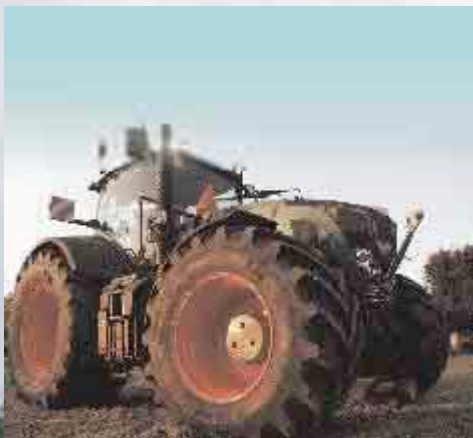


BKT

GROWING TOGETHER



50th
Annual Report 2012

Balkrishna Industries Limited





Lord Ganesh

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NOTICE

NOTICE is hereby given that the 50th Annual General Meeting of the members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

DAY : Saturday
 DATE : 1st September, 2012
 TIME : 11:30 a.m.
 PLACE : Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar - 401506.

The Agenda for the Meeting will be as under:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Shri Sanjay Asher, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Rameshkumar Poddar, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Khurshed Doongaji, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri Sachin Nath Chaturvedi, who retires by rotation, and being eligible offers himself for re-appointment.
7. To appoint Auditors and fix their Remuneration.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Vipul Shah, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation."
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**
 "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Smt. Vijaylaxmi Poddar, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation."
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution:**
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions and approvals as

may be necessary, if any, the consent of the Company be and is hereby accorded for appointment of Shri Vipul Shah, as a Whole Time Director designated as Director & Company Secretary of the Company for a period of 5 years w.e.f 11th February, 2012 on the terms and conditions set out in the Explanatory Statement relating to this Resolution with powers to the Board of Directors to alter and vary the terms and conditions and remuneration including minimum remuneration (in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Shri Vipul Shah within the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions between the Company and Shri Vipul Shah be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution:**
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded for appointment of Smt. Vijaylaxmi Poddar, as a Whole Time Director designated as Executive Director of the Company for a period of 5 years w.e.f 30th May, 2012, on the terms and conditions set out in the Explanatory Statement relating to this Resolution with powers to the Board of Directors to alter and vary the terms and conditions and remuneration including minimum remuneration (in case of absence or inadequacy of profits) in such manner as the Board may deem fit and is acceptable to Smt. Vijaylaxmi Poddar within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto."
 "RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling and the terms and conditions between the Company and Smt. Vijaylaxmi Poddar be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."
 "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution."
12. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Smt. Shyamalata Poddar, relative of Director of the Company, holding and continuing to hold an office or place of profit under the Company as Executive, or with such other designation as may be decided by the Board from time to time with effect from 1st June, 2012 at a salary of Rs. 50,000 p.m. inclusive of all the usual allowances, benefits, amenities and facilities applicable to other employees as per the Rules of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956 and other applicable provision, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to increase the salary of Smt. Shyamalata Poddar, as they may decide from time to time, subject to the condition that the increase in salary payable shall not exceed Rs. 2,50,000 p.m. inclusive of all the usual allowances, benefits, amenities and facilities applicable to other employees as per the Rules of the Company.”

RESOLVED FURTHER THAT the appointment of Smt. Shyamalata Poddar, relative of a Director for holding and continuing to hold an office or place of profit in the Company has been approved by the Selection Committee of the Company.”

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions and approvals as may be necessary, if any, the consent of the Company be and is hereby accorded to increase in remuneration payable to Shri Rajiv Poddar, the Executive Director for the remaining period of his term. The other terms and conditions relating to his appointment will remain same as approved by the shareholder of the Company at the 47th Annual General Meeting held on 1st August, 2009.”

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:
H-3/1, “MIDC”,
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,
Dated: 30th May, 2012

NOTES:

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy should, however, be deposited at the Registered Office of the Company or at the Corporate Office: BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower

Parel (W), Mumbai 400 013, not less than 48 hours before commencement of the Meeting.

- 2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 3) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 4) The relative details of directors seeking appointment/re-appointment under item 3, 4, 5, 6, 8 and 9 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 28th August, 2012 to Thursday, the 30th August, 2012 (both days inclusive).
- 6) Shareholders desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 7) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting.
- 8) Members are informed that the final dividend amount remaining unpaid/unclaimed relating to the year ended 31st March, 2005 and for any subsequent years are advised to send the same to the Company for revalidation. Dividend amount remaining unpaid/unclaimed for a period of 7 years from the dates they became due for payment shall be transferred to the “Investor Education and Protection Fund” of the Central Government in terms of Section 205C of the Companies Act, 1956. No claim shall lie against the Company or “Investor Education and Protection Fund” in respect of unpaid/unclaimed Dividends, once these dividends are transferred to “Investor Education and Protection Fund.”
- 9) The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating the service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the Registrar and Transfer Agent, M/s. Sharepro Service India Pvt. Limited on email address : sharepro@shareproservices.com or to the Company on email address: shares@bkt-tires.com/vipul.shah@bkt-tires.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 8 and 9

Shri Vipul Shah was appointed as an additional Director of the Company on 11th February, 2012. Pursuant to Section 260 of the Companies Act, 1956, read with Article 128 of the Company’s Articles of Association, he holds office up to the date of this Annual General Meeting of the Company.

Smt. Vijaylaxmi Poddar was appointed as an additional Director of the Company on 30th May, 2012. Pursuant to Section 260 of the Companies Act, 1956, read with Article 128 of the Company's Articles of Association, she holds office up to the date of this Annual General Meeting of the Company.

As required under Section 257 of the Companies Act, 1956 a notice has been received from a member signifying his intention to propose them as a candidate for the office of Director of the Company, along with requisite deposit.

The Board recommends that Shri Vipul Shah and Smt. Vijaylaxmi Poddar be appointed as the Directors of the Company.

None of the Directors except Shri Vipul Shah, himself and Smt. Vijaylaxmi Poddar, herself are concerned or interested in this Resolution. Shri Arvind Poddar and Shri Rajiv Poddar are also interested in the resolution being relatives of Smt. Vijaylaxmi Poddar.

ITEM NO. 10:

The Board of Directors at its Meeting held on 11th February, 2012 appointed Shri Vipul Shah, as a Whole Time Director of the Company, designated as a Director & Company Secretary of the Company, for a period of 5 years with effect from 11th February, 2012. His appointment and remuneration is fixed in accordance with Schedule XIII to the Companies Act, 1956, and his remuneration is recommended by the Remuneration Committee, is subject to the approval of the Shareholders of the Company, hence the subject Resolution.

The Board of Directors has fixed the following remuneration to be paid to the Whole Time Director during the term with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule XIII to the Companies Act, 1956, or any statutory amendment or relaxation thereof:

Salary

Rs. 1,00,000/- to 2,00,000/- per month.

The same is bifurcated as under:

Basic Salary	Rs.58,600/-
Special Allowance	Rs.29,300/-
House Rent Allowance	Rs.29,675/-

Commission: NIL

Perquisites

- a) Medical reimbursement: As per the Company's Rules.
- b) Leave Travel Concession: As per the Company's Rules.
- c) Personal Accident Insurance: As per the Company's Rules.
- d) Provident Fund, Superannuation Fund and Annuity Fund: As per the Company's Rules.
- e) Gratuity: As per the Company's Rules.
- f) Leave and Encashment of Leave: As per the Company's Rules.
- g) Use of Car with Driver: As per the Company's Rules.
- h) Free Telephone, Facsimile and other Communication Facilities: As per the Company's Rules.
- i) Bonus: As per the Company's Rules.
- j) Other Perquisites: Subject to overall ceiling on remuneration mentioned hereinbelow, Mr. Vipul Shah may be given other allowances, benefits and perquisites

as the Board of Directors (which includes any Committee thereof) may from time to time decide.

- k) Minimum remuneration: In the event of absence or inadequacy of profits in any financial year during the tenure of his appointment, the Whole Time Director shall be paid remuneration by way of salary, perquisites and allowances as specified above subject to limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto.

Explanation

For the purpose of the perquisites family shall mean the spouse, the dependent children and the dependent parents of the appointee.

None of the Directors except Shri Vipul Shah himself is interested in this resolution.

ITEM NO. 11:

The Board of Directors at its Meeting held on 30th May, 2012 appointed Smt. Vijaylaxmi Poddar, as a Whole Time Director of the Company, designated as Executive Director of the Company, for a period of 5 years with effect from 30th May, 2012. Her appointment and remuneration is fixed in accordance with Schedule XIII to the Companies Act, 1956, and her remuneration is recommended by the Remuneration Committee, is subject to the approval of the Shareholders of the Company, hence the subject Resolution.

The Board of Directors has fixed the following remuneration to be paid to the Whole Time Director during the term with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule XIII of the Companies Act, 1956, or any statutory amendment or relaxation thereof:

Salary

Rs.10,00,000/- per month, with such increments as may be approved by the Board of Directors from time to time.

Commission

As may be determined by the Board of Directors of the Company at the end of each financial year, subject to overall ceiling stipulated from time to time under Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, as may for the time being be in force.

Perquisites

In addition to the salary and commission, the following perquisites shall also be allowed to Smt. Vijaylaxmi Poddar.

Housing

The Company shall provide fully furnished residential accommodation together with all amenities, facilities and utilities such as Gas, Water, Electricity and Fuel etc. as may be approved by the Board from time to time.

In case no accommodation is provided by the Company, the Whole Time Director shall be entitled to House Rent Allowance to the extent of 60% of the basic salary.

Medical reimbursement

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for herself and family. In case of any medical treatment abroad, the travelling, boarding and lodging expenses for patient and attendant are also payable. Premium for medical insurance incurred for self and family will be paid by the Company.

Leave Travel Concession

Reimbursement of actual traveling expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during leave travel periods, wherever undertaken, whether in India or abroad.

Club Membership

Subscription or reimbursement of membership fees for clubs in India and/or abroad, including admission and life membership fees.

Personal Accident Insurance

The actual premium paid.

Provident Fund, Superannuation Fund and Annuity Fund

Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of remuneration to the extent these singly or put together are not taxable under Income Tax Rules, 1962.

Gratuity

Gratuity shall be payable at half month's salary for each completed year of service and will not be included in computation of remuneration.

Leave and Encashment of Leave

The Whole Time Director shall be entitled to leave with full pay as per the rules of the Company and will be entitled to encash the accumulated leave at the end of the tenure/retirement.

Use of Car with Driver

The Company shall provide fully maintained car with driver for business and personal use.

Free Telephone, Facsimile and other Communication Facilities

The Company shall provide free Telephone, Facsimile and other communication facilities at the Executive Director residence.

Entertainment Expenses

Reimbursement of entertainment expenses incurred in the course of business of the Company.

Minimum remuneration

In the event of absence or inadequacy of profits in any financial year during the tenure of her appointment, the Whole Time Director shall be paid remuneration by way of salary, perquisites and allowances as specified above subject to limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.

Explanation

For the purpose of the perquisites family shall mean the spouse, the dependent children and the dependent parents of the appointee.

None of the Directors except Smt. Vijaylaxmi Poddar, herself, Shri Arvind Poddar and Shri Rajiv Poddar, being relatives of Smt. Vijaylaxmi Poddar are concerned and interested in this resolution.

ITEM NO.12

The Board of Directors at its Meeting held on 30th May, 2012, appointed Smt. Shyamalata Poddar, as Executive with effect from 1st June, 2012, at a salary of Rs. 50,000 p.m. inclusive of all usual allowances and benefits as applicable, including bonus, superannuation, gratuity, provident fund etc., as per Rules of the Company. The said appointment of Smt. Shyamalata Poddar, as Executive was also approved by the Selection Committee of the Company. The Board of Directors be and are hereby authorized to increase the salary payable to Smt. Shyamalata Poddar from Rs. 50,000 p.m. to Rs. 2,50,000 p.m. inclusive of all usual allowances and benefits as applicable, including bonus, superannuation, Gratuity, Provident Fund etc., as per Rules of the Company, is subject to the approval of the shareholders of the Company, hence subject resolution.

Smt. Shyamalata Poddar, is a relative of Shri Arvind Poddar, Director on the Board of the Company.

This Resolution is placed for your approval under Sections 314 and 314(1B) of the Companies Act, 1956.

None of the Directors except Shri Arvind Poddar being relative of Smt. Shyamalata Poddar is concerned and interested in this resolution.

ITEM NO. 13:

The Board of Directors at its Meeting held on 30th May, 2012 has revised the remuneration payable to Shri Rajiv Poddar, the Executive Director w.e.f 1st April, 2012 till the remaining period of his term and his remuneration is recommended by the Remuneration Committee, is subject to the approval of the Shareholders of the Company, hence the subject Resolution.

The Board of Directors has revised the following remuneration to be paid to the Executive Director for the remaining period of his term with power to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in Schedule XIII of the Companies Act, 1956, or any statutory amendment or relaxation thereof:

The basic Salary payable to Shri Rajiv Poddar stands enhanced to Rs. 10,00,000/- per month with such increments as may be approved by the Board of Directors from time to time.

The benefits as are linked to Salary shall stand correspondingly enhanced.

All other terms and conditions governing his appointment and payment of remuneration shall remain unaltered.

None of the Directors except Shri Rajiv Poddar, himself, Shri Arvind Poddar and Smt. Vijaylaxmi Poddar, being the relatives are concerned and interested in this resolution.

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:
H-3/1, "MIDC",
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,
Dated: 30th May, 2012

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting. (in pursuance of Clause 49(VI)(A) of the Listing Agreement.)

Name	Shri Sanjay Asher	Shri Ramesh kumar Poddar	Shri Khurshed Doongaji	Smt. Vijaylaxmi Poddar	Shri Sachin Nath Chaturvedi	Shri Vipul Shah
Age	47 years	59 years	72 years	51 years	61 years	49 years
Qualification	B.Com, C.A & Solicitor	B. Sc.	B.A., L.L.B, C.B.M.	B.Com	B. Tech, F.C.A M.B.A, D.I.S.A	B.Com, ACS
Nature of Expertise	Professional	Industrialist	Business	Industrialist	Professional	Professional
Shares held in the Company	NIL	50,000	NIL	8,38,170	NIL	NIL
* Name of the Companies in which holds directorship	Ashok Leyland Limited Bajaj Allianz General Insurance Company Limited Bajaj Allianz Life Insurance Company Limited Finolex Cables Limited Finolex Industries Limited Kryfs Power Components Limited Mandhana Industries Limited Repro India Limited Sharp India Limited Shree Renuka Sugars Limited Sudarshan Chemicals Industries Limited Tribhovandas Bhimji Zaveri Limited Innoventive Industries Limited Sanghvi Movers Limited	Siyaram Silk Mills Limited.	Jai Corp Limited	Balgopal Holdings & Traders Limited. Sanchna Trading & Finance Limited. Oxemberg Fashions Limited.	Jai Corp Limited Jai Realty Venture Limited. Balkrishna Paper Mills Limited. N R Agarwal Industries Limited	NIL
* Chairman / Member of the Committees of other Public Companies as on 31 st March, 2012	Mandhana Industries Limited - Member of Audit Committee Finolex Cables Limited - Member of Audit Committee & Shareholders'/Investors' Grievance Committee Repro India Limited - Member of Audit Committee Shree Renuka Sugars Limited - Chairman of Audit Committee & Shareholders'/Investors' Grievance Committee Sharp India Limited - Member of Audit Committee & Chairman of Shareholders'/Investors' Grievance Committee Ashok Leyland Limited - Chairman of Shareholders'/Investors' Grievance Committee & Member of Audit Committee	Siyaram Silk Mills Limited. (Member of the Share Transfer Committee)	Jai Corp Limited- (Chairman of the Audit Committee and Shareholders'/Investors' Grievance Committee)	NIL	Jai Corp Limited- Member of Audit Committee N R Agarwal Industries Limited - Member of Audit Committee	NIL

* Private Limited Companies and Companies under Section 25 of the Companies Act, 1956 have been excluded.

By Order of the Board of Directors
For **BALKRISHNA INDUSTRIES LIMITED**

VIPUL SHAH
DIRECTOR & COMPANY SECRETARY

Registered Office:
H-3/1, "MIDC",
A Road, Tarapur,
Boisar 401506.

Place: Mumbai,
Dated: 30th May, 2012

BANK ACCOUNT PARTICULARS / ECS MANDATE FORM/EMAIL REGISTRATION FORM

I/ We do hereby authorise Balkrishna Industries Limited.

*To Print the following details on my/our dividend warrant.

To Credit my dividend amount directly to my Bank account by ECS.

(*Strike out whichever is not applicable.)

My/our Folio No. :

DP ID No..... Client A/c. No.....

Particulars of Bank Account:		
A.	Bank Name	:
B.	Branch Name	:
	Address (for Mandate only)	:
C.	9 Digit Code number of the bank & Branch as appearing on the MICR Cheque	:
D.	Account Type (Saving/ Current)	:
E.	Account No. as appearing on the cheque book	:
F.	STD Code & Telephone No.	:
G.	E-mail ID	:

I/We shall not hold the Company responsible if the ECS could not be implemented or the bank discontinue(s) the ECS, for any reason.

MAIL TO Sharepro Services (India) Pvt. Limited.
 Regd. Office, 13 AB, Samhita Warehousing Complex,
 Second Floor, Sakinaka Telephone Exchange Lane,
 Off Andheri Kurla Road, Sakinaka, Andheri (East),
 Mumbai – 400 072
 email address: sharepro@shareproservices.com

.....
 Signature of the shareholder (s)

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the 9 digit code number.

In case you are holding shares in demat form, kindly advice your Depository Participant to take note of your Bank account particulars /ECS mandate/email address.

balkrishna industries limited

Registered Office: H-3/1, MIDC, A Road, Tarapur, Boisar 401 506

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE

Folio No....., DP ID Client ID.....

Name of the Shareholder:..... No. of Shares held

I hereby record my presence at the 50th ANNUAL GENERAL MEETING of the Company held on Saturday, the 1st September, 2012 at 11:30 a.m. at Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar – 401506, Dist. (Thane), Maharashtra.

Signature of the Shareholder:.....
(only shareholders/proxies are allowed to attend the meeting).

balkrishna industries limited

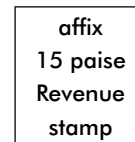
Registered Office: H-3/1, MIDC, A Road, Tarapur, Boisar 401 506

PROXY FORM

Folio No....., DP ID Client ID.....

No. of Shares held

I/We of
being a member(s) of Balkrishna Industries Limited, hereby appoint
of failing him
of as my/our proxy to attend and vote for me/us and
on my/our behalf at the 50th Annual General Meeting of Balkrishna Industries Limited, to be held on Saturday, the 1st September, 2012 at 11:30 a.m. at Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar – 401506, Dist.(Thane), Maharashtra.



Signed this..... day of _____ 2012

Signature across Revenue Stamp

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company.



BOARD OF DIRECTORS:

DHARAPRASAD PODDAR
Chairman Emeritus

ARVIND PODDAR
Chairman & Managing Director

RAJIV PODDAR
Executive Director

SACHIN NATH CHATURVEDI
SUBHASH CHAND MANTRI
RAMESHKUMAR PODDAR
KHURSHED DOONGAJI
LAXMIDAS MERCHANT
SANJAY ASHER
ASHOK SARAF
VIPUL SHAH (w.e.f.11.02.2012)
Whole Time Director & Company Secretary

VIJAYLAXMI PODDAR
Executive Director (w.e.f 30.05.2012)

BASANTKUMAR BANSAL (up to 11.02.2012)
Whole Time Director

ANURAG PODDAR
Executive Director (up to 29.05.2012)

MANAGEMENT COMMITTEE

DILIP VAIDYA – Director (Technical)
RAJIV PODDAR
KHUSHBOO PODDAR
BASANTKUMAR BANSAL – Director (Finance)

REGISTERED OFFICE:

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

PLANTS :

TYRE MANUFACTURING :

WIND FARM :

MOULD UNITS :

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.

