



GROWING TOGETHER

TRANSCRIPT – BIL 61ST AGM – 22ND JULY, 2023

**TRANSCRIPT – BIL AGM – 61ST ANNUAL GENERAL MEETING
22ND JULY, 2023**

Dear Shareholders,

It is at 11:00 a.m. and time to start the Meeting.

I welcome all of you to the 61st Annual General Meeting of the Company.

The Chairman informed the Members that in compliance with Ministry of Corporate Affairs (MCA) and Securities Exchange Board of India - SEBI (Circular) and applicable provisions of Companies Act, 2013 the 61st Annual General Meeting is conducted through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) to transact the business set out in the Notice convening the AGM. The Company has taken all feasible steps to ensure that the shareholders are provided with an opportunity to participate in the Annual General Meeting and vote.

Adequate videoconferencing facility of this meeting have also been provided.

The Register of Directors and Key Managerial Personnel and their Shareholding and Register of Contracts or Arrangements in which Directors are interested are available.

These will remain accessible to the members for inspection electronically, if they so desire.

I wish to introduce my colleagues on the Board of the Company:

- | | | |
|---|-------------------------|--|
| 1 | Shri Pannkaj Ghadiali | : Independent Director & the Chairman of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Business Responsibility & Sustainability Committee and Risk Management Committee |
| 2 | Shri. Sandeep Junnarkar | : Independent Director |
| 3 | Shri. Rajendra Hingwala | : Independent Director |
| 4 | Smt. Vijaylaxmi Poddar | : Non- Executive Director |
| 5 | Smt. Shruti Shah | : Independent Director |
| 6 | Shri. Rajiv Poddar | : Joint Managing Director |
| 7 | Shri. Vipul Shah | : Director & Company Secretary |

All Directors are present in the Meeting.

Mr. Madhusudan Bajaj, Senior President (Commercial) and CFO and Mr. Viral Merchant representative of Statutory Auditor and Mr. G B B Babuji Secretarial Auditor are also present at the Meeting.

Balkrishna Industries Ltd.

CIN No.: L99999MH1961PLC012185

Corporate Office : BKT House, C / 15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.

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The requisite quorum is present and therefore I call the meeting to order.

The Notice dated 27th May, 2023 convening this Annual General Meeting and a copy of the Annual Report for the financial year ended 31st March, 2023, have already been circulated to members of the Company electronically.

With your permission, I shall take them as read.

The Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended 31st March, 2023 do not contain any qualification, reservation, adverse remark or disclaimer. Accordingly, the reports are not required to be read out, as provided in the Companies Act, 2013. However, with the consent of the Members present I take this as read.

Now, with your permission, I will begin my formal address to the shareholders.

Dear Shareholders,

It gives me immense pleasure to extend a very warm welcome to all my dear shareholders. In this digital age, I am happy to interact with you via this virtual platform. This has given me an opportunity to network with several of our shareholders who are based in different geographical territories.

I now come to the FINANCIAL RESULTS:

In FY 22-23, the Standalone Total Income of your Company was higher by over 16% at RS. 10,148 crores as compared to Rs. 8,697 crores in the previous year. The Standalone Profit After Tax was lower by over 23% at Rs. 1,079 crores as compared to Rs. 1,411 Crores in the previous year for reasons that I will highlight little later in my speech.

The Consolidated Total Income was higher by over 15% at Rs. 10,106 crores as compared to Rs. 8,733 crores in the previous year. The Consolidated Profit After Tax (PAT) for the year was lower by 26% at Rs. 1,057 crores as against Rs. 1,435 crores in the previous year.

The prime reasons for the adverse effect on profitability despite an increase in turnover is due to the increase in raw material prices, high interest cost and substantial increase in logistics and freight cost. The raw material prices and freight costs have now returned to normalcy.

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Notwithstanding this difficult backdrop, your Company continued to remain the preferred choice of customers and further aimed at maintaining leadership in product quality, delivering reliability and technical expertise.

In keeping with our philosophy of continually rewarding our shareholders, your directors declared and paid 3 interim dividends each of (200%) Rs. 4 per equity share aggregating to (600%) Rs. 12 per equity share and have now recommended a Final Dividend of 200% (Rs 4 per equity share) for the financial year 22-23. The total dividend for the year under review works out to 800% (Rs. 16 per equity share of Rs. 2 each) subject to approval of the same by the shareholders at today's meeting.

CURRENT YEAR SENARIO:

Internationally, the Tire Industry continues to pass through challenging times. Economic slowdown, tensed geo-political situations and increasing interest rate, has led to slow down of export demand in the near term.

Over the years, the products of your Company have been very well accepted across the Globe including India.

Due to the rigid standards and strong processes set up by your company over the years we are confident to sail through this turbulent period.

On behalf of the Board, I want to reassure you that we will continue to build upon our core strengths of quality products, diverse product range, cost consciousness, market development and brand building to make sure that medium to long term prospects of your Company remain good and promising.

Now Let me give you a glimpse of PROJECTS:

During the year under review your Company has successfully completed the Modernization, automation and Technology upgradation at its Bhiwadi, Chopanki & Bhuj Plants.

The expansion at new Waluj Plant to have overall capacity of 55,000 MTPA is completed.

The high value advanced Carbon Black Project of 30,000 MTPA, is now expected to be completed by H2 of FY 2024.

