

Balkrishna Industries Limited

54th Annual Report 2016

BKT
GROWING TOGETHER



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
RAMESHKUMAR PODDAR
KHURSHED DOONGAJI
LAXMIDAS MERCHANT
SANJAY ASHER
ASHOK SARAF

BANKERS:

CORPORATION BANK
THE ROYAL BANK OF SCOTLAND N.V.
STANDARD CHARTERED BANK
STATE BANK OF INDIA
KOTAK MAHINDRA BANK LTD.
BARCLAYS BANK PLC
INDUSIND BANK LIMITED
CITI BANK N.A.
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
THE BANK OF NOVA SCOTIA
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD
MIZUHO BANK LTD.
COMMONWEALTH BANK OF AUSTRALIA

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

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)

PLANTS :

TYRE MANUFACTURING :

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)

CALENDERING :

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

WIND FARM :

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

MOULD UNIT :

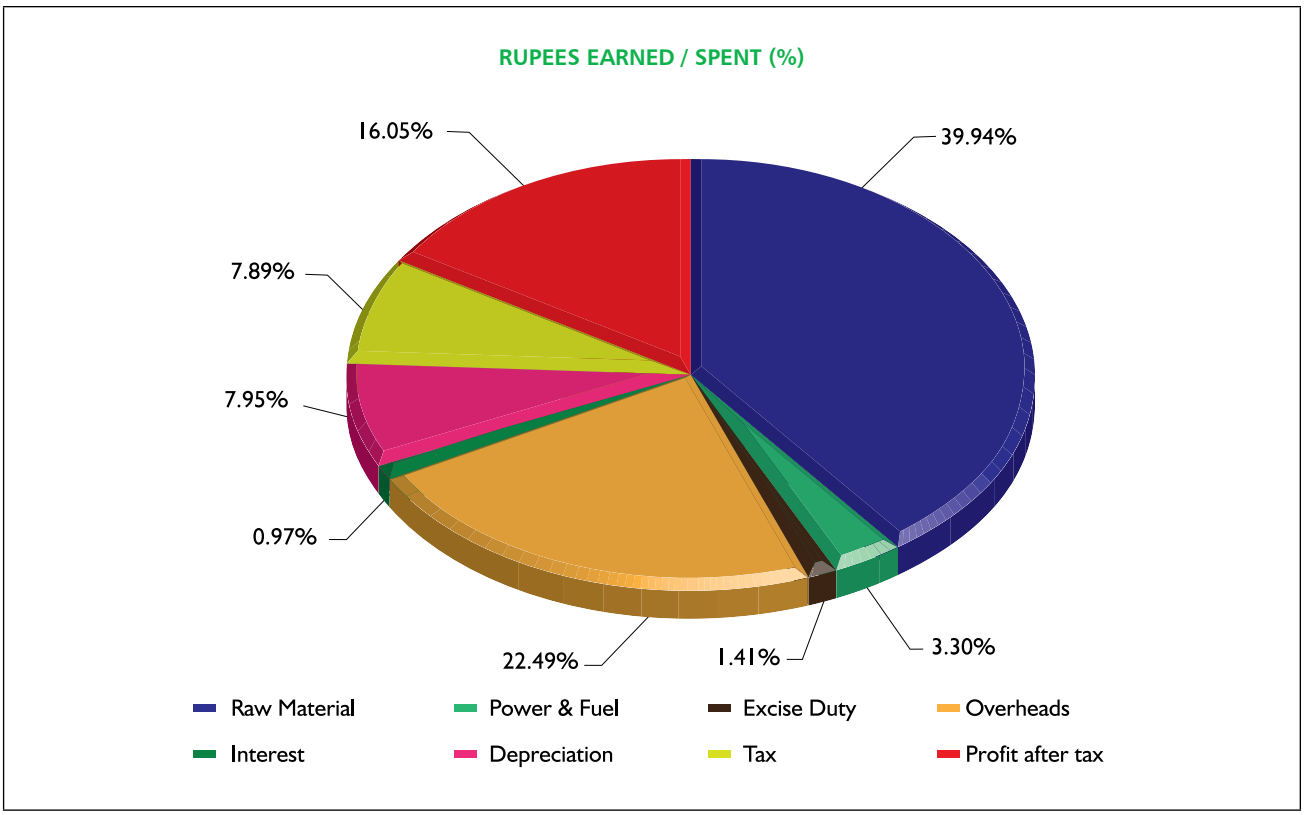
Plot No. C-21 and TS-1, M.I.D.C, Phase No. II,
Dombivali (E) 421 201, Dist. Thane (Maharashtra)