BANKERS:

BANK OF BARODA
BARCLAYS BANK PLC
CORPORATION BANK
ING VYSYA BANK
INDUSIND BANK
THE ROYAL BANK OF SCOTLAND N.V.
STANDARD CHARTERED BANK
STATE BANK OF INDIA

AUDITORS:

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

INTERNAL AUDITORS:

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

COST AUDITORS:

M/s. R S RAGHVAN & CO.
Cost Accountants

CORPORATE OFFICE:

BKT House, C/15, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013,
(Maharashtra)

B-66, Waluj MIDC, Waluj Indl. Area,
Dist. 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,
District Kachchh. (Gujarat)

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

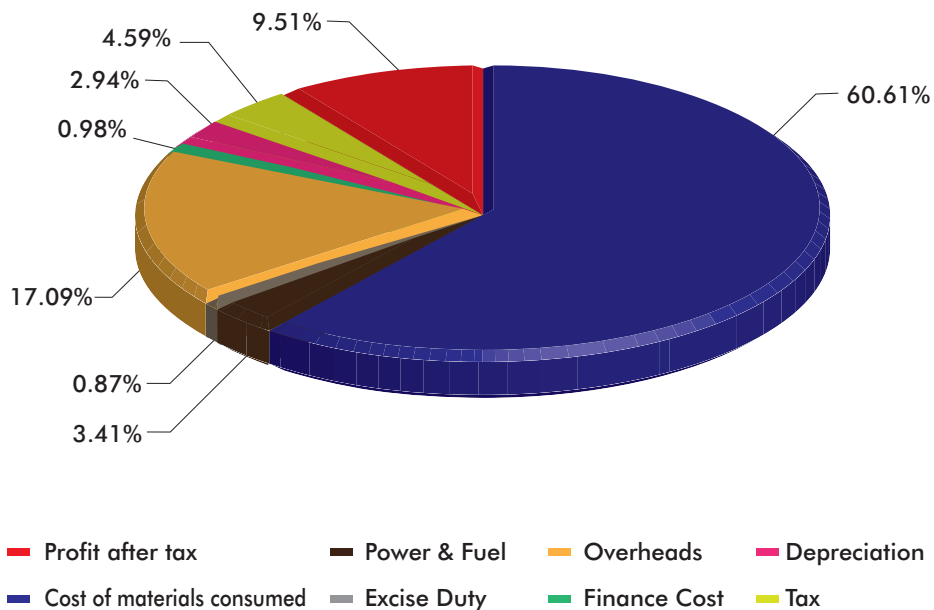
Plot No. TS-1 and C-21, M.I.D.C, Phase No.II, Dombivali (E)
421 201, Dist. Thane (Maharashtra)

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

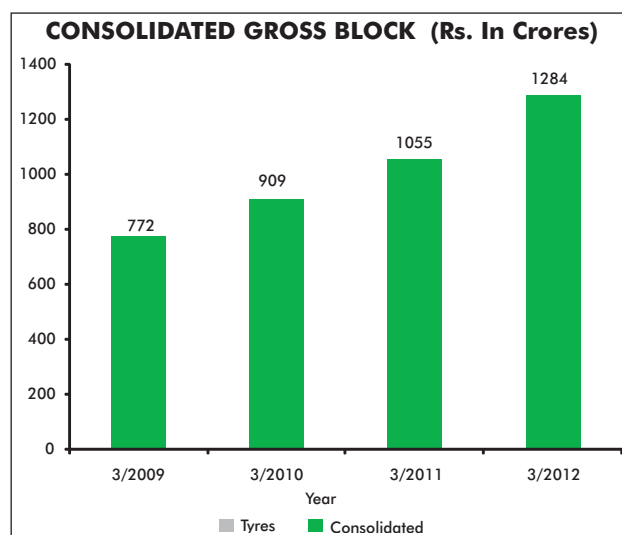
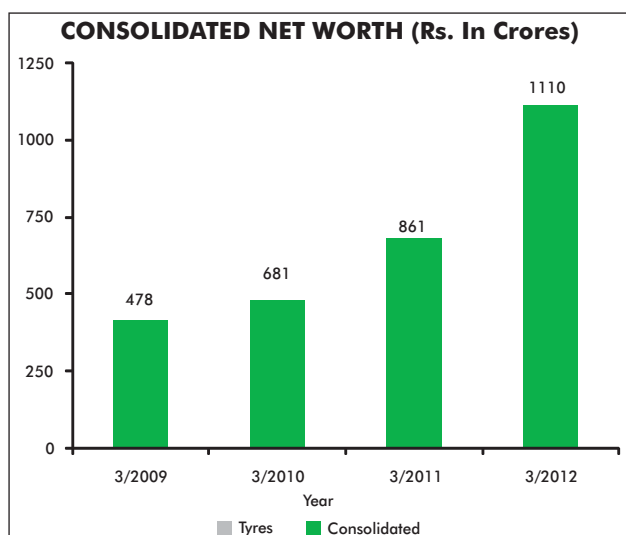
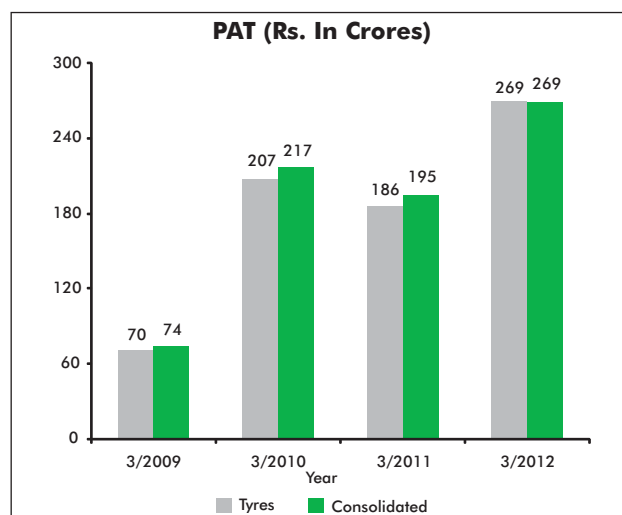
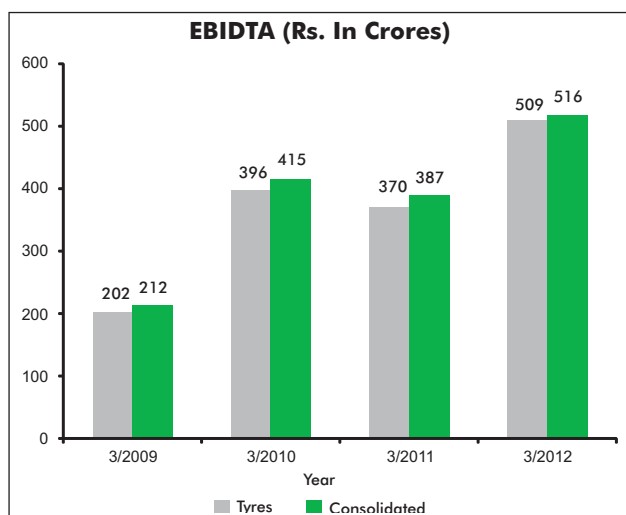
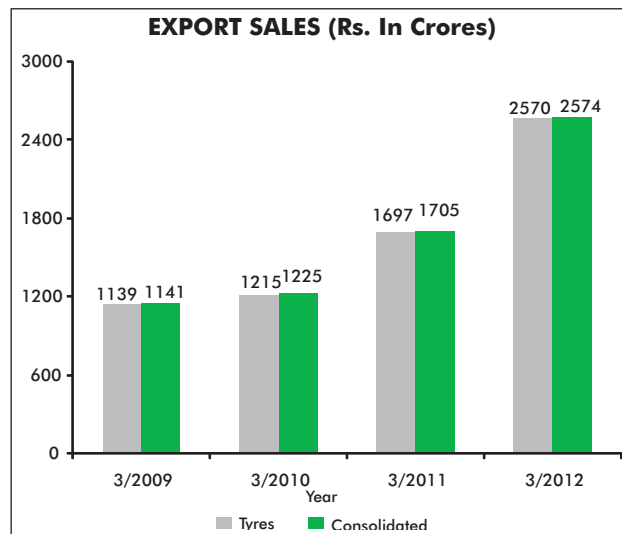
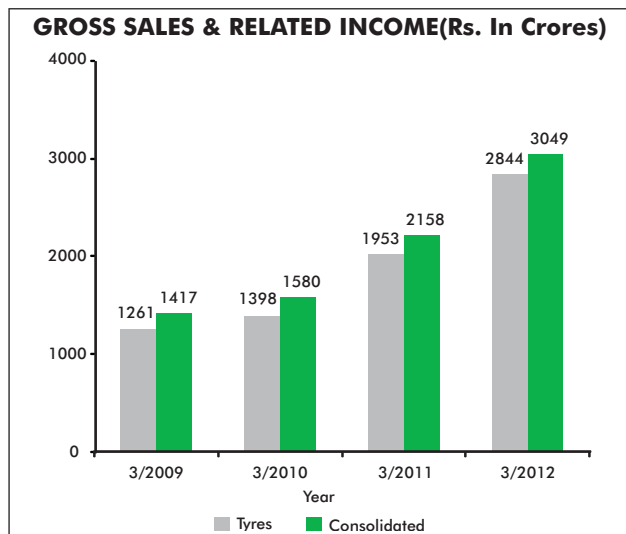
(Rs. In Crores)

Particulars	Consolidated			
	2012	2011	2010	2009
Year ended 31st March	2012	2011	2010	2009
Revenue from operations (Gross)	3049	2158	1580	1417
Revenue from operations (Net)	3017	2132	1564	1400
Other Income	4	92	30	7
Total Revenue	3021	2224	1594	1407
PBIDT	516	387	415	212
PBDT	487	365	396	174
Depreciation	86	77	69	59
PBT	400	288	327	115
Taxes	131	94	110	41
PAT	269	195	217	74
Dividend	75%	70%	70%	60%
Earning per Share of Rs. 2 each	27.48	20.14	22.67	7.72
Total Cash Accruals	339	256	270	119

RUPEES EARNED / SPENT (%)



FINANCIAL HIGHLIGHTS



DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 50th Annual Report and Audited Statement of Accounts for the year ended 31st March 2012.

	(Rs. In Crores)	
	Current Year ended 31.03.2012	Previous Year ended 31.03.2011
Income from Operations and other Operating Income	2844.57	1953.12
Less: Excise Duty Recovered on Sales	24.61	18.98
Total Income from Operations (Net)	2819.96	1934.14
Gross Profit	481.36	349.38
Less: Depreciation and Amortisation	83.14	74.44
Profit before Tax	398.22	274.94
Less: Provision for Taxation		
Current Tax	124.10	87.20
Deferred Tax (Net)	5.60	2.18
Profit after Tax	268.52	185.56
(Less)/Add: Adjustments relating to earlier years		
Excess/(Short) Provision of Taxation	(3.35)	0.10
Profit after adjustment relating to earlier years	265.17	185.66
Balance brought forward from last year	389.31	237.93
PROFIT AVAILABLE FOR APPROPRIATIONS:	654.48	423.59
Transfer to General Reserve	549.91	18.56
Proposed Final Dividend	14.50	13.53
Tax on Final Dividend	2.35	2.19
Balance Carried forward to balance sheet	87.72	389.31

OPERATIONS:

Your Company mainly operates in one segment i.e. "tyres" with a focus on manufacture of wide range of "Off-Highway Specialty Tyres". These specialty tyres are meant for Agricultural, Industrial, Material Handling, Construction, Earthmoving (OTR), Forestry, Lawn & Garden Equipments and All Terrain Vehicles (ATV). Around 90% of our revenue is generated through exports.

During the year under consideration your Company has witnessed a good surge in its top line which was grown by 46%. The Net Turnover and other Income of the company increased from Rs.1,934 Crores to Rs.2,820 Crores in the year under consideration.

The Gross Profit of the Company for the year under consideration has increased from Rs.349 Crores to Rs. 481 Crores and correspondingly, the profit after tax has increased to Rs.269 Crores as compare to Rs.186 Crores in the previous year.

Your Company continues to enjoy the status of "STAR TRADING HOUSE".

DIVIDEND:

Your Directors are pleased to recommend a higher Dividend of Rs.1.50 (75%) for the year, with a total payout of Rs. 16.85 Crores, including Tax on Dividend.

CAPITAL EXPENDITURE

During the year, the company has incurred capital expenditure of Rs.150 Crores (approx.) on account of increase in small production capacity at all the three plants through de-bottlenecking and regular maintenance capax at all three plants.

The company also incurred capital expenditure of Rs. 531 Crores (approx.) in connection with its upcoming green field tyre project at Bhuj in the State of Gujarat which is progressing as per schedule.

OUTLOOK FOR THE CURRENT YEAR 2012-2013:

Though the company is seeing continuity in demand of its products in the current financial year in line with that of previous year, the fear of slow down, particularly in Europe & America, is looming large over the company which are the major markets for the company. The said demand is coming from across the geographies. While the replacement demand is constant, the demand from OEM segment is showing some sign of moderation.

The raw material prices and other input costs have started softening in the current financial year as compared to previous year. If the softening in raw material prices and other inputs costs continues, the margins of the company in the current financial year is expected to be better than that of previous year.

The company continues to expand its base through developing new product lines, venturing into new geographies and deeper penetration into existing markets to ensure its sustainable growth.

OPPORTUNITY & THREATS:**OPPORTUNITIES:**

The segment in which your company operates is predominantly known as “large varieties – low volume” – a segment that restricts optimal capacity utilization. It is a capital intensive as well as labour intensive proposition, making it un-attractive for fresh investments by major players. 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, the segment is not exposed to any technological obsolescence and wild fluctuations in demand of its products.

The Company has incremental opportunity to develop the “Earth Moving Tyres” (OTR) markets and take advantage of the shift from bias to radial tyres, which is picking up rapidly. In this pursuit, the company has already set up an all-steel OTR Radial tyre plant at its Chopanki location and thereby become the first company in India to set up such plant. Your company is in the process of expanding its base into its various sub-segments like agricultural, industrial, construction, mining, winter and solid tyres under both the technology – 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 moved up considerably in the past. Currently there has been a softening in the prices of natural rubber and other raw materials. The softening in prices is likely to continue for some more time. The softening in raw material prices may help the company to improve its margin; however, it may be offset as the company may have to pass on the benefits to the customers.

Since most of the raw materials used by company are imported, the softening in raw material prices will also be negated by depreciating INR against USD. The increase in utility cost and other administrative costs may also marginally affect the profitability of the company adversely.

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

Labour Relations: Since the nature of 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 and spends a lot of money and Management’s time for their welfare, safety and to improve the quality of 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: Since approximately 90% of the Company’s revenues are generated through exports and the Company also imports lot of its raw materials and capital equipments. Moreover, all its borrowings are in foreign currency. It is therefore exposed to risks due to currency fluctuations.

The Company follows the system of hedging its receivables and major payments well in advance by entering into Forward Contracts, thereby largely protects itself from 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 the biggest asset of the Company. 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 were conducted to develop the personality and outlook of its employees. Employee relations continue to be cordial.

SUBSIDIARY COMPANIES:

The company has following 100% subsidiary companies:

Balkrishna Paper Mills Limited, Balkrishna Synthetics Limited, BKT Tyres Limited , BKT Exim Limited and Indirect subsidiary Companies i.e subsidiary companies of BKT Exim Limited; i.e. BKT (EUROPE) LTD., BKT EUROPE S.R.L. and BKT (USA) INC.

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

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the

Company. The Company will make available the Annual Accounts of the subsidiary Companies and the related information to any member of the Company who may be interested in obtaining the same. These documents will also be available for inspection by any members at the Corporate Office of the Company and that of respective subsidiary companies.

The financial data of the Subsidiaries Companies have been furnished under 'Details of Subsidiaries' forming part of the Annual Report.

DIRECTORS:

Shri Dharaprasad Poddar, Chairman of the Company has resigned from the Board of Directors of the Company w.e.f. 29th May, 2012 due to old age. The board requested him to continue as Chairman Emeritus and he was kind enough to accept the request of the board. The Board places on record its deepest appreciation for the inspired leadership provided by Shri Dharaprasad Poddar during his tenure as Chairman on the Board of Directors of the Company.

Shri Basantkumar Bansal, Director (Finance) has resigned from the Board of Directors of the Company w.e.f. 11th February, 2012, however he is continuing his employment with the company as CFO designated as Director (Finance). Shri Bansal has put in his sincere and dedicated efforts into the Company. Your directors take on record their sincere appreciation for the valuable services rendered by him during his tenure on the Board of Directors of the Company.

Shri Anurag Poddar, Executive Director has resigned from the Board of Directors of the Company w.e.f. 29th May, 2012. Shri Anurag Poddar has put in his sincere and dedicated efforts into the Company. Your directors take on record their sincere appreciation for the valuable services rendered by him during his tenure with the Company.

Due to resignation of Shri Dharaprasad Poddar as a Chairman of the Company, Shri Arvind Poddar, Vice Chairman & Managing Director has been re-designated as Chairman & Managing Director of the Company w.e.f. 30th May, 2012.

Shri Vipul Shah has been inducted as an Additional Director and Whole Time Director of the Company designated as Director & Company Secretary w.e.f. 11th February, 2012 and holds office till the date of the ensuing Annual General Meeting.

Smt. Vijaylaxmi Poddar has been inducted as an Additional Director and Whole Time Director of the Company designated as Executive Director w.e.f. 30th May, 2012 and holds office till the date of the ensuing Annual General Meeting.

The Company has received notice from one of the Shareholder proposing the name of Shri Vipul Shah and Smt. Vijaylaxmi Poddar, as the Directors of the Company.

Shri Sanjay Asher, Shri Rameshkumar Poddar, Shri Khurshed Doongaji and Shri Sachin Nath Chaturvedi retire by rotation and being eligible, offer themselves for re-appointment.

Necessary resolutions for their appointment are placed before the Shareholders. Your Directors commend the resolutions.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate regarding Compliance of the same are made a part of this Annual Report.

FIXED DEPOSITS:

There are no deposits as on 31st March 2012.

INDUSTRIAL RELATIONS:

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

PARTICULARS OF EMPLOYEES:

In terms of the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any members interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-I to the report.

RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 at the end of the financial year and of the Profit of the Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the accounts for the financial year ended 31st March, 2012 on a "going concern" basis.

AUDITORS:

The members are requested to appoint Auditors and fix their remuneration. Messers Jayantilal Thakkar & Co., Chartered Accountants, the retiring Auditors and who have furnished certificates of their eligibility for re-appointment as required under Companies Act, 1956.

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

ARVIND PODDAR
Chairman & Managing Director

Mumbai,
Dated : 30th May, 2012

ANNEXURE – I

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken by the Company;

(i) Electrical Energy:

Energy Audit by outside Consultants has been carried out in the earlier years at the various Plants of the Company and also in-house audits/surveys are conducted periodically. Necessary follow-up actions are being continuously carried out.

Besides, regular monitoring of the overall energy consumption is also carried out periodically during the year, and losses, if any, are identified and suitable improvements carried out.

(ii) Coal/Fuel Oil Consumption:

The Company is carrying out regular maintenance of steam lines/steam traps and user equipments to ensure high efficiency levels throughout the year, and new improvements are reviewed regularly and implemented wherever found suitable.

(b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy;

The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

The various energy conservation measures detailed above adopted by the Company have resulted in savings in energy consumption as per information given in Form 'A'.

(d) Total energy consumption and energy consumption per unit of production as per Form 'A' hereunder.

FORM 'A'

I. Power and Fuel Consumption:		Current Year Rupees	Previous Year Rupees
1	Electricity		
	(a) Purchased		
	Units (KWH)	8,61,55,096	7,54,68,342
	Total amount (Rs. in lacs)	4,449.92	3,621.53
	Rate/Unit (Rs.)	5.17	4.80
	(b) Own generation		
	(i) Through Diesel Generating Sets		
	Units (KWH)	2,77,81,351	2,38,76,155
	Units per liter of H.S.D/L.D.O./Furnace Oil	3.80	3.88
	Cost/Unit (Rs.)	9.94	7.11
	(ii) Through Wind Mill (For Captive Consumption)		
	Units (KWH)	61,97,218	54,93,784
2	Pet Coke (specify quality and where used)		
	The Company also uses Pet-Coke grade B/C in its Boilers		
	Quantity (Tons)	34,790	29,004
	Total Amount (Rs. in lacs)	2,682.98	2,308.15
	Average rate (Rs./Ton)	7,712	7,958
3	H.S.D/L.D.O./Furnace Oil		
	Quantity (K.Ltrs)	7,307	6,150
	Total Amount (Rs. in lacs)	2,761.43	1,697.01
	Average rate (Rs./KL)(Net of Modvat, Wherever applicable)	37,792	27,593

II. Consumption per unit of production:

	Electricity (KWH)	Pet Coke (Kgs)	Furnace Oil (Ltr)
Automobile Tyres (MT)	863 (911)	264 (266)	55 (56)

Note: The Company manufactures a wide range of products and the consumption of energy will vary significantly depending upon the actual product-mix for the period.

