹ 300 Lakhs to General Reserves.

9. OUTLOOK FOR THE FINANCIAL YEAR 2020-21:

The outlook for the current year i.e. 2020-21 is full of challenges, mainly due to COVID-19 pandemic. The entire world including India is struggling with it which has severely impacted the economic activities across the globe including India. Since there is no treatment / solution in sight, it is very difficult to say when and how normalcy will be restored.

This pandemic has also triggered a fresh tussle between USA and China which may impact the global business environment adversely. In view of all such factors, the outlook for the current financial year is uncertain. However, 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 its existing market within India as well as outside India including OEMs and continuous expansion of its product range. Your Company is proud to say that it has more than 2700 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, 2020 to which the financial statements relate and up to the date of this report except a delay in completion of expansion projects as stated earlier.

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.

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 tires" markets and 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 all-steel OTR Radial tire plant and have further added such capacities by setting up a green field tire plant at Bhuj to produce 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 from small players, retention of employees, labour issues, increase in raw material prices and other input costs, etc.

A new threat has emerged out of COVID-19 which may change the manner and pattern of the business and also may intensify the various threats to which we are already exposed to. It may increase the operating cost of running the business.