

July 22, 2015

The Officer-In-Charge (Listing)
Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Sub: Information under Clause 36 of the listing agreement regarding revision in credit ratings of Minda Corporation Limited

Dear Sir,

Pursuant to Clause 36 of the listing agreement, information is hereby given that the credit rating of Minda Corporation Limited has been upgraded by multiple notches and multiple categories by CRISIL. The rating has been upgraded from existing A- to A.

Further, a copy of the website reflecting the credit rating is attached herewith for your reference.

You are requested to please take on record our above said information.

Thanking you,

Yours faithfully,

For Minda Corporation Limited

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



MINDA CORPORATION LIMITED

CIN : L74899DL1985PLC020401

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Registered Office: 36A, Rajasthan Udyog Nagar, Delhi - 110033 Website: www.minda.co.in



Rating Rationale

July 21, 2015
Mumbai

Minda Corporation Limited

Ratings upgraded to 'CRISIL A/Stable/CRISIL A1'

Total Bank Loan Facilities Rated

Rs.2100 Million

Long Term Rating

CRISIL A/Stable (Upgraded from 'CRISIL A-/Stable')

Short Term Rating

CRISIL A1 (Upgraded from 'CRISIL A2+')

(Refer to Annexure 1 for Facility-wise details)

CRISIL has upgraded its ratings on the bank facilities of Minda Corporation Ltd (MCL; part of MCL group) to '**CRISIL A/Stable/CRISIL A1**' from 'CRISIL A-/Stable/CRISIL A2+'.

The rating upgrade reflects improvement in MCL group's business risk profile marked by improvement in operating profitability and addition of new customers, leading to improvement in scale of operations. MCL group's topline increased by around 23 per cent in 2014-15 over the previous year, backed by increased offtake from existing and new customers, and continued focus on research and development (R&D) and new product development as well as addition of subsidiaries in MCL. MCL group's operating profitability has improved to 9.7 per cent in 2014-15 from 8.2 per cent in 2013-14 and 6.8 per cent in 2012-13. This follows cost-cutting measures undertaken, exit of loss-making divisions, and focus on retaining profitable divisions. The scale of operations is expected to continue to grow over the medium term supported by increasing offtake by key customers such as Honda Motorcycle and Scooter India Pvt Ltd (Honda) and Maruti Suzuki India Ltd who are expected to increase its business with MCL group over the medium term. The profitability of the group is expected to sustain backed by continued focus on reducing costs by the management.

MCL group continues to manage its working capital cycle efficiently, with gross current assets (GCAs) of 128 to 145 days over the four years through 2014-15; the GCAs are expected to remain at current levels over the medium term. The financial risk profile is expected to remain healthy, with comfortable net worth and debt protection metrics, and moderate gearing, in the absence of debt-funded capex plans over the medium term. The liquidity profile of MCL group continues to remain adequate, driven by improving cash accruals and moderate utilization of bank lines at 49 per cent for the last 12 month through April 2015.

During 2013-14 and 2014-15, MCL had undergone structural changes which were part of the overhaul of the entire Spark Minda Group of companies. Mayank Auto Engineers Pvt Ltd (a subsidiary of Minda SAI Ltd) and its subsidiaries are no longer MCL's subsidiaries. Minda SAI Ltd has wholly acquired Almighty International PTE Limited (Singapore) and its wholly owned subsidiaries Minda Vietnam Automotive Co Limited, PT Minda Automotive Trading, Indonesia and PT Minda Automotive Indonesia. Moreover, Minda Furukawa Electric Co Private Limited (MFEPL, India) has become a 51 per cent subsidiary of MCL with effect from October 1, 2014, while Minda VAST Access Systems Pvt Ltd (formerly Minda Valeo Security Systems Pvt Ltd) has come under MCL's fold as only a 50 per cent subsidiary of Minda Management Services Ltd (MMSL). Based on the revised group structure, CRISIL has combined the business and financial risk profiles of MCL and its five wholly owned subsidiaries: Minda SAI Ltd (Minda SAI, India), MMSL, Minda Automotive Solutions Ltd (MASL, India), Minda KTSN Plastic Solutions GmbH & Co KG (Minda KTSN, Germany), and Minda Europe BV (MEBV, Europe); and MCL's 51 per cent subsidiary, Minda Furukawa, for arriving at the ratings. These entities, collectively referred to as the MCL group, have significant business and financial linkages.

