

BKT

GROWING TOGETHER



49th annual
r e p o r t **2011**

balkrishna industries limited



ॐ Lord Ganesha ॐ

Contents

Company Information	01
Financial Highlights	02
Directors' Report	04
Corporate Governance Report	09
Auditors' Report	17
Balance Sheet	20
Profit and Loss Account	21
Schedules	22
Cash Flow Statement	38
Balance Sheet Abstract	39
Statement of Interest in Subsidiary	40
Consolidated Auditors' Report	41
Consolidated Balance Sheet	42
Consolidated Profit and Loss Account	43
Consolidated Schedules	44
Consolidated Cash Flow Statement	60

Company Information

BOARD OF DIRECTORS:

DHARAPRASAD PODDAR
Chairman

ARVIND PODDAR
Vice Chairman & Managing Director

ANURAG PODDAR
Executive Director

RAJIV PODDAR
Executive Director

SACHIN NATH CHATURVEDI
SUBHASH CHAND MANTRI
RAMESHKUMAR PODDAR
KHURSHED DOONGAJI
LAXMIDAS MERCHANT
ASHOK SARAF
SANJAY ASHER

BASANTKUMAR BANSAL
Whole Time Director

MANAGEMENT COMMITTEE :

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

COMPANY SECRETARY:

VIPUL SHAH

BANKERS:

BANK OF BARODA
BARCLAYS BANK PLC
CORPORATION BANK
ING VVSYA BANK
INDUSINDBANK
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. DILIPA. JAIN & ASSOCIATES
Chartered Accountants

REGISTERED OFFICE :

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

PLANTS :**TYRE MANUFACTURING :****WIND FARM :****MOULD UNITS :****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,
Dist. Kachchh. (Gujarat)

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

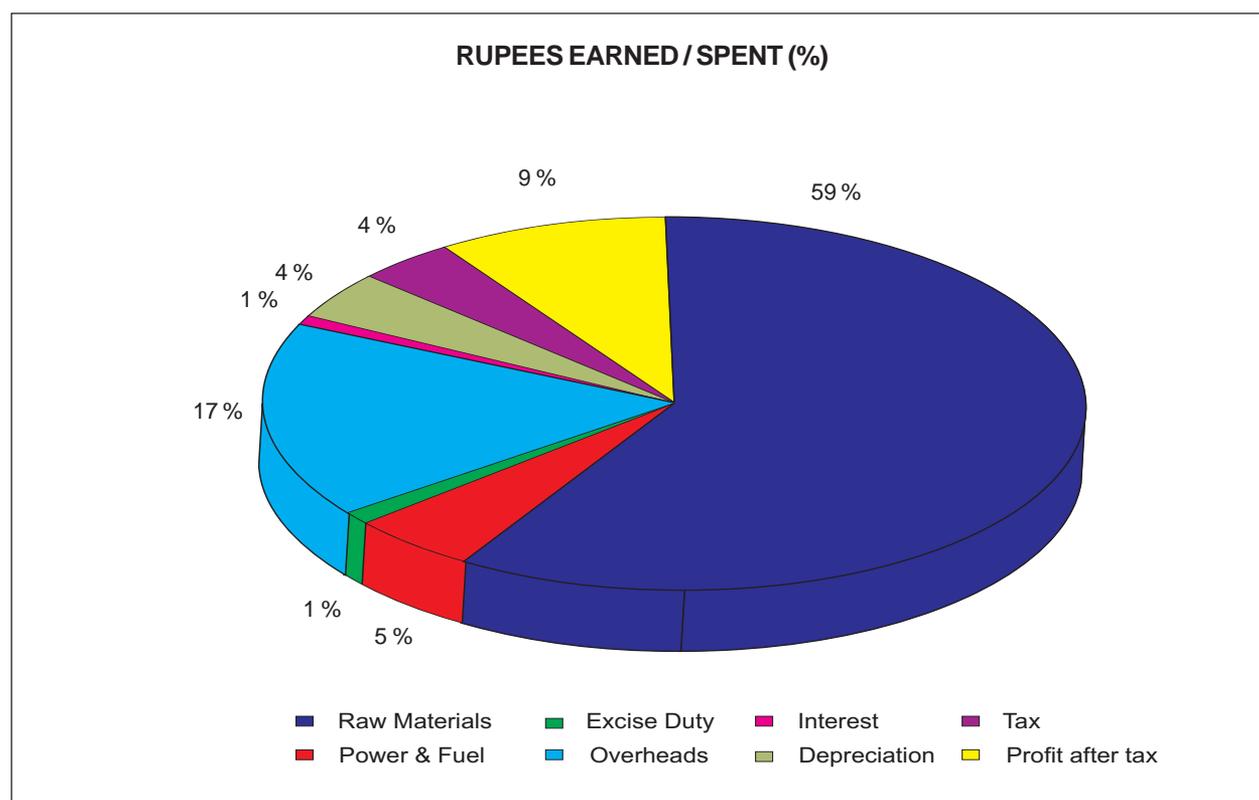
Plot No. TS-1 and C-21, M.I.D.C, Phase No.II,
Dombivali (E) 421 201, Dist. Thane (Maharashtra)

Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.

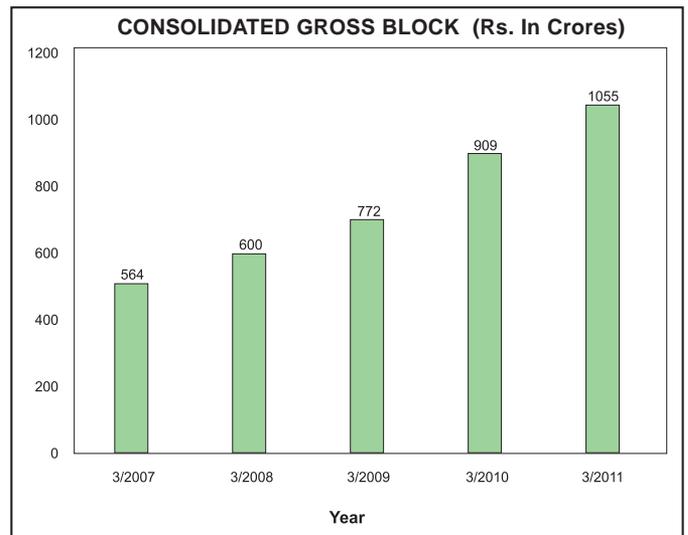
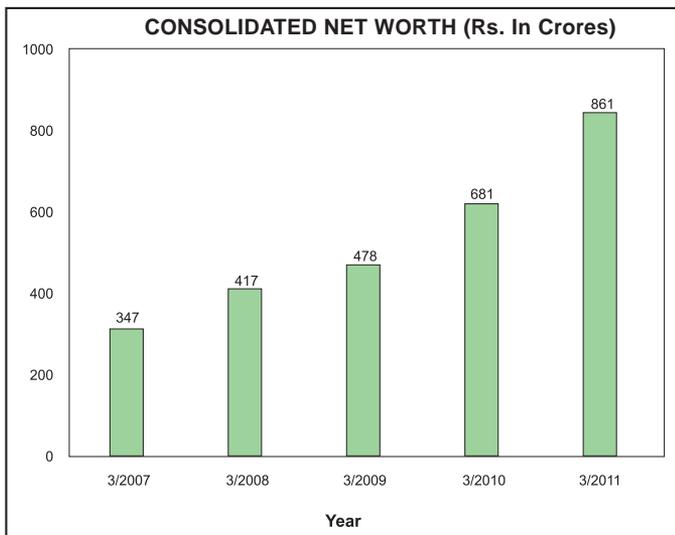
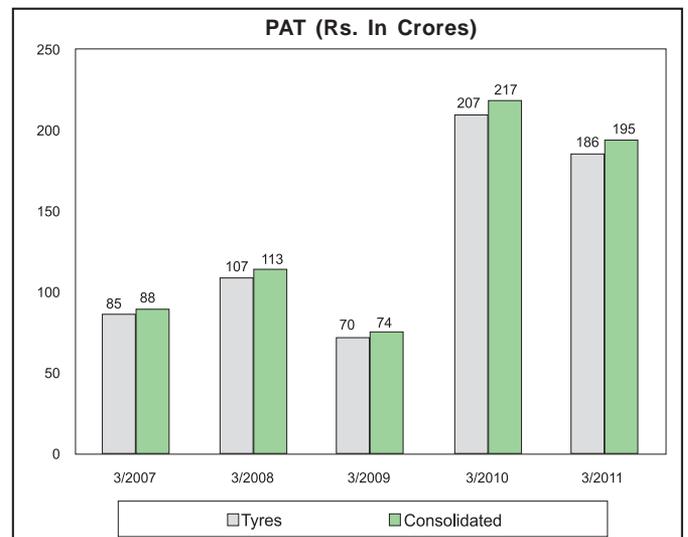
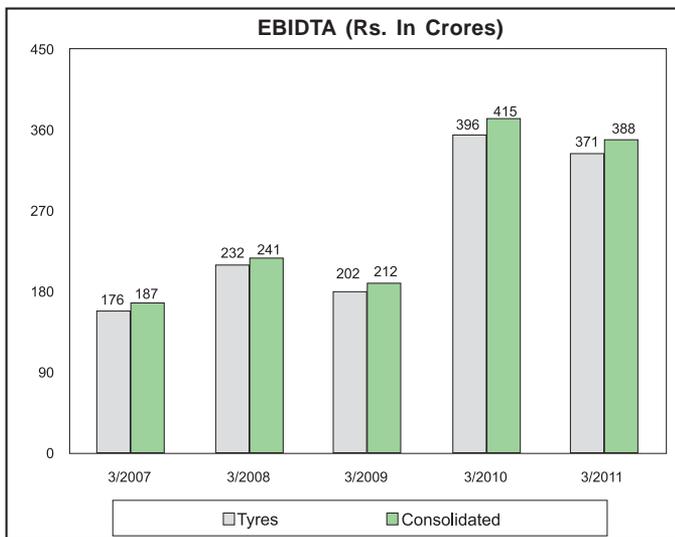
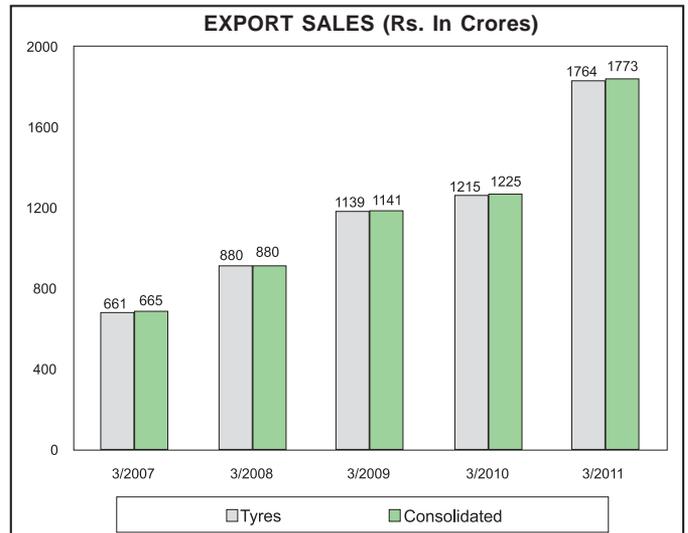
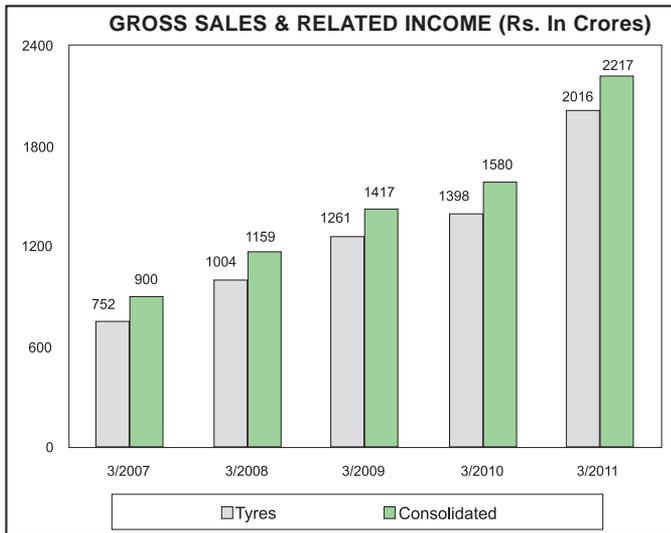
Financial Highlights (Consolidated)

(Rs. In Crores)

Particulars	Consolidated				
	2011	2010	2009	2008	2007
Year ended 31st March					
Gross Sales & Related Income	2217	1580	1417	1159	900
Net Sales & Related Income	2192	1564	1400	1133	878
Other Income	20	30	7	16	9
Total Income	2212	1594	1407	1149	887
PBIDT	388	415	212	241	187
PBDT	366	395	174	215	170
Depreciation	77	69	59	46	36
Exceptional Item	-	-	-	(4)	-
PBT	289	327	115	173	134
Taxes	94	110	41	60	46
PAT	195	217	74	113	88
Dividend	70%	70%	60%	105%	105%
Earning per Share of Rs. 2 each	20.14	22.67	7.72	11.67	8.60
Total Cash Accruals	256	270	119	135	102



Financial Highlights



Directors' Report

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 49th Annual Report and Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS:

	(Rs. in Crores)	
	Current Year ended 31.03.2011	Previous Year ended 31.03.2010
Gross Turnover and Other Income	2032.11	1424.36
Less: Excise Duty Recovered on Sales	<u>18.82</u>	<u>10.96</u>
Net Turnover and Other Income	2013.29	1413.40
Gross Profit	<u>349.44</u>	<u>377.55</u>
Less: Depreciation and Amortisation	74.44	66.22
Profit before Tax	275.00	311.33
Less: Provision for Taxation		
Current Tax	87.20	102.38
Deferred Tax (Net)	<u>2.18</u>	<u>2.42</u>
	<u>89.38</u>	<u>104.80</u>
Profit after Tax	185.62	206.53
(Less)/Add : Adjustments relating to earlier years		
Short Provision for (Expenses) (Net)	(0.06)	(0.16)
Excess Provision of Taxation	<u>0.10</u>	<u>2.36</u>
Profit after adjustment relating to Earlier Years	185.66	208.73
Balance brought forward from last year	<u>237.93</u>	<u>65.85</u>
PROFIT AVAILABLE FOR APPROPRIATIONS:	<u>423.59</u>	<u>274.58</u>
APPROPRIATIONS:		
Transfer to General Reserve	18.56	20.87
Interim Dividend	NIL	13.53
Proposed Final Dividend	13.53	NIL
Tax on Dividend	<u>2.19</u>	<u>2.25</u>
	<u>34.28</u>	<u>36.65</u>
Balance Carried Forward to Balance Sheet	<u>389.31</u>	<u>237.93</u>

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.

After a year of severe slowdown in F.Y.09 – 10, the company witnessed a good surge in F.Y. 10 – 11 that resulted in top line growth of above 42%. The Net Turnover and other Income of the company increased from Rs.1,413 Crores to Rs.2,013 Crores in the year under consideration.

Due to unprecedented increase in raw material and other input costs, the operating margin (EBIDTA) of the company for the year under review declined to Rs.371 Crores from Rs.396 Crores in the previous year. Correspondingly, the profit after tax also declined to Rs.186 Crores during the year under consideration as compared to Rs.207 Crores in the previous year.

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

DIVIDEND:

Your Directors are pleased to recommend a Dividend of Rs. 1.40 per share (70%) for the year, with a total payout of Rs. 15.72 Crores, including Tax on Dividend.

CAPITAL EXPENDITURE

During the year, the company has incurred capital expenditure of Rs.131 Crs. on account of following major activities:

- Setting up of raw material warehouse at Chopanki and finished goods warehouse at Bhiwandi;
- Setting up of new mould plant at Dombivli;
- Increase in small production capacity at all the three plants through de-bottlenecking.
- Regular maintenance capex at all the three plants.

The company also incurred capital expenditure of Rs.94 Crs approx. in connection with its upcoming green field tyre project at Bhuj in the State of Gujarat which is progressing as per schedule.

Directors' Report

OUTLOOK FOR THE CURRENT YEAR 2011-12:

The company is seeing continuity in demand of its products in the current financial year in line with that of previous year which was encouraging. The said demand is coming from across the globe. The demand from replacement as well as OEM segment has shown good signs of revival and likely to be there in times to come.

Though the raw material prices and other input costs are started softening in the current financial year as compared to previous year, still it is on the higher side. If the softening in raw material prices and other inputs costs continue, 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 variety-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, labour 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 recent past. The future outlook for this commodity is hard to predict, and it would be difficult to say what level of further increase could take place in the future. The prices of other raw materials have also moved up sharply in the recent past and currently ruling at very high levels affecting the margins of the company adversely.

Though the Company enjoys the pricing power, however, it is not possible to pass on the increase to the full extent. Moreover, it happens with some time lag. Thus, the Company has to bear the brunt of the said fluctuations to some extent. 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: This is not a unique area of concern for the Company as there is a significant shortage of skilled manpower in the industry. The rate of attrition is therefore high.

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; it is 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 protects itself largely 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

Directors' Report

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:

Mr. Laxmidas Merchant, Mr. Anurag Poodar, Mr. Rajiv Poddar and Mr. Subhash Chand Mantri retire by rotation and being eligible, offer themselves for re-appointment.

Necessary resolutions for their re-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 2011.

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.

Group

As required under Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purposes of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure 'II' attached herewith and the said Annexure 'II' forms part of this Annual 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, 2011, 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, 2011 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

Mumbai,
Dated : 20th May, 2011

DHARAPRASAD PODDAR
Chairman

Annexure to Directors' Report

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, 2011.

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:

1 Electricity

	Current Year	Previous Year
(a) Purchased		
Units (KWH)	7,54,68,342	5,53,10,835
Total amount (Rs. in lacs)	3,621.53	2,532.09
Rate/Unit (Rs.)	4.80	4.58
(b) Own generation		
(i) Through Diesel Generating Sets		
Units (KWH)	2,38,76,155	2,58,66,741
Units per liter of H.S.D/L.D.O./Furnace Oil	3.88	4.03
Cost/Unit (Rs.)	7.11	5.92
(ii) Through Wind Mill (For Captive Consumption)		
Units (KWH)	54,93,784	70,29,984

2 Pet Coke (specify quality and where used)

The Company also uses Pet-Coke grade B/C in its Boilers		
Quantity (Tons)	29,004	23,859
Total Amount (Rs. in lacs)	2,308.15	1,479.54
Average rate (Rs./Ton)	7,958	6,201

3 H.S.D/L.D.O./Furnace Oil

Quantity (K.Ltrs)	6,150	6,413
Total Amount (Rs. in lacs)	1,697.01	1,531.63
Average rate (Rs./KL)(Net of Modvat, Wherever applicable)	27,593	23,882

II. Consumption per unit of production:

	Electricity(KWH)	Pet Coke(Kgs)	Furnace Oil (Ltr)
Automobile Tyres (MT)	911(978)	266(287)	56(77)

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':

Annexure to Directors' Report

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	:	40.49
(C) Total	:	40.49

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.1,764** Crores as against Rs.1,215 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 : **1,076** Earned : **1,764**

For and on behalf of the Board of Directors

Mumbai,
Dated : 20th May, 2011

DHARAPRASAD PODDAR
Chairman

Corporate Governance Report

(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 2011 has twelve Directors comprising of; Non-Executive & Non-Independent Directors, Non-Executive & Independent Directors and Whole Time Directors (Managing Director, Executive Directors and Director-Finance).

