SPARK MINDA
ASHOK MINDA GROUP

Powered by Passion

Date: 11.08.2016

The Officer-In-Charge (Listing) Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Head - Listing Operations, BSE Limited, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001

Sub: Earnings Update for the quarter ended on June 30, 2016

Dear Sir,

Please find enclosed herewith the Earnings updates for the quarter ended on June 30, 2016.

Thanking you,
Yours faithfully,

For Minda Corporation Limited

Minda Corporation Limited Delhi

Ajay Sancheti
Company Secretary
PAN No.: AQKPS0208E
Membership No.F5605

Safety, Security and Restraint Systems

Driver Information and Telematics Systems

Interior Systems

INVESTOR RELATIONS

CAPABILITY BUILDING

LEADERSHIP DEVELOPMENT

BUSINESS PROFITABILITY

COMMUNITY EMPOWERMENT

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Minda Corporation Limited

(NSE: MINDACORP; BSE: 538962)

Q1 FY2017

Consolidated Earnings Presentation

August 10, 2016

Leading automotive component manufacturer and flagship company of Spark Minda, Ashok Minda Group

Financial Highlights

Consolidated Highlights – Q1 FY2016-17 vs. Q1 FY2015-16

- Total Revenue increased by 31.7% Y-o-Y to Rs. 6,954 million
- EBITDA increased by 27.5% Y-o-Y to Rs. 626 million; Margins stood at 9.0%
- Profit after Tax increased by 22.9% to Rs. 249 million, Margins stood at 3.6%
- Net Debt of Rs. 5,234 million (Q4 FY2016: Rs. 4,548 million)
- Net Debt / Equity ratio of 0.89x (Q4 FY2016: 0.80x)

Commenting on the results and performance, Mr. D.C Sharma, Group CFO

"Minda Corp's consolidated topline grew 31.7% to Rs. 6,954 million and EBITDA expanded 27.5% to Rs. 626 million at margins of 9.0%. The start to the new fiscal year is just how one would have expected from Minda Corporation - strong and steady performance.

Besides the addition of Panalfa Autoelektrik to our business, the quarter marked continuing addition of new blue chip customers globally along with accretive orders. The most notable of these new orders are Die Casting export orders for Compressor Housings for a leading global automotive firm in Europe. We have initiated setting up of additional greenfield capacity in Pune to cater to these orders. Also, the construction of Spark Minda Technical Centre in Pune is now in its final stage and is expected to be operational in this calendar year.

We are on track on construction of the new greenfield manufacturing plant at Querétaro, Mexico and target to start commercial production in CY2017. This facility will be manufacturing interior plastic auto parts and will provide us access to new growth markets such as South and North American markets.

Having successfully addressed consolidation and stabilization of our businesses in the recent years, we are now looking to accelerate onto new growth paths. We are very pleased to have carried out a successful plant visit in July 2016, whilst also apprising the capital market participants of our growth plans.

I am confident of our strong financial position and robust business model to have us well positioned to take advantage of an expected uptick in global automobile markets in the near term. I look forward to your continued support, as we work further towards putting our plans into action over the next few quarters and years."

Recent Developments

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Significant Corporate Developments

- Inorganic Growth: In April 2016, acquired Panalfa Autoelektrik Ltd based in Haryana, manufacturer of Starter Motors and Alternators
- Additional Greenfield Capacities:
  - Manufacturing plant at Querétaro, Mexico (space: approx. 8300 sq meter), start of production scheduled in CY 2017 (annual order value approx. Euro 19 million, order life: 5 years)
  - Setting up additional greenfield capacity in Pune for Die Casting
- New Customer Additions:
  - Yamaha, Colombia and Piaggio, China for export of Locksets from ASEAN plants
  - Suzuki Indonesia (Vietnam) for Lead Harness business
- Major Orders Received:
  - Received single source nominations for Locksets and Door Handles for new car platform of M&M
  - Received nominations for 3 Die Casting export orders for Compressor Housing for a leading global automotive firm in Europe (order lifetime value of approx. Rs. 350 Cr)
  - Won order for wiring harness business for Piaggio, Vietnam
  - New orders for Audi Q3 and Q6 at Minda KTSN for plastic interiors components
- Technology Centre: Construction of Spark Minda Technical Centre (Pune) at final stage; expected to be operational in Q3
- New Patented Product: Introduced Push to Open, Push to Close Magnetic Module Locksets in Suzuki Indonesia (joint patent with Suzuki Japan)
- New Opportunities: Exploring opportunities for plastic interior parts in China