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	**2016**	2015	2014	2013
Revenue From Operations	**3242**	3780	3577	3191
Other Income	**295**	280	14	4
Total Revenue	**3537**	4060	3591	3195
PBIDT	**1162**	1014	908	669
PBDT	**1128**	968	882	643
Depreciation	**281**	240	165	108
PBT	**847**	728	717	535
Taxes	**279**	239	229	179
PAT	**568**	489	488	356
Dividend	***275%**	120%	100%	75%
Earning per Share of Rs. 2 each	**58.73**	51.55	50.53	36.81
Total Cash Accruals	**785**	**701**	**630**	**447**

* The Directors have declared and paid Interim Dividend of 150% (Rs.3.00 per equity share) as against 120% (Rs. 2.40 per equity share) in the previous year and a Special Dividend of 125% (Rs. 2.50 per equity share) on account of successful completion of BHUJ Project.



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 54th Annual Report of the Company and Company's Audited Statement of Accounts for the financial year ended 31st March 2016.

FINANCIAL RESULTS:

(Rs. In Crores)

Particulars	Current Year ended 31.03.2016		Previous Year ended 31.03.2015	
Revenue from Operations and other Operating Income		**3291.78**		3833.83
Less: Excise Duty Recovered on Sales		**50.01**		53.93
Add: Other Income		**295.39**		279.80
Total Revenue		**3537.16**		4059.70
Gross Profit		**1128.03**		967.75
Less: Depreciation and Amortization		**281.14**		240.20
Profit before Tax		**846.89**		727.55
Less: Provision for Taxation				
Current Tax	**229.70**		215.10	
Deferred Tax (Net)	**49.52**	**279.22**	23.64	238.74
Profit after Tax		**567.67**		488.81
Balance brought forward from last year		**562.88**		142.43
PROFIT AVAILABLE FOR APPROPRIATIONS:		**1130.55**		631.24
Transfer to General Reserve		**503.07**		50.00
Interim Dividend		**53.16**		NIL
Tax on Interim Dividend		**10.83**		NIL
Proposed Final Dividend		**NIL**		23.20
Tax on Final Dividend		**NIL**		4.63
Adjustment to relating Earlier Year		**0.06**		NIL
Add: Income Tax of Earlier Years		**NIL**		9.47
Balance Carried forward to balance sheet		**563.43**		562.88

During the previous year, consequent to scheme of arrangement between Balkrishna Industries Limited, Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited under section 391 to 394 of the Companies Act, 1956, the operations of the company for the part of the previous year also includes activities relating to its erstwhile paper subsidiaries. Therefore, the above referred figures for the current year are not comparable with that of previous year.

OPERATIONS:

Your Company mainly operates in one single segment i.e. "tyres" with focus on manufacture of wide range of **"Off-Highway Tyres" (OHT)**. These tyres are mainly meant for Agricultural, Industrial & Construction, Earthmover & Port, Mining, Forestry, Lawn & Garden and All Terrain Vehicles (ATV). **More than 85% of our revenue is generated through exports.**

During the year under consideration, your Company's Total Revenue has decreased from Rs. 3,915 Crores to Rs. 3,517 Crores (which includes exchange difference attributable to exports). The reduction in Total Revenue was mainly due to reduction in sales price consequent to reduction in raw materials prices and also due to general slowdown across the globe.

However the Earning before Interest, Depreciation and Tax (EBITDA) of the company for year under consideration has increased to Rs.1,162 Crores from Rs.1,014 Crores during the year under consideration.

EXPORT HOUSE STATUS:

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

SHIFTING OF REGISTERED OFFICE:

Your Company shifted its registered office from H-3/1 MIDC, "A" Road, Tarapur (Boisar) 401 506, District Thane (Maharashtra) to B-66, Waluj MIDC, Waluj Industrial Area, Aurangabad 431 136 (Maharashtra) within same state w.e.f. 26th December, 2015.

BHUJ PROJECT:

The work on green field tyre plant of the Company at Bhuj has been completed.