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board. The Chairman of the Board is a 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 constitution of the Board during the course of the year ended 31st March 2011.

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 R. Poddar	Non-Executive & Non- Independent Director	5	Y	1	1	-	-
Shri Arvind M. Poddar	Managing Director	6	Y	5	4	-	1
Shri Ramesh D. Poddar	Non-Executive & Non- Independent Director	6	Y	-	2	-	1
Shri Sachin Nath B. Chaturvedi	Non-Executive & Independent Director	6	Y	-	4	-	2
Shri Khurshed M. Doongaji	Non-Executive & Independent Director	6	Y	-	1	2	-
Shri Rakesh N. Garodia Upto 29.05.2010	Non-Executive & Independent Director	1	N.A.	-	-	-	-
Shri Sanjay Asher w.e.f. 29.05.2010	Non-Executive & Independent Director	4	Y	-	14	5	10
Shri Subhash Chand B. Mantri	Non-Executive & Independent Director	6	Y	-	1	-	-
Shri Ashok M. Saraf	Non-Executive & Independent Director	5	Y	1	-	-	-
Shri Laxmidas V. Merchant	Non-Executive & Independent Director	5	N	-	3	2	-
Shri Anurag P. Poddar	Executive Director	6	N	-	5	-	-
Shri Rajiv A. Poddar	Executive Director	6	N	-	6	-	-
Shri BasantKumar G. Bansal	Whole Time Director	6	Y	-	-	-	-

1. Shri Arvind M Poddar and Shri Rajiv A Poddar are relatives of each other.

2. Shri Dharaprasad R Poddar is a relative of Shri Ramesh D. Poddar and Shri Anurag P Poddar and vica versa.

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

The Company held six Board Meetings during 2010-2011 and the gap between two meetings did not exceed four months. The meetings were held on 14th April, 2010, 29th May, 2010, 16th July, 2010, 31st July, 2010, 30th October, 2010 and 29th January, 2011. 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.

During the year Company has paid fees for the professional services to the firm of Chartered accountants of which one of Non-Executive Independent Director is a partner. Considering the amount involved, the Company is of the opinion that there is no material pecuniary relationship with the said firm.

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.

Corporate Governance Report

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

Name of the Director	Salary	Perquisites and allowances #	Commission	Sitting Fees	(in Rupees)	
					Total	Service Contract
Shri Dharaprasad R. Poddar	NIL	NIL	NIL	77,500	77,500	*
Shri Arvind M. Poddar	60,00,000	61,83,534	1,80,00,000	NIL	3,01,83,534	01.08.2006 to 31.07.2011
Shri Ramesh D. Poddar	NIL	NIL	NIL	95,000	95,000	*
Shri Sachin Nath B. Chaturvedi	NIL	NIL	NIL	1,45,000	1,45,000	*
Shri Khurshed M. Doongaji	NIL	NIL	NIL	1,30,000	1,30,000	*
Shri Rakesh N. Garodia (upto 29.05.2010)	NIL	NIL	NIL	10,000	10,000	*
Shri Sanjay Asher(w.e.f. 29.05.2010)	NIL	NIL	NIL	60,000	60,000	*
Shri Subhash Chand B. Mantri	NIL	NIL	NIL	1,45,000	1,45,000	*
Shri Ashok M. Saraf	NIL	NIL	NIL	70,000	70,000	*
Shri Laxmidas V. Merchant	NIL	NIL	NIL	70,000	70,000	*
Shri Anurag P. Poddar	24,00,000	23,93,866	72,00,000	NIL	1,19,93,866	22.01.2009 to 21.01.2014
Shri Rajiv A. Poddar	24,00,000	24,01,893	72,00,000	NIL	1,20,01,893	22.01.2009 to 21.01.2014
Shri BasantKumar G. Bansal	18,24,000	42,51,466	NIL	NIL	60,75,466	26.07.2008 to 25.07.2013

* Retire by rotation

#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, 2011:

Name of Director	No. of Shares held of Rs. 2 Each
Shri Dharaprasad R. Poddar	25,260
Shri Arvind M. Poddar	500
Shri Ramesh D. Poddar	50,000
Shri Anurag P. Poddar	1,53,830
Shri Rajiv A. Poddar	7,13,415

Audit Committee:

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

Shri K M Doonganji was appointed as a Member w.e.f. 29th May, 2010 in place of Shri Rakesh N Garodia, who has resigned as a Member w.e.f. 29th May, 2010.

All the members have financial and accounting knowledge and the Chairman, Shri Subhash Chand B. Mantri, is a Chartered Accountant. The Company Secretary, Shri Vipul R. 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 29th May, 2010, 31st July, 2010, 30th October, 2010 and 29th January, 2011 where all the members were present.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 23rd August, 2010.

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 B. Mantri (Chairman) and Shri Khushed M Doongaji.

Shri K M Doonganji was appointed as a Member w.e.f. 29th May, 2010 in place of Shri Rakesh N Garodia, who has resigned as a Member w.e.f. 29th May, 2010.

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 Meeting was not held during the year.

Corporate Governance Report

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:

The Share Transfer and Shareholders'/Investors' Grievance Committee comprises of Shri Dharaprasad R. Poddar (Chairman), Shri Arvind M. Poddar and Shri Ramesh D. Poddar. The Company Secretary, Shri Vipul R. Shah, has been designated as Compliance Officer.

During the year, the Company held four Shareholders'/Investors' Grievance Committee Meetings. The meetings were held on 1st April, 2010, 26th July, 2010, 12th October, 2010 and 7th January, 2011 where all the members of the Committee were present except Shri Dharaprasad R. Poddar who was absent in the meeting held on 7th January, 2011 for the said meeting.

During the year ended 31st March 2011, five Shareholder Complaints/ queries were received which were attended to and resolved satisfactorily during the year. There was no complaint pending as on 31st March, 2011.

As at 31st March 2011, there was no Share Transfer pending for Registration for more than 30 days.

General Body Meeting:

Details of the last three Annual General Meetings

Year	Location	Date	Time
2007-2008	46 th AGM	G-4/1 "MIDC" Tarapur(Boisar) (Maharashtra)	23/08/2008 12:30 p.m.
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.

Special Resolution passed in the Previous 3 Annual General Meetings:

At the 46th Annual General Meeting held on 23rd August, 2008, one Special Resolution was passed pertaining to amendment/insertion of Articles in Articles of Association of the Company.

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 G. Bansal, Shri Anurag P Poddar and Shri Rajiv A Poddar as Whole time directors and fixation of their remuneration and one special resolution pertaining to revision of remuneration payable to Shri Arvind M 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.

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.

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

General Shareholder Information:

Annual General Meeting :	
Date	06 th August, 2011
Time	12.30 P.M.
Venue	Plot No.: G-4/1, MIDC, Tarapur, Boisar – 401506
Date of Book Closure	27 th July, 2011 to 29 th July, 2011
Dividend Payment Date	On or after 6 th August, 2011

Financial Calendar for the year 2011-2012

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.

Corporate Governance Report

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

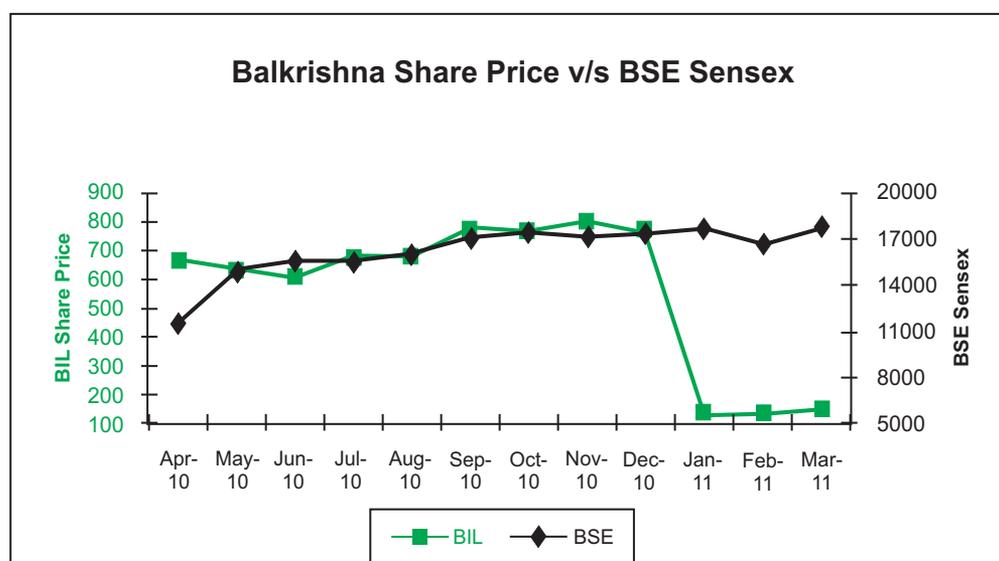
Shareholding Pattern as on 31st March 2011:

Particulars	No. of Shares	%
Promoters	5,25,51,510	54.37
Mutual Funds / UTI	1,43,43,799	14.84
Companies	23,29,899	2.41
Public	1,21,54,797	12.57
Non Resident Indians	3,04,661	0.32
Foreign Institutional Investors	1,49,73,929	15.49
TOTAL	9,66,58,595	100.00

Market Price Data (Rs.):

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India (NSE)	
	High	Low	High	Low
Apr-10	664.00	605.00	664.90	604.40
May-10	627.90	520.00	626.00	515.00
Jun-10	614.95	520.00	622.00	515.10
Jul-10	677.00	550.30	679.50	560.00
Aug-10	685.00	618.00	695.00	620.20
Sep-10	770.00	664.50	774.00	665.55
Oct-10	772.00	675.00	785.00	678.00
Nov-10	808.00	712.00	805.50	710.00
Dec-10	780.00	*128.00	784.90	*126.25
Jan-11	135.90	109.65	135.95	109.00
Feb-11	146.20	115.80	151.60	115.30
Mar-11	156.80	120.25	157.00	122.15

*Note : The Company has sub divided the equity shares of the company of Rs.10/- each into 5 equity shares of Rs.2/- each with effect from 22/12/2010, as approved by the Members at the Extraordinary General Meeting of the company held on 03/12/2010.



Corporate Governance Report

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, 2 nd Floor, Near Sakinaka Telephone Exchange, Andheri Kurla Road, Sakinaka Andheri (E), Mumbai – 400 072
Contact Nos.	:	022-67720300, 67720400
Fax No	:	022-28591568/28508927
Email ID	:	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, 2011:

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% Share holding
1 to 500	5,242	70.22	8,36,096	0.86
501 to 1,000	795	10.65	6,24,172	0.65
1,001 to 2,000	524	7.02	7,81,238	0.81
2,001 to 3,000	294	3.94	7,76,597	0.80
3,001 to 4,000	80	1.07	2,95,367	0.31
4,001 to 5,000	87	1.17	4,07,197	0.42
5,001 to 10,000	186	2.49	13,10,373	1.35
10,001 & above	257	3.44	9,16,27,555	94.80
Total	7,465	100.00	9,66,58,595	100.00

Dematerialisation 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 2011, 97.75% of Company's Shares were dematerialised.

Foreign Currency Convertible Bonds (FCCB):

The Outstanding FCCBs of USD 22 million have been repaid in full on 31st December, 2010. Hence, there are no Foreign Currency Convertible Bonds outstanding for payment.

Plant Locations

PLANTS :

TYRE MANUFACTURING :

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,
Dist. Kachchh. (Gujarat)

WIND FARM :

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

MOULD UNITS :

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

Place: Mumbai,
Dated: 20th May, 2011

DHARAPRASAD PODDAR
Chairman

Auditors' Certificate

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, 2011.

For Balkrishna Industries Ltd.

Arvind M. Poddar
Managing Director

Place : Mumbai,
Dated : 20th May, 2011

AUDITORS' CERTIFICATE

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

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, 2011, 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)

Place : Mumbai,
Dated : 20th May, 2011

ASHOK J. THAKKAR
Partner
Membership No.007860

ANNEXURE – II

The following is the list of persons constituting “Group” (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purposes of availing exemption from the applicability of the provisions of Regulations 10 to 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (“the said Regulations”), as provided in Clause 3(1)(e)(i) of the said Regulations:

Sr. No.	Name	Sr. No.	Name
A	Companies	B	Individuals
1	S.P.Finance & Trading Ltd.	20	Shri Harshit Shrikishan Poddar
2	Balgopal Holdings & Traders Ltd.	21	Smt Anuja Mundra
3	Vishal Furnishings Ltd.	22	Smt Shivani Tiberwala
4	Poddar Brothers Investment Pvt. Ltd.	23	Smt Tribenidevi Mahabirprasad Poddar
5	Sanchna Trading & Finance Ltd.	24	Smt Shyamlata Sureshkumar Poddar
6	SP Investrade (India) Ltd.	25	Shri Rishabh Sureshkumar Poddar
7	SPG Realty Pvt. Ltd.	26	Shri Arvindkumar Mahabirprasad Poddar
8	Poddar Bio Diesel Pvt. Ltd.	27	Smt Vijaylaxmi Arvindkumar Poddar
9	Oxemberg Clothing Pvt. Ltd.	28	Shri Rajiv Arvindkumar Poddar
10	Siyaram Polycote Pvt. Ltd.	29	Smt Khushboo Rajiv Poddar
11	Oxemberg Fashions Ltd.	30	Shri Vinodkumar Mahabirprasad Poddar
12	Beetee Textiles Industries Ltd.	31	Smt Sunita Vinodkumar Poddar
13	Santigo Textiles Mills Pvt. Ltd.	32	Shri Rahul Vinodkumar Poddar
14	Balkrishna Paper Mills Ltd.	33	Smt Shefali Rahul Poddar
15	Balkrishna Synthetics Ltd.	34	Ms Rishita Vinodkumar Poddar
16	BKT Tyres Ltd.	35	Smt Aarti Shorewala
17	BKT Exim Ltd.	36	Smt Aanchal Deora
18	SPG Power Ltd.	37	Smt Shikha Kandoi
19	SPG Infrastructure Ltd.	38	Smt Pooja Dhoot
20	Futuristic Concept Media Ltd.	C	Partnership Firms
21	Seeom Fabrics Ltd.	1	Fabwear Garment
22	Paramount Minerals & Chemicals Ltd.	2	Tirupati Realty
23	Image Commercials Pvt. Ltd..	3	Balaji Realty
24	GRL International Ltd.	4	Shree Siyaram Textiles
25	Govind Rubber Ltd.	D	HUFs
26	Siyaram Silk Mills Ltd.	1	Dharaprasad & Sons HUF
27	Trendline Commercials Pvt.Ltd.	2	Dharaprasad Poddar & Co. HUF
28	Wavelink Commercials Pvt.Ltd.	3	Rameshkumar Poddar & Bros.HUF
29	DPP Trading Pvt. Ltd.	4	Rameshkumar Poddar & Co.HUF
30	MPP Trading Pvt. Ltd.	5	Pawankumar Poddar & Co.HUF
B	Individuals	6	Pramod Poddar HUF
1	Shri Dharaprasad Ramrikhdas Poddar	7	Dharaprasad Pramodkumar HUF
2	Smt Geetadevi Dharaprasad Poddar	8	Shrikishan Poddar HUF
3	Shri Rameshkumar Dharaprasad Poddar	9	Mahabirprasad Poddar & Co.HUF
4	Smt Ashadevi Rameshkumar Poddar	10	Arvindkumar Sureshkumar Poddar HUF
5	Shri Pawankumar Dharaprasad Poddar	11	Sureshkumar Poddar & Co.HUF
6	Smt Madhudevi Pawankumar Poddar	12	Mahabirprasad & Sons HUF
7	Shri Avnish Pawankumar Poddar	13	Sureshkumar Poddar & Bros.HUF
8	Smt Vithika Avnish Poddar	14	Arvind Poddar HUF
9	Mst Agastya Avnish Poddar	15	Mahabirprasad Vinodkumar HUF
10	Shri Anurag Pawankumar Poddar	16	Vinod Poddar HUF
11	Smt Megha Anurag Poddar	E	Limited Liability Partnership
12	Smt Sangeeta Pramodkumar Poddar	1	DPP Enterprises LLP
13	Shri Gaurav Pramodkumar Poddar	2	GPP Enterprises LLP
14	Smt Smriti Gaurav Poddar	3	PKP Enterprises LLP
15	Shri Ankit Pramodkumar Poddar	4	HSP Enterprises LLP
16	Shri Shrikishan Dharaprasad Poddar	5	TMP Enterprises LLP
17	Smt Vibha Shrikishan Poddar	6	AKP Enterprises LLP
18	Shri Abhishek Shrikishan Poddar	7	RAP Enterprises LLP
19	Smt. Vihari Abhishek Poddar	8	VKP Enterprises LLP

The Financial Section

Auditors' Report to the Members

1. We have audited the attached Balance Sheet of **BALKRISHNA INDUSTRIES LIMITED**, as at 31st March, 2011 and also the Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, appearing in Schedule 'R' to the 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, 2011;
 - b. in the case of the Profit and Loss Account, 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)

ASHOK J. THAKKAR
 Partner
 Membership No. 007860

Mumbai,
 Dated : 20th May, 2011

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, 2011.