Other Developments

- In May 2016, launched the 'Investor Relations Activity Report FY2016', to share Minda Corp's efforts in raising the benchmark in investor relations practices
- In April 2016, launched the website of the "Spark Minda Foundation", a 100% subsidiary of the Company to carry out the CSR activities of the Group
- BSE Top 500 position moved up from #455 (31 Dec 2015) to #415 (30 Jun 2016)

Analyst Plant Visit

First Plant Visit organized in Pune, Maharashtra for Equity Capital Markets

- Minda Corporation organized its first ever plant visit on 8th July 2016 for research analysts
- The plant visit included group companies – Minda Stoneridge Instruments Limited; Minda Corporation Limited Security Division; Minda Corporation Limited – Die Casting Division and Minda VAST Access Systems Private Limited
- 'First of its kind' initiative to bring together capital market participants and the operational team at the grass root level to discuss detailed manufacturing processes

Acquisition of Panalfa Autoelektrik Ltd

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Overview

- Acquired Panalfa Autoelektrik (Haryana) in April 2016
- Renamed as 'Minda Autoelektrik Limited' wef 03 June 2016
- Incorporated in 2007 as Indo Czech JV promoted by Panalfa Automotive & Magneton
- Primarily manufactures 'Starter Motors' and 'Alternators'
- End Markets: Commercial Vehicles, Agriculture Machinery, Construction Equipment and Automotive market
- Manufacturing facility situated at Bawal, Haryana
- FY2015 revenues of over Rs. 70 Cr & employs over 400 people

Key Customers

ACE
EICHER POLARIS
ESCORTS
GREAVES SINCE 1859
hmt
MAGNETON electrical equipment for automotive industry
NEW HOLLAND AGRICULTURE
SONALIKA INTERNATIONAL
TAFE

Strategic Rationale

- Additional Product Range
- Export Potential
- Leverage 'After Market' opportunities
- Enhance CV OEMs Base
- Technology Access
- Benefits of Scale

Key Products

Alternators

Starter Motors

Consolidated Financial Performance

Key Financial Statistics

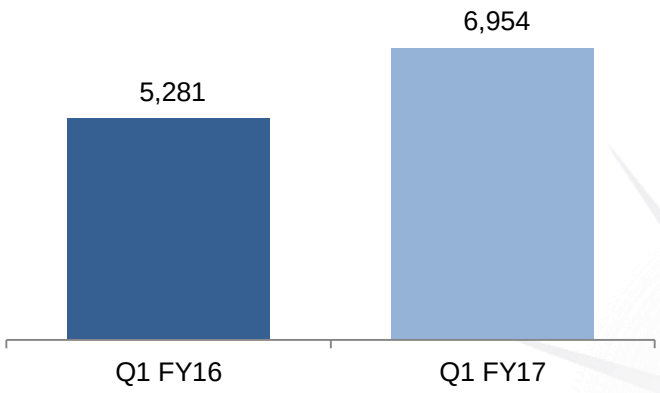
(Rs. Million)	Q1 FY2017	Q1 FY2016	*y-o-y Growth (%)*
Total Revenue	6,954	5,281	*31.7%*
EBITDA	626	491	*27.5%*
Margin (%)	*9.0%*	*9.3%*	
Profit After Tax (PAT)	249	202	*22.9%*
Margin (%)	*3.6%*	*3.8%*	
Basic EPS (Rs.)	1.19	0.97	*22.9%*