DIVIDEND:

The Directors had declared and paid Interim Dividend of 150% (Rs.3.00 per equity share) as against 120% (Rs. 2.40 per equity share) in the previous year and a Special Dividend of 125% (Rs. 2.50 per equity share) on account of successful completion of BHUJ Project.

The total Dividend paid was 275% (Rs. 5.50 per equity share) for the year, with a total payout of Rs. 63.99 Crores, including tax on dividend as against Rs.27.83 Crores during previous year.

The Board has decided to treat said Interim Dividend as Final Dividend for the financial year 2015-2016.

SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2016 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 31st March, 2016, none of the Directors of the Company hold convertible instruments.

RESERVES:

The Company proposes to transfer Rs. 503.06 Crores to General Reserves.

SCHEME OF AMALGAMATION:

The Board has approved the Scheme of Amalgamation ("the Scheme") of your Company's wholly owned subsidiary company BKT Exim Limited (BKT Exim) into it and their respective shareholders and creditors under Sections 391 to 394 of the Companies Act, 1956. Pursuant to the Scheme (i) BKT Exim shall be amalgamated with the Company with effect from the Appointed Date i.e. 1st April 2015 and (ii) The entire business and whole of undertakings of the BKT Exim together with assets, liabilities, properties, rights, benefits and interest therein, shall be vested with the Company as a going concern. The entire issued, subscribed and paid up share capital of the BKT Exim held by the Company shall stand cancelled in the books of BKT Exim.

OUTLOOK FOR THE CURRENT YEAR 2016-2017:

The Company's earnings are mainly generated through exports. Due to recessionary trends across the globe during past few years, the business environment has been tough and challenging which has marginally impacted the revenue of the company during the previous year. However, the long-term prospects of the company are good and promising. Your Company is exploring 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.

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 encash incremental opportunity in the form of developing "Earthmovers & mining tyres markets and taking advantage of the shift from bias to radial tires, 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 now have added further capacity at its Bhuj plant to produce large size all steel OTR radial tires besides other categories of tires. Your Company is proud to be first Company in India to set up such plant. Your Company is continuously 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. During last two years, the raw material prices have been soft in the back drop of subdued business environment across the globe. Of late, it has started moving up. In certain raw materials, the movement has been sharp. We do not foresee any immediate reversal in the price trend.

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 EXIM Limited, BKT Tyres Limited, Thristha Synthetics Limited, and Indirect Subsidiary Companies i.e subsidiary companies of BKT Exim Limited; i.e. BKT EUROPE S.R.L., BKT USA INC, BKT TIRES (CANADA) INC., BKT EXIM US, INC. and subsidiary of BKT EXIM US, INC. i.e. BKT TIRES, INC. The Policy determining material subsidiaries as approved may be accessed on the Company's website at the link *https://cloud.bkt-tires.com/bkt-financials/others/policy-for-determining-material-subsidiaries.pdf.*

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

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

DIRECTOR RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirmed that:

(i) that in the preparation of the annul accounts for the year ended 31st March, 2016, 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 31st March, 2016 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:

As required by Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015, a Report on Corporate Governance together with a Certificate from the Company's Auditors confirming compliance forms an integral part of this report.

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 *https://cloud.bkt-tires.com/bkt-financials/others/policy-on-materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf*. Members can refer Note no. 41 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.

CORPORATE SOCIAL RESPONSIBILITY:

The nomenclature of Corporate Social Responsibility Committee has been changed to Corporate Social Responsibility & Governance Committee w.e.f 18th May, 2016. The committee is reconstituted which comprises of Mr. Sachin Nath Chaturvedi – (Chairman), Mr. Arvind Poddar (Member), Mrs. Vijaylaxmi Poddar (Member), Mr. Laxmidas Merchant (Member), Mr. Sanjay Asher (Member) and Mr. Khurshed Doongaji (Member). The said committee which is currently responsible to recommend the CSR activities to be undertaken by the Board shall now also be responsible to implement Business Responsibility Policy.

The Corporate Social Responsibility & Governance 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. As a part of its CSR initiatives, during the year, the Company has spent Rs.13.20 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 II.**

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 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 AND KEY MANAGERIAL PERSONNEL:

In accordance with provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Vipul Shah, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

As recommended by Nomination and Remuneration Committee the Board of Directors of the Company has re-appointed Mr. Arvind Poddar as Chairman & Managing Director of the Company for a term of five years w.e.f. 1st August, 2016, subject to approval of Members of the Company.