Figures in brackets are of previous year.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form 'B':

FORM 'B'

I. Research and development (R&D):

1. Specific areas in which R&D carried out by the Company:

Product and quality improvement, development of new designs/products, cost control and energy conservation.

2. Benefits derived as a result of the above R&D:

The R&D activities have resulted in conserving of scarce raw materials, higher productivity and containing the costs all around.

3. Future plan of action:

Water and energy conservation, development of new designs of tyres, further improvement in process technology and product mix.

4. Expenditure on R&D (Rs. in lacs):

(a) Capital	: NIL
(b) Recurring	: 102.49
(c) Total	: 102.49

II. Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company has been developing in-house modification/improvements in Process Technology in its various manufacturing sections-which, when found suitable, are integrated into the regular manufacturing operation.

2. Benefits – which, when found suitable, are integrated into the regular manufacturing operation:

- (a) Quality improvement.
- (b) Energy conservation.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans;

The export of Tyres, Tubes and Flaps during the year amounted to Rs.2,570 Crores as against Rs.1,697 Crores during the previous year. The products of the Company are well established in the international market and the Company expects to further improve its performance in the export segment.

- (b) Total foreign exchange used and earned (Rs. in Crores)

Used : 1,719 Earned :2,570

For and on behalf of the Board of Directors

ARVIND PODDAR
Chairman & Managing Director

Mumbai,
Dated : 30th May, 2012

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2011-2012

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

Balkrishna Industries Limited believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. Models of the Corporate Governance code are many and different environments will need specific solutions to meet the demands of legal compliances and regulations. However, there is a universal principle, which percolates through the elements of governance, which calls for the affairs of the Company to be regulated in a manner that is transparent, ethical and accountable. In this pursuit, your Company is committed to transparency in all its dealing with its shareholders and others and to provide high quality products and services to its customers and places uncompromising emphasis on integrity and regulatory compliances. The basic philosophy of your Company has been to achieve business excellence, to enhance shareholders value, keeping in view the needs and the interest of the shareholders.

BOARD OF DIRECTORS

The Company at the end of the year on 31st March 2012 has twelve Directors comprising of; Non-Executive & Non-Independent Directors, Non – Executive & Independent Directors and Whole Time Directors (Managing Director, Executive Directors and Director & Company Secretary).

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Chairman of the Board was Non-Executive Chairman and is a Promoter of the Company. The number of the Independent Directors is 50% of the total number of Directors and the number of the Non-Executive Directors is more than 50% of the total number of Directors.

The Chairman Shri Dharaprasad Poddar resigned w.e.f 29th May, 2012. Shri Arvind Poddar, Vice Chairman & Managing Director is re-designated as Chairman & Managing Director of the Company w.e.f. 30th May, 2012. Shri Anurag Poddar, the Executive Director resigned w.e.f. 29th May, 2012. Smt. Vijaylaxmi Poddar has been appointed as Executive Director w.e.f. 30th May, 2012.

The constitution of the Board during the course of the year ended 31st March 2012.

Name of the Directors	Category of Directors	Board meetings attended during the year	Whether attended last Annual General Meeting	Number of Directorships in other public companies		Number of Mandatory Committee positions held in other public companies	
				Chairman	Member	Chairman	Member
Shri Dharaprasad Poddar	Non-Executive & Non – Independent Director	4	Y	1	1	-	-
Shri Arvind Poddar	Managing Director	4	Y	5	3	-	1
Shri Rameshkumar Poddar	Non-Executive & Non – Independent Director	4	Y	-	1	-	1
Shri Sachin Nath Chaturvedi	Non-Executive & Independent Director	4	N	-	4	-	2
Shri Khurshed Doongaji	Non-Executive & Independent Director	4	N	-	1	2	-
Shri Sanjay Asher	Non-Executive & Independent Director	3	N	-	14	4	6
Shri Subhash Chand Mantri	Non-Executive & Independent Director	3	Y	-	2	-	-
Shri Ashok Saraf	Non-Executive & Independent Director	2	Y	1	-	-	-
Shri Laxmidas Merchant	Non-Executive & Independent Director	3	N	-	2	2	-
Shri Anurag Poddar	Executive Director	4	N	-	5	-	-
Shri Rajiv Poddar	Executive Director	4	N	-	5	-	-
Shri BasantKumar Bansal Upto 11.02.2012	Whole Time Director	4	Y	-	-	-	-
Shri Vipul Shah w.e.f. 11.02.2012	Director & Company Secretary	1	N.A.	-	-	-	-

1. Shri Arvind Poddar and Shri Rajiv Poddar are relatives of each other.
2. Shri Dharaprasad Poddar is a relative of Shri Rameshkumar Poddar and Shri Anurag Poddar and Vice Versa.

Number of Board Meetings held and the dates on which held:

The Company held four Board Meetings during 2011-2012 and the gap between two meetings did not exceed four months. The meetings were held on 20th May, 2011, 12th August, 2011, 22nd October, 2011 and 11th February, 2012.

The information as required under Annexure 1A to Clause 49 of the listing agreement is being made available to the Board. These are submitted either as a part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

Apart from payment of sitting fees, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors during the year.

Code of Conduct:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website www.bkt-tires.com.

Remuneration to Directors:

The Board of Directors on the recommendation of the Remuneration Committee fixes remuneration of Managing /Executive/ Whole-Time Directors and thereafter the same is approved by the shareholders at a General Meeting.

The Board of Directors takes all decisions regarding the remuneration of Non-executive Directors.

The details of the remuneration of Directors for the year are given below:

(in Rupees)

Name of the Director	Salary	Perquisites and allowances #	Commission	Sitting Fees	Total	Service Contract
Shri Dharaprasad Poddar	NIL	NIL	NIL	70,000	70,000	*
Shri Arvind Poddar	60,00,000	58,02,178	4,00,00,000	NIL	5,18,02,178	01.08.2011 to 31.07.2016
Shri Rameshkumar Poddar	NIL	NIL	NIL	70,000	70,000	*
Shri Sachin Nath Chaturvedi	NIL	NIL	NIL	1,20,000	1,20,000	*
Shri Khurshed Doongaji	NIL	NIL	NIL	1,30,000	1,30,000	*
Shri Sanjay Asher	NIL	NIL	NIL	45,000	45,000	*
Shri Subhash Chand Mantri	NIL	NIL	NIL	1,00,000	1,00,000	*
Shri Ashok Saraf	NIL	NIL	NIL	30,000	30,000	*
Shri Laxmidas Merchant	NIL	NIL	NIL	45,000	45,000	*
Shri Anurag Poddar	24,00,000	23,22,852	72,00,000	NIL	1,19,22,852	22.01.2009 to 21.01.2014
Shri Rajiv Poddar	24,00,000	23,15,753	72,00,000	NIL	1,19,15,753	22.01.2009 to 21.01.2014
Shri BasantKumar Bansal Upto 11.02.2012	18,37,138	48,22,826	NIL	NIL	66,59,964	26.07.2008 to 11.02.2012
Shri Vipul Shah w.e.f. 11.02.2012**	96,993	2,58,338	NIL	NIL	3,55,331	11.02.2012 to 10.02.2017

* Retire by rotation

** Subject to approval of Shareholders of the Company.

Perquisites and Allowances also include Contribution to Provident Fund and other Funds and Retirement Benefits.

The Company does not have Stock Option Scheme.

Notice Period

The Notice Period for the Managing /Executive/Whole-Time Directors is three months from either side for resigning/terminating from the services of the Company.

Severance Fees

No Severance Fees has been paid or payable by the Company.

Details of Shareholding of Directors as on 31st March, 2012:

Name of Director	No. of Shares held of Rs. 2 Each
Shri Dharaprasad Poddar	25,260
Shri Arvind Poddar	500
Shri Rameshkumar Poddar	50,000
Shri Anurag Poddar	1,53,830
Shri Rajiv Poddar	10,69,790

Audit Committee:

The Audit Committee comprises of three independent Non-Executive Directors viz. Shri Subhash Chand Mantri (Chairman), Shri Sachin Nath Chaturvedi and Shri Khurshed Doongaji.

All the members have financial and accounting knowledge and the Chairman, Shri Subhash Chand Mantri, is a Chartered Accountant. The Director & Company Secretary, Shri Vipul Shah, acts as the Secretary of the Committee.

The broad terms of reference of Audit Committee were: To review reports of the Internal Auditors and discuss the same with the Internal Auditors periodically, to meet the Statutory Auditors to discuss their findings, suggestions and other related matters, to review weaknesses, if any, in internal controls reported by the Internal and Statutory Auditors.

The scope of the activities of the Audit Committee includes the areas prescribed by Clause 49 II (D), (E) and has been granted powers as prescribed under Clause 49 II (C), of the Listing Agreement.

The Audit Committee met for four times during the year on 20th May, 2011, 12th August, 2011, 22nd October, 2011 and 11th February, 2012 where all the members of the Committee were present except Shri Subhash Chand Mantri who was absent in the meeting held on 12th August, 2011.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 06th August, 2011.

Subsidiary Companies:

The Company does not have material non-listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and investments made by unlisted Subsidiary Companies. The minutes of the Board Meeting as well as statements of all significant transactions and arrangements entered into of the unlisted subsidiary companies are placed regularly before the Board of Directors for their review.

Remuneration Committee:

The Remuneration committee comprises of Shri Subhash Chand Mantri (Chairman) and Shri Khurshed Doongaji.

The terms of reference of the Remuneration Committee, inter alia consists of reviewing remuneration policy and other employment terms of the Managing/Executive/ Whole-Time Directors.

The Remuneration Committee met two times during the year on 20th May, 2011 and 11th February, 2012 where all the members of the Committee were present for the said meetings.

The committee is also reconstituted. Shri Sachin Nath Chaturvedi, Director have been appointed as member of the Committee w.e.f. 30th May, 2012.

Remuneration Policy

Subject to the approval of the Board and of the Company, in its General Meeting and such other approval as may be necessary, Managing/Executive/Whole-Time Directors are paid remuneration as per their terms of appointments. The remuneration structure comprises of salary, allowances, commissions, perquisites and employee benefits, if any.

Share Transfer and Shareholders'/ Investors' Grievance Committee:

During the year Share Transfer and Shareholders'/Investors' Grievance Committee comprises of Shri Dharaprasad Poddar (Chairman), Shri Arvind Poddar and Shri Rameshkumar Poddar. The Director & Company Secretary, Shri Vipul Shah, has been designated as Compliance Officer.

During the year, the Company held four Shareholders'/Investors' Grievance Committee Meetings. The meetings were held on 22nd April, 2011, 28th July, 2011, 3rd October, 2011 and 13th January, 2012 where all the members of the Committee were present for the said meetings.

During the year ended 31st March 2012, two Complaints/ queries were received which were attended to and resolved satisfactorily during the year. There was no complaint pending as on 31st March, 2012.

As at 31st March 2012, there was no Share Transfer pending for Registration for more than 30 days.

The Chairman of Committee Shri Dharaprasad Poddar resigned w.e.f 29th May, 2012. Shri Arvind Poddar, is appointed as Chairman of the Committee w.e.f. 30th May, 2012. The Committee is reconstituted. Shri Rajiv Poddar and Smt. Vijaylaxmi Poddar, directors have been appointed as member of the Committee.

General Body Meeting:

Details of the last three Annual General Meetings:

Year	Location	Date	Time
2008-2009 47 th AGM	G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra)	01/08/2009	11:30 a.m.
2009-2010 48 th AGM	G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra)	23/08/2010	12:30 p.m.
2010-2011 49 th AGM	G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra)	06/08/2011	12:30 p.m.

Special Resolution passed in the Previous 3 Annual General Meetings:

At the 47th Annual General Meeting held on 1st August, 2009, four Special Resolutions were passed, three Special resolutions pertaining to appointment of Shri Basantkumar Bansal, Shri Anurag Poddar and Shri Rajiv Poddar as Whole time directors and

fixation of their remuneration and one special resolution pertaining to revision of remuneration payable to Shri Arvind Poddar, the Managing Director.

At the 48th Annual General Meeting held on 23rd August, 2010, two Special Resolutions were passed, one Special Resolution was passed pertaining to Smt. Khushboo Poddar holding and continuing to hold an office or place of profit under the Company as Executive w.e.f. 14th April, 2010 and other Special Resolution was passed pertaining to increase of borrowing limits to Rs. 2000 Crores.

At the 49th Annual General Meeting held on 6th August, 2011, five Special Resolutions were passed, first Special resolution was re – appointment of Shri Arvind Poddar, Director of the Company, as a Whole Time Director designated as a Managing Director of the Company, for a period of 5 years with effect from 1st August, 2011, Second Special resolution was revision in the remuneration payable to Shri Basantkumar Bansal, Whole Time Director w.e.f 1st April, 2011 till the remaining period of his term, Third Special resolution was commencement of new trading activities in commodities, Fourth and Fifth Special Resolution was revision in the remuneration payable to Smt. Sangeeta Poddar and Smt. Khushboo Poddar respectively and to hold and continue to hold an office or place of profit as Executives of the Company .

The Resolutions were put to vote by show of hands and were passed unanimously.

Postal ballots:

No Postal Ballot was conducted during the year.

Disclosure:

None of the transactions with any of the related parties were in conflict with the interest of the Company.

During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Further, the Company has adopted following non-mandatory requirements of the Clause.

A Certificate from CFO and CEO was placed before the Board.

The Company has set up the Remuneration Committee as per the provision of Clause 49.

Means of Communication:

The Board of Directors of the Company approves and takes on record the un-audited financial results in the Proforma prescribed by the Stock Exchanges, within forty five days from the end of quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. Further, the results are published in newspapers (The Economic Times and Maharashtra Times), as prescribed. The results are also posted on Company's Website www.bkt-tires.com. As the Company publishes the audited annual results within the stipulated period i.e. within sixty days of end of the financial year, as required by the listing agreement with the Stock Exchanges, the un-audited results for the last quarter of the financial year are not separately published.

Detailed Presentations are made to Institutional Investors and Financial Analysts on the Un-audited Quarterly Financial Results as well as Audited Financial Results of the Company. The Presentations are also uploaded on the website of the Company.

Management Discussion and Analysis is a part of the Annual Report.

General Shareholder Information:

Annual General Meeting :	
Date	1 st September, 2012
Time	11:30 a.m.
Venue	Hotel Sarovar Residency, Near MPCB Office, Chitralaya, Tarapur, Boisar – 401506
Date of Book Closure	28 th August, 2012 to 30 th August, 2012
Dividend Payment Date	On or after 1 st September, 2012

Financial Calendar for the year 2012-2013

Financial Year:	
First Quarterly Results	Within 45 days from the end of quarter
Half Yearly Results	Within 45 days from the end of quarter/half year.
Third Quarter Results	Within 45 days from the end of quarter
Results for year end	Within 60 days from the end of financial year.

Listing on Stock on Exchange The Company's Shares are listed on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited.

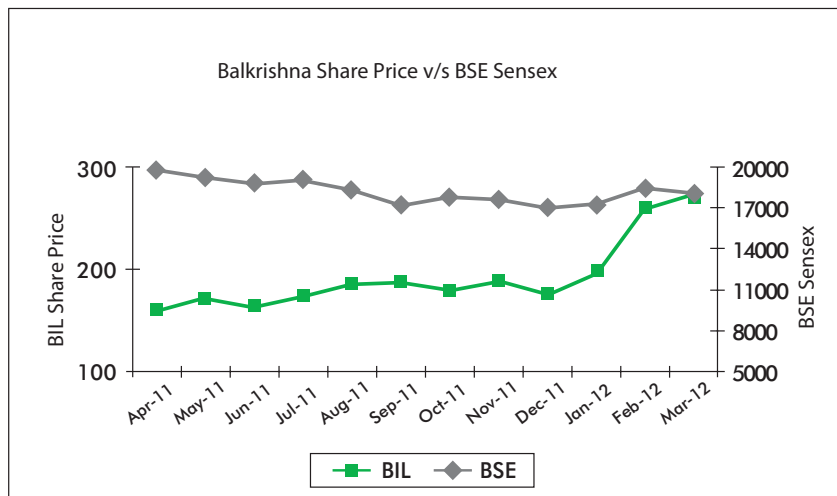
Stock Code Bombay Stock Exchange Limited
Scrip Code No.: 502355(Demat)
National Stock Exchange of India Limited NSE
Code: BALKRISIND ISIN NO. : INE787D01026

Shareholding Pattern as on 31st March 2012:

Particulars	No. of Shares	%
Promoters	5,25,51,510	54.37
Mutual Funds / UTI	1,38,96,265	14.38
Companies	21,54,500	2.23
Public	1,15,79,482	11.98
Non Resident Indians	2,43,879	0.25
Foreign Institutional Investors	1,62,32,959	16.79
TOTAL	9,66,58,595	100.00

Market Price Data (Rs.):

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	High	Low	High	Low
Apr-11	161.00	128.55	160.95	128.25
May-11	171.65	138.05	159.20	138.00
Jun-11	165.00	142.00	166.00	137.00
Jul-11	174.50	154.50	174.80	152.50
Aug-11	186.45	155.00	190.00	146.00
Sep-11	187.70	162.00	190.00	163.60
Oct-11	180.00	166.05	184.00	165.00
Nov-11	189.70	170.00	189.80	170.00
Dec-11	177.00	151.40	185.00	146.00
Jan-12	197.00	155.15	193.00	155.05
Feb-12	261.00	186.00	261.10	186.25
Mar-12	270.00	227.00	295.80	220.50



Share Transfer System :

The Company has entered into an agreement with SHAREPRO SERVICES (India) PRIVATE LIMITED to act as Share Transfer Agent of the Company with effect from April 01, 2003. SHAREPRO SERVICES (India) PRIVATE LIMITED is also the Company's Depository Interface for both NSDL and CDSL. Accordingly, all documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrars directly at their following Offices:

Registered Office: M/s Sharepro Services (India) Pvt. Ltd.
(Unit: Balkrishna Industries Limited)
13AB Samhita Warehousing Complex
2nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka
Andheri (E), Mumbai – 400 072

Contact No.: 022-67720300, 67720400

Fax no.: 022-28591568, 28508927

Email: sharepro@shareproservices.com

Investor Relation Centre: M/s Sharepro Services (India) Pvt Ltd.
(Unit: Balkrishna Industries Limited)
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021

Contact No.: 022 – 66134700

Distribution of shareholding as on March 31, 2012:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
1 to 500	6,378	77.15	8,14,634	0.84
501 to 1,000	592	7.16	4,61,399	0.48
1,001 to 2,000	457	5.53	6,84,548	0.71
2,001 to 3,000	241	2.92	6,41,146	0.66
3,001 to 4,000	62	0.75	2,26,105	0.23
4,001 to 5,000	87	1.05	4,03,489	0.42
5,001 to 10,000	182	2.20	12,50,079	1.29
10,001 & above	268	3.24	9,21,77,195	95.37
Total	8,267	100.00	9,66,58,595	100.00

Dematerialization of shares and liquidity:

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories. As on 31st March 2012, 98.03% of Company's Shares were dematerialised.

Plant Locations

PLANTS :	
TYRE MANUFACTURING :	B-66, Waluj M.I.D.C., Waluj Indl. Area, Dist. 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)
WIND FARM :	Village Soda Mada, Tehsil: Fatehgarh, Dist. Jaisalmer. (Rajasthan)
MOULD PLANT :	Plot No.TS-1 and C-21, M.I.D.C, Phase No. II, Dombivali(E)421 201, Dist. Thane (Maharashtra)

For and on behalf of the Board of Directors

Mumbai,
Dated : 30th May, 2012

ARVIND PODDAR
Chairman & Managing Director

To,

The Members of Balkrishna Industries Limited

I Arvind M. Poddar, Managing Director of Balkrishna Industries Limited declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2012.