- 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 at intervals by the management. The goods in the possession of third parties as on 31st March, 2011 have been verified by the management with

Annexure to the Auditors' Report

- reference to the confirmation obtained from the third parties. 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 in earlier year had granted unsecured loan to one party, a wholly owned subsidiary, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs. 1,23,67,690 and the year-end balance of the loan granted was Rs. 1,23,67,690.
- b) According to the information and explanations given to us, the terms and conditions of the loans, including that of not charging the interest to the subsidiary, 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. Since the loan was interest free the question of receipt of interest does not arise.
- 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 though there have been delays in few cases. However, as at 31st March, 2011 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:-

Annexure to the Auditors' Report

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)	20,95,155	2002-03	Tribunal
		3,85,06,349	2004-05 2007-08	Commissioner (Appeals)
		52,24,035	2003-04 2007-08	Assessing Authority
Sales Tax Act	Sales Tax (Including Interest and Penalty)	2,58,000	2004-05	High Court
		2,36,24,899	1996-1998 1999-2002	Tribunal
		1,49,63,925	1997-1999 2002-2005	Commissioner (Appeals)
Central Excise Act	Excise Duty (Including Interest and Penalty)	14,02,970	2002-06	High Court
		79,88,062	2006-07	Govt. of India, Ministry of Finance, Department of Revenue (Revision)
		3,46,67,873	2003-2009	Tribunal
		1,11,03,180	1994-1996 1999-2001 2005-2010	Commissioner (Appeals)
		2,21,70,315	1994-2004	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 or bond holders.
- 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) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- 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)

ASHOK J. THAKKAR
 Partner

Mumbai,
 Dated : 20th May, 2011

Membership No. 007860

BALANCE SHEET

AS AT 31ST MARCH, 2011

	Schedule	Rupees	Current Year Rupees	Previous Year Rupees
I. SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS :				
a) Capital	'A'	19,33,17,190		19,33,17,190
b) Reserves and Surplus	'B'	812,44,41,417		641,44,36,985
			831,77,58,607	660,77,54,175
2. LOAN FUNDS :				
a) Secured Loans	'C'	385,44,25,505		264,26,75,987
b) Unsecured Loans	'D'	221,58,66,442		200,06,06,435
			607,02,91,947	464,32,82,422
3. DEFERRED TAX LIABILITY (NET)				
(Refer Note No. 17 in Schedule 'R')				
			56,99,34,638	54,81,18,013
TOTAL			1495,79,85,192	1179,91,54,610
II. APPLICATION OF FUNDS				
1. FIXED ASSETS :				
a) Gross Block	'E'	1008,94,98,135		871,46,71,090
b) Less : Depreciation		321,50,66,159		256,58,36,783
c) Net Block		687,44,31,976		614,88,34,307
d) Capital Work-in-Progress		146,38,18,619		58,86,99,870
			833,82,50,595	673,75,34,177
2. INVESTMENTS				
	'F'		32,23,51,235	80,72,64,845
3. CURRENT ASSETS, LOANS AND ADVANCES :				
a) Inventories	'G'	410,37,62,268		203,05,26,486
b) Sundry Debtors	'H'	324,77,87,663		240,30,39,537
c) Cash and Bank Balances	'I'	10,98,66,003		4,22,79,418
d) Other Current Assets	'J'	2,92,383		2,87,337
e) Loans and Advances	'K'	485,29,90,798		369,64,70,172
		1231,46,99,115		817,26,02,950
Less : CURRENT LIABILITIES AND PROVISIONS :				
a) Liabilities	'L'	239,32,32,525		114,90,45,306
b) Provisions	'M'	362,40,83,228		276,92,02,056
		601,73,15,753		391,82,47,362
NET CURRENT ASSETS			629,73,83,362	425,43,55,588
TOTAL			1495,79,85,192	1179,91,54,610
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS		'R'		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR Chairman

A.M. PODDAR Vice Chairman & Managing Director

R.D. PODDAR Director

B.K. BANSAL Director (Finance)

Mumbai,

Dated: 20th May, 2011

PROFIT & LOSS ACCOUNT



FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year Rupees	Previous Year Rupees
INCOME :			
Sales and Related Income	'N'	2015,75,74,670	1397,91,84,462
Less: Excise Duty Recovered on Sales		18,81,70,780	10,95,87,977
		1996,94,03,890	1386,95,96,485
Other Income	'O'	16,35,36,725	26,43,85,456
		2013,29,40,615	1413,39,81,941
EXPENDITURE :			
Manufacturing, Trading and Other Expenses	'P'	1642,63,16,310	1017,19,09,826
Interest and Finance Charges	'Q'	21,22,25,611	18,65,89,946
Depreciation and Amortisation		74,43,89,612	66,21,60,844
		1738,29,31,533	1102,06,60,616
PROFIT BEFORE TAX		275,00,09,082	311,33,21,325
Less : Provision for Taxation			
- Current Tax		87,20,00,000	102,38,00,000
- Deferred Tax (Net)		2,18,16,625	2,42,46,931
PROFIT AFTER TAX		185,61,92,457	206,52,74,394
(Less)/Add: Adjustments relating to earlier years			
Short Provision for (Expenses) (Net)		(5,68,536)	(16,48,199)
Excess Provision for Taxation of earlier years		9,64,737	2,36,48,386
PROFIT AFTER ADJUSTMENT RELATING TO EARLIER YEARS		185,65,88,658	208,72,74,581
Balance Brought Forward From Last Year		237,93,11,082	65,85,61,290
PROFIT AVAILABLE FOR APPROPRIATION		423,58,99,740	274,58,35,871
APPROPRIATIONS :			
Transfer to General Reserve		18,56,58,866	20,87,27,458
Interim Dividend		NIL	13,53,22,033
Proposed Final Dividend		13,53,22,033	NIL
Tax on Dividend		2,18,68,260	2,24,75,298
		34,28,49,159	36,65,24,789
Balance Carried to Balance Sheet		389,30,50,581	237,93,11,082
		423,58,99,740	274,58,35,871
Earning Per Share			
- Basic and Diluted		19.21	21.59
(Refer Note No. 19 in Schedule 'R')			
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	'R'		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR

Chairman

A.M. PODDAR

Vice Chairman & Managing Director

R.D. PODDAR

Director

B.K. BANSAL

Director (Finance)

Mumbai,

Dated: 20th May, 2011

SCHEDULE 'E'

Fixed Assets	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block	
	As At 01-04-2010	Additions During The Year	Deductions During The Year	As At 31-03-2011	Total Upto 31-03-2010	For The Year	Deductions During The Year	Total Upto 31-03-2011	As At 31-03-2011	As At 31-03-2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	3,66,23,038	18,82,26,023	NIL	22,48,49,061	NIL	NIL	NIL	NIL	22,48,49,061	3,66,23,038
Leasehold Land	7,84,58,756	11,15,40,817	NIL	18,99,99,573	46,37,301	19,32,491	NIL	65,69,792	18,34,29,781	7,38,21,455
Buildings And Roads	160,29,96,954	17,24,89,570	NIL	177,54,86,524	12,32,13,838	4,75,15,166	NIL	17,07,29,004	160,47,57,520	147,97,83,116
Plant And Machinery	631,12,00,551	83,13,80,417	10,49,73,172	703,76,07,796	227,79,66,818	65,90,90,898	9,96,88,201	283,73,69,515	420,02,38,281	403,32,33,733
Factory, Office And Other Equipments	32,68,65,276	8,76,63,216	37,84,297	41,07,44,195	8,03,24,675	1,99,15,604	33,19,190	9,69,21,089	31,38,23,106	24,65,40,601
Electric Installations	20,45,16,891	2,07,59,175	15,27,490	22,37,48,576	3,69,00,099	1,03,28,651	2,93,875	4,69,34,875	17,68,13,701	16,76,16,792
Furniture And Fixtures	5,91,47,616	5,67,43,038	39,47,303	11,19,43,351	1,69,68,927	48,64,468	8,29,982	2,10,03,413	9,09,39,938	4,21,78,689
Vehicles	5,03,85,634	87,77,612	27,42,804	5,64,20,442	93,39,376	49,27,873	9,47,286	1,33,19,963	4,31,00,479	4,10,46,258
Air Conditioners	1,09,09,470	99,26,082	40,250	2,07,95,302	17,26,475	6,94,670	12,051	24,09,094	1,83,86,208	91,82,995
Intangible Assets - Computer Software	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	1,88,07,630
Current Year Total	871,46,71,090	149,18,42,361	11,70,15,316	1008,94,98,135	256,58,36,783	75,43,19,961*	10,50,90,585	321,50,66,159	687,44,31,976	—
Previous Year Total	738,79,49,784	148,98,24,896	16,31,03,590	871,46,71,090	204,23,99,992	66,63,52,825	14,29,16,034	256,58,36,783	—	614,88,34,307
Capital Work In Progress (Including Capital Advances of Rs.102,33,83,208 (Previous Year Rs. 26,05,23,008)									146,38,18,619	58,86,99,870

* Including Depreciation Capitalised Rs.99,30,349 (Previous Year Rs 41,91,981) And Short Depreciation of Rs.2,72,670 (Previous Year Rs. 15,85,462) of earlier years.

SCHEDULE 'F'
INVESTMENTS :

Other Than Trade (unless otherwise stated) :
(Fully paid up)

LONG TERM INVESTMENTS (At Cost) :
Unquoted :

In Shares:

VS Lignite Power Private Limited (Trade) :

5,77,777 Class 'A' Equity Shares of Rs.10 each

11,14,223 Class 'A' 0.01% Cumulative Redeemable

Preference Shares of Rs. 10 each

In Subsidiaries (Trade) :

In Shares:

Balkrishna Paper Mills Limited :

30,00,000 Equity Shares of Rs. 10 each

19,50,000 1% Optionally Convertible Redeemable

Preference Share of Rs.10 each.

Balkrishna Synthetics Limited :

10,00,000 Equity Shares of Rs. 10 each

6,50,000 1% Optionally Convertible Redeemable Preference

Share of Rs.10 each.

3,00,000 Equity Shares of BKT EXIM Limited of Rs.10 each .

50,000 (Previous Year 40,000)Equity Shares of BKT Tyres Limited of

Rs.10 each.(Purchased during the year 10,000 Equity Shares)

In Government Securities :

6 Year National Savings Certificates (Purchased during the Year **NIL** ;

Previous Year Rs.3,000) (Matured during the Year Rs.**NIL** ;

Previous Year Rs. 10,000)

Quoted :

In Debentures:

3,000 Nifty Linked Non Convertible, Fully Redeemable, Secured Debenture of
Citifinancial Consumer Finance India Limited of Rs.1,00,000 each

(Market Value not available) (Matured during the year)

In Shares:

4,98,759 Equity Shares of Govind Rubber Limited of Rs. 10 each

Less: Provision for Diminution in value

Rupees	Current Year Rupees	Previous Year Rupees
57,77,770		57,77,770
1,11,42,230		1,11,42,230
	1,69,20,000	1,69,20,000
3,00,00,000		3,00,00,000
19,50,00,000		19,50,00,000
22,50,00,000		22,50,00,000
1,00,00,000		1,00,00,000
6,50,00,000		6,50,00,000
7,50,00,000		7,50,00,000
30,00,000		30,00,000
5,00,000		4,00,000
	30,35,00,000	30,34,00,000
	32,04,20,000	32,03,20,000
	16,000	16,000
	32,04,36,000	32,03,36,000
NIL		30,00,00,000
1,87,50,059		1,87,50,059
1,68,34,824		1,68,34,824
19,15,235		19,15,235
	19,15,235	30,19,15,235
	32,23,51,235	62,22,51,235

SCHEDULE 'L'
CURRENT LIABILITIES:

Acceptances	
Sundry Creditors	
i) Outstanding Dues of Micro and Small Enterprises #	
ii) Outstanding Dues of Creditors other than Micro and Small Enterprises *	

Investor Education and Protection fund : Unclaimed Dividends
(No amount is due and outstanding to be credited to the fund)

Other Liabilities

Interest accrued but not due on Loans

(Refer Note No. 25 in Schedule 'R')

* Includes :

- a) Due to Director/s **Rs. 3,25,92,654** (Previous Year Rs. 3,24,24,866)
b) Due to Subsidiaries **Rs. 1,17,18,683** (Previous Year Rs. 51,21,234)

SCHEDULE 'M'
PROVISIONS :

Taxation	
Interim Dividend	
Proposed Final Dividend	
Tax on Dividend	
Employee Benefits	

SCHEDULE 'N'
SALES AND RELATED INCOME :

Sales	
Export Incentives	

SCHEDULE 'O'
OTHER INCOME:

Income from Investments (Gross):

Long Term Investments :

Interest (Other than Trade)

Dividend from Subsidiaries (Trade)

Current Investments : (Other than Trade)

Profit on Sale/Redemption of Investments

Dividend

Miscellaneous Income (Refer Note No. 4 in Schedule 'R')

Unrealised Foreign Exchange Differences (Net)

Interest Subsidy from Government of Rajasthan

Interest on Deposits, Loans and Advances

{Tax deducted at source **Rs.1,51,329** (Previous year Rs.2,69,223)}

SCHEDULE 'P'
MANUFACTURING , TRADING AND OTHER EXPENSES:

Purchase of Traded Goods	
Raw Materials Consumed	
Stores and Spare Parts Consumed	
Packing Expenses	
Power and Fuel (Net)	
Excise Duty on variation of Stock of Finished Goods	
Labour/Job Charges	
Water Charges	
Freight and Forwarding (Net)	
Salaries, Wages and Bonus	
Contribution to Provident and Other Funds	
Workmen and Staff Welfare Expenses	

Rupees	Current Year Rupees	Previous Year Rupees
	18,45,25,098	24,22,32,718
	NIL	NIL
	<u>215,48,01,452</u>	<u>84,33,69,190</u>
	215,48,01,452	84,33,69,190
	72,59,808	74,22,446
	4,36,43,216	3,72,49,334
	<u>30,02,951</u>	<u>1,87,71,618</u>
	<u>239,32,32,525</u>	<u>114,90,45,306</u>
	343,76,34,847	258,29,82,647
	NIL	13,53,22,033
	13,53,22,033	NIL
	2,18,68,260	2,24,75,298
	2,92,58,088	2,84,22,078
	<u>362,40,83,228</u>	<u>276,92,02,056</u>
	1972,56,01,770	1362,14,62,508
	<u>43,19,72,900</u>	<u>35,77,21,954</u>
	<u>2015,75,74,670</u>	<u>1397,91,84,462</u>
	5,80,16,668	1,258
	<u>2,60,000</u>	<u>2,60,000</u>
	5,82,76,668	2,61,258
	5,920	4,13,388
	<u>2,80,80,725</u>	<u>23,80,837</u>
	2,80,86,645	27,94,225
	8,63,63,313	30,55,483
	5,26,46,019	6,97,65,527
	1,36,55,396	18,42,92,964
	66,88,139	NIL
	41,83,858	72,71,482
	<u>16,35,36,725</u>	<u>26,43,85,456</u>
	21,21,66,618	12,63,88,346
	1194,63,87,366	667,61,07,501
	62,34,31,808	54,24,94,290
	44,05,186	26,79,936
	75,71,09,290	53,79,67,309
	(21,58,802)	22,44,074
	35,22,44,124	25,19,33,915
	19,62,538	15,60,403
	105,06,75,049	65,20,38,119
	48,73,35,160	38,40,66,894
	4,87,18,513	3,24,84,039
	90,46,499	64,29,345

Repairs and Maintenance of :

	Rupees	Current Year Rupees	Previous Year Rupees
Plant and Machinery	6,41,14,818		5,58,27,220
Buildings	8,08,73,293		11,01,16,553
Others	<u>2,48,98,505</u>		<u>2,84,78,857</u>
		16,98,86,616	19,44,22,630
Insurance Charges		2,50,24,100	1,62,40,089
Rates and Taxes		64,31,186	82,39,135
Rent/Lease Rent		2,57,23,766	2,55,43,306
Legal and Professional Charges		6,40,89,306	6,76,60,175
Advertisement, Publicity and Sales Promotion		33,91,41,391	33,61,89,784
Commission on Sales		1,45,62,042	1,04,60,471
Discount		40,42,572	15,858
Travelling and Conveyance		4,77,52,998	4,37,68,820
Directors' Meeting Fees		8,02,500	3,80,000
Fixed Assets Discarded/ Written off (Net)		92,80,651	95,31,877
Loss on Sale of Fixed Assets (Net)		9,41,189	18,76,896
Miscellaneous Expenses		25,50,61,674	19,03,31,194
(INCREASE)/DECREASE IN STOCKS:			
Opening Stock			
Work-in-Process	19,57,31,044		18,39,20,821
Finished Goods	30,74,74,864		<u>37,01,40,507</u>
	50,32,05,908		<u>55,40,61,328</u>
Less :			
Closing Stock :			
Work-in-Process	29,64,71,375		19,57,31,044
Finished Goods	23,44,81,563		<u>30,74,74,864</u>
	53,09,52,938		<u>50,32,05,908</u>
		(2,77,47,030)	5,08,55,420
		1642,63,16,310	<u>1017,19,09,826</u>

SCHEDULE 'Q'**INTEREST AND FINANCE CHARGES**

Interest			
On Debtnture/Bonds and Fixed Loans	20,52,28,599		15,03,04,184
To Others	4,75,750		<u>1,68,95,934</u>
		20,57,04,349	16,72,00,118
Finance Charges		65,21,262	1,93,89,828
		21,22,25,611	<u>18,65,89,946</u>

SCHEDULE 'R'

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. 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

- 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.

- 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

- 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.
- 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.

B. NOTES TO ACCOUNTS :

1 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)

2 Contingent Liabilities in respect of:

- a) Guarantees given by the Company's bankers on behalf of the Company against the Company's indemnity
- b) Corporate Guarantee given by the Company to President of India through commissioner of Custom
- c) Interest payable on redemption of Foreign Currency Convertible Bonds 'Series B'
- d) Disputed claims for excise, sales tax and service tax
- e) Disputed income tax demands

(The outflow in respect of contingent liabilities is totally uncertain as the same depends on the final outcome of the disputes, wherever applicable)

3 Nature of security in respect of "Secured Loans"

I Working Capital Loans from Banks:

Cash Credits, Packing Credit, Bills Discounting and Buyers Credit:

Secured by first charge by way of hypothecation of stock of raw materials, stores and spares, stock in process, finished goods, material in transit, book debts and other movables on pari-passu basis and further secured by second parri-passu charge on fixed assets of the Company, both present and future.

II Term Loans from Bank:

Secured by hypothecation by way of first parri-passu charge on the all present and future movable assets of the Company situated at Chopanki, Waluj and Bhiwadi units.

III Term Loans from Others

DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH (In the previous year)

Secured by pari-passu first charge on entire fixed assets of the Company, situated at Bhiwadi and Chopanki units and Wind farm at Jaisalmer, all in the state of Rajasthan.

4 Miscellaneous Income :

Miscellaneous Income includes **Rs.37,66,616** (Previous Year Rs.47,79,584) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

5 Pursuant to the sanction of the Honourable High Court, Bombay to the scheme of amalgamation, the assets and Liabilities of BKT Moulds Limited, a subsidiary of the Company, have been amalgamated with the Company with effect from 01/06/2010 in accordance with the Scheme so sanctioned. The effect of the amalgamation has been given in the accounts as per the Scheme sanctioned.

The amalgamation has been accounted for under the "The Purchase Method" as prescribed by AS-14. Accordingly the Assets and Liabilities of BKT Moulds Limited have been taken over on the basis of their fair values. As a result an amount of **Rs.1,06,06,067** is transferred to Capital Surplus Reserve. (Reference is also invited to Note no. 16(c) hereunder).

6 Managerial Remuneration

- a) To Managing Director, Executive Directors and Whole Time Directors
 - Salaries
 - Commission
 - Perquisites and Allowances
 - Contribution to Provident and Other Funds
 - Employee Benefits
- b) To Other Directors
 - Meeting Fees

	Current Year Rupees	Previous Year Rupees
1 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	272,21,65,628	58,31,36,817
2 Contingent Liabilities in respect of:		
a) Guarantees given by the Company's bankers on behalf of the Company against the Company's indemnity	11,56,09,293	11,23,04,431
b) Corporate Guarantee given by the Company to President of India through commissioner of Custom	650,00,00,000	NIL
c) Interest payable on redemption of Foreign Currency Convertible Bonds 'Series B'	NIL	6,63,40,768
d) Disputed claims for excise, sales tax and service tax	13,63,57,729	10,47,06,650
e) Disputed income tax demands	13,87,94,873	8,10,81,240
3 Nature of security in respect of "Secured Loans"		
I Working Capital Loans from Banks:		
Cash Credits, Packing Credit, Bills Discounting and Buyers Credit:		
Secured by first charge by way of hypothecation of stock of raw materials, stores and spares, stock in process, finished goods, material in transit, book debts and other movables on pari-passu basis and further secured by second parri-passu charge on fixed assets of the Company, both present and future.		
II Term Loans from Bank:		
Secured by hypothecation by way of first parri-passu charge on the all present and future movable assets of the Company situated at Chopanki, Waluj and Bhiwadi units.		
III Term Loans from Others		
DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH (In the previous year)		
Secured by pari-passu first charge on entire fixed assets of the Company, situated at Bhiwadi and Chopanki units and Wind farm at Jaisalmer, all in the state of Rajasthan.		
4 Miscellaneous Income :		
Miscellaneous Income includes Rs.37,66,616 (Previous Year Rs.47,79,584) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.		
5 Pursuant to the sanction of the Honourable High Court, Bombay to the scheme of amalgamation, the assets and Liabilities of BKT Moulds Limited, a subsidiary of the Company, have been amalgamated with the Company with effect from 01/06/2010 in accordance with the Scheme so sanctioned. The effect of the amalgamation has been given in the accounts as per the Scheme sanctioned.		
The amalgamation has been accounted for under the "The Purchase Method" as prescribed by AS-14. Accordingly the Assets and Liabilities of BKT Moulds Limited have been taken over on the basis of their fair values. As a result an amount of Rs.1,06,06,067 is transferred to Capital Surplus Reserve. (Reference is also invited to Note no. 16(c) hereunder).		
6 Managerial Remuneration		
a) To Managing Director, Executive Directors and Whole Time Directors		
Salaries	1,26,24,000	1,23,48,000
Commission	3,24,00,000	3,24,00,000
Perquisites and Allowances	1,03,75,454	92,91,517
Contribution to Provident and Other Funds	35,76,720	35,33,940
Employee Benefits	12,78,585	3,76,325
	6,02,54,759	5,79,49,782
b) To Other Directors		
Meeting Fees	8,02,500	3,80,000
	6,10,57,259	5,83,29,782

7 Computation of net profit in accordance with Section 198, 309 and 349 of the Companies Act, 1956 and the Commission payable to the Managing Director and Executive Directors.

	Rupees	Current Year Rupees	Previous Year Rupees
a) Computation of Net Profit			
Profit after tax as per Profit and Loss Account		185,61,92,457	206,52,74,394
Add:			
Provision for Taxation	89,38,16,625		104,80,46,931
Capital Loss on Fixed Assets Discarded/ Written off (Net)	NIL		74,43,138
Managerial Remuneration	6,10,57,259		5,83,29,782
		<u>95,48,73,884</u>	<u>111,38,19,851</u>
		281,10,66,341	317,90,94,245
Less :			
Profit on Sale of Investments	5,920		4,13,388
Adjustment relating to earlier years (Net)	5,68,536		16,48,199
		<u>5,74,456</u>	<u>20,61,587</u>
Net Profit		<u>281,04,91,885</u>	<u>317,70,32,658</u>
b) Commission payable to the Managing Director and Executive Directors as determined by the Board of Directors.		<u>3,24,00,000</u>	<u>3,24,00,000</u>

8 Remuneration to :

A) Statutory Auditors:			
a) Audit Fees		16,00,000	14,00,000
b) In other capacity for :			
i) Tax Audit		3,00,000	3,00,000
ii) Taxation Matters		3,70,000	3,75,000
iii) Company Law Matters		1,25,000	3,70,000
iv) Other Services - Certification etc.		8,80,000	5,00,000
c) Reimbursement of :			
Service Tax		3,15,108	2,86,632
Expenses		29,300	37,830
B) Cost Auditors:			
Audit Fees		1,00,000	NIL

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

Product	Unit of Measurement	Licensed Capacity	Installed Capacity	Opening Stock		Actual Production	Closing Stock	
		Quantity	Quantity	Quantity	Value in Rupees	Quantity	Quantity	Value in Rupees
Tyres	Numbers	49.45 lacs (49.45 lacs)	41.02 lacs (39.40 lacs)	67,450 (1,04,229)	28,29,54,594 (34,65,00,894)	24,50,272 (18,83,386)	37,613 (67,450)	19,28,12,291 (28,29,54,594)
Tyre Flaps	Numbers	N.A (N.A)	3.79 lacs (3.79 lacs)	8,137 (16,795)	14,01,273 (12,28,723)	96,195 (80,727)	9,505 (8,137)	11,72,238 (14,01,273)
Wind Power Generation (Captively consumed)	KWH/Units	N.A (N.A)	5 MW (5 MW)	NIL (NIL)	NIL (NIL)	54,93,784 (70,29,984)	NIL (NIL)	NIL (NIL)
					28,43,55,867 (34,77,29,617)			19,39,84,529 (28,43,55,867)

- The difference in quantities is on account of captive consumption, free samples and wastage/damages.
- Licensed capacities include additional capacities for which Memoranda have been filed with appropriate Government Authorities, under the scheme of delicensing notified by the Government of India.
- 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	376 (522)	7,74,519 (20,45,515)	10,305 (5,844)	4,58,50,237 (2,62,89,443)	534 (376)	34,97,462 (7,74,519)
Tubes	Number	42,723 (28,811)	1,99,35,242 (1,95,19,308)	2,38,828 (1,80,833)	15,09,62,357 (8,98,54,153)	53,040 (42,723)	3,32,86,780 (1,99,35,242)
Tyre Flaps	Number	17,721 (5,891)	24,09,236 (8,46,067)	99,835 (82,810)	1,53,54,024 (1,02,44,750)	18,392 (17,721)	37,12,792 (24,09,236)
			2,31,18,997 (2,24,10,890)		21,21,66,618 (12,63,88,346)		4,04,97,034 (2,31,18,997)

c) Information in respect of Sales:

Tyres

Tubes

Tyre Flaps

Unit of Measurement	Quantity	Value in Rupees
Numbers	24,90,178 (19,25,473)	1950,14,71,564 (1347,50,59,262)
Numbers	2,28,148 (1,63,855)	19,00,34,733 (12,06,70,032)
Numbers	1,93,857 (1,60,227)	3,40,95,473 (2,57,33,214)
		1972,56,01,770 (1362,14,62,508)

10 Consumption of Raw Materials:

(As certified by the Management)

a) Natural Rubber

b) Synthetic Rubber

c) Tyre Cord/Fabrics

d) Carbon Black

e) Colours, Chemicals and Other Materials

	Quantity in Metric Tonnes	Value in Rupees
	34,714 (26,488)	537,42,99,632 (278,72,96,478)
	18,373 (13,705)	206,33,64,817 (96,72,75,392)
	7,198 (5,577)	133,90,30,602 (94,21,42,721)
	29,627 (22,362)	162,73,89,910 (101,29,57,482)
	-	154,23,02,405 (96,64,35,428)
		1194,63,87,366 (667,61,07,501)

11 Value of Raw Materials and Stores and Spare Parts Consumed :

(As certified by the Management)

a) Imported

b) Indigenous

	Raw Materials		Stores and Spare Parts	
	Rupees	%	Rupees	%
a) Imported	889,27,31,249 (463,33,67,484)	74.44 (69.40)	8,86,69,328 (5,78,93,700)	14.22 (10.67)
b) Indigenous	305,36,56,117 (204,27,40,017)	25.56 (30.60)	53,47,62,480 (48,46,00,590)	85.78 (89.33)
	1194,63,87,366 (667,61,07,501)	100.00 (100.00)	62,34,31,808 (54,24,94,290)	100.00 (100.00)

12 The following sales have been deducted from the consumption and profit/loss, if any, remains adjusted therein.

- a) Raw Materials
b) Stores & Spares

Current Year Rupees	Previous Year Rupees
2,39,02,015	4,47,00,926
1,42,542	1,45,920

13 Value of Imports by the Company on C.I.F. basis :

- a) Raw Materials
- b) Stores and Spare Parts
- c) Capital Goods
- d) Traded Goods

14 Expenditure in Foreign Currency :*

- a) Interest
- b) Professional/Consultation Fees
- c) Travelling, Subscription, Commission etc.

* Including amount capitalised **Rs.60,35,475** (Previous year Rs. 26,45,638)

15 Earnings in Foreign Exchange: (excluding exports to Nepal)

- a) Export of Goods on FOB Basis
- b) Recovery towards Freight and Insurance on exports
- c) Recovery of Capital Expenditure
- d) Recovery towards Sale of Raw Materials

16 a) Aggregate Value of Investments

Quoted Investments (Net of Provision)
 Quoted Investments (Market Value not available)

Unquoted Investments

Market Value of Quoted Investments

	Current Year Rupees	Previous Year Rupees
13 Value of Imports by the Company on C.I.F. basis :		
a) Raw Materials	964,73,69,370	502,97,38,094
b) Stores and Spare Parts	8,60,39,504	7,88,77,963
c) Capital Goods	16,08,34,604	25,84,44,613
d) Traded Goods	NIL	39,72,224
	989,42,43,478	537,10,32,894
14 Expenditure in Foreign Currency :*		
a) Interest	20,36,24,745	15,17,88,679
b) Professional/Consultation Fees	3,04,02,549	3,08,15,673
c) Travelling, Subscription, Commission etc.	63,46,88,594	45,17,22,340
	86,87,15,888	63,43,26,692
15 Earnings in Foreign Exchange: (excluding exports to Nepal)		
a) Export of Goods on FOB Basis	1704,71,22,884	1179,29,32,675
b) Recovery towards Freight and Insurance on exports	59,64,26,327	35,56,54,044
c) Recovery of Capital Expenditure	NIL	67,91,444
d) Recovery towards Sale of Raw Materials	NIL	44,36,889
	1764,35,49,211	1215,98,15,051
16 a) Aggregate Value of Investments		
Quoted Investments (Net of Provision)	19,15,235	19,15,235
Quoted Investments (Market Value not available)	NIL	30,00,00,000
	19,15,235	30,19,15,235
Unquoted Investments	32,04,36,000	50,53,49,610
	32,23,51,235	80,72,64,845
Market Value of Quoted Investments	69,17,787	55,21,262

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

Name of Mutual Fund	Balance as on 01.04.10		Purchased During the Year		Sold/Redeemed During the Year		Balance as on 31.03.11	
	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.
UTI - FIXED INCOME INTERVAL FUND - SERIES II - QUARTERLY INTERVAL PLAN IV - INST. DIVIDEND PLAN	NIL	NIL	6,84,11,062	68,42,59,085	6,84,11,062	68,42,59,085	NIL	NIL
BIRLA SUN LIFE FLOATING RATE LONG TERM INST. PLAN - DAILY DIVIDEND	NIL	NIL	9,07,50,750	90,75,07,504	9,07,50,750	90,75,07,504	NIL	NIL
BIRLA SUN LIFE CASH PLUS - INST. PREM. -DAILY DIVIDEND REINVESTMENT	NIL	NIL	13,58,21,965	136,08,68,178	13,58,21,965	136,08,68,178	NIL	NIL
BIRLA SUN LIFE SAVING FUND - INST. -DAILY DIVIDEND REINVESTMENT	NIL	NIL	3,70,27,445	37,05,26,241	3,70,27,445	37,05,26,241	NIL	NIL
RELIANCE QUARTERLY INTERVAL FUND - SERIES III - INST. - DIVIDEND PLAN	NIL	NIL	19,99,360	2,00,00,000	19,99,360	2,00,00,000	NIL	NIL
RELIANCE LIQUID FUND - TREASURY PLAN - INST. OPTION - DAILY DIVIDEND	NIL	NIL	82,492	12,61,090	82,492	12,61,090	NIL	NIL
RELIANCE MONTHLY INTERVAL FUND - SERIES I - INST. DIVIDEND PLAN	49,98,500	5,00,00,000	19,967	1,99,716	50,18,467	5,01,99,716	NIL	NIL
LIC MF LIQUID FUND — DIVIDEND PLAN	NIL	NIL	22,69,77,257	249,22,32,976	22,69,77,257	249,22,32,976	NIL	NIL
LIC INCOME PLUS FUND — DAILY DIVIDEND PLAN	NIL	NIL	5,92,92,142	59,29,21,422	5,92,92,142	59,29,21,422	NIL	NIL
LIC SAVING PLUS FUND — DAILY DIVIDEND PLAN	NIL	NIL	3,15,18,052	31,51,80,523	3,15,18,052	31,51,80,523	NIL	NIL
LIC MF LIQUID FUND — GROWTH PLAN	NIL	NIL	59,14,558	10,00,05,920	59,14,558	10,00,05,920	NIL	NIL
LIC MF INTERVAL FUND - QUARTERLY PLAN - SERIES 2 - QUARTERLY DIVIDEND PLAN	NIL	NIL	76,46,814	7,64,78,841	76,46,814	7,64,78,841	NIL	NIL
LIC MF INTERVAL FUND - SERIES 1 - MONTHLY DIVIDEND PLAN	NIL	NIL	76,94,394	7,69,43,936	76,94,394	7,69,43,936	NIL	NIL
LIC MF FLOATING RATE FUND— SHORT TERM PLAN - DAILY DIVIDEND PLAN	1,35,01,361	13,50,13,610	7,83,43,360	78,34,33,597	9,18,44,721	91,84,47,206	NIL	NIL
GRAND TOTAL	1,84,99,861	18,50,13,610	75,14,99,618	778,18,19,029	76,99,99,479	796,68,32,639	NIL	NIL

- c) During the year the Company had purchased 1,50,000 Shares of Rs.100 each of BKT Moulds Limited. Pursuant to the scheme of amalgamation the said shares held by the Company have been cancelled. (Reference is also invited to Note. No. 5 hereabove).

17 **Deferred Tax Liability/Asset at the year end comprise of timing differences on account of :**

	Current Year	Previous Year
	Rupees	Rupees
a) Deferred Tax Liability on account of : Depreciation	58,82,01,031	56,17,24,637
b) Deferred Tax Assets on account of : Expenses allowable for tax purpose when paid	1,82,66,393	1,36,06,624
Net Deferred Tax Liability	56,99,34,638	54,81,18,013

18 **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.

	Rupees	Rupees
b) Secondary Segment - Geographical by location of customers		
Segment Revenue		
Sales and Related Income :		
In India		251,67,65,288 (183,05,97,744)
Outside India - Europe	937,07,21,120 (699,44,94,872)	
- North America	336,38,91,325 (183,14,60,235)	
- Others	490,61,96,937 (332,26,31,611)	
		1764,08,09,382 (1214,85,86,718)
Total		2015,75,74,670 (1397,91,84,462)
Segment Assets		
In India		1730,65,63,345 (1257,62,64,646)
Outside India - Europe	204,33,72,359 (151,70,75,899)	
- Others	130,30,14,007 (81,67,96,582)	
		334,63,86,366 (233,38,72,481)
Total		2065,29,49,710 (1491,01,37,127)
Total Cost incurred during the year to acquire Segment Fixed Assets		
In India		236,69,61,110 (133,13,54,724)
Outside India		NIL (NIL)
Total		236,69,61,110 (133,13,54,724)
Segment Assets excludes -Investments		32,23,51,235 (80,72,64,845)

19 Earning Per Share (EPS)

(In accordance with Accounting Standard - 20)

	Current Year Rupees	Previous Year Rupees
Profit After Tax	185,61,92,457	206,52,74,394
(Less)/Add : Adjustment relating to earlier years		
Short Provision for (Expenses) (Net)	(5,68,536)	(16,48,199)
Excess Provision for Taxation of earlier years	9,64,737	2,36,48,386
Profit after adjustment relating to earlier years	185,65,88,658	208,72,74,581
Weighted Average 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	2
Earning Per Share Basic/Diluted \$	19.21	21.59

- \$ 1. During the year the Company has repaid 4.5% FCCB series 'B' aggregating to USD 22 million on due date(i.e 30/12/2010), hence the Basic and Diluted EPS are same.
2. Pursuant to the resolution passed in the Extraordinary General Meeting of the Company held on 03/12/2010, equity shares of the company of Rs.10 each were sub-divided into five equity shares of Rs. 2 each with effect from 22/12/2010. Accordingly the Basic and Diluted Earning Per Shares (EPS) has been restated for the Previous Year to give effect of sub-division of shares in accordance with AS-20 "Earning per Share"

20 I) Related Party Disclosures *

(Where transactions have taken place)

- a) Key Management Personnel (KMP)
Mr. Arvind M. Poddar - Managing Director, Mr.Rajiv A. Poddar - Executive Director , Mr. Anurag P. Poddar - Executive Director
Mr. B.K.Bansal - Director Finance.
- b) Relatives of Key Management Personnel :
Mrs. Khushboo R. 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.,BKT Moulds Ltd.,Balgopal Holding & Traders Ltd.,S P Finance & Trading Ltd., S P Investrade (India) Ltd.,Sanchna Trading & Finance Ltd.,Poddar Brothers Investment Pvt. Ltd.

Related Party Transactions
Rupees

Transactions	KMP	Relatives of (KMP)	Other Related Parties	Total
Purchase of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	26,76,259 (34,92,571)	26,76,259 (34,92,571)
Sales of Goods/Materials	NIL (NIL)	NIL (NIL)	NIL (2,814)	NIL (2,814)
Expenses reimbursed	NIL (NIL)	NIL (NIL)	NIL (22,800)	NIL (22,800)
Rent received	NIL (NIL)	NIL (NIL)	23,47,020 (26,47,200)	23,47,020 (26,47,200)
Recovery of expenses	NIL (52,060)	NIL (NIL)	27,000 (4,60,476)	27,000 (5,12,536)
Advance Against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (5,05,00,000)	NIL (5,05,00,000)
Refund against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	4,53,49,845 (NIL)	4,53,49,845 (NIL)
Adjustments relating to earlier years	NIL (NIL)	NIL (NIL)	NIL (57,287)	NIL (57,287)
Irrecoverable amount Written Off	NIL (NIL)	NIL (NIL)	NIL (19,088)	NIL (19,088)
Purchase of Investments	1,37,922 (NIL)	NIL (NIL)	5,68,07,157 (NIL)	5,69,45,079 (NIL)
Remuneration	6,02,54,759 (5,79,49,782)	4,86,309 (NIL)	NIL (NIL)	6,07,41,068 (5,79,49,782)
Receivables	NIL (NIL)	NIL (NIL)	2,31,50,155 (7,27,01,912)	2,31,50,155 (7,27,01,912)
Payables	3,25,92,654 (3,24,24,866)	22,555 (NIL)	11,124 (1,81,653)	3,26,26,333 (3,26,06,519)

d) Transactions with subsidiary

(Rupees)

Transactions	Balkrishna Paper Mills Ltd.	Balkrishna Synthetics Ltd.	BKT Exim Ltd.	BKT (EUROPE) LTD.	BKT EUROPE S.R.L.	BKT (USA) INC
Marketing Service Expenses	NIL (NIL)	NIL (NIL)	NIL (NIL)	11,15,674 (68,44,477)	9,46,54,064 (8,34,94,355)	6,34,69,773 (1,78,01,376)
Loan received	NIL (6,75,00,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Loan repaid	NIL (8,50,00,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Loan refund received	NIL (NIL)	NIL (45,00,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Interest paid on Loan received	NIL (13,59,418)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Dividend Received from Subsidiary	1,95,000 (1,95,000)	65,000 (65,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sale of goods/Material Services	1,95,700 (1,83,717)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Rent Received	18,47,554 (14,59,932)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Sale of DEPB Licences	NIL (16,16,002)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Recovery of expenses	89,184 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Receivables	NIL (NIL)	1,23,67,690 (1,23,67,690)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Payables	NIL (NIL)	NIL (NIL)	NIL (NIL)	7,42,377 (3,73,892)	64,72,541 (33,90,083)	45,03,765 (13,57,259)

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

II) Disclosures required by clause 32 of the listing agreement

Name of the Company	Outstanding at the year end	Maximum Amount outstanding during the year
	Rupees	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 (1,68,67,690)

21 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
later than one year and not later than five years
later than five years

iii) The rental expenses recognised in Profit and Loss account for operating leases :

- (a) Minimum Rent
(b) Contingent Rent

Current Year Rupees	Previous Year Rupees
NIL	40,36,800
NIL	NIL
NIL	NIL
2,57,25,112	2,55,18,810
NIL	NIL

	Current Year Rupees	Previous Year Rupees
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 Schedule 'E' Fixed Assets	7,88,38,659	NIL
Accumulated Depreciation	97,81,511	NIL
Depreciation recognised in the Profit and Loss Account	19,08,972	NIL
22 a) Total of Research and Development Cost/Expenditure (Revenue).	40,48,544	32,44,382
b) Contribution to Provident and Other Funds (Schedule 'P') includes contribution for the year to Gratuity Funds covered under the master policies of Life Insurance Corporation of India.	2,58,77,368	50,28,157
c) Amount of Borrowing Cost capitalised	NIL	18,87,789
23 The net amount of Gain/(Loss) of exchange differences included in the Profit and Loss Account {Including unrealised foreign exchange differences (Net)}	81,95,81,794	24,57,29,744

24 Amount remitted during the year in Foreign Currencies on account of Dividends:

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 :

	Current year	Previous year
a) Years to which dividends relate	2009-10 (Interim)	2008-09 (Final)
b) Number of non-resident Shareholders	78	94
c) Number of Shares held by them	18,69,927	36,24,647
d) Amount in Rupees remitted to Banks/Addresses in India of the non-resident Shareholders	1,30,89,489	2,17,47,882

- 25** a) As at 31st March, 2011, 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.

26 Foreign Currency Convertible Bonds (FCCB)

During the year the Company has repaid 4.5% FCCB series 'B' aggregating to USD 22 million on due date (i.e 30/12/2010).

27 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

		Current Year	Previous Year
Forward Exchange Contracts :			
Particulars			
Total No. of contracts outstanding for Amount			
Receivable on account of Export of Goods.		269	136
Foreign Currency Value covered			
US Dollars		18,98,78,925	1,29,21,841
Euro		9,20,00,000	1,05,87,429
b) Unhedged foreign currency exposure is as follows:			
Particulars			
Amounts Payable :			
Loans US Dollars:			
Foreign Currency Convertible Bonds (FCCB)		NIL	2,20,00,000
Other Loans :			
US Dollars		1,07,23,537	1,50,89,043
Euro		NIL	6,75,000
Interest US Dollars		67,255	4,13,524
Interest Euro		NIL	1,695
Payables for goods and services:			
US Dollars		24,40,896	15,16,790
Euro		4,59,266	2,96,472
GBP		15,944	12,352
Amounts Receivable:			
Advances :			
US Dollar		42,59,505	39,43,823
Euro		42,30,039	2,94,918
GBP		69,000	2,07,000
Balance with Scheduled Banks			
On Current Accounts:			
US Dollar		2,95,406	1,70,799
Euro		8,47,261	1,12,557

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

Defined benefit plans - As per actuarial valuations		Current year	Previous year
		Rupees	Rupees
Sr. No.	Descriptions	Gratuity	Gratuity
i	Components of employer expenses		
	Current Service Cost	49,99,285	39,93,322
	Interest Cost	22,40,524	17,41,252
	Expected Return on Plan Assets	(12,03,841)	(7,91,589)
	Actuarial-Loss (Net)	1,16,59,204	11,72,912
	Total Expenses recognised in the statement of Profit & Loss Account in Schedule 'P'	1,86,96,887	61,15,897
ii	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	10,05,572	8,65,716
	Actual Contributions	2,58,77,368	50,28,157
iii	Net Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	4,76,43,348	2,80,06,549
	Fair value of plan assets	4,18,65,298	1,50,48,018
	Net Liability recognised in balance sheet	57,78,050	1,29,58,531

Sr. No.	Descriptions	Current year Rupees Gratuity	Previous year Rupees Gratuity
iv	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	2,80,06,549	2,17,65,652
	Current Service cost	49,99,285	39,93,322
	Interest cost	22,40,524	17,41,252
	Past Service Cost (Vested Benefit)	10,01,715	NIL
	Actuarial Loss on DBO	1,24,00,847	13,72,039
	Benefits paid	(10,05,572)	(8,65,716)
	Present Value of DBO at the end of the year	4,76,43,348	2,80,06,549
v	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
	Plan assets at the beginning of the year	1,50,48,018	98,94,861
	Expected return on plan assets	12,03,841	7,91,589
	Actual Company contributions	2,58,77,368	50,28,157
	Actuarial Gain on Plan Assets	7,41,643	1,99,127
	Benefits paid	(10,05,572)	(8,65,716)
	Plan assets at the end of the year	4,18,65,298	1,50,48,018
vi	Actuarial Assumptions		
	Discount Rate	8.25%	8.00%
	Expected Return on plan Assets	8.25%	8.00%
	Salary escalation	4.50%	4.50%

a) Defined Contribution Plans-

The Company's contribution to defined contribution plans aggregating to **Rs.2,99,24,817** (Previous Year Rs.2,65,12,602) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Schedule 'P') .

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

29 a) Figures in brackets in Notes 9,10,11,18, and 20 pertain to previous year.

b) The Previous year figures have been re-arranged and/or regrouped wherever necessary to make them comparable.

Signature to schedules 'A' to 'R'

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P.PODDAR Chairman

A.M.PODDAR Vice Chairman & Managing Director

R.D.PODDAR Director

B.K.BANSAL Director (Finance)

Mumbai,

Dated: 20th May, 2011

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended 31st March, 2011 Rupees	Year Ended 31st March, 2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	275,00,09,082	311,33,21,325
(Less): Short Provision for (Expenses) (Net)	<u>(5,68,536)</u>	<u>(16,48,199)</u>
Net profit before adjustments	274,94,40,546	311,16,73,126
Adjustment for :		
Depreciation and Amortisation	74,43,89,612	66,21,60,844
Income from Investments	<u>(8,63,63,313)</u>	<u>(30,55,483)</u>
Interest and Finance Charges	21,22,25,611	18,65,89,946
Interest Income	<u>(1,08,71,997)</u>	<u>(72,71,482)</u>
Loss on Sale of Fixed Assets (Net)	9,41,189	18,76,896
Fixed Assets Discarded/Written Off (Net)	92,80,651	95,31,877
Unrealised Foreign Exchange differences (Gain)	<u>(1,36,55,396)</u>	<u>(18,42,92,964)</u>
Retiring Gratuities	1,87,93,696	59,71,437
Leave Encashment	<u>1,19,69,713</u>	<u>39,88,145</u>
	88,67,09,766	67,54,99,216
Operating profit before working capital changes	363,61,50,312	378,71,72,342
Adjustment for:		
Trade and other receivables	<u>(117,96,90,548)</u>	<u>(32,66,02,711)</u>
Inventories	<u>(207,32,35,782)</u>	<u>(80,79,49,314)</u>
Trade payables	<u>108,41,12,024</u>	<u>32,33,76,771</u>
	(216,88,14,306)	(81,11,75,254)
Cash generated from operations	146,73,36,007	297,59,97,088
Direct taxes paid	<u>(83,74,41,887)</u>	<u>(100,34,65,474)</u>
Gratuity paid	<u>(2,59,74,177)</u>	<u>(48,83,697)</u>
Leave Encashment paid	<u>(39,53,222)</u>	<u>(30,20,854)</u>
Net cash from Operating Activities	59,99,66,721	196,46,27,063
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Capital Work in Progress	<u>(216,36,87,281)</u>	<u>(134,44,39,031)</u>
Sale of Fixed Assets	17,02,891	87,78,783
Purchase of Investments	<u>(778,19,19,029)</u>	<u>(288,66,98,985)</u>
Sale of Investments	826,68,32,639	240,16,92,376
Inter Corporate Loan Refund Received	NIL	45,00,000
Interest received	1,08,68,419	75,87,207
Income Received on Investments	<u>8,63,61,845</u>	<u>30,61,184</u>
Net cash used in Investing Activities	(157,98,40,516)	(180,55,18,466)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of Short Term Borrowings (Net)	156,99,65,197	(383,68,10,520)
Proceeds from Long Term Borrowings	1443,28,39,331	782,16,82,462
Repayment of Long Term Borrowings	<u>(1456,95,14,929)</u>	<u>(388,15,04,263)</u>
Dividend paid (including tax thereon)	<u>(15,79,59,969)</u>	<u>(13,53,69,268)</u>
Interest and Finance Charges paid	<u>(22,79,94,278)</u>	<u>(19,60,37,412)</u>
Net Cash from Financing Activities	104,73,35,352	(22,80,39,001)
Net Increase/(Decrease) in cash and cash equivalent	6,74,61,556	(6,89,30,406)
Exchange difference on cash and cash equivalent - Gain/(Loss)	1,25,029	(1,79,584)
Cash and cash equivalent as at the beginning of the year	4,22,79,418	11,13,89,408
Cash and cash equivalent as at the end of the year	10,98,66,003	4,22,79,418

Note :

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

Signature to schedules 'A' to 'R'

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR Chairman

A.M. PODDAR Vice Chairman & Managing Director

R.D. PODDAR Director

B.K. BANSAL Director (Finance)

Mumbai,

Dated: 20th May, 2011

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	31st March, 2011						
2	Capital	4.95	1.65	0.30	0.05	0.04	0.06	0.01
3	Reserves	41.13	10.95	(0.08)	(0.01)	0.11	0.41	0.46
4	Total Assets (Net Fixed Assets + Investments + Current Assets)	72.58	32.95	0.22	0.04	0.17	3.35	0.98
5	Total Liabilities (Total Debts + Current Liabilities and Provisions)	26.50	20.34	0.001	0.001	0.01	2.89	0.51
6	Details of Investment	11.32	0.56	0.16	0.00	0.00	0.00	0.00
7	Turnover	162.53	36.82	0.00	0.00	0.16	9.54	6.35
8	Profit Before Taxation	10.48	1.50	(0.002)	(0.002)	0.05	0.77	0.44
9	Provision of Tax	3.13	0.58	0.00	0.00	0.001	0.43	0.09
10	Profit/(Loss) After Taxation	7.35	0.92	(0.002)	(0.002)	0.05	0.34	0.35
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

Note : Extent of Holding 100% in all subsidiaries companies. (Direct/Indirect)

Exchange Rate

1 Euro = Rs.63.24

1 US \$ = Rs.44.65

1 GBP = Rs.71.9289

For and on behalf of the Board of Directors

D.P. PODDAR Chairman
A.M. PODDAR Vice Chairman & Managing Director
R.D. PODDAR Director
B.K. BANSAL Director (Finance)

VIPUL SHAH
 Company Secretary

Mumbai,
 Dated: 20th May, 2011

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, 2011 and also the Consolidated Profit and Loss Account 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.15,51,440 (net) as at 31st March, 2011, total revenue of Rs.15,73,114 and net cash outflows amounting to Rs.6,19,731 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.46,07,806 (net) as at 31st March 2011, total revenue of Rs.9,54,16,692 and net cash inflows amounting to Rs.9,66,114 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. 48,72,015 (net) as at 31st March 2011, total revenue of Rs.6,34,69,773 and net cash inflows amounting to Rs.17,40,669 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, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, 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)

ASHOK J. THAKKAR
Partner
Membership No. : 007860

Mumbai,
Dated : 20th May, 2011

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2011

	Schedule	Current Year Rupees	Previous Year Rupees
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS :			
a) Capital	'A'	19,33,17,190	19,33,17,190
b) Reserves and Surplus	'B'	842,01,94,065	662,05,53,033
		861,35,11,255	681,38,70,223
2. MINORITY INTEREST		NIL	82,503
3. LOAN FUNDS :			
a) Secured Loans	'C'	397,66,15,404	275,53,12,855
b) Unsecured Loans	'D'	223,82,23,137	202,19,80,498
		621,48,38,541	477,72,93,353
4. DEFERRED TAX LIABILITY (NET) (Refer Note No. 8 in Schedule 'R')		60,25,68,174	57,55,56,514
TOTAL		1543,09,17,970	1216,68,02,593
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :	'E'		
a) Gross Block		1055,15,51,543	909,23,34,999
b) Less : Depreciation		330,36,96,493	262,78,01,182
c) Net Block		724,78,55,050	646,45,33,817
d) Capital Work-in-Progress		160,83,09,957	68,66,66,333
		885,61,65,007	715,12,00,150
2. GOODWILL (On Consolidation)		5,99,090	5,99,090
3. INVESTMENTS	'F'	13,75,96,007	61,69,63,591
4. CURRENT ASSETS, LOANS AND ADVANCES :			
a) Inventories	'G'	422,98,97,568	217,73,91,499
b) Sundry Debtors	'H'	336,65,04,694	253,12,05,693
c) Cash and Bank Balances	'I'	12,25,18,377	5,36,93,068
d) Other Current Assets	'J'	7,86,911	11,54,837
e) Loans and Advances	'K'	503,52,53,686	382,22,67,176
		1275,49,61,236	858,57,12,273
Less : CURRENT LIABILITIES AND PROVISIONS :			
a) Liabilities	'L'	257,46,58,575	132,99,69,804
b) Provisions	'M'	374,37,44,795	285,77,02,707
		631,84,03,370	418,76,72,511
NET CURRENT ASSETS		643,65,57,866	439,80,39,762
TOTAL		1543,09,17,970	1216,68,02,593
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	'R'		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR Chairman

A.M. PODDAR Vice Chairman & Managing Director

R.D. PODDAR Director

B.K. BANSAL Director (Finance)

Mumbai,

Dated: 20th May, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT



FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Current Year Rupees	Previous Year Rupees
INCOME :			
Sales and Related Income	'N'	2217,47,14,479	1580,32,16,235
Less: Excise Duty Recovered on Sales		25,37,86,154	16,59,18,820
		2192,09,28,325	1563,72,97,415
Other Income	'O'	20,41,84,714	30,03,10,064
		2212,51,13,039	1593,76,07,479
EXPENDITURE :			
Manufacturing, Trading and Other Expenses	'P'	1824,62,67,692	1179,20,68,986
Interest and Finance Charges	'Q'	22,33,83,987	19,32,62,905
Depreciation and Amortisation		77,33,53,405	68,63,70,839
		1924,30,05,084	1267,17,02,730
PROFIT BEFORE TAX		288,21,07,955	326,59,04,749
Less : Provision for Taxation			
- Current Tax		90,90,92,119	106,75,73,353
- Deferred Tax (Net)		2,70,11,799	2,98,84,607
PROFIT AFTER TAX		194,60,04,037	216,84,46,789
(Less)/Add: Adjustments relating to earlier years			
Short Provision for (Expenses) (Net)		(6,87,446)	(16,48,199)
Excess Provision for Taxation of earlier years		9,68,343	2,36,48,386
		194,62,84,934	219,04,46,976
Add: Minority Interest Loss		NIL	1,835
PROFIT AFTER ADJUSTMENT RELATING TO EARLIER YEARS		194,62,84,934	219,04,48,811
Balance Brought Forward From Last Year		258,54,27,130	76,15,46,291
Less: Adjustment for change in holding in Subsidiary		17,497	NIL
		258,54,09,633	76,15,46,291
PROFIT AVAILABLE FOR APPROPRIATION		453,16,94,567	295,19,95,102
APPROPRIATIONS :			
Transfer to General Reserve		18,56,58,866	20,87,27,458
Interim Dividend		NIL	13,53,22,033
Proposed Final Dividend		13,53,22,033	NIL
Tax on Dividend		2,19,10,439	2,25,18,481
		34,28,91,338	36,65,67,972
Balance Carried to Balance Sheet		418,88,03,229	258,54,27,130
		453,16,94,567	295,19,95,102
Earning Per Share Basic/Diluted		20.14	22.66
(Refer Note No.10 in Schedule 'R')			
ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	'R'		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date attached

For **JAYANTILAL THAKKAR & CO.**

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR

Chairman

A.M. PODDAR

Vice Chairman & Managing Director

R.D. PODDAR

Director

B.K. BANSAL

Director (Finance)

Mumbai,

Dated: 20th May, 2011

SCHEDULE 'E'

Fixed Assets	Gross Block (At Cost)				Depreciation (Including Amortisation)				Net Block	
	As At 01-04-2010	Additions During The Year	Deductions During The Year	As At 31-03-2011	Total Upto 31-03-2010	For The Year	Deductions During The Year	Total Upto 31-03-2011	As At 31-03-2011	As At 31-03-2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	3,90,33,176	18,88,87,019	NIL	22,79,20,195	NIL	NIL	NIL	NIL	22,79,20,195	3,90,33,176
Leasehold Land	7,88,45,782	13,76,85,887	NIL	21,65,31,669	46,54,407	20,69,302	NIL	67,23,709	20,98,07,960	7,41,91,375
Buildings And Roads	164,46,92,783	17,37,04,630	NIL	181,83,97,413	12,63,25,901	4,87,23,805	NIL	17,50,49,706	164,33,47,707	151,83,66,882
Plant And Machinery	660,44,02,045	89,05,33,312	11,30,98,109	738,18,37,248	233,06,09,540	68,39,56,035	10,16,48,853	291,29,16,722	446,89,20,526	427,37,92,505
Factory, Office And Other Equipments	34,57,22,613	9,09,68,741	41,75,953	43,25,15,401	8,34,67,744	2,13,76,244	35,48,383	10,12,95,605	33,12,19,796	26,22,54,869
Electric Installations	22,02,32,487	2,07,59,175	15,33,020	23,94,58,642	3,88,00,196	1,10,81,966	2,99,405	4,95,82,757	18,98,75,885	18,14,32,291
Furniture And Fixtures	6,35,00,784	5,78,42,314	39,47,309	11,73,95,789	1,79,32,185	52,84,093	8,29,988	2,23,86,290	9,50,09,499	4,55,68,599
Vehicles	5,06,20,815	1,01,44,613	29,77,985	5,77,87,443	94,06,403	49,99,649	10,32,860	1,33,73,192	4,44,14,251	4,12,14,412
Air Conditioners	1,16,84,025	1,02,05,972	1,19,154	2,17,70,843	18,25,800	7,38,148	28,954	25,34,994	1,92,35,849	98,58,225
Intangible Assets -										
Computer Software	3,36,00,489	43,36,411	NIL	3,79,36,900	1,47,79,006	50,54,512	NIL	1,98,33,518	1,81,03,382	1,88,21,423
Current Year Total	909,23,34,999	158,50,68,074	12,58,51,530	1055,15,51,543	262,78,01,182	78,32,83,754*	10,73,88,443	330,36,96,493	724,78,55,050	-
Previous Year Total	772,13,51,466	153,60,85,644	16,51,02,111	909,23,34,999	208,06,80,733	69,05,62,820	14,34,42,371	262,78,01,182	-	646,45,33,817
Capital Work In Progress									160,83,09,957	68,66,66,333

(Including capital advances of Rs.104,48,10,014 ; Previous year Rs. 29,35,64,612)

* Including depreciation capitalised Rs.99,30,349 (Previous year Rs 41,91,981) and Excess Depreciation (net) of Rs.2,31,653 (Previous Year Short Depreciation of Rs.15,86,135) of earlier years.

Freehold Land of Rs. 12,29,025 (Previous Year Rs. 12,29,025) is acquired on the basis of purchase agreements. The transfer of the title deeds / conveyance in the name of the Company is yet to be completed.

SCHEDULE 'F'
INVESTMENTS :

Other Than Trade (unless otherwise stated) :

(Fully paid up)

LONG TERM INVESTMENTS (At Cost) :
Unquoted :

In shares: (Trade)

Tarapur Environment Protection Society :

55,657 Equity Shares of Rs.100 each

VS Lignite Power Private Limited :

5,77,777 Class 'A' Equity Shares of Rs.10 each

11,14,223 Class 'A' 0.01% Cumulative Redeemable Preference Shares of Rs. 10 each

In Government Securities :

6 Year National Savings Certificates (Purchased during the Year Rs.NIL ;

Previous Year Rs.3,000) (Matured during the Year Rs.NIL ;

Previous Year Rs. 10,000)

Quoted :

In Debentures:

3,000 Nifty Linked Non Convertible, Fully Redeemable, Secured Debenture of

Citifinancial Cosnsumer Finance India Limited of Rs.1,00,000 each

(Market Value not available) (Matured during the year)

In Shares:

4,98,759 Equity Shares of Govind Rubber Limited of Rs. 10 each

Less: Provision for Diminution in value

CURRENT INVESTMENTS (At Lower of Cost and Fair(Market Value) :

In Mutual Fund : (Unquoted)

In Shares:(Quoted)

917 Equity Shares of Mandhana Industries Limited of Rs. 10 each

(Excluding 7,300 shares sold during the year)

(Refer Note No. 7 in Schedule 'R')

	Current Year Rupees	Previous Year Rupees
	55,65,700	55,65,700
	57,77,770	57,77,770
	1,11,42,230	1,11,42,230
	1,69,20,000	1,69,20,000
	2,24,85,700	2,24,85,700
	16,000	16,000
	2,25,01,700	2,25,01,700
	NIL	30,00,00,000
	1,87,50,059	1,87,50,059
	1,68,34,824	1,68,34,824
	19,15,235	19,15,235
	19,15,235	30,19,15,235
	2,44,16,935	32,44,16,935
	11,30,59,310	29,25,46,656
	1,19,762	NIL
	13,75,96,007	61,69,63,591

SCHEDULE 'G'**INVENTORIES:**

(As certified by the Management)

(At lower of Cost and Net Realisable Value)

Stores and Spares Parts

Packing Materials and Fuel

Stock-in-Trade :

Raw Materials

Finished Goods

Work-in-Process

SCHEDULE 'H'**SUNDRY DEBTORS - (UNSECURED):**

Debts outstanding for a period exceeding six months:

Considered Good

Considered Doubtful

Other Debts - Considered Good

Less : Provision for Doubtful Debts

SCHEDULE 'I'**CASH AND BANK BALANCES :**

Cash Balance on Hand

Bank Balances :

With Scheduled Banks on :

Current Accounts

Unpaid/Unclaimed Dividend Accounts

Fixed Deposits (Lodged with Government Authorities)

Margin Accounts (Fixed Deposits)

(Deposits against Guarantees/Letters of Credit)

With Others Banks:

First Merit Bank - USA

On Current Account

(Maximum balance outstanding at any time during the year **Rs.1,20,32,076**; Previous Year Rs. 44,50,146)

HSBC Bank Plc

On Current Account

(Maximum balance outstanding at any time during the year **Rs.9,33,408**; Previous year Rs.15,64,635)

On Fixed Deposit Account

(Maximum balance outstanding at any time during the year **Rs.9,32,113** ; Previous year Rs.3,45,491)

Deutsche Bank - S.p.A.

On Current Account

(Maximum balance outstanding at any time during the year **Rs.96,65,461**; Previous year Rs.2,43,36,971)

	Rupees	Current Year Rupees	Previous Year Rupees
Stores and Spares Parts		25,73,40,649	18,11,63,630
Packing Materials and Fuel		3,14,90,218	1,99,71,221
Raw Materials	338,57,28,593		145,34,93,425
Finished Goods	25,13,07,274		32,17,65,361
		363,70,35,867	177,52,58,786
Work-in-Process		30,40,30,834	20,09,97,862
		422,98,97,568	217,73,91,499
Considered Good	1,42,22,705		3,41,72,101
Considered Doubtful	NIL		76,39,577
		1,42,22,705	4,18,11,678
Other Debts - Considered Good		335,22,81,989	249,70,33,592
		336,65,04,694	253,88,45,270
Less : Provision for Doubtful Debts		NIL	76,39,577
		336,65,04,694	253,12,05,693
Cash Balance on Hand		45,08,824	38,66,507
Current Accounts	9,96,58,656		3,52,42,976
Unpaid/Unclaimed Dividend Accounts	72,59,808		74,22,446
Fixed Deposits (Lodged with Government Authorities)	8,06,075		7,02,977
Margin Accounts (Fixed Deposits)	11,59,148		2,09,799
		10,88,83,687	4,35,78,198
First Merit Bank - USA	29,06,996		11,66,327
HSBC Bank Plc	12,259		4,05,544
Deutsche Bank - S.p.A.	52,87,521		43,36,328
	91,25,866		62,48,363
		11,80,09,553	4,98,26,561
		12,25,18,377	5,36,93,068

SCHEDULE 'J'
OTHER CURRENT ASSETS:
Interest Accrued On

- Investments
- Others

Dividend Accrued on Investments
SCHEDULE 'K'
LOANS AND ADVANCES:

(Unsecured - Considered Good)

Advances recoverable in cash or in kind or for value to be received

Deposits against payment of Excise Duty

Advance payment of Taxes and Tax Deducted at source

Loans and Advances to Employees

SCHEDULE 'L'
CURRENT LIABILITIES:

Acceptances

Sundry Creditors

- i) Outstanding Dues of Micro and Small Enterprises #
- ii) Outstanding Dues of Creditors other than Micro and Small Enterprises *

Investor Education and Protection Fund : Unclaimed Dividends

(No amount is due and outstanding to be credited to the Fund)

Credit Balance in Bank Account (As per books of account)

Other Liabilities

Interest accrued but not due on Loans

#(Refer Note No.19 in Schedule 'R')

 * Includes Due to Directors **Rs.3,36,48,867** (Previous year Rs.3,27,35,599)

SCHEDULE 'M'
PROVISIONS :

Taxation

Interim Dividend

Proposed Final Dividend

Tax on Dividend

Employee Benefits (Net)

SCHEDULE 'N'
SALES AND RELATED INCOME :

Sales

Export Incentives

Processing/ Job Charges

	Current Year	Previous Year
	Rupees	Rupees
		Rupees
	3,454	1,986
	6,83,611	11,33,670
	6,87,065	11,35,656
	99,846	19,181
	7,86,911	11,54,837
	138,30,49,261	102,92,21,050
	5,69,061	1,72,098
	364,35,78,383	278,81,06,231
	80,56,981	47,67,797
	503,52,53,686	382,22,67,176
	18,45,25,098	24,22,32,718
	NIL	NIL
	232,46,48,525	100,07,27,527
	232,46,48,525	100,07,27,527
	72,59,808	74,22,446
	10,38,763	1,23,92,752
	5,41,83,430	4,84,22,743
	30,02,951	1,87,71,618
	257,46,58,575	132,99,69,804
	354,64,65,901	266,13,19,743
	NIL	13,53,22,033
	13,53,22,033	NIL
	2,19,10,439	2,25,18,481
	4,00,46,422	3,85,42,450
	374,37,44,795	285,77,02,707
	2137,67,50,662	1509,89,44,996
	43,60,14,990	36,26,59,606
	36,19,48,827	34,16,11,633
	2217,47,14,479	1580,32,16,235

SCHEDULE 'O'**OTHER INCOME:**

Income from Investments (Gross) (Other than Trade):

Long Term Investments :

Interest

5,80,16,668

1,258

Current Investments :

Profit on Sale/Redemption of Investments

11,42,333

4,14,722

Dividend

3,09,83,421

50,13,016

3,21,25,754

54,27,738

9,01,42,422

54,28,996

Unrealised Foreign Exchange Differences (Net)

1,34,84,384

18,41,19,915

Withdrawal of Provision for Doubtful Debts no longer required

76,39,577

NIL

Miscellaneous Income (Refer Note no.4 in Schedule 'R')

7,52,48,491

9,54,03,651

Interest Subsidy from Government of Rajasthan

66,88,139

NIL

Interest on outstanding Debts, Loans and Advances

1,09,81,701

1,53,57,502

(Tax Deducted at source **Rs. 4,40,770** Previous Year Rs.6,57,889)

20,41,84,714

30,03,10,064

SCHEDULE 'P'**MANUFACTURING , TRADING AND OTHER EXPENSES:**

Purchase of Traded Goods

21,21,66,618

12,63,88,346

Raw Materials Consumed

1300,40,89,731

762,83,01,855

Stores and Spare Parts Consumed

69,61,15,466

60,28,91,282

Packing Expenses

4,11,71,722

3,52,87,869

Power and Fuel (Net)

115,18,14,266

88,28,48,996

Excise Duty on variation of Stock of Finished Goods

(19,86,899)

12,76,970

Labour/Job Charges

38,78,93,444

27,93,72,261

Water Charges

1,38,17,926

1,52,64,824

Freight and Forwarding (Net)

105,83,73,316

66,00,53,327

Salaries, Wages and Bonus

64,01,39,878

52,68,74,664

Contribution to Provident and Other Funds

5,89,71,900

3,97,35,266

Workmen and Staff Welfare Expenses

1,17,71,484

89,28,518

Repairs and Maintenance of :

Plant and Machinery

8,35,17,362

6,68,06,710

Buildings

10,08,56,444

11,73,03,133

Others

2,81,09,409

3,10,28,327

21,24,83,215

21,51,38,170

Insurance Charges (Net)

2,86,41,330

1,76,51,908

Rates and Taxes

91,04,360

1,12,10,512

Rent/Lease Rent

3,07,93,135

2,98,49,689

Legal and Professional Charges

8,23,70,218

8,10,88,589

Advertisement, Publicity and Sales Promotion

37,96,73,471

33,67,99,103

Commission and Brokerage on Sales

2,06,20,391

1,65,24,319

Discount

2,65,59,694

1,59,66,095

Traveling and Conveyance

6,32,68,137

5,23,24,708

Directors' Meeting Fees

9,62,500

5,00,000

Provision for Doubtful Advances

NIL

1,31,080

SCHEDULE 'P' (Contd.)

	Current Year	Previous Year
	Rupees	Rupees
Fixed Assets Discarded/ Written off (Net)	92,80,651	95,43,072
Loss on Sale of Fixed Assets (Net)	10,38,932	13,74,076
Miscellaneous Expenses	13,97,07,691	12,53,26,432
DECREASE/(INCREASE) IN STOCKS:		
Opening Stock :		
Work-in-Process	20,09,97,862	18,69,41,908
Finished Goods	32,17,65,361	40,72,38,370
	<u>52,27,63,223</u>	<u>59,41,80,278</u>
Less :		
Closing Stock :		
Work-in-Process	30,40,30,834	20,09,97,862
Finished Goods	25,13,07,274	32,17,65,361
	<u>55,53,38,108</u>	<u>52,27,63,223</u>
	<u>(3,25,74,885)</u>	<u>7,14,17,055</u>
	<u>1824,62,67,692</u>	<u>1179,20,68,986</u>
SCHEDULE 'Q'		
INTEREST AND FINANCE CHARGES:		
Interest		
On Debenture/Bonds and Fixed Loans	21,41,66,770	15,45,56,447
To Others	26,95,955	1,93,16,630
	<u>21,68,62,725</u>	<u>17,38,73,077</u>
Finance Charges	65,21,262	1,93,89,828
	<u>22,33,83,987</u>	<u>19,32,62,905</u>

SCHEDULE 'R'
ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED ACCOUNTS
A. 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.

Minority interest in the net assets of Subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investment is made by the Company in the Subsidiary Company and further movements in their share in the equity, subsequent to the date of investment as stated above.

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% (Previous Year 80%)
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

- 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.
- 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

- In respect of the Company and its subsidiaries in India :
 - 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.
 - Premium on Leasehold Land is amortised over the duration of the Lease.
- 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.

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.

B. NOTES TO CONSOLIDATED ACCOUNTS :

1 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)

Current Year Rupees	Previous Year Rupees
------------------------	-------------------------

287,62,35,771	71,96,57,139
---------------	--------------

2 Contingent Liabilities in respect of:

- a) Guarantees given by the Company's bankers on behalf of the Company against the Company's indemnity
- b) Corporate Guarantee given by the Company to President of India through commissioner of Custom
- c) Interest payable on redemption of Foreign Currency Convertible Bonds 'Series B'
- d) Disputed claims for excise, sales tax, service tax and textile committee cess
- e) Disputed income tax demands
- f) Other claims against the Company not acknowledged as debts (Workmen and other business claims)
(The outflow in respect of contingent liabilities is totally uncertain as the same depends on the final outcome of the disputes, wherever applicable)

13,32,85,508	12,62,12,146
--------------	--------------

650,00,00,000	NIL
---------------	-----

NIL	6,63,40,768
-----	-------------

25,79,80,410	21,63,47,215
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14,51,84,833	8,10,81,240
--------------	-------------

6,11,60,199	5,87,08,991
-------------	-------------

3 Nature of security in respect of "Secured Loans"

I Working Capital Loans from Banks:

Cash Credits, Packing Credit, Bills Discounting and Buyers Credit:

Secured by first charge by way of hypothecation of stock of raw materials, stores and spares, stock in process, finished goods, material in transit, book debts and other movables on pari-passu basis and further secured by second parri-passu charge on fixed assets of the Company, both present and future.

II Term Loans from Bank:

Secured by hypothecation by way of first parri-passu charge on the all present and future movable assets of the Company situated at Chopanki, Waluj and Bhiwadi units.

III Term Loans from Others

DEG - Deutsche Investitions-und Entwicklungsgesellschaft mbH (In the previous year)

Secured by pari-passu first charge on entire fixed assets of the Company, situated at Bhiwadi and Chopanki units and Wind farm at Jaisalmer, all in the state of Rajasthan.

4 Miscellaneous Income :

Miscellaneous Income includes **Rs.1,51,99,031** (Previous Year Rs.1,92,13,181) in respect of refund of Regulatory Liability Charges paid in earlier years to Maharashtra State Electricity Board.

5 Managerial Remuneration

a) To Managing Director, Executive Directors and Whole Time Directors

Salaries

1,72,46,827	4,07,38,423
-------------	-------------

Commission

3,24,00,000	3,24,00,000
-------------	-------------

Perquisites and Allowances

1,31,70,495	1,22,21,507
-------------	-------------

Contribution to Provident and Other Funds

36,64,740	35,76,420
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Employee Benefits

21,61,902	3,76,325
-----------	----------

6,86,43,964	8,93,12,675
-------------	-------------

b) To Other Directors

Meeting Fees

9,62,500	5,00,000
----------	----------

6,96,06,464	8,98,12,675
-------------	-------------

6 Remuneration to :

A) Statutory Auditors:

a) Audit Fees

24,49,058	22,51,620
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b) In other capacity for :

i) Tax Audit

4,45,000	4,25,000
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ii) Taxation Matters

4,70,000	3,75,000
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iii) Company Law Matters

1,50,000	3,95,000
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iv) Other Services - Certification etc.

