

BIL/SE/2018-2019

1st September, 2018

To,
BSE Limited
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 Code: 502355

Trading Symbol: BALKRISIND

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on Saturday, the 1st September, 2018

Dear Sirs,

The Board of Directors at its meeting held today have approved a capex plan of upto USD 100 million for setting up a greenfield tire plant in USA through a wholly owned subsidiary to be set up. The Company shall also incur capex of upto ₹ 1,000 crore for its Indian Operations. The entire capex will be completed within a period of 30 months. This is in addition to the current capex underway for the Carbon Black Plant.

The details of the Capex program are given below:

USA Capex: The Current sales volume have been around 30,000 MT in Americas. We are seeing increased traction in sales volume over the next few years. In view of this, a local plant would accelerate our growth prospects in this Region. The Board of Directors have therefore approved setting up of a greenfield project with a capacity of 20,000 MT p.a. through a wholly owned subsidiary to be set up. The capital outlay will be up to USD 100 million. The USA project will be funded via investments from the Parent Company and local debt. Various formalities of this project will commence now.



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India Capex:

The following will be the capex plan for India:

1. Waluj:

In lieu of the existing production facilities, which require revamping, a greenfield project will be setup on a freehold land of 22 acres owned by the company which is within the 5 km radius of the current location. The capex for setting up of the new state of the art facilities will be approximately ₹500 crores including a Co-generation plant and in-house warehousing facilities for raw materials and finished goods. The new facilities will bring operational efficiencies compared to the existing plant leading to a recurring saving in operation. The existing plant will continue to operate till the new plant becomes operational. There would be no change in the capacity.

2. Bhuj:

Looking at the overall demand in the higher diameter segment, the Board of Directors have approved a capex of up to ₹ 500 crores towards setting up a new line of 5,000 MT p.a. for layers of All Steel Radial OTR Tires and additional Mixing line in Bhuj.

The entire capex of ₹ 1,700 crores would be funded via a mix of Debt and internal accruals.

The meeting commenced at 3.00 p.m. and concluded at 4.30 p.m.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
For Balkrishna Industries Limited


Vipul Shah
Director & Company Secretary
DIN: 05199526