For Balkrishna Industries Ltd.

ARVIND PODDAR

Chairman & Managing Director

Place : Mumbai;

Dated : 30th May, 2012

AUDITORS' CERTIFICATE

On Compliance with the conditions of Corporate Governance under Clause 49 of the listing Agreement.

To the Members of

Balkrishna Industries Limited

We have examined the compliance of conditions of Corporate Governance by Balkrishna Industries Limited (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR JAYANTILAL THAKKAR & CO.

Chartered Accountants
(FIRM REG. NO.104133W)

VIRAL A. MERCHANT

Partner
Membership No.116279

Place : Mumbai,

Dated : 30th May, 2012

Auditors' Report to the Members of BALKRISHNA INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **BALKRISHNA INDUSTRIES LIMITED**, as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - v) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Accounting Policies and Notes to Accounts, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b. in the case of the Statement of Profit and Loss , of the PROFIT for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

Mumbai,
Dated : 30th May, 2012

VIRAL A.MERCHANT
Partner
Membership No. 116279

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our Report of even date on the accounts of Balkrishna Industries Limited for the year ended 31st March, 2012.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, physical verification of these fixed assets is being conducted in a phased programme by the management designed to cover all the assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii) a) As explained to us, the inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and the discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- iii) a) As per the information and explanations given to us, the Company has granted unsecured loan to two parties, which are wholly owned subsidiaries, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.5,73,67,690 and the year-end balance of the loans granted was Rs. 5,73,67,690.
- b) According to the information and explanations given to us, the rate of interest and other terms and conditions of the loans, including that of not charging the interest to one of the subsidiaries, in our opinion and having regard to the holding and subsidiary company relationship, are not, prima facie, prejudicial to the interest of the Company.
- c) In our opinion and as per the information and explanations given to us, the Company was regular in receipt of the principal amounts whenever demanded. However, no such demand has been made during the year. The receipt of interest is regular wherever applicable.
- d) As per the information and explanations given to us, the outstanding amount of the loan given was not overdue.
- e) The Company has not taken any loan, secured or unsecured, from any party covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- b) In our opinion and as per the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, to the extent applicable, during the year with the appropriate authorities. However, as at 31st March, 2012 there were no undisputed dues outstanding for a period of more than six months from the date they became payable. During the year, the Company was not required to deposit any dues in respect of Wealth Tax.

- b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax and Excise Duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act	Income Tax (Including Interest and Penalty)	1,89,96,605	2004-2005, 2006-2007	Commissioner (Appeals)
		22,45,010	2007-2008	Assessing Authority
Sales Tax Acts	Sales Tax (Including Interest and Penalty)	2,58,000	2004-2005	High Court
		2,49,27,822	1997-1998,	Tribunal
		1,87,85,609	1999-2002	Commissioner (Appeals)
			1996-1999, 2002-2006	
Central Excise Act	Excise Duty (Including Interest and Penalty)	19,55,781	2002-2006	High Court
		4,22,58,567 61,72,318 2,90,37,036	2003-2011	Tribunal
			1999-2001	Commissioner
			2005-2011 1994-2004	(Appeals) Assessing Authority

As per the information given to us, there are no dues of Service Tax, Custom Duty or Cess, which have not been deposited on account of any dispute. The Company is not liable to pay Wealth Tax.

- x) The Company does not have any accumulated losses at the end of the current financial year and has not incurred cash losses during current financial year and in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for a loan taken by another company covered in the register maintained under Section 301 of the Act, from a bank during the year is not prejudicial to the interest of the Company.
- xvi) As per the information and explanations given to us, in our opinion, the term loan has been applied for the purpose for which it was obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year the Company has not raised funds by public issue. Therefore, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- xxi) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

VIRAL A. MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2012

Balance Sheet as at 31st March, 2012

PARTICULARS	Note No.	Current Year Rupees		Previous Year Rupees
I. EQUITY AND LIABILITIES				
1 SHAREHOLDERS' FUND				
(a) Share Capital	2	19,33,17,190		19,33,17,190
(b) Reserves and Surplus	3	<u>1060,76,14,672</u>		812,44,41,418
			1080,09,31,862	831,77,58,608
2 NON-CURRENT LIABILITIES				
(a) Long-Term Borrowings	4	913,72,62,751		25,46,55,751
(b) Deferred Tax Liabilities (Net)	5	62,58,89,440		56,99,34,638
(c) Other Long Term Liabilities	6	34,05,33,034		22,87,17,446
(d) Long-Term Provisions	7	<u>125,43,71,270</u>		344,34,12,897
			1135,80,56,495	449,67,20,732
3 CURRENT LIABILITIES				
(a) Short Term Borrowings	8	749,22,26,095		572,63,36,196
(b) Trade Payables	9	200,41,41,979		114,49,82,221
(c) Other Current Liabilities	10	56,06,28,195		110,88,32,858
(d) Short-Term Provisions	11	<u>19,96,72,614</u>		18,06,70,331
			1025,66,68,883	816,08,21,606
TOTAL			<u>3241,56,57,240</u>	<u>2097,53,00,946</u>
II. ASSETS				
1 NON-CURRENT ASSETS				
(a) Fixed Assets				
(i) Tangible Assets	12	826,72,46,328		685,63,38,075
(ii) Intangible Assets	13	1,43,00,939		1,80,93,901
(iii) Capital Work-in-Progress		<u>449,86,99,006</u>		44,04,35,411
			1278,02,46,273	731,48,67,387
(b) Non-Current Investments	14		32,23,51,235	32,23,51,235
(c) Long-Term Loans and Advances	15		392,92,44,016	461,82,44,436
(d) Other Non-Current Assets	16		49,36,001	53,76,342
2 CURRENT ASSETS				
(a) Inventories	17	481,07,27,388		410,37,62,271
(b) Trade Receivables	18	479,61,07,487		324,24,11,320
(c) Cash and Cash Equivalents	19	357,39,67,717		10,98,66,003
(d) Short-Term Loans and Advances	20	194,99,43,402		88,48,47,256
(e) Other Current Assets	21	<u>24,81,33,721</u>		37,35,74,696
			1537,88,79,715	871,44,61,546
TOTAL			<u>3241,56,57,240</u>	<u>2097,53,00,946</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS **1 TO 52**

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director

R.D.PODDAR Director

V. R. SHAH Director & Company Secretary

B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

Statement of Profit and Loss Account for the year ended 31st March, 2012

PARTICULARS		Note No.	Current Year Rupees	Previous Year Rupees
I	Revenue from Operations	22	2819,96,04,424	1934,14,21,721
II	Other Income	23	3,29,70,172	91,23,55,145
III	Total Revenue (I+II)		2823,25,74,596	2025,37,76,866
IV	Expenses :			
	Cost of Materials Consumed	24	1741,25,95,111	1207,60,88,787
	Purchases of Stock-in-Trade	25	17,80,43,547	21,21,66,618
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(47,96,30,443)	(2,77,47,031)
	Employee Benefits Expense	27	72,33,28,295	54,51,00,172
	Finance Cost	28	27,75,14,806	20,66,23,110
	Depreciation and Amortization Expense	29	83,14,11,701	74,43,89,612
	Other Expenses	30	530,71,57,160	374,77,15,053
	Total Expenses		2425,04,20,177	1750,43,36,320
V	Profit Before Tax (III-IV)		398,21,54,419	274,94,40,546
VI	Tax Expense:			
	– Current Tax		124,10,00,000	87,20,00,000
	– Deferred Tax		5,59,54,802	2,18,16,625
VII	Profit After Tax (V-VI)		268,51,99,617	185,56,23,921
VIII	Earnings per Equity Share:			
	– Basic and Diluted		27.43	19.21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 TO 52

The Notes referred to above form an integral part of the Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director

R.D.PODDAR Director

V. R. SHAH Director & Company Secretary

B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE NO.1

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

Fixed Assets

- a) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- b) Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

- a) Depreciation on fixed assets (other than leasehold land) has been provided in accordance with Schedule XIV to the Companies Act, 1956, on Straight Line Method. In respect of fixed assets whose actual cost does not exceed Five thousand rupees, depreciation is provided at the rate of 100 percent, irrespective of the date of addition during the year.
- b) Premium on Leasehold Land is amortised over the duration of the Lease.

Investments

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

Valuation of Inventories

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Sales

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives.

Export Benefits

Consumption of Raw Materials is arrived at after adjusting the difference between the cost of indigenous/duty paid imported raw materials and international cost of raw materials entitled to be imported/imported under Duty Exemption Scheme of the Government of India against direct/indirect exports made/to be made by the Company during the year. Export Incentives under Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted in the year of such sale.

Foreign Currency Transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

Employee Benefits

A) Short-term employee benefits

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

B) Post employment benefits

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.
- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to profit and loss account. The liability of the company is also determined through actuarial valuation technique at balance sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the balance sheet date is provided for at the year end.

Research and Development

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets.

Government Grants

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

Taxation

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.

Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books.

Impairment

The carrying amount of an asset is reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.

NOTE NO.2	Current Year Rupees	Previous Year Rupees
SHARE CAPITAL		
Authorised :		
25,00,00,000 Equity Shares of Rs.2 each	50,00,00,000	50,00,00,000
Issued Subscribed and fully paid up:		
9,66,58,595 Equity Shares of Rs.2 each fully paid up	19,33,17,190	19,33,17,190
	19,33,17,190	19,33,17,190
Terms/rights attached to equity shares:		
All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.		
Shareholder's holding more than 5 % Shares in the Company		
Name of Shareholders	No. of Shares held	No. of Shares held
GPP ENTERPRISES LLP	2,34,76,735	2,34,76,735
% Holding	24.29	24.29
RAP ENTERPRISES LLP	2,32,67,995	2,32,67,995
% Holding	24.07	24.07
COPA CABANA	92,73,750	92,73,750
% Holding	9.59	9.59

NOTE NO.3	Current Year Rupees		Previous Year Rupees
RESERVES AND SURPLUS			
(a) Capital Reserves		1,51,06,067	1,51,06,067
(b) Securities Premium Account		71,53,42,628	71,53,42,629
(c) Other Reserve (General Reserve)			
Opening Balance	350,09,42,141		331,52,83,275
Add: Transferred from Profit and Loss account	549,90,57,859		18,56,58,866
Closing Balance		900,00,00,000	350,09,42,141
(d) Surplus			
Opening Balance	389,30,50,580		237,93,11,082
Add: Net Profit for the current year	268,51,99,617		185,56,23,921
Less: Proposed Dividend	14,49,87,893		13,53,22,033
Less: Tax on Dividend	2,35,20,661		2,18,68,260
Less: Transfer to General Reserve	549,90,57,859		18,56,58,866
(Less / Add): Income Tax of Earlier Year	(3,35,17,807)		9,64,737
Closing Balance		87,71,65,977	389,30,50,581
		1060,76,14,672	812,44,41,418

NOTE NO.4	Current Year Rupees	Previous Year Rupees
LONG TERM BORROWINGS		
Secured (Refer Note No. 51)		
Term loans		
– from banks	910,58,57,000	22,32,50,000
Unsecured		
- Deferred Payment Liabilities		
- Deffered Sales Tax under the scheme of Govt. of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	3,14,05,751	3,14,05,751
	913,72,62,751	25,46,55,751

NOTE NO.5	Current Year Rupees	Previous Year Rupees
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of :		
Depreciation	64,65,97,325	58,82,01,031
Deferred Tax Assets on account of :		
Expenses allowable for tax purpose when paid	2,07,07,885	1,82,66,393
Net Deferred Tax Liability	62,58,89,440	56,99,34,638

NOTE NO.6	Current Year Rupees	Previous Year Rupees
OTHER LONG TERM LIABILITIES		
Trade payable (Refer Note No. 43 for details of dues to Micro and Small Enterprises)	2,35,69,361	1,66,02,615
Others - Payable towards Capital Goods, Security Deposit etc.	31,69,63,673	21,21,14,831
	34,05,33,034	22,87,17,446
NOTE NO.7	Current Year Rupees	Previous Year Rupees
OTHER LONG TERM PROVISIONS		
- Provision for employee benefits – Gratuity	(61,71,693)	57,78,050
- Provision for Taxation	126,05,42,963	343,76,34,847
	125,43,71,270	344,34,12,897
NOTE NO.8	Current Year Rupees	Previous Year Rupees
SHORT TERM BORROWINGS		
Secured (Refer Note No. 51)		
Loans repayable on demand		
- from banks	395,19,37,715	364,59,44,524
Unsecured		
Loans repayable on demand		
- from banks	354,02,88,380	208,03,91,672
	749,22,26,095	572,63,36,196
NOTE NO.9	Current Year Rupees	Previous Year Rupees
TRADE PAYABLE		
Trade Payables (including Acceptances) (Refer Note No. 43 for details of Dues to Micro and Small Enterprises)	200,41,41,979	114,49,82,221
NOTE NO.10	Current Year Rupees	Previous Year Rupees
OTHER CURRENT LIABILITIES		
- Current maturities of long-term debt	10,23,13,000	8,93,00,000
- Interest accrued but not due on borrowings	79,64,370	30,02,951
- Income received in advance	15,37,37,527	10,41,04,367
- Unpaid dividends	70,62,733	72,59,808
Other payables		
- Statutory dues towards TDS/VAT/CST/Service Tax etc.	23,43,89,644	86,65,39,080
- Security Deposits	6,86,000	8,26,795
- Others	5,44,74,921	3,77,99,857
	56,06,28,195	110,88,32,858
NOTE NO.11	Current Year Rupees	Previous Year Rupees
SHORT TERM PROVISIONS		
Provision for employee benefits		
- Leave encashment	3,11,64,060	2,34,80,038
Others		
- Proposed Dividend	14,49,87,893	13,53,22,033
- Tax on proposed Dividend	2,35,20,661	2,18,68,260
	19,96,72,614	18,06,70,331

NOTE NO.12

Fixed Assets	GROSS BLOCK (AT COST)				Depreciation (Including Amortization)			Net Block		
	Balance As at 01.04.2011	Additions During the year	Deductions During the year	Balance As at 31.03.2012	Total upto 31.03.2011	*For the Year	Deductions During the year	Total upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
Tangible assets										
(a) Land	22,48,49,061	14,02,26,005	NIL	36,50,75,066	NIL	NIL	NIL	NIL	36,50,75,066	22,48,49,061
Freehold	18,99,99,573	NIL	NIL	18,99,99,573	65,69,792	22,51,530	NIL	88,21,322	18,11,78,251	18,34,29,781
Leasehold	177,54,86,524	82,12,31,865	NIL	259,67,18,389	17,07,29,004	4,97,47,580	NIL	22,04,76,584	237,62,41,805	160,47,57,520
(b) Buildings	736,64,77,706	119,69,59,679	8,08,28,825	848,26,08,560	289,85,64,907	75,12,92,687	6,57,66,789	358,40,90,805	489,85,17,755	446,79,12,799
(c) Plant and Equipment	11,19,43,351	1,28,43,344	65,584	12,47,21,111	2,10,03,413	70,48,140	65,584	2,79,85,969	9,67,35,142	9,09,39,938
(d) Furniture and Fixtures	5,64,20,442	1,16,31,406	91,56,958	5,88,94,890	1,33,19,963	52,27,754	37,36,829	1,48,10,888	4,40,84,002	4,31,00,479
(e) Vehicles	2,99,70,766	25,56,612	1,17,689	3,24,09,689	45,81,302	14,54,246	49,964	59,85,584	2,64,24,105	2,53,89,464
(f) Office Equipment	22,37,48,576	6,10,50,215	27,272	28,47,71,519	4,69,34,875	1,13,67,713	27,272	5,82,75,316	22,64,96,203	17,68,13,701
(g) Others	2,07,95,302	68,50,385	NIL	2,76,45,687	24,09,094	10,69,108	NIL	34,78,202	2,41,67,485	1,83,86,208
- Electric Installations	5,19,03,519	1,42,11,412	18,72,068	6,42,42,863	3,11,44,395	65,19,284	17,47,330	3,59,16,349	2,83,26,514	2,07,59,124
- Air Conditioners										
- Computer										
TOTAL TANGIBLE (CURRENT YEAR)	1005,15,94,820	226,75,60,923	9,20,68,396	1222,70,87,347	319,52,56,745	83,59,78,042	7,13,93,768	395,98,41,019	826,72,46,328	-
TOTAL TANGIBLE (PREVIOUS YEAR)	868,11,04,186	148,75,05,950	11,70,15,316	1005,15,94,820	255,10,77,509	74,92,69,821	10,50,90,585	319,52,56,745	-	685,63,38,075

NOTE NO.13

Intangible assets	Balance As at 01.04.2011	Additions During the year	Deductions During the year	Balance As at 31.03.2012	Total upto 31.03.2011	*For the Year	Deductions During the year	Total upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
(a) Computer software	3,79,03,315	16,53,964	NIL	3,95,57,279	1,98,09,414	54,46,926	NIL	2,52,56,340	1,43,00,939	1,80,93,901
TOTAL INTANGIBLE (CURRENT YEAR)	3,79,03,315	16,53,964	NIL	3,95,57,279	1,98,09,414	54,46,926	NIL	2,52,56,340	1,43,00,939	-
TOTAL INTANGIBLE (PREVIOUS YEAR)	3,35,66,904	43,36,411	NIL	3,79,03,315	1,47,59,274	50,50,140	NIL	1,98,09,414	-	1,80,93,901
Capital Work in Progress									449,86,99,006	44,04,35,411

* Including Depreciation capitalised **Rs.1,00,13,267** (Previous Year Rs. 99,30,349).

NOTE NO.14	Current Year Rupees		Previous Year Rupees
Non-current Investments (At Cost):			
Trade Investments :			
(a) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up)			
Unquoted (In 100 % Subsidiaries Companies)			
30,00,000 Shares of Balkrishna Paper Mills Ltd.	3,00,00,000		3,00,00,000
10,00,000 Shares of Balkrishna Synthetics Ltd.	1,00,00,000		1,00,00,000
3,00,000 Shares of BKT Exim Ltd.	30,00,000		30,00,000
50,000 Shares BKT Tyres Ltd.	5,00,000		5,00,000
Unquoted (Others)			
5,77,777 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares)	57,77,770		57,77,770
		4,92,77,770	4,92,77,770
(b) Investment in Preference Shares (Shares of Rs.10 each, fully paid up)			
Unquoted (In 100 % Subsidiaries Companies)			
1% Optionally Convertible Redeemable Preference Shares of Rs.10 each, fully paid up (OCPS)			
19,50,000 OCPS of Balkrishna Paper Mills Ltd.	19,50,00,000		19,50,00,000
6,50,000 OCPS of Balkrishna Synthetics Ltd.	6,50,00,000		6,50,00,000
Unquoted (Others)			
11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost	1,11,42,230		1,11,42,230
		27,11,42,230	27,11,42,230
Other than Trade Investments :		32,04,20,000	32,04,20,000
Unquoted (Others)			
(a) Investments in Government Securities In 6 Year National Saving Certificates		16,000	16,000
Quoted			
(b) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up)			
4,98,759 Equity Shares of Govind Rubber Ltd.	1,87,50,059		1,87,50,059
Less : Provision for diminution in the value of Investments	1,68,34,824		1,68,34,824
		19,15,235	19,15,235
		19,31,235	19,31,235
		32,23,51,235	32,23,51,235
Aggregate amount of quoted investments (Market value of Rs.65,48,706 (Previous Year Rs. 69,17,787)		19,15,235	19,15,235
Aggregate amount of unquoted investments.		32,04,36,000	32,04,36,000

NOTE NO.15	Current Year Rupees	Previous Year Rupees
LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
(a) Capital Advances	224,91,30,927	102,33,83,208
(b) Security Deposits	8,55,06,078	5,95,24,676
(c) Others loans and advances		
- Advance Payment to Suppliers	1,05,23,083	1,03,12,477
- Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	1,37,65,130	81,29,103
- Advance Payments of Taxes and Tax deducted at source	157,03,18,798	351,68,94,972
	392,92,44,016	461,82,44,436

NOTE NO.16	Current Year Rupees	Previous Year Rupees
OTHER NON – CURRENT ASSETS:		
- Trade Receivables (Unsecured)	49,36,001	53,76,342

NOTE NO.17	Current Year Rupees	Previous Year Rupees
INVENTORIES :		
(As Certified by the Management)		
(At lower of Cost and Net Realisable Value)		
(a) Raw Materials	340,74,75,867	333,55,37,257
(b) Work-in-Progress	74,24,91,301	29,64,71,375
(c) Finished Goods	24,65,26,917	19,39,84,530
(d) Stock-in-Trade	2,15,65,164	4,04,97,034
(e) Stores and Spares	36,72,37,340	21,48,69,934
(f) Others - Fuel	2,54,30,799	2,24,02,141
	481,07,27,388	410,37,62,271

NOTE NO.18	Current Year Rupees		Previous Year Rupees
TRADE RECEIVABLES			
Trade Receivables outstanding for a period less than six months			
(a) Secured Considered good	176,75,90,754		113,29,66,747
(b) Unsecured Considered good	302,61,08,114		209,65,87,627
		479,36,98,868	322,95,54,374
Trade Receivables outstanding for a period exceeding Six Months			
(a) Secured Considered good	38,645		NIL
(b) Unsecured Considered good	23,69,974		1,28,56,946
		24,08,619	12,856,946
		479,61,07,487	324,24,11,320

NOTE NO.19	Current Year Rupees	Previous Year Rupees
CASH AND CASH EQUIVALENTS:		
- Balances with banks	55,37,76,337	9,83,04,897
- Unpaid Dividend	70,62,733	72,59,808
- Margin Money (Fixed Deposit) #	2,31,454	2,18,198
- In Fixed Deposit #	300,71,09,799	81,119
(Including lodged with Government Authorities Rs.59,779 , Prveious Year Rs.81,119)		
- Cash on hand	57,87,394	40,01,981
	357,39,67,717	10,98,66,003
#(Including deposits of Rs.2,91,253 , Previous year Rs.2,74,317 maturing after twelve months)		

NOTE NO.20	Current Year Rupees	Previous Year Rupees
SHORT TERM LOANS AND ADVANCES:		
Unsecured, considered good		
- Loans and advances to related parties - 100% Subsidiary Companies	5,73,67,690	1,23,67,690
Others		
- Advance payment to suppliers	97,17,09,996	30,28,92,984
- Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	91,24,11,808	56,18,82,995
- Loans and advances to employees	84,53,908	77,03,587
	194,99,43,402	88,48,47,256

NOTE NO.21	Current Year Rupees	Previous Year Rupees
OTHER CURRENT ASSETS		
- Interest Accrued on Investment	4,989	3,454
- Dividend Accrued on Investment	NIL	2,60,000
- Export Incentive Receivables	19,45,95,842	37,32,82,314
- Interest Accrued on others	5,35,32,890	28,928
	24,81,33,721	37,35,74,696

NOTE NO.22	Current Year Rupees	Previous Year Rupees
REVENUE FROM OPERATIONS		
- Sale of Products	2819,42,70,759	1905,43,82,435
Other Operating Revenue:		
- Export Incentives	17,80,00,000	43,19,72,900
- Scrap Sales	5,11,60,665	3,19,63,093
- Others	2,22,72,068	1,28,50,006
	25,14,32,733	47,67,85,999
Total Revenue from Operations (Gross)	2844,57,03,492	19,53,11,68,434
Less: Excise Duty	24,60,99,068	18,97,46,713
Total Revenue from Operations (Net)	2819,96,04,424	1934,14,21,721

NOTE NO.23	Current Year Rupees	Previous Year Rupees
OTHER INCOME		
Interest Income on:		
- Long Term Investments (Other than trade)	1,535	5,80,16,668
- Interest received on Deposits/Loans and Advances	57,03,233	41,83,858
- Subsidy from Government	1,72,32,414	66,88,139
	2,29,37,182	6,88,88,665
Net gain on foreign currency transaction and translation	NIL	81,10,74,778
Dividend Income on:		
- Long Term Investment in Subsidiaries (Trade)	NIL	2,60,000
- Current Investments	16,41,503	2,80,80,725
	16,41,503	2,83,40,725
- Profit on sale of Fixed Assets	14,65,957	NIL
- Net gain on sale of Current Investments	NIL	5,920
Other non-operating income	69,25,530	40,45,057
	3,29,70,172	91,23,55,145

NOTE NO.24	Current Year Rupees	Previous Year Rupees
COST OF MATERIAL CONSUMED		
- Raw Material Consumed (Refer Note no. 33)	1741,25,95,111	1207,60,88,787

NOTE NO.25	Current Year Rupees	Previous Year Rupees
PURCHASE OF STOCK IN TRADE		
- Purchase of Traded Goods	17,80,43,547	21,21,66,618

NOTE NO.26	Current Year Rupees	Previous Year Rupees
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock :		
Work-in-Progress	29,64,71,375	19,57,31,044
Stock in Trade	4,04,97,034	2,31,18,997
Finished Goods	19,39,84,530	28,43,55,867
	53,09,52,939	50,32,05,908
Less :		
Closing Stock :		
Work-in-Progress	74,24,91,301	29,64,71,375
Stock in Trade	2,15,65,164	4,04,97,034
Finished Goods	24,65,26,917	19,39,84,530
	101,05,83,382	53,09,52,939
Net Increase in Inventories	(47,96,30,443)	(2,77,47,031)
NOTE NO.27	Current Year Rupees	Previous Year Rupees
EMPLOYEE BENEFIT EXPENSES		
- Salaries and Wages	66,40,34,421	48,73,35,160
- Contribution to Provident and Other Funds	4,55,52,068	4,87,18,513
- Staff Welfare Expenses	1,37,41,806	90,46,499
	72,33,28,295	54,51,00,172
NOTE NO.28	Current Year Rupees	Previous Year Rupees
FINANCE COST		
- Interest Expenses	16,41,00,932	20,57,34,380
- Other Borrowing Costs	1,79,83,848	93,95,747
- Applicable net loss/(gain) on foreign currency transactions and translation	9,54,30,026	(85,07,017)
	27,75,14,806	20,66,23,110
NOTE NO.29	Current Year Rupees	Previous Year Rupees
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and Amortization	83,14,11,701	74,43,89,612
NOTE NO.30	Current Year Rupees	Previous Year Rupees
OTHER EXPENSES:		
- Consumption of Stores and Spare Parts	98,83,07,057	62,40,77,674
- Packing Material Consumed	61,72,246	44,05,186
- Power and Fuel (Net)	96,40,04,363	75,71,09,290
- Freight and Forwarding (Net)	119,01,19,722	105,06,75,049
- Excise Duty on Variation of Finished Goods	18,58,849	(21,58,802)
- Labour/Job Charges	54,47,33,791	35,22,44,124
- Water Charges	34,52,577	19,62,538
- Repairs and Maintenance to Buildings	12,59,79,977	8,08,73,293
- Repairs and Maintenance to Machinery	10,78,99,262	6,41,14,818
- Repairs and Maintenance to Others	7,12,74,155	2,48,98,505
- Insurance Charges	3,50,39,483	2,50,24,100
- Rates and Taxes Excluding Taxes on Income	1,15,98,501	48,55,253
- Rent	1,02,27,156	2,57,23,766
- Legal and Professional Charges	9,81,76,933	6,40,89,306
- Advertisement, Publicity and Sales Promotion	47,79,91,742	33,91,41,391

	Current Year Rupees	Previous Year Rupees
- Commission	1,31,21,063	1,45,62,042
- Discount	60,02,321	40,42,572
- Travelling Expenses	5,78,65,614	4,77,52,998
- Directors Meeting Fees	6,10,000	8,02,500
- Loss on sale of Fixed Assets	NIL	9,41,189
- Fixed Assets Discarded	1,17,60,439	92,80,651
- Interest to Others	7,71,192	NIL
- Net Loss on foreign currency transaction and translation	17,96,81,243	NIL
- Miscellaneous expenses	40,05,09,474	25,32,97,609
	530,71,57,160	374,77,15,052

NOTE NO.31	Current Year Rupees	Previous Year Rupees
Contingent Liabilities and commitments		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledge as debts		
- Disputed claims for excise, sales tax and service tax	14,04,01,849	13,63,57,729
- Disputed income tax demands	7,90,00,211	13,87,94,873
(b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	12,03,47,980	11,56,09,293
(c) Corporate Guarantee given by the Company:		
- To President of India through commissioner of Custom	1581,25,00,000	650,00,00,000
- To the Subsidiary Company	77,66,504	NIL
- To the other Company	1,85,31,186	NIL
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	739,22,50,639	272,21,65,628

NOTE NO.32	Current Year Rupees	Previous Year Rupees
Value of Imports on CIF Basis :		
(a) Raw materials	1444,99,75,048	964,73,69,370
(b) Spare parts	16,90,31,981	8,60,39,504
(c) Capital goods	122,38,13,844	16,08,34,604
(d) Traded goods	48,29,788	NIL
(e) Others	21,59,735	NIL
	1584,98,10,396	989,42,43,478

NOTE NO.33	Quantity in Metric Tonnes	Value in Rupees
Consumption of Raw Materials:		
(As Certified by the Management)		
(a) Natural Rubber	42,608 (34,717)	794,55,36,691 (544,43,47,212)
(b) Synthetic Rubber	22,938 (18,373)	377,21,10,947 (209,61,45,203)
(c) Tyre Cord/Fabrics	8,653 (7,198)	150,36,47,329 (135,62,02,050)
(d) Carbon Black	36,710 (29,627)	219,96,01,521 (162,83,76,721)
(e) Colours, Chemicals and Other Materials	- -	199,16,98,623 (155,10,17,601)
		1741,25,95,111 (1207,60,88,787)

NOTE NO.34	Current Year Rupees	Previous Year Rupees
Expenditure in Foreign currency *		
Professional and consultation fees	7,19,77,977	3,04,02,549
Interest (Net)	48,63,24,374	20,36,24,745
Other matters (Travelling, Subscription, Commission, Sales Promotion etc.)	78,34,29,451	63,46,88,594
	134,17,31,802	86,87,15,888

* Including amount capitalised **Rs. 34,52,29,926**, (Previous year Rs.60,35,475)

Value of Raw Materials and Stores and Spare Parts consumed:
(As Certified by the Management)

NOTE NO.35	Raw Materials		Stores and Spare Parts	
	Rupees	%	Rupees	%
(a) Imported	1407,81,66,504 (902,24,32,670)	80.85 (74.71)	13,69,12,811 (8,86,69,328)	13.85 (14.21)
(b) Indigenous	333,44,28,607 (305,36,56,117)	19.15 (25.29)	85,13,94,246 (53,54,08,346)	86.15 (85.79)
	1741,25,95,111 (1207,60,88,787)	100.00 (100.00)	98,83,07,057 (62,40,77,674)	100.00 (100.00)

NOTE NO.36

Amount remitted in foreign currency on account of dividend:

The Company has not made any remittance in foreign currencies on account of dividend and does not have information as to the extent to which remittance in foreign currencies on account of dividend has been made by or on behalf of the non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as under :

(a) Years to which dividends relate	2010-11(Final)	2009-10(Interim)
(b) Number of non-resident Shareholders	228	193
(c) Number of Shares held by them	*1,64,17,855	30,74,022
(d) Amount in Rupees remitted to Banks/Addresses in India of the non-resident Shareholders	2,29,84,997	2,15,18,154

* Equity shares of the Company of Rs. 10 each were sub-divided into 5 equity shares of Rs. 2 each with effect from 22/12/2010

NOTE NO.37	Current Year Rupees	Previous Year Rupees
Earning in Foreign exchange		
(a) Export of goods on FOB Basis	2497,33,90,122	1637,03,92,768
(b) Recovery towards Freight and Insurance on Export	72,30,80,158	59,64,26,327
(c) Recovery towards Capital expenditure	6,69,604	55,10,781
	2569,71,39,884	1697,23,29,876

NOTE NO.38

(a) **Details of Current Investment in units of Mutual funds purchased and sold during the year :**

Name of Mutual Fund	Purchased During the Year		Sold / Redeemed During the Year	
	No. of Units	Cost Rupees	No. of Units	Cost Rupees
LIC Nomura MF Liquid Fund - Dividend Plan	2,55,14,635	28,01,53,249	2,55,14,635	28,01,53,249
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	4,73,323	5,00,46,759	4,73,323	5,00,46,759
ICICI Prudential Liquid Super Inst. Plan - Daily Dividend	1,79,10,367	179,14,41,496	1,79,10,367	179,14,41,496
Grand Total	4,38,98,325	212,16,41,503	4,38,98,325	212,16,41,503

(b) Till the year ended 31st March, 2011, the Company in accordance with the pre-revised Schedule VI requirement, was recognising dividend declared by subsidiary companies after the reporting date in the current year's statement of Profit and Loss if such dividend pertained to the period ending on or before the reporting date. The revised Schedule VI, applicable for financial years commencing on or after 1st April, 2011 does not contain this requirement. Hence, to comply with AS-9 Revenue Recognition the Company has recognised dividend as income only when the right to receive the same is established by the reporting date.

NOTE NO.39

SEGMENT INFORMATION

(a) Primary Business Segments:-

The Company has only one business segment, namely Tyres (including Tubes and Flaps) therefore primary business segment reporting as required by AS-17 is not applicable.

(b) Secondary Segment – Geographical by location of customers

	Rupees	Rupees
Segment Revenue		
Revenue from Operations :		
In India		250,31,34,144 (236,90,91,845)
Outside India		
Europe	1303,39,21,952 (901,56,27,718)	
North America	560,75,83,342 (323,64,20,280)	
Others	705,49,64,986 (472,02,81,878)	
		2569,64,70,280 (1697,23,29,876)
		2819,96,04,424 (1934,14,21,721)
Total		2360,73,28,614 (1730,65,63,344)
Segment Assets		
In India		
Outside India		
Europe	291,15,99,004 (204,33,72,359)	
Others	557,43,78,387 (130,30,14,007)	
		848,59,77,391 (334,63,86,366)
Total		3209,33,06,005 (2065,29,49,710)
Total Cost incurred during the year to acquire Segment Fixed Assets		
In India		632,74,78,482 (160,41,00,910)
Outside India		NIL (NIL)
Total		632,74,78,482 (160,41,00,910)
Segment Assets excludes – Investments		32,23,51,235 (32,23,51,235)

NOTE NO.40

Earning Per Share (EPS)

(In accordance with Accounting Standard – 20)

	Current Year Rupees	Previous Year Rupees
Profit After Tax	268,51,99,618	185,56,23,921
(Less)/Add : Income Tax of earlier years	(3,35,17,807)	9,64,737
Profit after Taxation of earlier years	265,16,81,811	185,65,88,658
Number of Equity Shares outstanding for Basic/Diluted Earning Per Share	9,66,58,595	9,66,58,595
Nominal Value of Equity Shares (in Rupees)	2.00	2.00
Earning Per Share Basic/Diluted	27.43	19.21

NOTE NO.41
l) Related Party Disclosures *

(Where transactions have taken place)

(a) Key Management Personnel (KMP)

Mr. Arvind Poddar – Managing Director, Mr. Rajiv Poddar – Executive Director, Mr. Anurag Poddar – Executive Director, Mr. B.K.Bansal – Director Finance (upto 11.02.2012), Mr. Vipul Shah (w.e.f. 11.02.2012).

(b) Relatives of Key Management Personnel :

Mrs. Khushboo Poddar (w.e.f. 14.04.2010).

(c) Other Related Parties – (Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Govind Rubber Ltd., SPG Infrastructure Ltd., GRL International Ltd. (upto 02.12.2011), BKT Moulds Ltd. (upto 31.05.2010).
Related Party Transactions

Transactions	KMP	Relatives of (KMP)	Other Related Parties	Total
Purchase of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	49,19,608 (26,76,259)	49,19,608 (26,76,259)
Sales of Goods/Materials	NIL (NIL)	NIL (NIL)	15,65,253 (NIL)	15,65,253 (NIL)
Rent received	NIL (NIL)	NIL (NIL)	15,88,320 (23,47,020)	15,88,320 (23,47,020)
Recovery of expenses	NIL (NIL)	NIL (NIL)	5,70,411 (27,000)	5,70,411 (27,000)
Refund against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (4,53,49,845)	NIL (4,53,49,845)
Purchase of Fixed Assets	15,90,75,000 (NIL)	NIL (NIL)	2,31,50,155 (NIL)	18,22,25,155 (NIL)
Purchase of Investments	NIL (1,37,922)	NIL (NIL)	NIL (5,68,07,157)	NIL (5,69,45,079)
Remuneration	8,26,56,078 (6,02,54,759)	5,52,460 (4,86,309)	NIL (NIL)	8,32,08,538 (6,07,41,068)
Receivables	NIL (NIL)	NIL (NIL)	13,410 (2,31,50,155)	13,410 (2,31,50,155)
Payables	5,44,75,751 (3,25,92,654)	8,400 (22,555)	2,23,130 (11,124)	5,47,07,281 (3,26,26,333)

Transactions with subsidiary

Transactions	Balkrishna Paper Mills Ltd.	Balkrishna Synthetics Ltd.	BKT (EUROPE) LTD.	BKT EUROPE S.R.L.	BKT (USA) INC
Marketing Service Expenses	NIL (NIL)	NIL (NIL)	1,19,018 (11,15,674)	16,49,95,892 (9,46,54,064)	10,82,13,411 (6,34,69,773)
Loan given (ICD)	4,50,00,000 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Interest received on Loan given	13,56,164 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Dividend Received from Subsidiary	NIL (1,95,000)	NIL (65,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sale of goods/Material Services	80,558 (1,95,700)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Rent Received	52,56,380 (18,47,554)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sale of DEPB Licences	29,68,722 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Recovery of expenses	15,89,894 (89,184)	2,000 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Receivables	4,50,00,000 (NIL)	1,23,67,690 (1,23,67,690)	NIL (NIL)	69,39,214 (NIL)	NIL (NIL)
Payables	NIL (NIL)	NIL (NIL)	1,19,018 (7,42,377)	NIL (64,72,541)	1,08,15,811 (45,03,765)
Guarantee given to commissioner of customs on behalf of the subsidiary	77,66,504 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

* Parties identified by the Management and relied upon by the auditors.

No amount in respect of related parties have been written off/back or are provided for.

II) Disclosures required by clause 32 of the listing agreement

Name of the Company	Outstanding at the year end Rupees	Maximum Amount outstanding during the year Rupees
Amount of Loans/Advances in nature of loans outstanding from Subsidiary: Balkrishna Synthetics Limited (No repayment schedule and interest free)	1,23,67,690 (1,23,67,690)	1,23,67,690 (1,23,67,690)
Balkrishna Paper Mills Limited (No repayment schedule and interest bearing)	4,50,00,000 (NIL)	NIL (NIL)

NOTE NO.42	Current Year Rupees	Previous Year Rupees
Leases – Operating leases :		
i) The company has taken commercial premises under cancellable and non-cancellable operating leases.		
ii) The rental expenses recognised in Profit and Loss account for operating leases :		
(a) Minimum Rent	99,06,096	2,57,25,112
(b) Contingent Rent	NIL	NIL
iii) The Company has given certain portion of its office premises on lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company.		
Gross carrying amount of the furnished office premises leased, included in Note No. 12 Fixed Assets	14,68,10,639	7,88,38,659
Accumulated Depreciation	1,16,90,483	97,81,511
Depreciation recognised in the Profit and Loss Account	29,36,218	19,08,972

NOTE NO.43

- (a) As at 31st March,2012, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- (b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO.44

Derivative Instruments	Current Year	Previous Year
(a) Hedging Contracts :		
i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose.		
ii) Derivative Instruments outstanding		
Forward Exchange Contracts :		
Total No. of contracts outstanding for amount receivable on account of Export of Goods.	293	269
Foreign Currency Value covered :		
US Dollars	20,06,78,305	18,98,78,925
Euro	9,35,01,956	9,20,00,000
Total No. of contracts outstanding for amount receivable on account of Fixed deposit with Bank.	6	NIL
Foreign Currency Value covered :		
US Dollars	45,00,000	NIL
(b) Unhedged foreign currency exposure is as follows:		
Amounts Payable :		
Loans US Dollars:		
Other Loans :		
US Dollars	20,81,21,604	1,07,23,537
Interest US Dollars	1,55,686	67,255

	Current Year	Previous Year
Payables for goods and services:		
US Dollars	15,14,033	24,40,896
Euro	23,63,963	4,59,266
GBP	1,455	15,944
Amounts Receivable:		
Export of Goods US Dollar	NIL	NIL
Advances :		
US Dollar	1,90,31,379	42,59,505
Euro	50,88,154	42,30,039
GBP	74,704	69,000
THB	5,87,178	NIL
Balance with Scheduled Banks		
On Current Accounts:		
US Dollar	13,96,749	2,95,406
Euro	28,66,312	8,47,261

NOTE NO.45
Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".