19,11,459	10,77,798
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c) Reimbursement of :

Service Tax

4,13,484	3,78,427
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Expenses

44,400	50,530
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B) Cost Auditors:

Audit Fees

150,000	50,000
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7 a) Aggregate Value of Investments

	Current Year Rupees	Previous Year Rupees
Quoted Investments (Net of Provision)	20,34,997	19,15,235
Quoted Investments (Market Value not available)	NIL	30,00,00,000
	20,34,997	30,19,15,235
Unquoted Investments	13,55,61,010	31,50,48,356
	13,75,96,007	61,69,63,591
Market Value of Quoted Investments	71,39,151	55,21,262

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

Name of Mutual Fund	Balance as on 01.04.10		Purchased During the Year		Sold/Redeemed During the Year		Balance as on 31.03.11	
	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.	No. of Units	Cost Rs.
UTI - FIXED INCOME INTERVAL FUND - SERIES II - QUARTERLY INTERVAL PLAN IV - INST. DIVIDEND PLAN	NIL	NIL	6,84,11,062	68,42,59,085	6,84,11,062	68,42,59,085	NIL	NIL
BIRLA SUN LIFE FLOATING RATE LONG TERM INST. PLAN - DAILY DIVIDEND	NIL	NIL	9,07,50,750	90,75,07,504	9,07,50,750	90,75,07,504	NIL	NIL
BIRLA SUN LIFE CASH PLUS - INST. PREM. -DAILY DIVIDEND REINVESTMENT	NIL	NIL	13,58,21,965	136,08,68,178	13,58,21,965	136,08,68,178	NIL	NIL
BIRLA SUN LIFE SAVING FUND - INST. -DAILY DIVIDEND REINVESTMENT	NIL	NIL	3,70,27,445	37,05,26,241	3,70,27,445	37,05,26,241	NIL	NIL
RELIANCE QUARTERLY INTERVAL FUND - SERIES III - INST. - DIVIDEND PLAN	NIL	NIL	19,99,360	2,00,00,000	19,99,360	2,00,00,000	NIL	NIL
RELIANCE LIQUID FUND - TREASURY PLAN - INST. OPTION - DAILY DIVIDEND	NIL	NIL	82,492	12,61,090	82,492	12,61,090	NIL	NIL
RELIANCE MONTHLY INTERVAL FUND- SERIES I - INST. DIVIDEND PLAN	49,98,500	5,00,00,000	19,967	1,99,716	50,18,467	5,01,99,716	NIL	NIL
LIC MF LIQUID FUND — DIVIDEND PLAN	71	784	24,20,52,064	265,77,55,868	24,20,52,135	265,77,56,652	NIL	NIL
LIC INCOME PLUS FUND — DAILY DIVIDEND PLAN	NIL	NIL	5,92,92,142	59,29,21,422	5,92,92,142	59,29,21,422	NIL	NIL
LIC SAVING PLUS FUND — DAILY DIVIDEND PLAN	NIL	NIL	3,88,67,564	38,86,75,636	3,88,67,564	38,86,75,636	NIL	NIL
LIC MF LIQUID FUND — GROWTH PLAN	NIL	NIL	59,14,558	10,00,05,920	59,14,558	10,00,05,920	NIL	NIL
LIC MF INTERVAL FUND - QUARTERLY PLAN - SERIES 2 - QUARTERLY DIVIDEND PLAN	NIL	NIL	76,46,814	7,64,78,841	76,46,814	7,64,78,841	NIL	NIL
LIC MF INTERVAL FUND - SERIES 1 - MONTHLY DIVIDEND PLAN	NIL	NIL	76,94,394	7,69,43,936	76,94,394	7,69,43,936	NIL	NIL
LIC MF FLOATING RATE FUND— SHORT TERM PLAN - DAILY DIVIDEND PLAN	1,62,54,587	16,25,45,872	10,13,85,392	101,38,53,917	11,76,39,979	117,63,99,788	NIL	NIL
PRINCIPAL MONEY MANAGER FUND— INST. DIVIDEND PAYMENT MONTHLY	76,91,864	8,00,00,000	NIL	NIL	76,91,864	8,00,00,000	NIL	NIL
LIC MF INTERVAL FUND - QUARTERLY PLAN - SERIES 2 - QUARTERLY GROWTH PLAN	NIL	NIL	77,80,016	9,00,00,000	NIL	NIL	77,80,016	9,00,00,000
PRINCIPAL PNB FIXED MATURITY PLAN	NIL	NIL	30,00,000	3,00,00,000	30,00,000	3,00,00,000	NIL	NIL
PRINCIPAL CASH MANAGEMENT FUND- DIVIDEND REINVESTMENT DAILY	NIL	NIL	65,55,472	6,55,59,310	42,49,703	4,25,00,000	23,05,770	2,30,59,310
GRAND TOTAL	2,89,45,022	29,25,46,656	81,43,01,457	843,68,16,664	83,31,60,694	861,63,04,009	1,00,85,786	11,30,59,310

c) During the year the Company had purchased 1,50,000 Shares of Rs. 100 each of BKT Moulds Limited. Pursuant to the scheme of amalgamation the said shares held by the Company have been cancelled. (Reference is also invited to Note. No. 18 hereunder).

8 Deferred Tax Liability/Asset at the year end comprise of timing differences on account of :

	Current Year Rupees	Previous Year Rupees
a) Deferred Tax Liability on account of : Depreciation	62,25,62,143	59,07,02,343
b) Deferred Tax Assets on account of:		
(i) Provision for Doubtful Debts(withdrawal)	NIL	(39,178)
(ii) Expenses allowable for tax purpose when paid(Net)	1,99,93,969	1,51,85,007
	1,99,93,969	1,51,45,829
Net Deferred Tax Liability	60,25,68,174	57,55,56,514

9 SEGMENT INFORMATION

A. Primary Business Segments:-

Particulars	Tyres	Others (Non-Reportable)	Rupees
			Total
Segment Revenue			
Total Sales and Related Income	2015,75,74,670	217,65,75,020	2233,41,49,690
	(1397,93,68,179)	(193,21,71,981)	(1591,15,40,160)
Less: Inter Segment Sales	1,95,700	15,92,39,511	15,94,35,211
	(1,83,717)	(10,81,40,208)	(10,83,23,925)
External Sales and Related Income	2015,73,78,970	201,73,35,509	2217,47,14,479
	(1397,91,84,462)	(182,40,31,773)	(1580,32,16,235)
Less: Excise Duty Recovered on Sales	18,81,70,780	6,56,15,374	25,37,86,154
	(10,95,87,977)	(5,63,30,843)	(16,59,18,820)
Net Sales and Related Income	1996,92,08,190	195,17,20,135	2192,09,28,325
	(1386,95,96,485)	(176,77,00,930)	(1563,72,97,415)
Segment Result before Interest and Tax	288,10,36,901	14,64,97,155	302,75,34,056
	(329,97,86,278)	(15,62,43,382)	(345,60,29,660)
Less: Unallocated Corporate Expenses (net)			1,21,84,536
			(22,91,002)
			301,53,49,520
			(345,37,38,658)
Add: Unallocable Corporate Income			9,01,42,422
			(54,28,996)
Operating Profit before Interest and tax			310,54,91,942
			(345,91,67,654)
Less: Interest and Finance Charges			22,33,83,987
			(19,32,62,905)
Profit Before Tax			288,21,07,955
			(326,59,04,749)
Less: Provision for Taxation			93,61,03,918
			(109,74,57,960)
Profit After Tax			194,60,04,037
			(216,84,46,789)
Add: Minority Interest Loss			NIL
			(1,835)
(Less)/Add: Adjustments relating to earlier years			
Short Provision for (Expenses) (Net)			(6,87,446)
			(-16,48,199)
Excess Provision for Taxation of earlier years			9,68,343
			(2,36,48,386)
Profit after Adjustment Relating to earlier years			194,62,84,934
			(219,04,48,811)
Segment Assets	1708,40,74,175	84,06,60,760	1792,47,34,935
	(1216,18,05,838)	(74,42,87,807)	(1290,60,93,645)

A. Primary Business Segments:- (Contd.)

Rupees

Particulars	Tyres	Others (Non-Reportable)	Total
Unallocated Assets			368,69,90,398 (283,14,17,868)
Total Assets			2161,17,25,333 (1573,75,11,513)
Segment Liabilities	240,05,09,171 (128,14,74,119)	20,39,33,067 (32,84,66,104)	260,44,42,238 (160,99,40,223)
Unallocated Liabilities			371,39,61,132 (257,77,32,288)
Total Liabilities			631,84,03,370 (418,76,72,511)
Total Cost incurred during the year to acquire Segment Fixed Assets	236,69,61,110 (133,13,54,724)	13,97,50,588 (7,61,66,491)	250,67,11,698 (140,75,21,215)
Segment Depreciation and Amortisation	74,43,89,612 (66,21,60,844)	2,89,63,793 (2,42,09,995)	77,33,53,405 (68,63,70,839)
Non- Cash Expenses other than depreciation and amortisation	1,02,21,840 (1,14,08,773)	97,742 (4,91,625)	1,03,19,582 (1,09,17,148)
Unallocable non cash Net			84,40,386 (-4,12,405)

B. Secondary Segment - Geographical by location of customers

		Rupees	Rupees
Segment Revenue			
Sales and Related Income :			
In India			444,76,08,975 (355,63,18,868)
Outside India	- Europe	937,07,21,120 (699,44,94,872)	
	- North America	336,38,91,325 (183,14,60,235)	
	- Others	499,24,93,059 (342,09,42,260)	
			1772,71,05,504 (1224,68,97,367)
Total			2217,47,14,479 (1580,32,16,235)
Segment Assets			
In India			1823,48,18,801 (1339,36,91,182)
Outside India			337,69,06,532 (234,38,20,331)
Total			2161,17,25,333 (1573,75,11,513)
Total Cost incurred during the year to acquire Segment Fixed Assets			
In India			250,55,40,516 (140,71,12,536)
Outside India			11,71,182 (4,08,679)
Total			250,67,11,698 (140,75,21,215)

Notes

- i) The Management has identified Business Segment as the Primary Segment. Segments have been identified taking into account the nature of the products, differing risks and returns, organisational structure and internal reporting system.
- ii) Composition of the Business Segment :-
- | | |
|-----------------------------|---|
| Name of the Segment: | Comprises of: |
| a. Tyres | Tyres / Tubes / Flaps |
| b. Others (Non -Reportable) | Coated & Uncoated Paper Boards, Processing of Synthetic Textile Fabric and Marketing Support Services |
- iii) Inter-Segment transfers are done at realisable value / sales prices.
- iv) Segment Revenue, Segment Results, Segments Assets and Segment Liabilities include the respective amounts identifiable to each of the Segments as also amounts allocated on a reasonable basis. The expenses, which are not directly related to the business segments, are shown as unallocated corporate cost. Assets and Liabilities that can not be allocated amongst the segments are shown as unallocated assets and liabilities respectively.

- v) Unallocated assets exclude :

Investments

- vi) Unallocated liabilities exclude :

Secured Loans

Unsecured Loans

Deferred Tax Liabilities (Net)

Current Year Rupees	Previous Year Rupees
13,75,96,007	61,69,63,591
397,66,15,404	275,53,12,855
223,82,23,137	202,19,80,498
60,25,68,174	57,55,56,514
681,74,06,715	535,28,49,867
194,60,04,037	216,84,46,789
(6,87,446)	(16,48,199)
9,68,343	2,36,48,386
NIL	1,835
194,62,84,934	219,04,48,811
9,66,58,595	9,66,58,595
2	2
20.14	22.66

10 Earning Per Share (EPS)

(In accordance with Accounting Standard - 20)

Profit for the year after Tax

Short Provision for (Expenses)/Income (Net)

Excess Provision for Taxation - Current Tax of earlier years

Add: Minority Interest Loss

Profit after Adjustment relating to earlier years

Number of Equity Shares at the beginning of the year

Nominal Value of Equity Shares (in Rupees)

Earning Per Share Basic/Diluted

11 Related Party Disclosures *

(Where transactions have taken place)

- a) Key Management Personnel (KMP)

Mr. Arvind M. Poddar - Managing Director, Mr. Rajiv A. Poddar - Executive Director , Mr. Anurag P. Poddar-Executive Director, Mr. Avnish P. Poddar-Whole time Director, Mr. B.K.Bansal - Director Finance , Mr. Kishanlal R. Jangir -Whole time Director, Mr. Rajendra Jhanwar - Whole time Director.

- b) Relatives of Key Management Personnel :

Mrs. Khushboo R. 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., BKT Moulds Ltd., Vishal Furnishing Ltd., Balgopal Holding & Traders Ltd., S P Finance & Trading Ltd., S P Investrade (India) Ltd., Sanchna Trading & Finance Ltd., Poddar Brothers Investment Pvt. Ltd.

Related Party Transactions
Rupees

Transactions	KMP	Relatives of (KMP)	Other Related Parties	Total
Purchase of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	34,68,852 (39,13,484)	34,68,852 (39,13,484)
Sales of Goods/Materials/Services	NIL (NIL)	NIL (NIL)	36,13,71,606 (34,16,17,582)	36,13,71,606 (34,16,17,582)
Expenses Reimbursed	NIL (NIL)	NIL (NIL)	NIL (22,800)	NIL (22,800)
Rent Received	NIL (NIL)	NIL (NIL)	23,47,020 (26,47,200)	23,47,020 (26,47,200)
Recovery of Expenses	NIL (52,060)	NIL (NIL)	27,000 (4,60,476)	27,000 (5,12,536)
Refund against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	4,53,49,845 (NIL)	4,53,49,845 (NIL)
Rent/Lease Rent Paid	NIL (NIL)	NIL (NIL)	2,67,875 (4,50,000)	2,67,875 (4,50,000)
Advance Against Acquisition of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (5,05,00,000)	NIL (5,05,00,000)
Purchase of Investments	1,37,922 (NIL)	NIL (NIL)	5,68,07,157 (NIL)	5,69,45,079 (NIL)
Interest Received on Loan given	NIL (NIL)	NIL (NIL)	2,31,50,155 (NIL)	2,31,50,155 (NIL)
Adjustments relating to earlier years	NIL (NIL)	NIL (NIL)	NIL (57,287)	NIL (57,287)
Irrecoverable amount written off	NIL (NIL)	NIL (NIL)	NIL (19,088)	NIL (19,088)
Remuneration	6,78,73,137 (6,47,02,252)	4,86,309 (NIL)	NIL (NIL)	6,83,59,446 (6,47,02,252)
Receivables	NIL (NIL)	NIL (NIL)	2,71,92,009 (10,06,72,443)	2,71,92,009 (10,06,72,443)
Payables	3,29,81,387 (3,27,35,599)	22,555 (NIL)	11,124 (1,81,653)	3,30,15,066 (3,29,17,252)
SAP user charges	NIL (NIL)	NIL (NIL)	NIL (4,37,785)	NIL (4,37,785)

12 Leases - Operating leases :

- i) The Company and its subsidiaries have taken commercial premises and various other assets under cancellable and non-cancellable operating leases.
- ii) Future minimum Lease Payments under non-cancellable operating leases :

- not later than one year
- later than one year and not later than five years
- later than five years
- iii) The rental expenses recognised in Profit and Loss account for operating leases Including:
- (a) Minimum Rent
- (b) Contingent Rent
- 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 office premises leased, included in
- Schedule 'E' Fixed Assets
- Accumulated Depreciation
- Depreciation recognised in the Profit and Loss Account

Current Year Rupees	Previous Year Rupees
11,57,089	47,34,941
26,53,673	25,21,972
NIL	NIL
2,79,05,630	2,66,18,214
2,78,92,755	2,66,18,214
NIL	NIL
3,18,65,465	NIL
96,68,851	NIL
11,94,019	NIL

		Current Year Rupees 40,48,544	Previous Year Rupees 32,44,382
13	a) Total of Research and Development Cost/Expenditure (Revenue).		
	b) Contribution to Provident and Other Funds (Schedule 'P') includes contribution for the year to Gratuity Funds covered under the master policies of Life Insurance Corporation of India.	3,08,80,432	53,91,631
	c) Amount of Borrowing Cost capitalised	2,82,513	20,67,853
14	The net amount of Gain/(Loss) of exchange differences included in the Profit and Loss Account {Including unrealised foreign exchange differences (Net)}	81,98,83,743	24,48,99,153

15 Foreign Currency Convertible Bonds (FCCB)

During the year the Company has repaid 4.5% FCCB series 'B' aggregating to USD 22 million on due date (i.e 30/12/2010).

16 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.