Highlights – Q1 FY2017 vs. Q1 FY2016

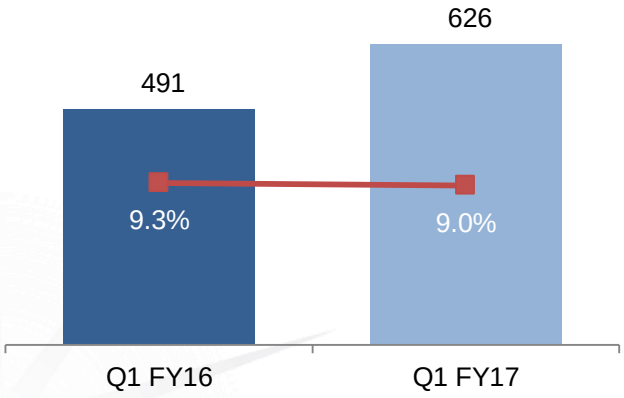
- Total revenue for the year increased by 31.7% y-o-y to Rs. 6,954 million. The overall auto industry grew by 13.4% with robust performance across sectors. Minda Corp continued to record double digit growth in both segments – 'Safety Security & Restraint Systems' and 'Driver Information & Telematics Systems'.
- EBITDA increased by 27.5% with margins of 9.0%. The employee cost increased in this quarter due to changes in Payment of Bonus act and incremental hiring at the 'Spark Minda Technical Centre'. Depreciation increased from Rs. 151 million to Rs. 213 million. Full quarter depreciation was charged on the capex incurred during the last year.
- PAT increased by 22.9% due to higher operating profit. Margins stood at 3.6%. The Net Debt increased from Rs. 4,548 million to Rs. 5,234 due to additional loan taken for greenfield expansion in Mexico along with consideration paid through internal cash accruals for acquisition of Panalfa Autoelektrik. Interest expense increased marginally from Rs. 87 million to Rs.89 million.

Consolidated Financial Performance

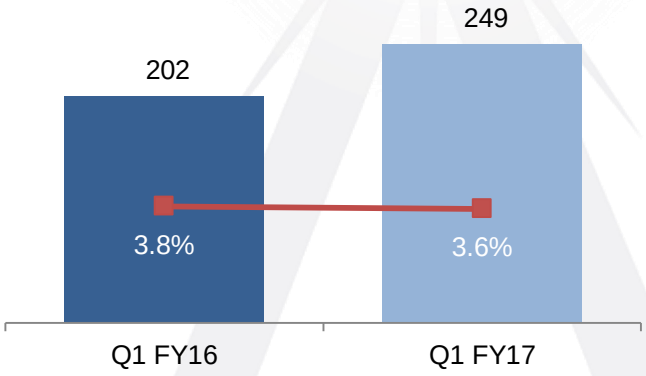
Revenue (Rs. million)



EBITDA (Rs. million) and Margin (%)

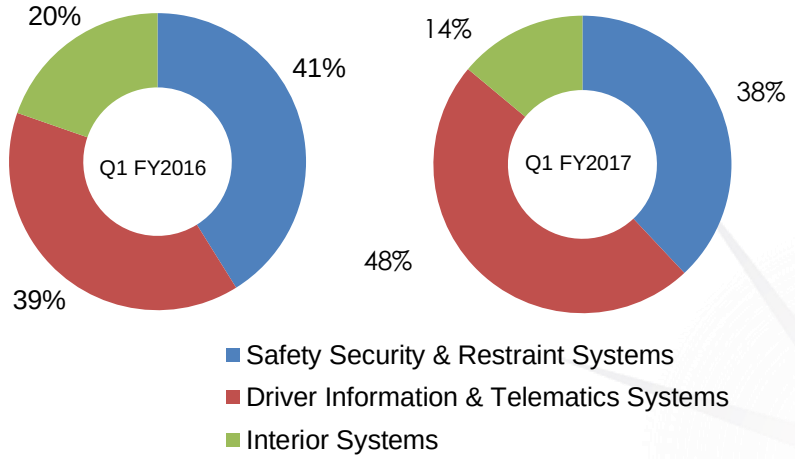


PAT (Rs. million) and Margin (%)