Defined benefit plans - As per actuarial valuation in respect of gratuity

Sr. no.	Descriptions	Current Year Rupees	Previous Year Rupees
i)	Components of employer expenses		
	Current Service Cost	74,42,302	49,99,285
	Interest Cost	39,30,576	22,40,524
	Expected Return on Plan Assets	(34,53,887)	(12,03,841)
	Actuarial-Loss (Net)	1,53,922	1,16,59,204
	Total Expenses recognised in the statement of Profit & Loss Account in Note No. '27'	80,72,913	1,86,96,887
ii)	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	9,06,423	10,05,572
	Actual Contributions	2,00,22,656	2,58,77,368
iii)	Net (Asset)/Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	5,91,68,738	4,76,43,348
	Fair value of plan assets	6,53,40,431	4,18,65,298
	Net (Asset)/Liability recognised in balance sheet	(61,71,693)	57,78,050
iv)	Reconciliation of Opening and Closing Balances of Defined Benefit		
	Obligations (DBO)		
	Present Value of DBO at the beginning of the year	4,76,43,348	2,80,06,549
	Current Service cost	74,42,302	49,99,285
	Interest cost	39,30,576	22,40,524
	Past Service Cost (Vested Benefit)	NIL	10,01,715
	Actuarial Loss on DBO	10,58,935	1,24,00,847
	Benefits paid	(9,06,423)	(10,05,572)
	Present Value of DBO at the end of the year	5,91,68,738	4,76,43,348
v)	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
	Plan assets at the beginning of the year	4,18,65,298	1,50,48,018
	Expected return on plan assets	34,53,887	12,03,841
	Actual Company contributions	2,00,22,656	2,58,77,368
	Actuarial Gain on Plan Assets	9,05,013	7,41,643
	Benefits paid	(9,06,423)	(10,05,572)
	Plan assets at the end of the year	6,53,40,431	4,18,65,298
vi)	Actuarial Assumptions		
	Discount Rate	8.50%	8.25%
	Expected Return on plan Assets	8.50%	8.25%
	Salary escalation	4.50%	4.50%

(a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs.3,74,79,154** (Previous Year Rs.2,99,24,817) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 27).

(b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

NOTE NO.46	Current Year Rupees	Previous Year Rupees
Amount of Proposed dividend to Equity shareholders	14,49,87,893	13,53,22,033
Amount per share of Rs. 2 each, fully paid up	1.50	1.40

NOTE NO. 47	Current Year Rupees	Previous Year Rupees
Payment to Auditors:		
(a) Statutory Auditors		
- Audit Fees	18,00,000	16,00,000
- For Tax Audit	3,50,000	3,00,000
- For taxation matters	2,45,000	3,70,000
- For Company Law matters	1,50,000	1,25,000
- For other services - Certification etc.,	12,17,500	8,80,000
- For reimbursement of expenses		
Service Tax	4,29,286	3,15,108
Expenses	43,900	29,300
(b) Cost Auditors		
- Audit Fees*	3,00,000	1,00,000
- For reimbursement of expenses		
Service Tax	24,720	NIL
* Including Rs. 1,00,000 for previous year.		

NOTE NO. 48	Current Year Rupees	Previous Year Rupees
(a) - Prior period items - Expenses	NIL	5,68,536
(b) - Amount of Borrowing Cost capitalised	84,44,90,898	NIL
(c) - Total of Research and Development Cost/Expenditure(Revenue)	1,02,48,970	40,48,544
(d) - Contribution to Provident and Other Funds (Note No. 27) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India.	2,00,22,656	2,58,77,368

NOTE NO.49

(a) **Information in respect of Goods Manufactured**
(As Certified by the Management)

Product	Unit of Measurement	Installed Capacity	Opening Stock		Actual Production	Closing Stock	
		Quantity	Quantity	Value in Rupees	Quantity	Quantity	Value in Rupees
Tyres	Numbers	42.63 lacs (41.02 lacs)	37,613 (67,450)	19,28,12,292 (28,29,54,594)	27,81,991 (24,50,272)	35,706 (37,613)	22,38,17,897 (19,28,12,292)
Tube	Numbers	12.44 lacs (NIL)	(NIL) (NIL)	(NIL) (NIL)	37,183 (NIL)	27,634 (NIL)	2,15,26,019 (NIL)
Tyre Flaps	Numbers	3.79 lacs (3.79 lacs)	9,505 (8,137)	11,72,238 (14,01,273)	46,824 (96,195)	9,515 (9,505)	11,83,001 (11,72,238)
Wind Power Generation (Captively consumed)	KWH/Units	5 MW (5 MW)	NIL (NIL)	NIL (NIL)	61,97,218 (54,93,784)	NIL (NIL)	NIL (NIL)
				19,39,84,530 (28,43,55,867)			24,65,26,917 (19,39,84,530)

- i) The difference in quantities is on account of captive consumption, free samples and wastage/damages.
- ii) Installed capacity for tyres is based on the product mix and on the average weight of tyres manufactured.

(b) Information in respect of Goods Traded in

(As Certified by the Management)

Product	Unit of Measurement	Opening Stock		Purchases		Closing Stock	
		Quantity	Value in Rupees	Quantity	Value in Rupees	Quantity	Value in Rupees
Tyres	Number	534 (376)	34,97,462 (7,74,519)	6,482 (10,305)	4,47,53,868 (4,58,50,237)	1,100 (534)	76,84,754 (34,97,462)
Tubes	Number	53,040 (42,723)	3,32,86,780 (1,99,35,242)	1,83,995 (2,38,828)	11,31,43,512 (15,09,62,357)	29,248 (53,040)	1,19,56,497 (3,32,86,780)
Tyre Flaps	Number	18,392 (17,721)	37,12,792 (24,09,236)	1,28,857 (99,835)	2,01,46,167 (153,54,024)	12,480 (18,392)	19,23,913 (37,12,792)
			4,04,97,034 (2,31,18,997)		17,80,43,547 (21,21,66,618)		2,15,65,164 (4,04,97,034)

(c) Sale of Products:

	Unit of Measurement	Quantity	Value
Tyres	Number	27,89,729 (24,90,178)	2792,30,90,603 (1883,02,52,229)
Tubes	Number	2,16,731 (2,28,148)	23,10,85,585 (19,00,34,733)
Tyre Flaps	Number	1,81,459 (1,93,857)	4,00,94,571 (3,40,95,473)
			2819,42,70,759 (1905,43,82,435)

NOTE NO.50

Other Operating Revenue includes **Rs.22,09,548**, (Previous Year Rs. 37,66,616) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

NOTE NO.51

Nature of Security in respect of secured Loan (Long Term/Short Term):	Rupees
Working Capital Loans from Banks Repayable on Demand: Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & certain assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari-passu basis.	395,19,37,715
Term Loan from Banks: Secured by first charge by way of hypothecation on the all present and future movable fixed assets of the Company on pari - passu basis. (Repayment in 14 Quarterly Equal Installments beginning from financial Year 2011-12, Rate of Interest LIBOR + 300 bppa)	25,57,82,500
Term Loan from Banks: Secured by first charge by way of hypothecation on the all present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & certain assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis. (Repayment in 3 Annual Equal Installments beginning from financial Year 2015-16, Rate of Interest LIBOR + 265 bppa)	895,23,87,500

NOTE NO.52

- i) Figures in brackets in notes 33,35,39,41 and 49 pertain to previous year.
- ii) The Revised Schedule VI to the Companies Act, 1956 has become effective from current financial year for the preparation of financial statements. It has significantly changed the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
	Rupees		Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		398,21,54,419		274,94,40,546
Adjustment for :				
Depreciation and Amortisation	83,14,11,701		74,43,89,612	
Income from Investments	(16,43,038)		(8,63,63,313)	
Finance Cost	27,75,14,806		20,66,23,110	
Interest Income	(2,29,35,647)		(1,08,71,997)	
(Profit)/Loss on Sale of Fixed Assets	(14,65,957)		9,41,189	
Fixed Assets Discarded/Written Off	1,17,60,439		92,80,651	
Unrealised Foreign Exchange differences	(1,06,48,693)		(1,36,55,396)	
Retiring Gratuities	80,72,914		1,87,93,696	
Leave Encashment	1,24,86,982		1,19,69,713	
		110,45,53,507		88,11,07,265
Operating profit before working capital changes		508,67,07,926		363,05,47,811
Adjustment for:				
Trade and other receivables	(243,55,62,291)		(117,96,90,548)	
Inventories	(70,69,65,116)		(207,32,35,782)	
Trade payables	32,17,35,771		108,41,12,024	
		(282,07,91,636)		(216,88,14,306)
Cash generated from operations		226,59,16,290		146,17,33,505
Direct taxes paid		(150,50,33,517)		(83,74,41,887)
Gratuity paid		(2,00,22,657)		(2,59,74,177)
Leave Encashment paid		(48,02,960)		(39,53,222)
Net cash from Operating Activities		73,60,57,156		59,43,64,219
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets & Capital Work in Progress	(676,11,46,219)		(216,36,87,281)	
Sale of Fixed Assets	1,03,80,146		17,02,891	
Purchase of Investments	(212,16,41,503)		(778,19,19,029)	
Sale of Investments	212,16,41,503		826,68,32,639	
Inter Corporate Loan Given	(4,50,00,000)		NIL	
Interest received	2,29,64,576		1,08,68,419	
Income Received on Investments	19,01,503		8,63,61,845	
Net cash used in Investing Activities		(677,08,99,994)		(157,98,40,516)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
(Repayment)/Proceeds of Short Term Borrowings (Net)	(486,60,01,148)		156,99,65,197	
Proceeds from Long Term Borrowings	2369,85,65,576		1443,28,39,331	
Repayment of Long Term Borrowings	(897,69,69,878)		(1456,95,14,929)	
Dividend paid (including tax thereon)	(15,73,87,368)		(15,79,59,969)	
Finance Cost paid	(20,11,58,653)		(22,23,91,777)	
Net Cash from Financing Activities		949,70,48,529		105,29,37,853
Net Increase in cash and cash equivalent		346,22,05,691		6,74,61,556
Exchange difference on cash and cash equivalent - Gain		18,96,023		1,25,029
Cash and cash equivalent as at the beginning of the year		10,98,66,003		4,22,79,418
Cash and cash equivalent as at the end of the year		357,39,67,717		10,98,66,003

Note :

Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director

R.D.PODDAR Director

V. R. SHAH Director & Company Secretary

B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

Statement Pursuant to Section 212 of the Companies Act, 1956, Details of Subsidiary Companies

Sr. No.	Name of the Subsidiary Company	Balkrishna Paper Mills Ltd.	Balkrishna Synthetics Ltd.	BKT EXIM Ltd.	BKT Tyres Ltd.	BKT (EUROPE) Ltd.	BKT EUROPE SRL	BKT (USA) INC
	Particulars	Amount (Rs. In Crores)						
1	Financial year of the Subsidiary ended on	31 st March, 2012						
2	Capital	4.95	1.65	0.30	0.05	0.04	0.06	0.01
3	Reserves	40.76	10.87	(0.08)	(0.001)	0.14	0.59	1.11
4	Total Assets	92.73	34.26	0.22	0.05	0.19	5.45	1.49
5	Total Liabilities	47.02	21.74	0.001	0.005	0.01	4.80	0.37
6	Details of Investment	0.00	0.56	0.16	0.00	0.00	0.00	0.00
7	Turnover	158.30	39.92	0.004	0.02	0.03	16.56	10.82
8	Profit Before Taxation	0.59	(0.07)	(0.003)	0.015	0.02	0.69	0.95
9	Provision of Tax	0.96	(0.01)	0.00	0.004	0.00	0.50	0.30
10	Profit/(Loss) After Taxation	(0.37)	(0.08)	(0.003)	0.01	0.02	0.19	0.65
11	Proposed Dividend (On Preference Shares + Dividend Tax)	0.02	0.01	0.00	0.00	0.00	0.00	0.00
12	Reporting Currency	INR	INR	INR	INR	GBP	EURO	USD

Exchange Rate

1 Euro = Rs.68.3403

1 US \$ = Rs.51.1565

1 GBP = Rs.81.7992

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director

R.D.PODDAR Director

V. R. SHAH Director & Company Secretary

B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors

BALKRISHNA INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Balkrishna Industries Limited (the Company) and its subsidiaries (collectively referred to as 'the Group'), as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (i) We did not audit the financial statements of the subsidiary, BKT (EUROPE) LTD. (incorporated in UK), whose financial statements reflect total assets of Rs.17,70,264 (net) as at 31st March, 2012, total revenue of Rs.3,26,546 and net cash inflows amounting to Rs.8,12,127 for the year ended on that date. These financial statements have been audited by other auditors, Chartered Certified Accountants of United Kingdom, whose report has been furnished to us and our opinion is based solely on the report of the other auditors.
- (ii) We did not audit the financial statements of the subsidiary, BKT EUROPE S.R.L. (incorporated in Italy), whose financial statements reflect the total assets of Rs.64,98,406 (net) as at 31st March, 2012, total revenue of Rs.16,56,08,290 and net cash inflows amounting to Rs.35,33,092 for the year ended on that date. These financial statements have been certified by a Certified Public Accountant of Italy, whose report has been furnished to us and our opinion is based solely on the report of the said accountant.
- (iii) We did not audit the financial statements of the subsidiary, BKT (USA) INC (incorporated in USA), whose financial statements reflect the total assets of Rs. 1,12,12,412 (net) as at 31st March, 2012, total revenue of Rs.10,82,13,411 and net cash outflows amounting to Rs.13,21,168 for the year ended on that date. These financial statements have been reviewed by a Certified Public Accountants of USA, whose review report has been furnished to us and our opinion is based solely on the report of the said accountant.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the report of the other auditors and the report/certificate of the accountants, on separate financial statements and on other financial information of the components and to the best of our information and explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
 - (ii) in the case of the Consolidated Statement of Profit and Loss, of the PROFIT of the Group for the year ended on that date; and
 - (iii) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

FOR JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)

VIRAL A.MERCHANT
Partner
Membership No. 116279

Mumbai,
Dated : 30th May, 2012

Consolidated Balance Sheet as at 31st March, 2012

PARTICULARS		Note No.	Current Year Rupees	Previous Year Rupees
I.	EQUITY AND LIABILITIES			
1	SHAREHOLDERS' FUND			
	(a) Share Capital	2	19,33,17,190	19,33,17,190
	(b) Reserves And Surplus	3	1090,75,26,101	842,01,94,067
			1110,08,43,291	861,35,11,257
2	NON-CURRENT LIABILITIES			
	(a) Long-Term Borrowings	4	939,82,82,645	35,74,44,133
	(b) Deferred Tax Liabilities (Net)	5	66,67,06,604	60,25,64,030
	(c) Other Long Term Liabilities	6	34,68,67,309	23,00,37,930
	(d) Long-Term Provisions	7	126,35,87,362	355,67,73,472
			1167,54,43,920	474,68,19,565
3	CURRENT LIABILITIES			
	(a) Short Term Borrowings	8	756,44,97,697	573,59,91,741
	(b) Trade Payables	9	219,69,99,780	127,53,41,392
	(c) Other Current Liabilities	10	63,59,46,986	119,06,81,920
	(d) Short-Term Provisions	11	20,60,40,002	18,69,75,467
			1060,34,84,465	838,89,90,520
	TOTAL		3337,97,71,676	2174,93,21,342
II.	ASSETS			
1	NON-CURRENT ASSETS			
	(a) Fixed Assets			
	(i) Tangible Assets	12	871,17,29,852	722,97,51,669
	(ii) Intangible Assets	13	1,82,05,908	1,81,03,382
	(iii) Capital Work-in-Progress		476,73,93,504	56,34,99,943
			1349,73,29,264	781,13,54,994
2	GOODWILL ON CONSOLIDATION		5,99,090	599,090
	(b) Non-Current Investments	14	2,44,16,935	2,44,16,935
	(c) Long-Term Loans and Advances	15	404,81,16,934	478,96,26,699
	(d) Other Non-Current Assets	16	93,49,191	84,20,465
3	CURRENT ASSETS			
	(a) Current Investments	17	1,19,762	11,31,79,072
	(b) Inventories	18	498,54,14,694	422,98,97,570
	(c) Trade Receivables	19	490,02,48,340	335,80,84,229
	(d) Cash and Cash Equivalents	20	369,84,05,229	12,25,18,452
	(e) Short-Term Loans and Advances	21	196,66,08,487	91,15,98,374
	(f) Other Current Assets	22	24,91,63,750	37,96,25,462
			1579,99,60,262	911,49,03,159
	TOTAL		3337,97,71,676	2174,93,21,342

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 46

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director
R.D.PODDAR Director
V. R. SHAH Director & Company Secretary
B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

PARTICULARS	Note No.	Current Year Rupees	Previous Year Rupees
I Revenue From Operations	23	3016,63,92,539	2132,20,88,910
II Other Income	24	4,03,93,432	92,44,32,751
III Total Revenue (I+II)		3020,67,85,971	2224,65,21,662
IV Expenses :			
Cost of Materials Consumed	25	1851,69,74,259	1313,37,92,527
Purchases of Stock-in-Trade	26	17,80,43,547	21,21,66,618
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(52,05,01,104)	(3,25,74,885)
Employee Benefits Expense	28	93,74,73,270	71,82,41,682
Finance Cost	29	29,19,99,573	21,49,50,606
Depreciation and Amortization Expense	30	86,38,62,563	77,33,53,405
Other Expenses	31	593,47,66,470	434,51,71,196
Total Expenses		2620,26,18,578	1936,51,01,149
V Profit Before Tax (III-IV)		400,41,67,393	288,14,20,513
VI Tax Expense:			
- Current tax		125,02,98,417	90,90,86,795
- Deferred tax		6,44,78,036	2,70,17,123
VII Profit After Tax (V-VI)		268,93,90,940	194,53,16,595
VIII Earnings per equity share:			
- Basic and Diluted	35	27.48	20.14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 to 46

The Notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director
R.D.PODDAR Director
V. R. SHAH Director & Company Secretary
B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO.1

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statement relates to Balkrishna Industries Limited (the Company) and its subsidiaries. The Company and its Subsidiaries constitute the Group. The accounts have been prepared in accordance with historical cost convention and on accrual basis.

Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS 21) – 'Consolidated Financial Statements', as notified under the Companies (Accounting Standards) Rules, 2006.

The financial statement of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/transactions and unrealised profits or losses .

All intra-group transactions have been entered at common rates.

The excess of cost of investments in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognised in the financial statements as goodwill. The excess of Company's portion of equity of the Subsidiaries over the cost of the investment there in is treated as Capital Reserve.

The consolidated financial statements are prepared by using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as in the Company's separate financial statements unless stated otherwise.

The following subsidiary Companies are considered in the consolidated financial statement.

Sr.No.	Name of the Subsidiary Company	Country of Incorporation	% of holding either directly or through subsidiary in the Current and Previous Year(unless otherwise stated)
Direct Subsidiaries			
1.	Balkrishna Paper Mills Limited	India	100%
2.	Balkrishna Synthetics Limited	India	100%
3.	BKT Exim Limited	India	100%
4.	BKT Tyres Limited	India	100%
Indirect Subsidiaries			
5.	BKT (EUROPE) LTD.	U.K.	100%
6.	BKT EUROPE S.R.L.	Italy	100%
7.	BKT (USA) INC	USA	100%

Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognised in the period in which the results are known/materialised.