The ratings continue to reflect the MCL group's established market position in the Indian automotive components industry, diversified product portfolio, and reputed clientele. The group maintains its leading position in India's security systems and wire-harness components market, with customers including the leading original equipment manufacturers (OEMs) in two-, three-, and four-wheeler segments. The ratings also reflect the MCL group's

healthy financial risk profile, marked by strong net worth, moderate gearing, and comfortable debt protection metrics. These rating strengths are partially offset by the group's exposure to risks relating to volatility in raw material prices, and slowdown in demand.

Outlook: Stable

CRISIL believes that the MCL group will maintain a stable credit risk profile over the medium term on the back of its established position in the automotive components industry, healthy relationships with OEMs, and comfortable financial risk profile. The outlook may be revised to 'Positive' in case of improvement in total outside liabilities to total networth and improved operating profitability, strengthening the group's financial risk profile. Conversely, the outlook may be revised to 'Negative' if pressure on operating profitability and revenue, or any large debt-funded capital expenditure/acquisition considerably weakens the group's financial risk profile.

About the Group

Incorporated in 1985 as Minda Switch Auto Ltd, MCL is the flagship company of the Spark Minda-Ashok Minda Group, and is based in Noida. The group manufactures security systems, and locks, for two-wheelers & three wheelers; wire harnesses for two-wheelers, utility vehicles, and commercial vehicles; and plastic interiors primarily for four-wheelers. MCL is listed on the National Stock Exchange and Bombay Stock Exchange.

Minda SAI came into existence in 2003 and was acquired by MCL in 2011. The company manufactures wire-harnesses primarily for two wheelers, utility vehicles and commercial vehicles in the domestic market. The manufacturing units are at Greater Noida, Mumbai, Pune, Chennai, Haridwar and Indore. MMSL is a managing entity for the Spark Minda-Ashok Minda Group. The company does not have any production line; it charges management fees from other entities.

MASL, acquired by MCL in 2012, caters to after-market for the Spark Minda-Ashok Minda Group in the domestic market. Minda KTSN, acquired by MCL in 2007 is based out of Germany and manufactures plastic interiors for European OEMs. MEBV, incorporated in 2004, acts as a representative office for the European market.

MFEPL was incorporated in 2006 as a JV between the Furukawa group (51 per cent), a leading Japanese automotive component manufacturer, and the Ashok Minda group (49 per cent). In October 2014, MCL increased its stake in MFEPL to 51 per cent. The company manufactures wire harnesses and allied components such as couplers, terminals, and relay boxes, primarily for passenger cars. Its manufacturing facilities are at Bawal (Haryana), Noida (Uttar Pradesh) and Chennai.

MCL on a consolidated level reported a profit after tax (PAT) of Rs.870 million on operating income of Rs.19.72 billion for 2014-15 (refers to financial year, April 1 to March 31), as against a PAT of Rs.790 million on operating income of Rs.15.95 billion for 2013-14.

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Million)	Rating	Facility	Amount (Rs.Million)	Rating
Cash Credit	625	CRISIL A/Stable	Cash Credit	600	CRISIL A-/Stable
Letter of Credit	122.5	CRISIL A1	Letter of Credit	122.5	CRISIL A2+
Long Term Loan	12.5	CRISIL A/Stable	Packing Credit in Foreign Currency	100	CRISIL A2+
Packing Credit in Foreign Currency	100	CRISIL A1	Standby Line of Credit	1080	CRISIL A-/Stable
Standby Line of Credit	1240	CRISIL A1	Term Loan	197.5	CRISIL A-/Stable
Total	2100	--	Total	2100	--

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About CRISIL LIMITED

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

About CRISIL Ratings

CRISIL Ratings is India's leading rating agency. We pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we have a leadership position. We have rated over 75,000 entities, by far the largest number in India. We are a full-service rating agency. We rate the entire range of debt instruments: bank loans, certificates of deposit, commercial paper, non-convertible debentures, bank hybrid capital instruments, asset-backed securities, mortgage-backed securities, perpetual bonds, and partial guarantees. CRISIL sets the standards in every aspect of the credit rating business. We have instituted several innovations in India including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We pioneered a globally unique and affordable rating service for Small and Medium Enterprises (SMEs). This has significantly expanded the market for ratings and is improving SMEs' access to affordable finance. We have an active outreach programme with issuers, investors and regulators to maintain a high level of transparency regarding our rating criteria and to disseminate our analytical insights and knowledge.

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Last updated: August, 2014

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