Foreign Currency Value covered

US Dollars

Euro

	Current Year	Previous Year
	269	136
US Dollars	18,98,78,925	1,29,21,841
Euro	9,20,00,000	1,05,87,429

b) Unhedged foreign currency exposure is as follows:

Amounts Payable

Loans US Dollars:

Foreign Currency Convertible Bonds (FCCB)

Other Loans :

US Dollars

Euro

Interest US Dollars

Interest Euro

Payables for goods and services ;

US Dollars

Euro

GBP

Amounts Receivable:

Export of Goods US Dollar

Advances :

US Dollar

Euro

GBP

Balance with Scheduled Banks

On Current Account:

US Dollar

Euro

Foreign Currency Convertible Bonds (FCCB)	NIL	2,20,00,000
US Dollars	1,07,23,537	1,50,89,043
Euro	NIL	6,75,000
Interest US Dollars	67,255	4,13,524
Interest Euro	NIL	1,695
US Dollars	25,32,546	15,23,430
Euro	4,59,266	2,96,472
GBP	15,944	12,352
Export of Goods US Dollar	13,565	81,201
US Dollar	42,59,505	39,43,823
Euro	42,30,039	3,13,442
GBP	69,000	2,07,000
US Dollar	2,97,984	2,07,467
Euro	8,47,261	1,12,557

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

Defined benefit plans - As per actuarial valuations		Current year Rupees	Previous year Rupees
Sr. No.	Descriptions	Gratuity	Gratuity
i	Components of employer expenses		
	Current Service Cost	64,74,253	53,08,762
	Interest Cost	43,63,079	36,73,467
	Expected Return on Plan Assets	(29,26,318)	(24,67,647)
	Past Service Cost (Vested benefit) recognised	14,44,038	NIL
	Actuarial-Loss (Net)	1,28,40,577	17,88,812
	Total Expenses recognised in the statement of Profit & Loss Account in Schedule 'P'	2,21,95,629	83,03,394
ii	Actual Contribution and Benefit Payments for the year end		
	Actual Benefit Payments	34,00,936	25,42,781
	Actual Contributions	3,08,80,432	53,91,631

Defined benefit plans - As per actuarial valuations		Current year Rupees	Previous year Rupees
iii	Net Liability recognised in balance sheet at the year end		
	Present Value of Defined Benefit Obligation	7,84,33,881	5,45,63,487
	Fair value of plan assets	1,56,00,142	(64,82,936)
	Net Liability recognised in balance sheet	1,03,03,427	1,79,84,515
iv	Reconciliation of Opening and Closing Balances of Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	5,45,63,487	4,59,18,333
	Current Service cost	64,74,253	53,08,762
	Past Service Cost(Vested benefit)recognised	14,44,038	NIL
	Interest cost	43,65,079	36,73,467
	Actuarial Loss on DBO	1,39,86,245	22,05,706
	Benefits paid	(34,00,936)	(25,42,781)
	Present Value of DBO at the end of the year	7,84,33,881	5,45,63,487
v	Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets		
	Plan assets at the beginning of the year	3,65,78,972	3,08,45,581
	Expected return on plan assets	29,26,318	26,23,241
	Actual Company contributions	3,08,80,432	53,91,631
	Actuarial Gain on Plan Assets	11,45,668	4,16,894
	Benefits paid	(34,00,936)	(25,42,781)
	Plan assets at the end of the year	6,81,30,454	3,65,78,972
vi	Actuarial Assumptions		
	Discount Rate	8.25%	8.00%
	Expected Return on plan Assets	8.25%	8.00%
	Salary escalation	4.50%	4.50%

a) Defined Contribution Plans-

The Companies contribution to defined contribution plans aggregating to **Rs.3,55,97,435** (Previous Year Rs. 3,17,52,715) has been recognised in the statement of profit and loss account under the heading 'Contribution to Provident and Other Funds' (Schedule 'P')

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

- 18** Pursuant to the sanction of the Honourable High Court, Bombay to the scheme of amalgamation, the assets and Liabilities of BKT Moulds Limited, a subsidiary of the Company, have been amalgamated with the Company with effect from 01/06/2010 in accordance with the Scheme so sanctioned. The effect of the amalgamation has been given in the accounts as per the Scheme sanctioned.

The amalgamation has been accounted for under the "The Purchase Method" as prescribed by AS-14. Accordingly the Assets and Liabilities of BKT Moulds Limited have been taken over on the basis of their fair values. As a result an amount of Rs. **1,06,06,067** is transferred to Capital Surplus Reserve. (Reference is also invited to Note no. 7(c) hereabove).

- 19** a) As at 31st March,2011, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company and its indian subsidiaries 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 and its indian subsidiaries. This has been relied upon by the auditors.

- 20** a) Figures in brackets in Notes 9 and 11 pertain to previous year.

b) The Previous year figures have been re-arranged and/or regrouped wherever necessary to make them comparable.

Signature to schedules 'A' to 'R'

As per our report of even date attached

For JAYANTILAL THAKKAR & CO.

Chartered Accountants

ASHOK J. THAKKAR

Partner

Mumbai,

Dated: 20th May, 2011

VIPUL SHAH

Company Secretary

For and on behalf of the Board of Directors

D.P. PODDAR Chairman

A.M. PODDAR Vice Chairman & Managing Director

R.D. PODDAR Director

B.K. BANSAL Director (Finance)

Mumbai,

Dated: 20th May, 2011

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Year Ended 31st March, 2011 Rupees	Year Ended 31st March, 2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	288,21,07,955	326,59,04,749
(Less): (Short) Provision for Expenses/Income (Net)	<u>(6,87,446)</u>	<u>(16,48,199)</u>
Net profit before adjustments	288,14,20,509	326,42,56,550
Adjustment for :		
Depreciation and Ammortisation	77,33,53,405	68,63,70,839
Income from Investments	<u>(9,01,42,422)</u>	<u>(54,28,996)</u>
Interest and Finance Charges	22,33,83,987	19,32,62,905
Interest Income	<u>(1,76,69,840)</u>	<u>(1,53,57,502)</u>
Loss on Sale of Fixed Assets (Net)	10,38,932	13,74,076
Fixed Assets Discarded/Written Off (Net)	92,80,651	95,43,072
Unrealised Foreign Exchange differences (Gain)/Loss	<u>(1,34,84,384)</u>	<u>(18,41,19,915)</u>
Retiring Gratuities	2,32,96,153	81,58,934
Leave Encashment	1,46,67,983	64,70,481
Withdrawal of Provision for doubtful Debts no longer required	<u>(76,39,577)</u>	<u>NIL</u>
	91,60,84,888	70,02,73,894
Operating profit before working capital changes	<u>379,75,05,397</u>	<u>396,45,30,444</u>
Adjustment for:		
Trade and other receivables	<u>(117,84,13,105)</u>	<u>(33,56,49,610)</u>
Inventories	<u>(205,25,06,069)</u>	<u>(84,48,25,288)</u>
Trade payables	<u>108,19,27,528</u>	<u>37,33,45,961</u>
	<u>(214,89,91,646)</u>	<u>(80,71,28,937)</u>
Cash generated from operations	164,85,13,751	315,74,01,507
Direct taxes paid	<u>(87,84,49,909)</u>	<u>(104,84,18,194)</u>
Gratuity paid	<u>(3,09,77,242)</u>	<u>(52,47,171)</u>
Leave Encashment paid	<u>(54,82,922)</u>	<u>(50,29,513)</u>
Net cash from Operating Activities	<u>73,36,03,678</u>	<u>209,87,06,629</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Capital Work in Progress	<u>(230,61,33,055)</u>	<u>(141,91,86,425)</u>
Sale of Fixed Assets	81,43,504	1,07,42,592
Purchase of Investments	<u>(843,79,84,874)</u>	<u>(339,68,91,998)</u>
Sale of Investments	891,72,52,458	281,93,53,946
Inter Corporate Loan Given	<u>(2,96,00,000)</u>	<u>(75,00,000)</u>
Inter Corporate Loan Refund Received	2,96,00,000	75,00,000
Interest received	1,56,04,595	1,65,38,179
Income Received on Investments	<u>9,28,35,593</u>	<u>56,75,516</u>
Net cash used in Investing Activities	<u>(171,02,81,779)</u>	<u>(196,37,68,190)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) from Short Term Borrowings (Net)	157,54,94,241	(383,73,60,541)
Proceeds from Long Term Borrowings	1446,49,48,617	785,28,97,540
Repayment of Long Term Borrowings	<u>(1459,66,17,596)</u>	<u>(387,61,06,929)</u>
Dividend paid (including tax thereon)	<u>(15,80,03,152)</u>	<u>(13,54,13,455)</u>
Interest paid	<u>(24,02,55,990)</u>	<u>(20,19,35,936)</u>
Net Cash from Financing Activities	104,55,66,120	(19,79,19,321)
Net (decrease)/ increase in cash and cash equivalent	6,88,88,019	(6,29,80,882)
Exchange difference on cash and cash equivalent - (Gain)	<u>(62,710)</u>	<u>(3,08,160)</u>
Cash and cash equivalent as at the begning of the year	5,36,93,068	11,69,82,110
Cash and cash equivalent as at the end of the year	12,25,18,377	5,36,93,068

Note:

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

Signature to schedules 'A' to 'R'

As per our report of even date attached

For **JAYANTILAL THAKKAR & CO.**

Chartered Accountants

ASHOK J. THAKKAR

Partner

VIPUL SHAH

Company Secretary

Mumbai,

Dated: 20th May, 2011

For and on behalf of Board of Directors

D.P.PODDAR

Chairman

A.M.PODDAR

Vice Chairman & Managing Director

R.D. PODDAR

Director

B.K.BANSAL

Director(Finance)

Mumbai,

Dated: 20th May, 2011

A Accolades



ISO 14001:2004



Capexil
Highest Export Award



Award for Commendable Performance
from John Deere



First Prize
Rajasthan Energy Conservation Award
2010



Government of India
Ministry of Power
National Energy Conservation Award



AIRIA Best Allround Export Award 2009-10



National Energy Conservation Award 2010



GROWING TOGETHER

balkrishna industries limited

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

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

Website : www.bkt-tires.com

NOTICE is hereby given that the 49th Annual General Meeting of the members of BALKRISHNA INDUSTRIES LIMITED will be held as scheduled below:

DAY	:	Saturday
DATE	:	6 th August, 2011
TIME	:	12.30 P.M.
PLACE	:	Plot No: G-4/1, MIDC, Tarapur, Boisar – 401 506.

The Agenda for the Meeting will be as under:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors' thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Shri Lamxidas Merchant, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Anurag Poddar, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri Rajiv Poddar, who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Shri Subhash Chand Mantri, 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 a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions and approvals as may be necessary, the consent of the company be and is hereby accorded for re-appointment of Shri Arvind M. Poddar, as a Whole-time Director, designated as the Managing Director of the Company for a period of 5 years w.e.f. 1st August, 2011 on the terms and conditions as 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 Arvind M. 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 Shri Arvind M. 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."

9. 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 the remuneration payable to Shri Basantkumar G. Bansal, the Whole Time Director for the remaining period of his term as set out in the Explanatory statement relating to this Resolution. The other terms and conditions relating to his appointment will remain same as approved by the shareholders of the Company at the 47th Annual General Meeting held on 1st August, 2009."

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

"RESOLVED THAT approval be and is hereby given, pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, to the commencement by the Company of the new business and activities at such time as may be deemed fit by the Board of Directors of the Company, provided in Clause 13 and 35 of the Object Clause III of the Memorandum of Association of the Company namely,

(13) To erect, construct, enlarge, acquire, work, use, barter, repair, manufacture, buy, sell, exchange, alter, improve, manipulate, refine, prepare for market import, export or otherwise handle or deal in plant, machinery, accessories, implements, apparatus, tools, appliances, utensils substances, materials and things and commodities, wholesale or retail, necessary or convenient or capable of being used, in any of the above specified business or processes or undertakings or usually dealt in by persons engaged in the like.

Notice

(35) To be interested in, promote or undertake the formation and establishment of such institutions, business or companies, whether industrial, agricultural, trading, manufacturing or otherwise, as may be considered to be conducive to the profit and interest of the Company, and to carry on any other business, whether industrial, agricultural, trading, manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any of these or otherwise calculated directly or indirectly, to render any of the Company's properties or rights for the time being profitable, and also to acquire, promote, aid, foster, subsidise or acquire interest in any industry or undertaking."

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 section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of Special Resolution passed by the members at the 44th Annual General Meeting, consent of the members be and is hereby accorded to the revision/ increase in salary payable to Smt. Sangeeta P. Poddar from Rs.30,000/- p.m. in the scale of Rs.30,000-2,000- Rs.34,000 to Rs.30,000/-p.m.in the scale of Rs. 30,000-20,000-25,000- Rs. 2,50,000 (with other allowances and benefits as per Company's Rules) and for her holding and continuing to hold an office or place of profit as Executive of the Company, with authority to the Board of Directors ("the Board") to fix her salary within the revised scale with or without promotion to higher cadre and/ or to sanction increments and/ or accelerated increments within the said cadre or higher cadre from time to time as and when the Board may deem fit and proper.

"RESOLVED FURTHER THAT the total monthly remuneration payable i.e. salary, allowances and benefits, to Smt. Sangeeta P. Poddar shall not exceed Rs.2,50,000/- per month.

"RESOLVED FURTHER THAT the Board (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute

discretion deem necessary, expedient and proper to give effect to the above 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 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of Special Resolution passed by the members at the 48th Annual General Meeting, consent of the members be and is hereby accorded to the revision/ increase in salary payable to Smt. Khushboo R Poddar from Rs. 30,000/- p.m. in the scale of Rs. 30,000-2,000-Rs. 34,000 to Rs.30,000/- p.m. in the scale of Rs. 30,000-20,000-25,000- Rs. 2,50,000 (with other allowances and benefits as per Company's Rules) and for her holding and continuing to hold an office or place of profit as Executive of the Company, with authority to the Board of Directors ("the Board") to fix her salary within the revised scale with or without promotion to higher cadre and/ or to sanction increments and/ or accelerated increments within the said cadre or higher cadre from time to time as and when the Board may deem fit and proper.

"RESOLVED FURTHER THAT the total monthly remuneration payable i.e. salary, allowances and benefits, to Smt. Khushboo R Poddar shall not exceed Rs.2,50,000/- per month.

"RESOLVED FURTHER THAT the Board (which expression shall mean and include a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion deem necessary, expedient and proper to give effect to the above resolution."

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

Place: Mumbai,
Dated: 20th May, 2011

VIPUL SHAH
COMPANY SECRETARY

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

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 and 8 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 Wednesday, the 27th July, 2011 to Friday, the 29th July, 2011 (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 dividend amount remaining unpaid/unclaimed relating to the year ended 31st March, 2004 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 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. Ltd.

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

ITEM NO. 8

The Board of Directors at its Meeting held on 20th May, 2011 re-appointed Shri Arvind M. 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. His re-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 following remuneration to be paid to the Managing 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.5,00,000/- 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 Shri Arvind M. 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.

Notice

In case no accommodation is provided by the Company, the Managing 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 himself 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 Managing 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 Managing Directors 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 his appointment, the Managing 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.

Memorandum of Interest:

None of the Directors except Shri Arvind M. Poddar himself and Shri Rajiv A. Poddar, being relative of Shri Arvind M. Poddar are concerned and interested in this resolution.

The above may also be treated as an abstract of the terms of re-appointment of Shri Arvind M. Poddar under Section 302 of the Act.

ITEM NO.9

The Board of Directors at its Meeting held on 20th May, 2011 has revised the remuneration payable to Shri Basantkumar G. Bansal, Whole Time Director w.e.f 1st April, 2011 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 Whole Time 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 to the Companies Act, 1956, or any statutory amendment or relaxation thereof:

The Salary payable to Shri Basantkumar G. Bansal is in range of Rs. 5,00,000/- to Rs. 7,50,000/- per month, with such increments as may be approved by the Board of Directors from time to time. Salary includes Basic salary, Special allowance and House Rent allowance.

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

Memorandum of Interest:

None of the Director except Shri Basantkumar G. Bansal himself is concerned and interested in this resolution.

ITEM NO.10

The Company proposes to start Trading activities in commodities. Pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956, the approval of the Members in General Meeting is required before commencement of any new activity set out in the Object clause of the Memorandum of Association of Company. The said new business activities would be commenced at such time or times as the Board may deem fit in the interest of the Company.

Notice

Memorandum of Interest:

None of the Directors are concerned and interested in this resolution.

ITEM NO. 11 and 12

The members had at the 44th Annual General Meeting held on 16th September, 2006 approved the appointment and remuneration of Smt. Sangeeta P. Poddar and at the 48th Annual General Meeting held on 23rd August, 2010 approved the appointment and remuneration of Smt. Khushboo R. Poddar. The Basic Salary fixed was Rs. 30,000/- p.m. in the scale of Rs. 30,000 -2000-Rs. 34,000 with other perquisites applicable to the cadre as per Company's Rules.

Smt. Sangeeta Poddar looks after Production Planning and Logistics Department. Smt. Khushboo Poddar looks after Information technology (IT) Department. They have contributed significantly to the performance in their respective areas. The Management may entrust upon them such additional duties and functions with suitable designation as they may consider appropriate from time to time.

The Board of Directors at their meeting held on 20th May, 2011 have proposed to revise their scale to Rs. 30,000-20,000-25,000-Rs. 2,50,000. Accordingly a special resolution at item no 11 and 12 is

proposed for revising their scale with authority to the Board to revise their Salary within the revised scale with or without promotion to a higher cadre and/or sanction increments or accelerated increments as the Board may deem fit from time to time

None of the Directors except Shri Dharaprasad Poddar, Shri Ramesh Poddar, Shri Arvind Poddar and Shri Rajiv Poddar are concerned or interested in this resolution.

Your Directors recommend the resolution for your approval.

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

Place : Mumbai
Dated: 20th May, 2011

VIPUL SHAH
COMPANY SECRETARY

Registered Office:
H-3/1, MIDCA Road, Tarapur,
Boisar 401506.

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 Arvind Poddar	Shri Laxmidas Merchant	Shri Anurag Poddar	Shri Rajiv Poddar	Shri Subhash Chand Mantri
Age	53 Years	51 Years	29 Years	26 Years	47 Years
Qualification	B.Com	B.Com, C.A.	Master in Business Administration (Finance) from Drexel University	B.A Hons Business Management from Kingston University	B.Com, F.C.A.
Nature of Expertise	Industrialist	Professional	Industrialist	Industrialist	Professional
Shares held in the Company	500	NIL	1,53,830	7,13,415	NIL
* Name of the Companies in which holds directorship	Siyaram Silk Mills Ltd. GRL International Ltd. S P Investrade (India) Ltd. Vishal Furnishings Ltd. Balkrishna Paper Mills Ltd. BKT Exim Ltd. BKT Tyres Ltd. SPG Power Ltd. SPG Infrastructure Ltd.	Reliance Global Management Services Ltd., Reliance Strategic Investments Ltd., Reliance Ventures Ltd.	BKT Exim Ltd., BKT Tyres Ltd., SPG Power Ltd., SPG Infrastructure Ltd., Balkrishna Paper Mills Ltd.,	BKT Exim Ltd., BKT Tyres Ltd., SPG Power Ltd., SPG Infrastructure Ltd., Beetee Textiles Industries Ltd., Oxemberg Clothing Ltd.	Balkrishna Synthetics Ltd.
* Chairman / Member of the Committees of other public Companies as on 31 st March, 2011	Siyaram Silk Mills Ltd. Member of Share transfer Committee	Reliance Strategic Investments Ltd., Reliance Ventures Ltd. Chairman of Audit Committee in both the Companies.	NIL	NIL	NIL

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

Notice

EMAIL REGISTRATION / BANK ACCOUNT PARTICULARS / ECS MANDATE 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. Ltd.
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 advise 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 49th ANNUAL GENERAL MEETING of the Company held on 6th day, the August, 2011 at 12.30 p.m. at Plot No. G-4/1, MIDC, 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 Ltd, hereby appoint _____ of _____

failing him _____ of _____ as my/our proxy to attend and vote for me/

us and on my/our behalf at the 49th Annual General Meeting of Balkrishna Industries Limited, to be held on 6th day, the August, 2011 at 12.30 p.m.

at Plot No. G-4/1, MIDC, Tarapur, Boisar 401506, Dist. (Thane), Maharashtra.

Signed this _____ day of _____ 2011

affix
15 paise
Revenue
stamp

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.