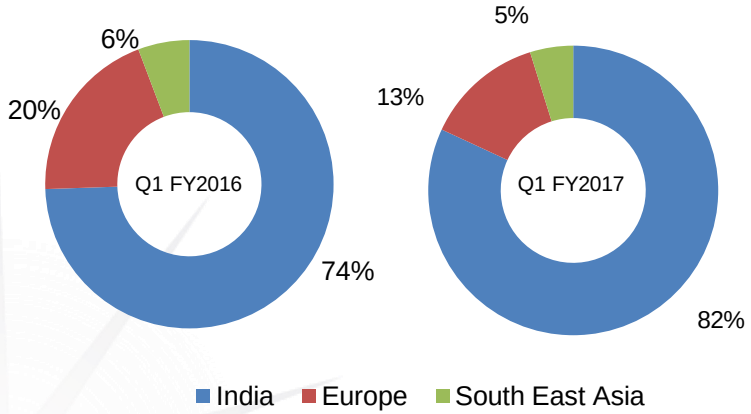


Consolidated Revenue Metrics

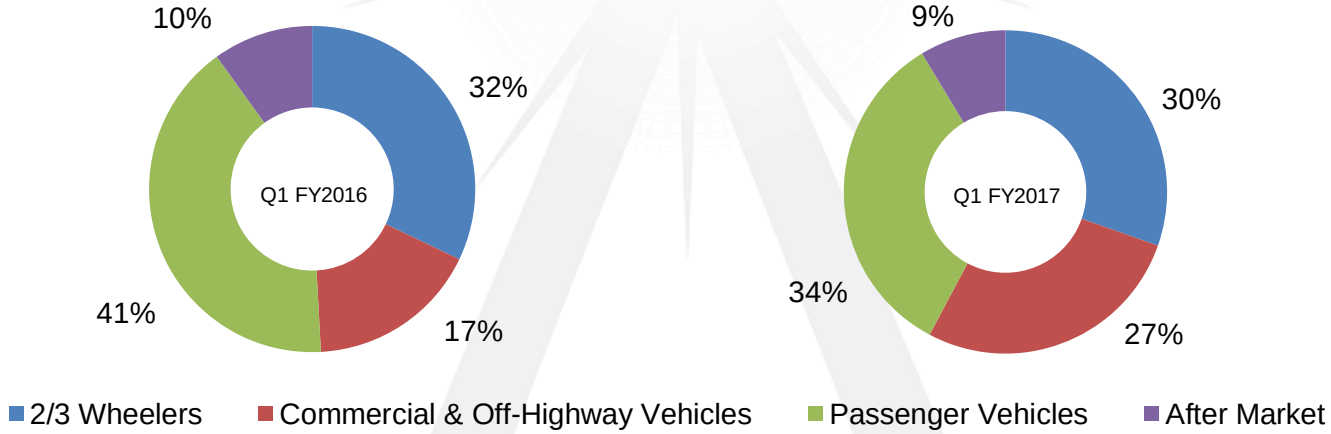
Revenue Breakdown by Product Category



Revenue Breakdown by Geography

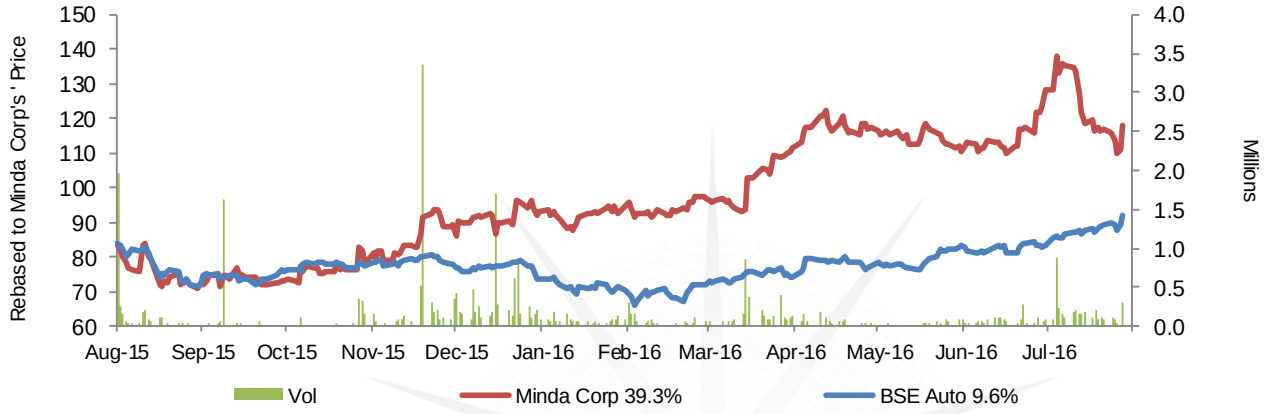


Revenue Breakdown by End User Market



Capital Market Data

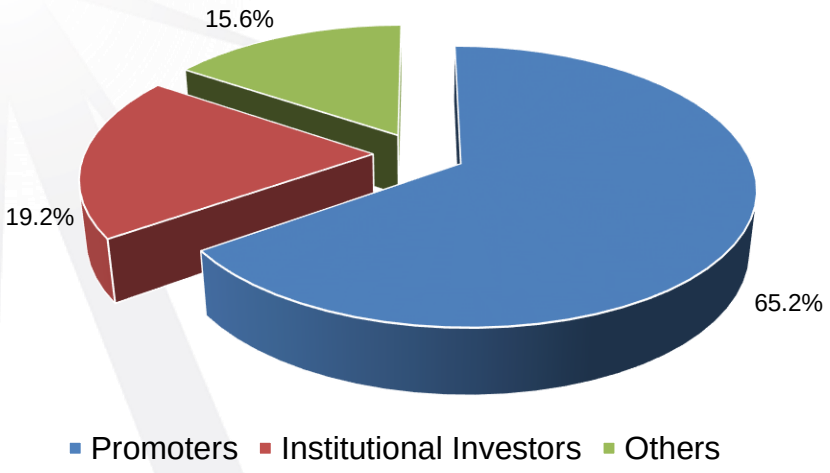
One Year Share Price Performance



Market Data (9th August 2016)

Market Cap. (Rs. mn)	24,495
Outstanding Shares (mn)	209
52 week High/Low	143.6/68.5
Bloomberg Ticker	MDA:IN
Reuters Ticker	MINC.NS
Key Institutional Investors	Birla Sunlife, Government Pensions Fund Global, Kotak Private Equity and UTI

Shareholding Pattern (30th June 2016)

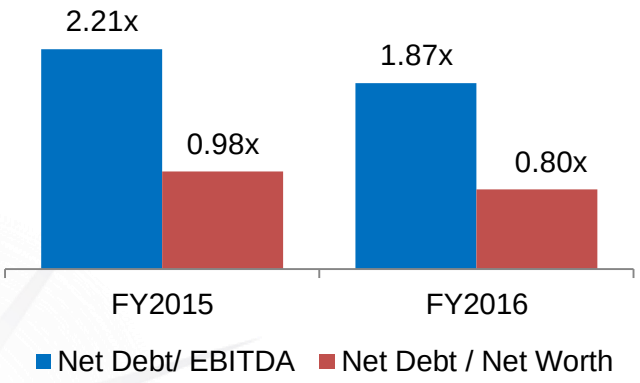


Capital Structure

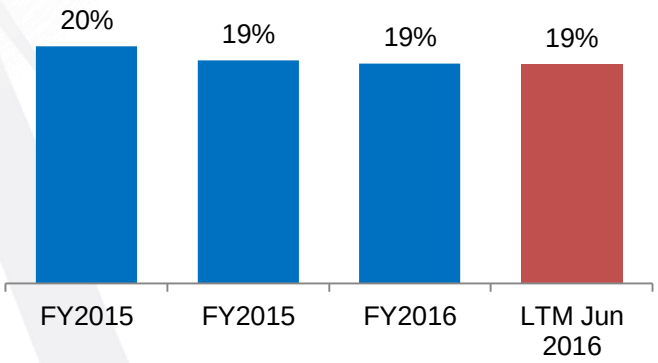
Particulars (Rs. million)	30 Jun 16	31 Mar 16
Short Term Borrowings	4,363	4,014
Long Term Borrowings	1,413	1,416
Total Debt	**5,776**	**5,430**
Less: Cash & Cash Equivalents	542	882
Net Debt / (Net Cash)	**5,234**	**4,548**
Net Worth	**5,905**	**5,674**
Net Debt / Net Worth	**0.89x**	**0.80x**

Agency	Instrument	Rating
CRISIL	Short-Term Funds	A1
CRISIL	Long-Term Funds	A/ Stable

Net Debt / EBITDA(x) & Net Debt / Net Worth(x)



Return on Equity (%)



Note:
1. LTM Jun 2016: LTM PAT (as on Q1 FY2017) / Net Worth (as on Q1 FY2017)

Media Coverage

Spark Minda in News

On small savings, India's interest rates are extraordinarily high. And high interest rate prevents growth

