SP RK MINDA

ASHOK MINDA GROUP

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Date: 14.02.2017

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 Presentations for the quarter ended on December 31, 2016

Dear Sir,

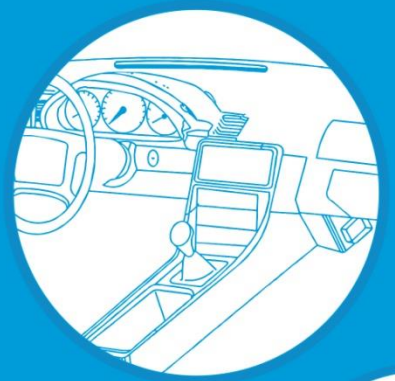
Please find enclosed herewith the Earnings presentations for the quarter ended on December 31, 2016.

Thanking you,
Yours faithfully,

For Minda Corporation Limited

Minda Corporation Limited Delhi

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



Interior Systems

Safety, Security And Restraint Systems

Driver Information And Telematics Systems

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MINDA CORPORATION LIMITED

(NSE: MINDACORP; BSE: 538962)

Q3 FY2017
Earnings Presentation

February 13, 2017

Locks

Door Handles

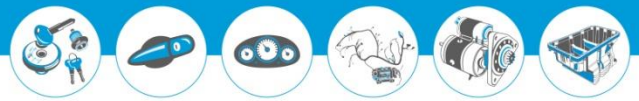
Instrument Clusters

Wiring Harness

Starter Motors

Plastic Components

Executive Summary



Q3 FY2017 vs. Q3 FY2016 (Standalone)

- Total Revenue increased by 6.9% Y-o-Y to Rs. 1,919 million
- EBITDA increased by 15.0% y-o-y to Rs. 232 million. Margin at 12.1%
- Net Profit increased by 57.3% to Rs. 176 million. Margin at 9.2%

Q3 FY2017 vs. Q3 FY2016 (Consolidated)

- Total revenue increased by 10.1% y-o-y to Rs. 7,230 million
- EBITDA at Rs. 416 million. EBITDA margin at 5.8%
- Net profit at Rs. 201 million. Margin at 2.8%

Credit Rating upgraded by India Ratings & Research (Fitch)

The Board has declared an interim dividend of Rs. 0.20 per equity share (10% of face value)

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Management Commentary

Mr. Ashok Minda
Chairman and Group CEO

"On the backdrop of demonetization which drastically reduced the liquidity in the market, sales volume for the quarter across the automobile sector were down by (4.0)% on a y-o-y basis in comparison to the 19.1% y-o-y growth in the last quarter. