

**Balkrishna Industries**CMP In ₹: **1,264.1**OI Change in  
September series (%): **30.6**Spot price Change  
in September series (%): **-9.9**

**SENTIMENT AROUND** the stock turned bearish after the company announced a surprise capital expenditure plan of ₹1,700 crore. Analysts at Kotak Institutional Equities believe the company's return ratios could come down significantly if Balkrishna adopts strategy of setting up more capacity overseas to gain market share. Kotak Institutional Equities has marginally cut earnings estimates on Balkrishna Industries to build in higher capital expenditure assumptions. The brokerage has maintained 'reduce' rating on the stock with a target price of ₹1,300, citing expensive valuations.