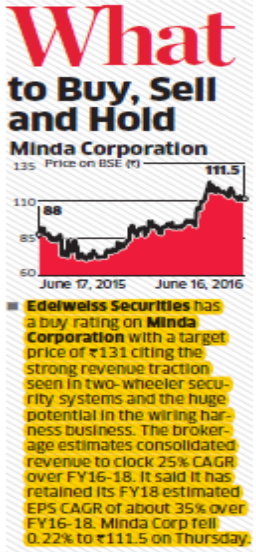
Arun Jaitley, Finance minister

BROKERS

Minda Corp gets Edelweiss buy tag

Minda Corporation Ltd (MCL), a diversified auto component supplier, is well-placed to outperform the industry, riding deepening penetration in existing OEMs, new client wins and enhanced growth in new businesses like wiring harnesses, sensors and steering roll connectors among others. Moreover, joint ventures JVs with global players Furukawa, Stoneridge and VAST, besides assuring access to technology, also entail potential to widen product basket. While MCL has respectable market share across its product segments, rising share of business from Hero MotoCorp, Honda Motorcycle and Royal Enfield will boost two-wheeler market share. In fact, its product basket has already expanded venus initial agreements in a few cases. For instance, JV with Furukawa, apart from making wiring harness has been extended to junction boxes and steering roll connectors. Similarly, Minda Stoneridge JV has been extended to sensors, apart from speedometers.

Broking firm Edelweiss Financial Services
Rating: Buy
Closing price: 108.20


What to Buy, Sell and Hold

Minda Corporation

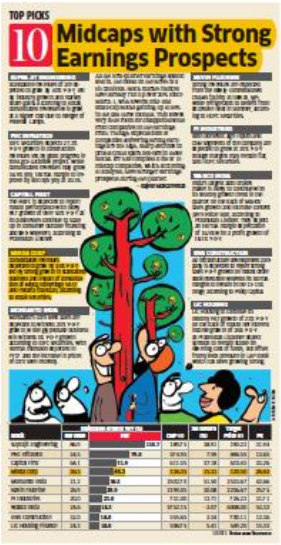
Price on BSE (₹)

135 110 85 60

111.5 88

June 17, 2015 June 16, 2016

- **Edelweiss Securities** has a buy rating on **Minda Corporation** with a target price of ₹131 citing the strong revenue traction seen in two-wheeler security systems and the huge potential in the wiring harness business. The brokerage estimates consolidated revenue to clock 25% CAGR over FY16-18. It said it has retained its FY18 estimated EPS CAGR of about 35% over FY16-18. Minda Corp fell 0.22% to ₹111.5 on Thursday.


TOP PICKS

10 Midcaps with Strong Earnings Prospects

IN FACT

"Need for full-fledged EMI/ EMC Testing & HIL Software Testing for AES/ Sub-Systems"

Suresh D

Spark Minda, the Ashok Minda Group is a leading Tier - 1 Auto Components Supplier to all major OEM's in India & having an outstanding international presence in R&D, Manufacturing and Marketing. With more than 20 years of rich experience in the field of Engineering, Business Solutions, Research & Development and Product Development. Mr. Suresh heads Spark Minda Technical Centre.

He was previously associated with Bosch Limited, Bangalore as a chief of R&D Gasoline Systems and has whole power train solutions. His expertise includes Automotive Embedded Systems, Power Train Systems, Electronic Fuel Injection & Transmission Systems, ECUs, BCM's, Control units, Human Sensors, Sensor Control Systems, Instrument & Instrument Clusters, Telematics & Fleet management Systems etc. In a detailed discussion with IMART, Mr.Suresh shares his views on testing and measuring in the automotive segment. Excerpts:

How do you see the automotive trends in India?

Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative, as it expects passenger vehicles market to triple to a million units by 2025, as highlighted in the Auto Mission Plan (Called AMP) 2016-26. Government has formulated a scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) under the National Mission for Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

In what can be seen as perhaps India's biggest intervention in auto pollution, the government has decided to advance the standard for cleaner cars and leapfrog to Bharat Stage IV emission norms from April 2017 and Bharat Stage VI by April 2019. This drop shows perhaps the strong initiative of India towards the vehicle emission reduction will ease out the majority of the developed nations in the world.

Last but not least is the safety related issues and challenges that the country will bring the introduction of Anti-lock Braking System (called ABS) mandatory for two wheelers of engine capacity 125 cc and above as soon. These systems are complex in nature in terms of its hardware and software architecture.

What does the complexity mean to automobile OEM's and beyond?

Proliferation of electronic systems in automobiles will increase the technical complexity, however the challenge will be to provide cost effective design solutions, more tougher is the detection of such faults early in development phase to avoid the safety critical risks in the field. Reliability of these electronic devices is key for safe driving.

General environmental tests are not able to detect the complex problems which are encountered with either software or hardware or both. The tests can have multiple microprocessors / microprocessor's working independently made or with real time operating systems. Hence a reliable hardware testing and a robust software validation is important in achieving the overall reliability of the electronic systems.

What are the basic of electromagnetic interference and its influence?

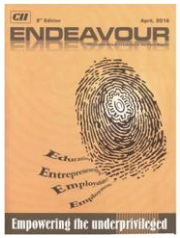
Electromagnetic compatibility (EMC) is the branch of electrical engineering concerned with the unintentional generation, propagation and reception of electromagnetic energy which may cause unwanted effects such as electromagnetic interference (EMI) or even physical damage in operational equipment. The goal of EMC is the correct operation of different equipment in a common electromagnetic environment.

EMC pursues two main classes of issue. Emission is the generation of electromagnetic energy, whether deliberate or accidental, by some device and its release into the environment. EMC studies the unwanted emissions and the countermeasures which may be taken in order to reduce unwanted emissions. The second class susceptibility is the ability of electronic equipment, referred to as the victim, to malfunction or break down in the presence of unwanted emissions, which are known as Radio Frequency Interference (RFI).

Immunity is the opposite of susceptibility, being the ability of equipment to function correctly in the presence of RFI, with the discipline of "hardening" equipment to reduce its susceptibility or immunity. A third class modeled is coupling, which is the mechanism by which an illegal interference reaches the victim.

New technologies and communication systems in vehicles demands an extensive testing and evaluation, before electronic modules are used in real-time installations, in order to ensure complete safety and reliability. EMC measures to avoid malfunctioning of the vehicles and their sub-systems due to electromagnetic interference between the different components and sub-systems, within the vehicle and its environment.

In view of the criticality of EMC compliance, world-wide full-vehicle EMC tests have become mandatory. Additionally, components and subsystems are also subjected to regulations and need to be tested separately (component level testing). Achievement of Electro Magnetic Compatibility (EMC) requirements shall be a time consuming and expensive endeavour for the organizations. EMC compliance is highly critical for products' success and also



Deccan Chroncle (April 2016)

Economic Tmes (June 2016)

Economic Tmes (July 2016)

Industrial Business Mart Magazine (June 2016)

Endeavour Magazine (April 2016)

Zee Business (July and August 2016)

CNBC (April 2016)

Awards and CSR

Awards

MCL – Best Presentation at 13th ACMA (NR) Quality Circle Competition July 2016

MCL – 1st Prize in 4th BAVA Inter Cluster Kaizen Competition by Bajaj Auto April 2016

Minda Furukawa - Overall Excellence Award 2015-16 by Maruti Suzuki May 2016

Minda Automotive Indonesia – Best Vendor Performance by PT Suzuki Indomobil Motor April 2016

Minda Stoneridge – Gold Award for Best in Class Delivery & Ramp Up by Ashok Leyland April 2016

Corporate Social Responsibility

Convocation Ceremony at Aakarshan Pantnagar Center I and II

Convocation Ceremony at Aakarshan Chennai

Women Empowerment Project on Menstrual Hygiene

Key Investment Themes

- High value, technologically advanced products; global presence with 32 plants
- Technological tie ups with global automotive component manufacturers
- Well diversified customer base, product portfolio and business segments
- Low leverage providing significant flexibility for organic / inorganic growth
- Professionally run company with strong second line management
- Strong and independent board at Minda Corporation and its subsidiaries
- Top BSE 500 company with institutional holding over ~19%

Important Notice

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Minda Corporation Limited (“Minda Corp” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Minda Corp undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Conference Dial-In Numbers: August 12, 2016 (Friday) at 11:00 AM IST	
Primary Number	**+ 91 22 3938 1028**
Secondary Number	**+ 91 22 6746 8328**
The numbers listed above are universally accessible from all networks and all countries	
International Number	USA: **1 866 746 2133** UK: **0 808 101 1573** Singapore: **800 101 2045** Hong Kong: **800 964 448**

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Minda Corporation Limited

(CIN: L74899DL1985PLC020401)

Corporate Office: Plot No: 68, Echelon Institutional Area, Sector-32, Gurgaon-122001, Haryana (India).
Tel: +91-124-4698400; Fax: +91-124-4698450
Registered Office: 36A, Rajasthan Udyog Nagar, Delhi – 110 033, India

Investor Relations Contact

Deepak Balwani
Minda Corporation
deepak.balwani@minda.co.in
+91 124 4698485

Jitesh Bhatia/
Ankul Adlakha
Churchgate Partners
minda@churchgatepartnersindia.com
+91 22 6169 5988

Safety, Security and Restraint Systems

Driver Information and Telematics Systems

Interior Systems