Fixed Assets

- a) Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price and attributable expenses (including financing charges) and is net of permissible credits/set offs.
- b) Expenditure (including financing charges) incurred for fixed assets, the construction / installation/acquisition of which is not completed, is included under the Capital Work-in-Progress and the same is related/classified to the respective fixed assets on the completion.

Depreciation/Amortisation

- a) In respect of the Company and its subsidiaries in India :
 - i) Depreciation on Fixed Assets (Other than leasehold land) has been provided for in accordance with Schedule XIV to the Companies Act, 1956 on Straight Line Method. In respect of fixed assets whose actual cost does not exceed five thousand rupees, depreciation at the rate of 100 percent, irrespective of the date of addition during the year.

- ii) Premium on Leasehold Land is amortised over the duration of the Lease.
- b) In respect of overseas subsidiaries, depreciation has been provided by the overseas subsidiaries as per the methods and at the rates required/permissible by the local laws so as to write off assets over their useful lives.

Investments

Investments are valued at cost plus attributable expenses of acquisition and are classified as Long Term Investments and Current Investments (investments intended to be held for not more than one year). Long Term Investments are stated at cost. However, where there is a diminution, other than temporary, in the value of a long-term investment, necessary provision is made to recognise the decline. Current Investments are stated at lower of cost and fair value, computed on individual investment basis.

Valuation of Inventories

Inventories are valued at lower of the cost and net realisable value. Cost of inventories is computed on moving weighted average basis by the Company and one of the Subsidiaries – Balkrishna Synthetics Limited. In case of other Subsidiary Companies, wherever applicable, the cost is computed on First in First Out basis. Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Sales-Processing/Job Charges

Sales are inclusive of Excise Duty but excluding Value Added Tax/Central Sales Tax and are net of Trade Discounts, Rebates and Incentives. Processing charges are excluding Excise Duty, as the concerned subsidiary is not liable to pay the duty and the same is borne by the Customer.

Export Benefits

Consumption of Raw Materials is arrived at after adjusting the difference between the cost of indigenous/duty paid imported raw materials and international cost of raw materials entitled to be imported/imported under Duty Exemption Scheme of the Government of India against direct/indirect exports made/to be made by the Company during the year. Export Incentives under Duty Entitlement Pass Book Scheme and Focus Market Scheme under EXIM policy/ Foreign Trade Policy are accounted for in the year of export. Profit/Loss on sale of DEPB/Import licenses is accounted for in the year of such sale. Export Incentive under Duty Drawback Scheme under EXIM Policy is accounted for in the year of Export.

Foreign Exchange Transactions

Transactions in foreign currencies are accounted at the exchange rates prevailing on the day of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment/realisation. Monetary items related to foreign currency transactions, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end or are stated at the amounts likely to be realised or required to be disbursed, except for those considered doubtful of recovery. The exchange fluctuation arising on account of such adjustments are dealt in Profit and Loss Account. Non-monetary items are reported by using the exchange rate at the date of transaction.

The Company enters into Forward Contracts to hedge its Foreign Currency Exposures. Premium/ Discount in respect of outstanding forward contracts at the year end are amortised as expense or income over the life of the contract.

Translation of accounts of overseas subsidiaries.

- a) Fixed assets are translated in INR by applying the exchange rate prevailing on the date of acquisition of said assets.
- b) Other assets/ all outside liabilities have been translated at the exchange rate ruling at the year end.
- c) Income and expenses have been translated by applying simple average of exchange rates ruling at the beginning and end of the financial year.
- d) Exchange difference arising on account of translation of accounts is taken to the profit and loss account.

Employee Benefits:

- (1) In respect of the Company and its subsidiaries in India:

A) Short-term employee benefits:

Short-term employee benefits consisting of wages, salaries, social security contributions, ex-gratia and accrued leave are recognised in the year to which it relates.

B) Post employment benefits:

- i) Benefits in the nature of contribution to provident fund, superannuation scheme, employee state insurance scheme etc. provided by the company to the employees have been identified as defined contribution plans in terms of provisions of AS-15 on "Employee Benefits" where the obligation of the company is limited to a pre-

agreed amount as fixed by the administrator of those plans. Such contributions are recognised in the year to which they relate.

- ii) Benefit in the nature of gratuity paid by company to the employees has been identified as defined benefit plan in terms of provisions of AS-15 on "Employee Benefits". The gratuity scheme in respect of the employees of the company is administered through Life Insurance Corporation of India (LIC). Annual contributions as determined by LIC are charged to Profit and Loss Account. The liability of the company is also determined through actuarial valuation technique at Balance Sheet date and the additional liability, if any, arising out of the difference between the actuarial valuation and the plan assets as at the Balance Sheet date is provided for at the year end.

(2) In respect of overseas subsidiaries the benefits are paid/provided as per the requirement of local laws.

Research and Development

Revenue expenditure on Research and Development is charged to Profit and Loss Account as incurred. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets.

Government Grants

Special Capital Incentive received from the Government for setting up/expansion of an industrial undertaking in underdeveloped area of the State, is credited to Capital Reserve (Capital Incentive Reserve). Government grants/subsidy related to specific fixed assets is reduced from the cost of the asset concerned.

Borrowing Cost

Borrowing costs directly attributable to the acquisition/construction/installation of fixed assets are capitalised as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to Profit and Loss Account.

Taxation

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the respective taxation laws.
- b) Deferred tax assets and liabilities are recognised for timing differences between the accounting and taxable income, based on tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognised only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realised. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure its realisation.
- c) Deferred tax at overseas subsidiaries is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the Management, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Leases

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on accrual basis. Assets leased out under operating lease are capitalised, depreciation thereon is provided in the books and rental income is recognised on accrual basis over the lease term. Assets leased out are stated at original cost and the depreciation thereon is provided in the books

Impairment

The carrying amount of an asset is reviewed at each Balance Sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to the accounts. Contingent Assets are not recognised or disclosed in the financial statements.

NOTE NO.2	Current Year Rupees	Previous Year Rupees
SHARE CAPITAL		
Authorised :		
25,00,00,000 Equity Shares of Rs.2 each	50,00,00,000	50,00,00,000
Issued Subscribed and fully paid up:		
9,66,58,595 Equity Shares of Rs.2 each fully paid up	19,33,17,190	19,33,17,190
	19,33,17,190	19,33,17,190
Terms/rights attached to equity shares:		
All the Equity Shares have equal rights in respect of distribution of dividends and the repayment of capital.		
Shareholder's holding more than 5 % Shares in the Company		
Name of Shareholders	No. of Shares held	No. of Shares held
GPP ENTERPRISES LLP	2,34,76,735	2,34,76,735
% Holding	24.29	24.29
RAP ENTERPRISES LLP	2,32,67,995	2,32,67,995
% Holding	24.07	24.07
COPA CABANA	92,73,750	92,73,750
% Holding	9.59	9.59

NOTE NO.3	Current Year Rupees	Previous Year Rupees
RESERVES AND SURPLUS		
a) Capital Reserves		
Opening Balance	1,51,06,067	1,51,06,067
Add: Addition during the year	3,50,985	NIL
Closing Balance	1,54,57,052	1,51,06,067
b) Securities Premium Account	71,53,42,628	71,53,42,628
c) Other Reserve (General Reserve)		
Opening Balance	350,09,42,141	331,52,83,275
Add: Transferred from Profit and Loss account	549,90,57,859	18,56,58,866
Closing Balance	900,00,00,000	350,09,42,141
d) Surplus		
Opening Balance	418,88,03,229	258,54,09,631
Add: Net Profit for the current year	268,93,90,940	194,53,16,595
Less: Proposed Dividend	14,52,47,893	13,53,22,033
Less: Tax on Dividend	2,35,62,840	2,19,10,439
Less: Transfer to Capital Reserve	3,50,985	NIL
Less: Transfer to General Reserve	549,90,57,859	18,56,58,866
(Less)/Add: Income Tax of Earlier Year	(3,32,48,171)	9,68,343
Closing Balance	117,67,26,421	418,88,03,231
	1090,75,26,101	842,01,94,067

NOTE NO.4	Current Year Rupees	Previous Year Rupees
LONG TERM BORROWINGS		
Secured (Refer Note No. 45)		
Term loans		
- from banks	934,39,19,903	30,36,81,687
Unsecured		
- Deferred Sales Tax under the scheme of Government of Maharashtra (Payable after ten years, from the date of respective loan, in five annual equal installments)	3,14,05,751	3,14,05,751
- Distributors/Dealers Deposit	2,29,56,991	2,23,56,695
	939,82,82,645	35,74,44,133

NOTE NO.5	Current Year Rupees	Previous Year Rupees
DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability on account of :		
Depreciation	68,93,19,663	62,25,57,999
Deferred Tax Assets on account of :		
Expenses allowable for tax purpose when paid	2,26,13,059	1,99,93,969
Net Deferred Tax Liability	66,67,06,604	60,25,64,030

NOTE NO.6	Current Year Rupees	Previous Year Rupees
OTHER LONG TERM LIABILITIES		
Trade payable (Refer Note No. 38 for details of Dues to Micro and Small Enterprises)	2,45,78,749	1,76,40,749
Others - Payable towards Capital Goods, Security Deposit etc.	32,19,36,210	21,21,14,831
- Security Deposit	3,52,350	2,82,350
	34,68,67,309	23,00,37,930
NOTE NO.7	Current Year Rupees	Previous Year Rupees
LONG TERM PROVISIONS		
- Provision for employee benefits - Gratuity	(7,70,105)	1,03,03,427
- Provision for Taxation	126,43,57,467	354,64,70,045
	126,35,87,362	355,67,73,472
NOTE NO.8	Current Year Rupees	Previous Year Rupees
SHORT TERM BORROWINGS		
Secured (Refer Note No.45)		
Loans repayable on demand		
- from banks	400,87,09,317	365,56,00,069
Unsecured		
Loans repayable on demand		
- from banks	354,02,88,380	208,03,91,672
Loans and advances from related parties.	1,55,00,000	NIL
	756,44,97,697	573,59,91,741
NOTE NO.9	Current Year Rupees	Previous Year Rupees
TRADE PAYABLES		
Trade Payables (including Acceptances) (Refer Note No. 38 for details of Dues to Micro and Small Enterprises)	219,69,99,780	127,53,41,392
NOTE NO.10	Current Year Rupees	Previous Year Rupees
OTHER CURRENT LIABILITIES		
- Current maturities of long-term debt	12,94,32,323	12,14,02,667
- Interest accrued but not due on borrowings	84,04,905	30,02,951
- Income received in advance	15,76,20,856	10,76,46,295
- Unpaid dividends	70,62,733	72,59,808
Other payables		
- Statutory dues towards TDS/VAT/CST/Service Tax etc.	27,55,81,657	90,89,55,885
- Security Deposits	20,46,098	22,59,549
- Others	5,57,98,414	3,91,16,002
- Credit balance in Bank account	NIL	10,38,763
	63,59,46,986	119,06,81,920
NOTE NO.11	Current Year Rupees	Previous Year Rupees
SHORT TERM PROVISIONS		
Provision for employee benefits		
- Leave encashment	3,72,29,269	2,97,42,995
Others		
- Proposed Dividend	14,52,47,893	13,53,22,033
- Tax on proposed Dividend	2,35,62,840	2,19,10,439
	20,60,40,002	18,69,75,467

NOTE NO.14	Current Year Rupees		Previous Year Rupees
Non-current Investments (At Cost):			
Trade Investments :			
Unquoted (Others)			
a) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) 55,657 shares of Tarapur Environment protection society	55,65,700		55,65,700
5,77,777 shares of V S Lignite Power Private Ltd. (Class 'A' Equity Shares)	57,77,770		57,77,770
	1,13,43,470		1,13,43,470
b) Investment in Preference Shares (Shares of Rs.10 each, fully paid up) 11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of V S Lignite Power Private Ltd. of Rs.10 each at cost	1,11,42,230	2,24,85,700	1,11,42,230 2,24,85,700
Other than Trade Investments :			
Unquoted (Others)			
(a) Investments in Government Securities In 6 Year National Saving Certificates	16,000		16,000
Quoted			
(b) Investments in Equity Instruments (Shares of Rs.10 each, fully paid up) 4,98,759 Equity Shares of Govind Rubber Ltd.	1,87,50,059		1,87,50,059
Less : Provision for diminution in the value of Investments (Investment in Equity Shares) Others	1,68,34,824		1,68,34,824
	19,15,235		19,15,235
		19,31,235	19,31,235
		2,44,16,935	2,44,16,935
		19,15,235	19,15,235
Aggregate amount of quoted investments net of provision - Market value of Rs.65,48,706 (Previous Year Rs. 69,17,787)			19,15,235
Aggregate amount of unquoted investments.		32,60,01,700	32,04,36,000

NOTE NO.15	Current Year Rupees	Previous Year Rupees
LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
(a) Capital Advances	230,48,25,302	104,48,10,014
(b) Security Deposits	9,02,53,379	6,35,10,110
(c) Others loans and advances		
- Advance Payment to Suppliers	38,68,443	1,03,63,862
- Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	4,17,35,550	2,73,64,330
- Advance Payments of Taxes and Tax deducted at source	160,74,34,260	364,35,78,383
	404,81,16,934	478,96,26,699

NOTE NO.16	Current Year Rupees	Previous Year Rupees
OTHER NON - CURRENT ASSETS:		
- Trade Receivables (Unsecured)	93,49,191	84,20,465
	93,49,191	84,20,465

NOTE NO.17	Current Year Rupees	Previous Year Rupees
CURRENT INVESTMENTS :		
In Mutual funds (Unquoted)	NIL	11,30,59,310
In Shares(Quoted)		
917 Equity Shares of Mandhana Industries of Rs.10 each (Market value of Rs.2,33,927 ; Previous Year Rs. 2,21,364)	1,19,762	1,19,762
	1,19,762	11,31,79,072

NOTE NO.18	Current Year Rupees	Previous Year Rupees
INVENTORIES : (As Certified by the Management) (At lower of Cost and Net Realisable Value)		
(a) Raw materials	345,74,24,971	338,57,28,593
(b) Work-in-Progress	74,98,42,696	30,40,30,834
(c) Finished Goods	30,44,31,353	21,08,10,241
(d) Stock-in-Trade	2,15,65,164	4,04,97,034
(e) Stores and Spares	41,70,70,901	25,73,40,650
(f) Others -Packing Material and Fuel	3,50,79,609	3,14,90,218
	498,54,14,694	422,98,97,570

NOTE NO.19	Current Year Rupees	Previous Year Rupees
TRADE RECEIVABLES		
Trade Receivables outstanding for a period less than Six Months		
(a) Secured Considered good	176,75,90,754	113,29,66,748
(b) Unsecured Considered good	312,89,67,757	220,85,40,562
	489,65,58,511	334,15,07,310
Trade Receivables outstanding for a period exceeding Six Months		
(a) Secured Considered good	38,645	NIL
(b) Unsecured Considered good	36,51,184	1,65,76,919
	36,89,829	1,65,76,919
	490,02,48,340	335,80,84,229

NOTE NO.20	Current Year Rupees	Previous Year Rupees
CASH AND CASH EQUIVALENTS:		
- Balances with banks	57,03,11,271	10,78,65,508
- Unpaid Dividend	70,62,733	72,59,808
- Margin Money (Fixed Deposit) #	2,31,454	11,59,148
- In Fixed Deposit #	311,45,31,316	17,25,164
(Including lodged with Government Authorities Rs.59,799 ; Previous Year Rs.81,119)		
- Cash on hand	62,68,455	45,08,824
#(Including deposits of Rs.2,91,253 ; Previous year Rs.2,74,317 maturing after twelve months)	369,84,05,229	12,25,18,452

NOTE NO.21	Current Year Rupees	Previous Year Rupees
SHORT TERM LOANS AND ADVANCES:		
Unsecured, considered good		
- Advance payment to suppliers	97,86,91,136	30,70,40,541
- Excise/Sales Tax/Service Tax/Custom Duty etc. Receivables	97,87,63,530	59,65,00,852
- Loans and advances to employees	91,53,821	80,56,981
	196,66,08,487	91,15,98,374

NOTE NO.22	Current Year Rupees	Previous Year Rupees
OTHER CURRENT ASSETS		
- Interest Accrued on Investment	4,989	3,454
- Dividend Accrued on Investment	NIL	99,846
- Export Incentive Receivables	19,48,11,449	37,88,38,552
- Interest Accrued on Security Deposits	NIL	80,170
- Interest Accrued on others	5,43,47,312	6,03,440
	24,91,63,750	37,96,25,462

NOTE NO.23	Current Year Rupees		Previous Year Rupees
REVENUE FROM OPERATIONS			
- Sale of Products		2982,94,08,889	2070,51,12,323
- Job Charges Received		39,41,45,628	36,19,48,827
Other Operating Revenue:			
- Export Incentives	17,97,58,298		43,60,14,990
- Scrap Sales	5,60,71,439		3,65,70,591
- Withdrawal of Provision for Doubtful Advances no longer required	1,31,080		76,39,577
- Others	3,36,75,152		3,01,64,688
		26,96,35,969	51,03,89,846
Total Revenue from Operations (Gross)		3049,31,90,486	2157,74,50,996
Less: Excise Duty		32,67,97,947	25,53,62,086
Total Revenue from Operations (Net)		3016,63,92,539	2132,20,88,910

NOTE NO.24	Current Year Rupees		Previous Year Rupees
OTHER INCOME			
Interest Income on:			
- Long Term Investments (Other than trade)	1,535		5,80,16,668
- Interest received on Deposits/Loans and Advances	88,15,588		1,09,81,701
- Subsidy from Government	1,72,32,414		66,88,139
		2,60,49,537	7,56,86,508
Net gain on foreign currency transaction and translation		NIL	81,24,09,676
Dividend Income on:			
- Current Investments		34,36,659	3,09,83,421
- Profit on sale of Fixed Assets		29,27,384	NIL
- Net gain on sale of Current Investments		57,20,645	11,42,333
- Other non-operating income		22,59,207	42,10,813
		4,03,93,432	92,44,32,751

NOTE NO.25	Current Year Rupees	Previous Year Rupees
COST OF MATERIAL CONSUMED		
- Raw Material Consumed	1851,69,74,259	1313,37,92,527

NOTE NO.26	Current Year Rupees	Previous Year Rupees
PURCHASE OF STOCK IN TRADE		
- Purchase of Traded Goods	17,80,43,547	21,21,66,618

NOTE NO.27	Current Year Rupees	Previous Year Rupees
CHANGES IN INVESTORIES GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock:		
Work-in-Progress	30,40,30,834	20,09,97,862
Stock in Trade	4,04,97,034	2,31,18,997
Finished Goods	21,08,10,241	29,86,46,364
	55,53,38,109	52,27,63,223
Less:		
Work-in-Progress	74,98,42,696	30,40,30,833
Stock in Trade	2,15,65,164	4,04,97,034
Finished Goods	30,44,31,353	21,08,10,241
	107,58,39,213	55,53,38,108
Net Increase in Inventories	(52,05,01,104)	(3,25,74,885)

NOTE NO.28	Current Year Rupees	Previous Year Rupees
EMPLOYEE BENEFIT EXPENSES		
- Salaries and wages	85,58,98,200	64,01,39,878
- Contribution to provident and other funds	6,41,73,061	6,63,30,320
- Staff welfare expenses	1,74,02,009	1,17,71,484
	93,74,73,270	71,82,41,682
NOTE NO.29	Current Year Rupees	Previous Year Rupees
FINANCE COST		
- Interest Expenses	17,71,83,078	21,65,50,449
- Other Borrowing Costs	1,93,86,470	69,07,175
- Applicable net loss/(gain) on foreign currency transactions and translation	9,54,30,025	(85,07,018)
	29,19,99,573	21,49,50,606
NOTE NO.30	Current Year Rupees	Previous Year Rupees
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation	86,38,62,563	77,33,53,405
NOTE NO.31	Current Year Rupees	Previous Year Rupees
OTHER EXPENSES:		
- Consumption of Stores and Spare Parts	106,76,77,792	69,68,13,914
- Packing Material Consumed	4,57,08,856	4,11,71,722
- Power and Fuel(Net)	139,81,20,322	115,18,14,266
- Freight and Forwarding (Net)	119,77,51,924	105,83,73,316
- Excise Duty on Variation of Finished Goods	36,73,780	(19,86,899)
- Labour/Job Charges	60,12,12,861	39,07,74,291
- Water Charges	1,63,58,302	1,38,17,926
- Repairs and Maintenance to Buildings	13,12,88,004	10,08,56,444
- Repairs and Maintenance to Machinery	13,34,92,628	8,35,17,362
- Repairs and Maintenance to Others	7,50,14,042	2,81,09,409
- Insurance Charges	4,21,32,306	2,86,41,330
- Rates and Taxes Excluding Taxes on Income	1,48,69,823	75,28,427
- Rent	1,74,35,405	3,07,93,135
- Legal and Professional charges	11,68,20,568	8,23,71,928
- Advertisement, Publicity and Sales Promotion	58,33,44,504	37,96,73,471
- Commission	1,78,73,355	2,06,20,391
- Discount	3,03,51,912	2,65,59,694
- Travelling Expenses	8,72,89,812	6,32,68,137
- Directors Meeting Fees	8,27,500	9,62,500
- Loss on Sale of Fixed Assets	NIL	10,38,932
- Fixed Assets Discarded	1,18,07,060	92,80,651
- Interest to Others	7,74,451	58,389
- Net Loss on Foreign Currency Transaction and Translation	17,98,28,396	NIL
- Miscellaneous Expenses	16,11,12,865	13,11,12,460
	593,47,66,468	434,51,71,196
NOTE NO.32	Current Year Rupees	Previous Year Rupees
Contingent Liabilities & Commitments		
(i) Contingent Liabilities		
a) Claims against the Company not acknowledge as debts		
- Disputed claims for excise, sales tax and service tax	26,80,34,360	25,79,80,410
- Disputed income tax demands	8,53,18,504	14,51,84,833
- Others	6,72,96,196	6,11,60,199
b) Guarantees given by the Company's bankers on behalf of the Company against the Company's Indemnity	14,16,90,480	13,32,85,508
c) Corporate Guarantee given by the Company:		
- To the President of India through commissioner of Custom	1581,25,00,000	650,00,00,000
- To other Company	1,85,31,186	NIL
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	756,63,69,552	287,62,35,771

NOTE NO.33
Details of Current Investment in units of Mutual funds purchased and sold during the year :

Name of Mutual Fund	Balance as at 01.04.11		Purchased During the Year		Sold / Redeemed During the Year		Balance as at 31.03.12	
	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.
LIC NOMURA MF LIQUID FUND -- DIVIDEND PLAN	NIL	NIL	2,75,64,127	30,26,56,871	2,75,64,127	30,26,56,871	NIL	NIL
LIC NOMURA MF INTERVAL FUND - QUARTERLY PLAN SERIES -2 QTR. GROWTH PLAN	77,80,016	9,00,00,000	NIL	NIL	77,80,016	9,00,00,000	NIL	NIL
LIC NOMURA MF FLOATING RATE FUND - SHORT TERM PLAN DAILY DIVIDEND PLAN	NIL	NIL	1,19,67,145	11,99,10,792	1,19,67,145	11,99,10,792	NIL	NIL
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM - DAILY DIVIDEND	NIL	NIL	4,73,323	5,00,46,759	4,73,323	5,00,46,759	NIL	NIL
ICICI PRUDENTIAL LIQUID SUPER INST.PLAN - DAILY DIVIDEND	NIL	NIL	1,79,10,367	179,14,41,496	1,79,10,367	179,14,41,496	NIL	NIL
PRINCIPAL CASH MANAGEMENT FUND - DIVIDEND REINVESTMENT DAILY	23,05,770	2,30,59,310	10,225	1,02,258	23,15,995	2,31,61,568	NIL	NIL
GRAND TOTAL	1,00,85,786	11,30,59,310	5,79,25,187	226,41,58,176	6,80,10,973	237,72,17,486	NIL	NIL

NOTE NO.34
SEGMENT INFORMATION

a) Primary Business Segments:-

The Group has only one reportable business segment, namely Tyres(including Tubes and Flaps) therefore primary business segment reporting as required by AS-17 is not applicable.

b) Secondary Segment - Geographical by location of customers

	Rupees	Rupees
Segment Revenue		
Revenue from Operations:		
In India		442,59,00,499 (426,74,92,143)
Outside India		
Europe	1303,39,21,952 (901,56,27,718)	
North America	560,75,83,342 (323,64,20,280)	
Others	709,89,86,746 (480,25,48,769)	
		2574,04,92,040 (1705,45,96,767)
Total		3016,63,92,539 (2132,20,88,910)
Segment Assets		
In India		2478,53,60,268 (1823,48,18,801)
Outside India		
Europe	296,08,82,213 (206,42,38,261)	
Others	560,89,92,498 (131,26,68,273)	
Total		3335,52,34,979 (2161,17,25,335)
Total Cost incurred during the year to acquire Segment Fixed Assets		
In India		658,73,78,785 (175,42,95,114)
Outside India		16,41,075 (11,71,182)
Total		658,90,19,860 (175,54,66,296)
Segment Assets excludes -Investments		2,45,36,697 (13,75,96,007)

NOTE NO.35

Earning Per Share (EPS)	Current Year Rupees	Previous Year Rupees
(In accordance with Accounting Standard - 20)		
Profit After Tax	268,93,90,940	194,53,16,595
(Less)/Add: Income Tax of Earlier Year	(3,32,48,171)	9,68,343
Profit after Taxation of earlier years	265,61,42,769	194,62,84,938
Less : Proposed Preference Dividend	2,60,000	NIL
Less : Tax on Preference Dividend	42,179	NIL
Profit for the year available to Equity Shareholders	265,58,40,590	194,62,84,938
Number of Equity Shares outstanding for Basic/Diluted Earning Per Share	9,66,58,595	9,66,58,595
Nominal Value of Equity Shares (in Rupees)	2.00	2.00
Earning Per Share Basic/Diluted	27.48	20.14

NOTE NO.36

I) Related Party Disclosures *

(Where transactions have taken place)

a) Key Management Personnel (KMP)

Mr. Arvind Poddar - Managing Director, Mr. Rajiv Poddar - Executive Director , Mr. Anurag Poddar - Executive Director, Mr. B.K.Bansal - Director Finance (upto 11.02.2012), Mr. Vipul Shah (w.e.f. 11.02.2012), Ankit P Poddar - Executive Director (w.e.f. 09.05.2011), Mr. Kishanlal Jangir - Vice President & Director, Mr. Rajendra Jahnwar - General Manager & Director, Mr. Avnish Poddar - Executive Director

b) Relatives of Key Management Personnel :

Mrs. Khushboo Poddar (w.e.f. 14/04/2010).

c) Other Related Parties -(Enterprises-KMP having significant influence/owned by major shareholders) Siyaram Silk Mills Ltd., Govind Rubber Ltd., SPG Infrastructure Ltd., GRL International Ltd. (upto 02.12.2011), BKT Moulds Ltd.(upto 31.05.2010), Vishal Furnishing Ltd.

Related Party Transactions

Transactions	KMP	Relatives of (KMP)	Other Related Parties	Total
Purchase of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	52,98,816 (34,68,852)	52,98,816 (34,68,852)
Sales of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	39,57,10,881 (36,13,71,606)	39,57,10,881 (36,13,71,606)
Rent received	NIL (NIL)	NIL (NIL)	15,88,320 (23,47,020)	15,88,320 (23,47,020)
Recovery of expenses	NIL (NIL)	NIL (NIL)	5,70,411 (27,000)	5,70,411 (27,000)
Refund against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (4,53,49,845)	NIL (4,53,49,845)
Rent/Lease Rent Paid	NIL (NIL)	NIL (NIL)	5,29,378 (5,17,875)	5,29,378 (5,17,875)
Purchase of Fixed Assets	15,90,75,000 (NIL)	NIL (NIL)	2,31,50,155 (NIL)	18,22,25,155 (NIL)
Purchase of Investments	NIL (1,37,922)	NIL (NIL)	NIL (5,68,07,157)	NIL (5,69,45,079)
Interest Paid	NIL (NIL)	NIL (NIL)	4,69,891 (NIL)	4,69,891 (NIL)
Loan Received	NIL (NIL)	NIL (NIL)	1,55,00,000 (NIL)	1,55,00,000 (NIL)
Remuneration	9,21,05,578 (6,78,73,137)	5,52,460 (4,86,309)	NIL (NIL)	9,26,58,038 (6,83,59,446)
Receivables	NIL (NIL)	NIL (NIL)	1,48,16,289 (5,07,83,867)	1,48,16,289 (5,07,83,867)
Payables	5,45,83,331 (3,29,81,387)	8,400 (22,555)	1,58,95,222 (4,52,827)	7,04,86,953 (3,34,56,769)

NOTE NO.37	Current Year Rupees	Previous Year Rupees
Leases - Operating leases :		
i) The company has taken commercial premises under cancellable and non-cancellable operating leases.		
ii) Future minimum Lease Payments under non - cancellable operating leases :		
not later than one year	27,24,362	11,57,089
later than one year and not later than five years	94,30,392	22,78,673
later than five years	NIL	NIL
iii) The rental expenses recognised in Profit and Loss account for operating leases :	1,33,65,007	2,79,05,630
(a) Minimum Rent	1,33,26,373	2,78,92,755
(b) Contingent Rent	NIL	NIL
iv) The Company has given certain portion of its office premises on lease. The said agreement can be terminated by giving one month prior written notice by the lessee or the Company.		
Gross carrying amount of the furnished office premises leased, included in Note No. '12' Fixed Assets	3,18,65,465	3,18,65,465
Accumulated Depreciation	1,08,62,870	96,68,851
Depreciation recognised in the Profit and Loss Account	11,94,019	11,94,019

NOTE NO.38

- a) As at 31st March, 2012, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- b) The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTE NO.39	Current Year	Previous Year
Derivative Instruments		
a) Hedging Contracts :		
i) The Company uses forward exchange contracts to hedge its exposure to foreign exchanges and the Company does not use such contracts for trading or speculation purpose.		
ii) Derivative Instruments outstanding		
Forward Exchange Contracts :		
Particulars		
Total No. of contracts outstanding for Amount		
Receivable on account of Export of Goods.	293	269
Foreign Currency Value covered :		
US Dollars	20,06,78,305	18,98,78,925
Euro	9,35,01,956	92,00,000
Total No. of contracts outstanding for amount receivable on account of Fixed deposit with Bank.	6	NIL
Foreign Currency Value covered :		
US Dollars	4,50,00,000	NIL
b) Unhedged foreign currency exposure is as follows:		
Particulars		
Amounts Payable :		
Loans US Dollars:		
Other Loans :		
US Dollars	21,11,21,604	1,07,23,537
Interest US Dollars	1,64,298	67,255
Payables for goods and services:		
US Dollars	15,14,033	24,40,896
Euro	23,63,963	4,59,266
GBP	1,455	15,944

NOTE NO.39	Current Year	Previous Year
Amounts Receivable:		
Export of Goods US Dollar	56,481	13,565
Advances :		
US Dollar	1,90,37,038	42,59,505
Euro	51,28,154	42,48,563
GBP	74,704	69,000
THB	5,87,178	NIL
Balance with Scheduled Banks		
On Current Accounts:		
US Dollar	13,98,137	2,97,984
Euro	28,66,312	8,47,261

NOTE NO.40

Disclosures in accordance with revised accounting standard AS-15 on "Employee Benefits".

Defined benefit plans - As per actuarial valuation in respect of gratuity

Sr. no.	Descriptions	Current Year Rupees	Previous Year Rupees
i)	Components of employer expenses		
	Current Service Cost	92,21,168	64,74,253
	Interest Cost	64,70,795	43,65,079
	Expected Return on Plan Assets	(56,20,762)	(29,26,318)
	Actuarial-Loss (Net)	17,15,248	1,28,40,577
	Total Expenses recognised in the statement of Profit & Loss Account in Note No. '28'	1,17,86,449	2,31,99,344
ii)	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	56,39,111	34,00,936
	Actual Contributions	2,28,59,981	3,08,80,432
iii)	Net (Asset)/Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	9,13,17,689	7,84,33,881
	Fair value of plan assets	9,20,87,794	6,81,30,454
	Net (Asset)/Liability recognised in balance sheet	(7,70,105)	1,03,03,427
iv)	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	7,84,33,881	5,45,63,487
	Current Service cost	92,21,168	64,74,253
	Interest cost	64,70,795	42,45,558
	Past Service Cost (Vested Benefit)	NIL	25,65,274
	Actuarial Loss on DBO	28,30,956	1,39,86,245
	Benefits paid	(56,39,111)	(34,00,936)
	Present Value of DBO at the end of the year	9,13,17,689	7,84,33,881
v)	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
	Plan assets at the beginning of the year	6,81,30,454	3,65,78,972
	Expected return on plan assets	56,20,762	29,26,318
	Actual Company contributions	2,28,59,981	3,08,80,432
	Actuarial Gain on Plan Assets	11,15,708	11,45,668
	Benefits paid	(56,39,111)	(34,00,936)
	Plan assets at the end of the year	9,20,87,794	6,81,30,454
vi)	Actuarial Assumptions		
	Discount Rate	8.50%	8.25%
	Expected Return on plan Assets	8.50%	8.25%
	Salary escalation	4.50%	4.50%

a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs.4,38,07,973** (Previous Year Rs.3,55,97,435) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Note No. 28).

b) The assumption of future salary increase, considered in actuarial valuation, takes into account of inflation and other relevant factors.

NOTE NO.41	Current Year Rupees	Previous Year Rupees
Amount of Proposed dividend to Equity shareholders	14,49,87,893	13,53,22,033
Amount per share of Rs. 2 each, fully paid up	1.50	1.40

NOTE NO.42	Current Year Rupees	Previous Year Rupees
Payment to Auditors :		
a) Statutory Auditors		
- Audit Fees	26,77,033	24,49,058
- For Tax Audit	5,25,000	4,45,000
- For taxation matters	4,55,000	5,30,000
- For Company Law matters	1,95,000	1,50,000
- For other services - Certification etc.,	27,01,091	19,11,459
- For reimbursement of expenses		
Service Tax	5,64,072	4,13,684
Expenses	58,500	44,400
b) Cost Auditors		
- Audit Fees*	3,50,000	1,50,000
- For reimbursement of expenses		
Service Tax	24,720	NIL
* Including Rs. 1,00,000 for previous year.		

NOTE NO.43	Current Year Rupees	Previous Year Rupees
a) -Prior period items	1,00,271	6,63,351
b) -Amount of Borrowing Cost capitalised	84,50,85,946	2,82,513
c) - Total of Research and Development Cost/Expenditure(Revenue)	1,02,48,970	40,48,544
d) -Contribution to Provident and Other Funds (Note No. 28) includes contribution for the year to Gratuity Fund covered under the master policies of Life Insurance Corporation of India.	2,28,59,981	3,08,80,432

NOTE NO.44

Other Operating Revenue includes **Rs.80,91,230**; (Previous Year Rs.1,51,99,001) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

NOTE NO.45

Nature of Security in respect of secured Loan (Long Term/Short Term):	Rupees
Working Capital Loans from Banks Repayable on Demand: Secured by first charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis and further secured by second charge by way of hypothecation on all the present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Ambivali, Tarapur, Bhiwadi, Chopanki, Jaisalmer & certain assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis.	400,87,09,317
Term Loan from Banks: Secured by exclusive first charge on the textile machineries acquired by the Company out of the proceeds of the said loan.Further to be secured by first pari passu charge on Land and Factory Building, Plant and Machinery and all other movable assets,present and future, of the Company.	34,88,000
Secured by first charge by way of hypothecation on the all present and future movable,immovable fixed assets, Inventories and Receivables of the Company on first pari - passu basis.	51,74,76,726
Term Loan from Banks: Secured by first charge by way of hypothecation on the all present and future movable fixed assets of the Company on pari - passu basis and immovable fixed assets of the Company situated at Bhiwadi, Chopanki, Jaisalmer & certain assets at Bhuj Units and office premises at Creative Industrial Estate - Mumbai on pari - passu basis and further secured by second charge by way of hypothecation of Inventories, Receivables and other movables on pari-passu basis.	895,23,87,500

NOTE NO.46

- Figures in brackets in notes 34 and 36 pertain to previous year.
- The Revised Schedule VI to the Companies Act, 1956 has become effective from current financial year for the preparation of financial statements. It has significantly changed the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year Ended 31st March, 2012 Rupees		Year Ended 31st March, 2011 Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before Tax		400,41,67,393		288,14,20,513
Adjustment for :				
Depreciation and Ammortisation	86,38,62,563		77,33,53,405	
Income from Investments	(91,58,839)		(9,01,42,422)	
Finance Cost	29,19,99,573		21,49,50,606	
Interest Income	(2,60,48,002)		(1,76,69,840)	
(Profit)/Loss on Sale of Fixed Assets	(29,27,384)		10,38,932	
Fixed Assets Discarded/Written Off	1,18,07,060		92,80,651	
Unrealised Foreign Exchange differences (Gain)/Loss	(1,16,15,001)		(1,34,84,384)	
Retiring Gratuities	1,17,86,450		2,32,96,153	
Leave Encashment	1,57,23,964		1,46,67,983	
Withdrawal of Provision for doubtful Debts no longer required	(1,31,080)		(76,39,577)	
		114,52,99,304		90,76,51,507
Operating profit before working capital changes		514,94,66,697		378,90,72,020
Adjustment for:				
Trade and other receivables	(244,70,59,504)		(117,84,13,030)	
Inventories	(75,55,17,124)		(205,25,06,069)	
Trade payables	37,05,69,508		108,19,27,528	
		(283,20,07,120)		(214,89,91,571)
Cash generated from operations		231,74,59,577		164,00,80,449
Direct taxes paid		(152,98,26,937)		(87,84,49,909)
Gratuity paid		(2,28,59,982)		(3,09,77,242)
Leave Encashment paid		(82,37,687)		(54,82,922)
Net cash from Operating Activities		75,65,34,971		72,51,70,376
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets & Capital Work in Progress	(704,93,98,130)		(230,61,33,055)	
Sale of Fixed Assets	2,02,90,083		81,43,504	
Purchase of Investments	(226,41,58,175)		(843,79,84,874)	
Sale of Investments	237,72,17,485		891,72,52,458	
Inter Corporate Loan Given	NIL		(296,00,000)	
Inter Corporate Loan Refund Received	NIL		2,96,00,000	
Interest received	2,72,73,355		1,56,04,595	
Income Received on Investments	95,17,150		9,28,35,593	
Net cash used in Investing Activities		(687,92,58,232)		(171,02,81,779)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
(Repayment) /Proceeds from Short Term Borrowings (Net)	(480,33,85,090)		157,54,94,241	
Proceeds from Long Term Borrowings	2388,13,31,911		1446,49,48,617	
Repayment of Long Term Borrowings	(900,90,72,545)		(1459,66,17,596)	
Dividend paid (including tax thereon)	(15,76,89,547)		(15,80,03,152)	
Finance cost paid	(21,45,33,474)		(23,18,22,608)	
Net Cash from Financing Activities		969,66,51,255		105,39,99,502
Net Increase in cash and cash equivalent		357,39,27,994		6,88,88,099
Exchange difference on cash and cash equivalent - Gain		19,58,783		(62,715)
Cash and cash equivalent as at the begning of the year		12,25,18,452		5,36,93,068
Cash and cash equivalent as at the end of the year		369,84,05,229		12,25,18,452

Direct Taxes paid on income are treated as arising from Operating Activities and are not bifurcated between Investing and Financing Activities.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.
Chartered Accountants

VIRAL A. MERCHANT
Partner

Mumbai,

Dated: 30th May 2012

For and on behalf of the Board of Directors

A.M.PODDAR Chairman & Managing Director

R.D.PODDAR Director

V. R. SHAH Director & Company Secretary

B. K. BANSAL Director (Finance)

Mumbai,

Dated: 30th May 2012

NOTES



BKT Product Range



GROWING TOGETHER

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