

GIANLUIGI BERRUTI MANZONE

DOTTORE COMMERCIALISTA
REVISORE LEGALE
20122 MILANO - VIALE BIANCA MARIA 25

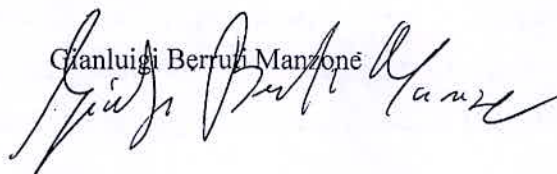
To the attention of Sole Shareholder
BALKRISHNA INDUSTRIES LIMITED
B-66, Waluj MIDC, Waluj Industrial Area,
Aurangabad 431 136, Maharashtra (India)

Milan, 30 april 2019

AUDITOR'S REPORT

I, the undersigned Gianluigi Berruti Manzone, chartered accountant (Dottore Commercialista), enrolled in the Registry of Italian Certified Public Accountants (Revisori Legali dei Conti) under the number 130275, with reference to the fiscal year closed as of march 31th, 2019, of the company BKT EUROPE SRL, with registered office in Viale Bianca Maria 25, 20122 Milano, VAT and Business Registry no. 05404270968, Economic and Administrative Index no. 1819352, hereby certify that:

1. the financial statements give a true and fair view of the financial position and of the results of operations of the company;
2. the accounts correctly reflect the values and the description of the documents and the company records held on behalf of the company at Riccardi Salom Tedeschi accounting firm.

Gianluigi Berruti Manzone


BKT EUROPE S.R.L.

Head office, address MILANO - VIALE BIANCA MARIA , 25

Capital Stock paid Euro 10.000,00

Registered to the Chamber of Commerce of MILANO

The identification N. - N. of enterprises registry 05404270968

Value-added tax identification number: 05404270968 - No. Of the economic
administrative registry (Rea): 1819352

Financial Statements at 31/03/2019

Balance sheet (mandatory scheme)

Assets	31/03/2019	31/03/2018
A) RECEIVABLES DUE FROM SHAREHOLDERS		
Total receivables due from shareholders (A)	0	0
B) FIXED ASSETS		
<i>I - Intangible fixed assets</i>		
6) Assets in process of formation and advances	505.682	0
7) Other	0	0
Total intangible fixed assets	505.682	0
<i>II - Tangible fixed assets</i>		
2) Plant and machinery	0	1.050
3) Industrial and commercial equipment	0	14
4) Other assets	1.594	4.029
5) Assets under construction and payments on account	1.373.679	48.102
Total tangible fixed assets	1.375.273	53.195
<i>III) Financial fixed assets</i>		
Total financial fixed assets (III)	0	0
Total fixed assets (B)	1.880.955	53.195
C) CURRENT ASSETS		
<i>I - Inventories</i>		
4) Finished products and goods for resale	2.949.791	2.356.882

Total inventories	2.949.791	2.356.882
<i>II Receivables</i>		
1) Trade accounts		
Due within the following year	3.697.081	2.009.536
Total trade accounts	3.697.081	2.009.536
5-b) Tax receivables		
Due within the following year	3.291.072	1.559.847
Total receivables due from tax authorities	3.291.072	1.559.847
5-c) Prepaid tax	418	467
5-d) Other receivables		
Due within the following year	401.620	541.539
Due beyond the following year	5.480	9.429
Total receivables due from third parties	407.100	550.968
Total receivables	7.395.671	4.120.818
<i>III - Current financial assets</i>		
Total financial current assets	0	0
<i>IV - Liquid funds</i>		
1) Bank and post office deposits	714.934	505.947
3) Cash and equivalents on hand	527	554
Total liquid funds	715.461	506.501
Total current assets (C)	11.060.923	6.984.201
D) ACCRUED INCOME AND PREPAYMENTS	66.307	516.400
TOTAL ASSETS	13.008.185	7.553.796

Balance sheet (mandatory scheme)

Liabilities and shareholders' equity	31/03/2019	31/03/2018
A) SHAREHOLDERS' EQUITY		
I - Share capital	10.000	10.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0

IV - Legal reserve	5.540	5.540
V - Statutory reserves	0	0
<i>VI - Other reserves, indicated separately</i>		
Contributions to capital account or to cover previous losses	10.000	10.000
Miscellaneous other reserves	-3	0
Total other reserves	9.997	10.000
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	148.947	150.526
IX - Net profit (loss) for the year	160.512	-1.579
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total shareholders' equity	334.996	174.487
B) RESERVES FOR CONTINGENCIES AND OTHER CHARGES		
Total reserves for contingencies and other charges (B)	0	0
C) TOTAL RESERVE FOR SEVERANCE INDEMNITIES (TFR)		
	215.362	187.598
D) PAYABLES		
4) Due to banks		
Due within the following year	3.110.000	1.950.000
Total payables due to banks (4)	3.110.000	1.950.000
7) Trade accounts		
Due within the following year	8.730.836	4.292.355
Total trade accounts (7)	8.730.836	4.292.355
12) Due to tax authorities		
Due within the following year	112.082	24.236
Total payables due to tax authorities (12)	112.082	24.236
13) Due to social security and welfare institutions		
Due within the following year	110.938	139.187
Total payables due to social security and welfare institutions (13)	110.938	139.187
14) Other payables		

Due within the following year	308.335	297.259
Total other payables (14)	308.335	297.259
Total payables (D)	12.372.191	6.703.037
E) ACCRUED LIABILITIES AND DEFERRED INCOME	85.636	488.674
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13.008.185	7.553.796

Income statement (value and cost of production)

	31/03/2019	31/03/2018
A) VALUE OF PRODUCTION		
1) Revenues from sales and services	22.895.484	11.389.133
2) Change in work in progress, semi-finished and finished products	592.909	661.440
5) Other income and revenues		
Other	12.463	3.478
Total other income and revenues	12.463	3.478
Total value of production	23.500.856	12.054.051
B) COSTS OF PRODUCTION		
6) Raw, ancillary and consumable materials and goods for resale	5.576.024	5.799.456
7) Services	15.408.424	4.313.833
8) Use of third party assets	245.679	215.907
9) Personnel		
a) Wages and salaries	1.250.855	1.144.764
b) Related salaries	366.438	329.062
c) Severance	89.244	81.314
Total payroll and related costs	1.706.537	1.555.140
10) Depreciation, amortisation and writedowns		
b) Depreciation of tangible fixed assets	3.497	4.248
Total Amortisation, depreciation and write-downs	3.497	4.248
14) Other operating expenses	177.128	55.179
Total cost of production	23.117.289	11.943.763
Difference between value and cost of production (A - B)	383.567	110.288
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) Income other than the above		

Other	39	30
Total income other than the above	39	30
Total other financial income	39	30
17) Interest and other financial expense		
Other	115.358	67.026
Total interest and other financial expense	115.358	67.026
17-bis) Currency gains and losses	-3.835	-1.981
Total financial income and expense (15 + 16 - 17 + - 17-bis)	-119.154	-68.977
D) VALUE ADJUSTEMENTS TO FINANCIAL ASSETS AND LIABILITIES		
Total value adjustments to financial assets and liabilities (18 - 19)	0	0
PRE-TAX RESULT(A - B + - C + - D)	264.413	41.311
20) Income tax for the year, current, deferred and prepaid		
Current taxes	103.851	42.890
Deferred and prepaid tax	50	0
Total taxes on the income for the year	103.901	42.890
21) PROFIT (LOSS) FOR THE YEAR	160.512	-1.579

THE ADMINISTRATIVE BODY: