**TYRES**

**SHARE HOLDING (%)**

| Promoters | 54.4 |
| FII | 16.9 |
| FI / MF | 14.3 |
| Body Corporate | 2.1 |
| Public & Others | 12.3 |

**STOCK DATA**

| Reuters Code | BLI.BO |
| Bloomberg Code | BIL.MN |
| BSE Code | 502355 |
| NSE Symbol | BALKRISIND |

- **Market Capitalization**: Rs. 15956.9 mn
- **Outstanding Shares**: 96.6 mn

<table>
<thead>
<tr>
<th>Price Performance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1M</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

*On fully diluted equity shares

200 days EMA Rs.147

Part of ✨ Bonanza

---

**OUTLOOK & VALUATION**

BIL is one of the leading players in the “OHT” space with wide product portfolio (~1900 SKU’s). Almost 94% of revenues is derived from Agriculture (65%) and OTR (29%) space wherein it caters to the customized demands of tyres for tractors, trailers, farm equipments, earth movers etc. It has market presence in more than 120 countries & derives ~90% of its revenues through exports.

**STRENGTH:** Niche Player with strong product basket, Stable Volume Growth with superior margins, Presence across 120 markets with over 200 distributors, Better business mix with 80% from replacement market and Strong return ratios.

**WEAKNESS:** Lacks presence in conventional Tyre space

**OPPORTUNITIES:**
- Expanding production capacities, Increase product penetration in both existing and newer geographies
- Superior margins on back of higher replacement demand & operating-cost advantage

**THREAT:** Adverse movement of currency and rubber prices, Slowdown in volume off take take amidst weakening macro conditions in key markets.

**Healthy return ratios with strong dividend track record**

The Company has healthy return ratios as compared to industry with ROE & ROCE pegged at 25% and 22% respectively. Also historically, since 1990 the company has been consistently paying dividend every year. Even during the difficult times on the expanded equity post-bonus, the company has not shield out in paying higher and better dividends.

**KEY FINANCIALS**

<table>
<thead>
<tr>
<th>Y/E Mar.</th>
<th>Revenue (Rs mn)</th>
<th>APAT (Rs mn)</th>
<th>AEPS (Rs)</th>
<th>AEPS (% Ch.)</th>
<th>P/E (x)</th>
<th>ROCE (%)</th>
<th>ROE (%)</th>
<th>P/BV (x)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>21920.9</td>
<td>1946.3</td>
<td>20.1</td>
<td>(11.1)</td>
<td>8.2</td>
<td>22.1</td>
<td>25.2</td>
<td>1.9</td>
</tr>
<tr>
<td>FY12E</td>
<td>28242.7</td>
<td>2416.1</td>
<td>25.0</td>
<td>24.1</td>
<td>6.6</td>
<td>20.6</td>
<td>25.3</td>
<td>1.5</td>
</tr>
<tr>
<td>FY13E</td>
<td>33302.0</td>
<td>2731.5</td>
<td>28.3</td>
<td>13.1</td>
<td>5.8</td>
<td>17.9</td>
<td>23.4</td>
<td>1.2</td>
</tr>
</tbody>
</table>

**OPPORTUNITIES**

- Strong global network with over 200 distributors in more than 120 countries has enabled the Company to capture growing replacement market.
- Greenfield expansion and de-bottlenecking exercise at its existing plants.
- Enhanced operating cost mainly employee and selling & distribution expenses.

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Rating Scale

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of six rating categories, with a corresponding risk rating.

Risk Rating

<table>
<thead>
<tr>
<th>Risk Description</th>
<th>Predictability of Earnings / Dividends; Price Volatility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>High predictability / Low volatility</td>
</tr>
<tr>
<td>Medium Risk</td>
<td>Moderate predictability / volatility</td>
</tr>
<tr>
<td>High Risk</td>
<td>Low predictability / High volatility</td>
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</tbody>
</table>

Total Expected Return Matrix

<table>
<thead>
<tr>
<th>Rating</th>
<th>Low Risk</th>
<th>Medium Risk</th>
<th>High Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy</td>
<td>Over 15%</td>
<td>Over 20%</td>
<td>Over 25%</td>
</tr>
<tr>
<td>Accumulate</td>
<td>10% to 15%</td>
<td>15% to 20%</td>
<td>20% to 25%</td>
</tr>
<tr>
<td>Hold</td>
<td>0% to 10%</td>
<td>0% to 15%</td>
<td>0% to 20%</td>
</tr>
<tr>
<td>Sell</td>
<td>Negative Returns</td>
<td>Negative Returns</td>
<td>Negative Returns</td>
</tr>
<tr>
<td>Neutral</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Not Rated</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Please Note

- Recommendations with “Neutral” Rating imply reversal of our earlier opinion (i.e. Book Profits / Losses).
- ** Indicates that the stock is illiquid With a view to combat the higher acquisition cost for illiquid stocks, we have enhanced our return criteria for such stocks by five percentage points.
- Stock Review Reports: These are Soft coverage’s on companies where Management access is difficult or Market capitalization is below Rs. 2000 mn. Views and recommendation on such companies may not necessarily be based on management meeting but may be based on the publicly available information and/or attending Company AGMs. Hence Stock Reviews may be just one-time coverage’s with an occasional Update, wherever possible.

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