Now, let me talk about SUSTAINABILITY AT BKT:

BKT has always been a value-driven organization with a strong vision to further improve its environmental and social performance that encompasses people, planet and prosperity.

We have always encouraged safety, ethics, diversity and inclusivity in all our business practices.

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We are committed to perform our operations in an environmentally conscious and socially responsible manner.

With sustainability and responsible business operations becoming more relevant to the stakeholder groups, we aspire to create industry benchmarks through our ESG performance.

In the journey of becoming self-reliant for raw materials in an environmental friendly manner, the backward integration of Carbon Black facility at Bhuj has enabled your company to have a better quality of Carbon Black and helped to reduce the coal consumption in the power plants to a large extent. This has helped in reducing GHG emissions.

CORPORATE SOCIAL RESPONSIBILITY:

More than business achievements, it is the pleasure of giving back to the society, that has brought us greater happiness. The CSR vision of your Company is to promote Education, Healthcare and Rural Development.

During the year, the Company was required to spend over Rs. 28.89 crores. The Company had identified various CSR projects and had spent an amount of Rs. 28.78 crores till March, 2023, and after considering excess amount spent during FY 21-22 of Rs.11 lacs, the Company has completed its obligation to spend Rs.28.89 Crores for the year.

The impact assessment report of these projects is conducted by KPMG which is part of our annual report.

Strategic way ahead:

We embark on a new journey in our seventh decade of fulfilling our vision by targeting to increase our market share from around 5.50% to 10% in off-highway tires segment globally.

To fulfil our vision, we shall continue to expand our capacities at an appropriate juncture.

This would be rightly supported by our strategic activities towards enhancing market reach, improving penetration in different geographies across the globe.

We shall continue to expand our product portfolio by offering new segments to the end users. This will go hand in hand with strengthening of distribution channel across the globe including India.

In addition to this, we will continue to build our brand visibility through various platforms that will help brand BKT become a household name.

At this stage I would like to quote James Cash Penny who said:

“Growth is never by mere chance; it is the result of forces working together.”

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Lastly, I would like to express my sincere gratitude to my colleagues on the Board for their valued support in guiding your Company.

Our team is passionate and has made our achievements possible despite challenging situations over the years. For this, I am deeply grateful to our dedicated employees.

I would like to express my heartfelt gratitude towards the Company's Bankers, Investors, Financial Institutions, Shareholders, Distributors, Customers and Central Government, State Governments of Maharashtra, Rajasthan and Gujarat for their confidence and their continuous support.

Chairman's speech concluded.

Now I come to evoting facility :

I am pleased to bring to your notice that, as required under the Companies Act, 2013 read with Rules and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings, the Company has extended the e-voting facility to the Members of the Company in respect of businesses to be transacted at the 61st Annual General Meeting.

The e-voting commenced at 9.00 a.m. on 19th July, 2023 and concluded at 5:00 p.m. on 21st July, 2023. Mr. G.B.B. Babuji, the practicing Company Secretary is appointed as the scrutinizer by the Board for scrutinizing the e-voting process."

Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system. Members may please note that there will be no voting by show of hands.

Now, I move all the Resolutions set out in the Notice of AGM and thereafter the Company Secretary will invite Members who have registered themselves as speakers to speak one after another. To avoid repetition, all the questions posted before AGM will be answered at the end of the Speaker session.

Item No.1: Approval of Audited Financial Statements (Standalone and Consolidated) for the financial year ended 31st March, 2023, together with Directors' and Auditors Reports by way of Ordinary Resolution.

Item No.2: Confirmation of Payment of Interim Dividends and to declare Final Dividend of Rs.4.00 per equity share as Final Dividend for the financial year 22-23 by way of Ordinary Resolution.

Item No.3: Re-appointment of Mr. Vipul Shah (DIN:05199526) who retires by rotation and being eligible offers himself for re-appointment by way of Ordinary Resolution.

Item No.4: To approve the alteration of the Article of Association (AOA) of the Company by way of Special Resolution.

Mr. Amit Das, started inviting the Members who are registered as speaker for question and answer session.

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Mr. Amit Das requested Ms. Lekha Satish Shah (Speaker) to proceed with her question.

Further, Mr. Amit Das requested Mrs. Celestine Elizabeth Mascarenhas (Speaker) to proceed with her question.

Further, Mr. Amit Das requested Mr. Dipankar Purkayastha (Speaker) to proceed with his question.

Further Mr. Yusuf Yunus Rangwala and Mr. Aspi Bamanshaw Bhesania and Mr. Rajesh Kewalram Chainani (Speakers) expressed their views and sought clarifications on the Company's business operations and its future growth plans.

Mr. Amit Das also read the questions received from the Members through emails.

The Chairman answered all the questions/clarifications sought by the Members.

The Chairman thanked each and every shareholder on behalf of the Board, for their interaction and valuable comments and suggestions given by them.

The Chairman thereafter ordered voting at the Meeting electronically by the Members who had not voted in remote evoting and requested Mr. G.B.B. Babuji, Scrutinizer to ensure an orderly conduct of the meeting.

The Chairman announced that the voting will continue to be available for the next 15 minutes.

The Chairman announced the resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes and further announced that the combined remote e-voting and e-voting at AGM, would be placed on website of the Company, BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and M/s. KFin Technologies Limited.

The Chairman announced that as all the business as per Notice having been transacted and he therefore declared the proceedings as closed.

The Meeting concluded at 12.06 p.m.

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