Mrs. Vijaylaxmi Poddar has resigned as an Executive Director w.e.f. 8th August, 2015. However, she shall continue as Non-Executive Director on Board w.e.f. 9th August, 2015.

Brief resume of the Director being re-appointed as required under SEBI (Listing Obligations and Disclosure Requirements), 2015 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 SEBI (Listing Obligations and Disclosure Requirements), 2015.

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 DIRECTORS / 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:

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 & 19 read with part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Board has carried out an evaluation of the Directors as well as the evaluation of the Board and Committees. The process was carried out by circulating evaluation forms on the Board and Committees' functioning on certain parameters set out in the Performance Evaluation Policy adopted by the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the non-Independent Directors including the Executive Directors was carried out by the Independent Directors. The Directors expressed satisfaction with the evaluation process and performance of the Board of Directors and Committees.

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 Managing Director, Joint Managing Director, Whole Time Director and 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: *https://cloud.bkt-tires.com/bkt-financials/others/familiarisation-programme-for-independent-directors.pdf*.

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. G.B.B. Babuji, Company Secretary in Whole time Practice, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31st March, 2016 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 2015-16.

Auditor's Qualification

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

INDUSTRIAL RELATIONS:

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

DISCLOSURES:

1. **Vigil Mechanism /Whiste 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: *https://cloud.bkt-tires.com/bkt-financials/others/vigil-mechanism-and-whistle-blower-policy.pdf*.

2. **Audit Committee**

   The Audit Committee comprises of Two Independent Non-Executive Directors viz. Mr. Sachin Nath Chaturvedi (Chairman), Mr. Khurshed Doongaji and Mr. Rajiv Poddar (Joint Managing Director). 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 six 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, 21 and 31 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 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** to this report.

6. **Cash Flow and Consolidated Financial Statements:**

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

7. **Extract of Annual Return**

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

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

   The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure VI**. In terms of the provisions of Section 197(12) of the Act read with sub-rules (2) and (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Report.

   However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the details are excluded in the report sent to members. The required information is available for inspection at the registered office/corporate office and the same shall be furnished on request.

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.

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 : 18th May, 2016

ARVIND PODDAR
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE I

Form AOC-1

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

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

Part "A": Subsidiaries

Sr. No.	Particulars	1	2	3	4	5	6	7
		Rs. In Crores						
1	Name of the Subsidiary	BKT EXIM LIMITED	BKT TYRES LIMITED	BKT EXIM US, INC. *	BKT EUROPE S.R.L.	BKT USA INC	BKT TIRES (CANADA) INC	THRISTHA SYNTHETICS LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of all the subsidiaries is the same as that of the Company.						
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.**	INR	INR	USD	EURO	USD	CAD	INR
4	Share Capital	0.70	0.05	0.37	0.06	0.01	0.03	0.05
5	Reserves & Surplus	2.22	0.02	0.14	0.57	3.62	0.29	(0.01)
6	Total Assets	34.30	0.07	23.20	28.80	4.37	0.55	0.04
7	Total Liabilities	31.38	0.001	22.70	28.17	0.74	0.23	0.001
8	Investments	0.45	0.00	0.00	0.00	0.00	0.00	0.00
9	Turnover	4.16	0.00	34.47	48.61	18.85	3.83	0.00
10	Profit before taxation	3.34	(0.01)	(0.61)	4.57	0.87	0.19	(0.002)
11	Provision for taxation	1.19	0.00	0.01	0.69	0.28	0.06	0.00
12	Profit/Loss after taxation	2.15	(0.01)	(0.62)	3.88	0.59	0.13	(0.002)
13	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	% of shareholding	100%	100%	100%	100%	100%	100%	100%

Notes:

1. Part B of the Annexure is not applicable as there is no associate companies/joint venture of the Company as on 31st March, 2016.
2. * Includes figures of BKT TIRES, INC.

**** Exchange Rate**

1 Euro = Rs.75.0955
1 USD = Rs.66.3329
1 CAD = Rs.50.7795

For and on behalf of the Board of Directors

Mumbai,
Dated: 18th May, 2016

ARVIND PODDAR
Chairman & Managing Director