

BIL:2014-2015

13th March, 2015

The Corporate Relation Department
M/s Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai – 400 001

Dear Sir/Madam,

Sub: Record date for allotment of shares of the Resulting Company.

Ref: In the matter of Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Balkrishna Industries Ltd, Balkrishna Paper Mills Ltd and Nirvikara Paper Mills Ltd.

Background and Rationale:

- (i) BIL is engaged in the business, *inter alia*, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in pneumatic tyres, BPML is engaged in the business, *inter alia*, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in paper products and NPML is a newly incorporated Company (incorporated on June 29, 2013) to engage in manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in paper products.
- (ii) BIL, by itself and through its subsidiaries, is engaged in two distinct lines of business namely (i) manufacturing and marketing of pneumatic tyres; and (ii) other businesses *inter alia*, manufacturing and marketing of paper boards and processing of textile fabrics.
- (iii) The nature of risk and competition involved in the aforesaid line of businesses are distinct from each other necessitating different management and growth focus. Consequently, the aforesaid businesses require different set of investors, strategic partners, lenders and other stakeholders for their growth.
- (iv) With a view to realize the aforesaid growth potentials, BIL proposes to re-organize and segregate, by way of a scheme of arrangement, its business, undertaking and investments in the paper board business.
- (v) The emerging structure will result in two separate listed entities viz. BIL and NPML engaged in tire business and paper & allied businesses respectively.



Balkrishna Industries Ltd.

Consideration:

Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in NPML, NPML shall allot to each member of BIL, whose name is recorded in the register of members on the Record Date, in accordance with the terms of the Scheme one fully paid up equity share of Rs. 10 of NPML each credited as fully paid up for every Nine fully paid equity share of Rs. 2 each held by such shareholder or his/her/its heirs, executors, administrators or successors in BIL.

In case any member's holding in BIL is such that such member becomes entitled to a fraction of one equity share of NPML, NPML shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the board of directors of BIL in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.

Yours faithfully,

For Balkrishna Industries Ltd.



VIPUL SHAH

DIRECTOR & COMPANY SECRETARY

Balkrishna Industries Ltd.

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