

BIL 2025-26

9th January, 2026

BSE Ltd
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra Kurla Complex
Bandra (E), Mumbai 400 051

Scrip Name: BALKRISI
Scrip Code : 502355

Scrip Name/Code: BALKRISIND

Dear Sirs,

Subject: Response to liAS VMS Voting Recommendation – Balkrishna Industries Ltd. (Postal Ballot dated 19th December, 2025).

We have received voting recommendations concerning the notice of the postal ballot dated 19th December, 2025 from proxy advisor firm - Institutional Investor Advisory Services (liAS) recommending their clients to vote against only for Resolution No. 1 : (Re-appointment of Mr. Arvind Poddar as Chairman and Managing Director for period of 5 years with effect from 1st August 2026 and fix his remuneration).

In this regard, we would like to provide below clarification in response to their recommendation of liAS.

- 1) While supporting the revised pay structure proposed in the resolution, we note that you have recommended voting 'Against' the above resolution for the following reasons:

We support the revised pay structure proposed by the company for its executive directors. However, his remuneration structure includes an uncapped reimbursement of travelling, boarding and lodging expenses (including for spouse & attendant). We believe these expenses are personal in nature and should be borne by the directors themselves and not by the company. We do not support the resolution. Further, the company should set performance threshold for commission payout. liAS recommends voting AGAINST resolution #1.

- 2) With regard to reimbursement, the resolution reads as under:

Mr. Arvind Poddar shall be entitled to reimbursement of expenses (at actuals) incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips

Contd.2

Balkrishna Industries Ltd.

CIN No.: L99999MH1961PLC012185

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

Tel: +91 22 6666 3800 Fax: +91 22 6666 3898/99 www.bkt-tires.com

Registered Office: B-66, Waluj MIDC, Waluj Industrial Area, Chhatrapati Sambhaji Nagar– 431 136, Maharashtra, India

: 2 :

3) Kindly note that the reimbursement is for expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) only during business trips and not for personal trips. This is a normal and standard perquisite provided to any top executive in every industry.

4) Further, we would like to place the following facts on record:

(a) Mr. Arvind Poddar's spouse accompanies him not on all business trips but only where her presence is necessary, like for instance, meeting foreign delegates or attending conferences, etc. The expenditure incurred on such trips for both, where the spouse of Mr. Arvind Poddar accompanied him, during the last 4 financial years is given below:

| Year | FY 2026 (upto Dec 2025) | FY 2025 | FY 2024 | FY 2023 |
|--------------|-------------------------|---------|---------|---------|
| Rs. in crore | 0.33 | 0.82 | 0.41 | 0.96 |

(b) It can be observed that the expenditure is insignificant compared to the size and operations of the Company.

(c) As a top executive of the Company, the Chairman and Managing Director has not and will not use this facility indiscreetly. The above figures evidence the same.

(d) Further, no attendants have accompanied Mr. Arvind Poddar on business trips.

5) Accordingly, there is no need not for any apprehension in this regard.

6) With regard to setting performance threshold for commission payout, we submit as under:

(a) The commission is a percentage of the net profits. This, by itself, means that the commission amount received is based on the performance of the Company. If the net profits are less in any year, the commission payout will be lower.

(b) Further, we give below a snapshot of the financial performance of the Company and the commission drawn by Mr. Arvind Poddar:

| Particulars | FY 2025 | FY 2024 | FY 2023 | FY 2022 | FY 2021 |
|-------------------------------------|-----------|----------|-----------|----------|----------|
| Total Revenue | 10,947.43 | 9,746.44 | 10,148.31 | 8,697.31 | 5,919.37 |
| EBIDTA | 2,955.03 | 2,651.78 | 2,053.42 | 2,406.10 | 1,946.96 |
| PBT | 2,156.29 | 1,899.07 | 1,451.16 | 1,954.47 | 1,530.99 |
| Commision paid to Mr. Arvind Poddar | 42.00 | 36.75 | 33.00 | 40.00 | 32.00 |
| % to PBT | 1.95% | 1.94% | 2.27% | 2.05% | 2.09% |
| | | | | | |

Contd.3

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: 3 :

- (c) It is clear from the above that the Company's financial performance has grown consistently and only due to the growth in the profits of the Company the absolute amount of commission paid has increased as shown above though the % has actually decreased.
 - (d) The commission is a variable pay based on the financial performance of the Company. Even your own table makes it clear that the variable pay in the form of commission constitutes more than 85% of Mr. Arvind Poddar's total remuneration.
 - (e) Accordingly, in our view, the remuneration structure satisfies the condition that it is linked to the financial performance of the Company.
 - (f) Perhaps, you are making a suggestion that commission payout should be based on achievement of pre-set performance targets. We would like to submit that this is not the norm in any industry for top executives.
- 7) We are confident that the above clarifies the apprehensions and doubts raised in the report and that you will revise the recommendation to vote 'FOR' the resolution.

We would request our shareholders to consider the above responses while exercising their vote. This is for your information and records.

Thanking you,
Yours faithfully,
For **Balkrishna Industries Limited**

Vipul Shah
Company Secretary & Compliance Officer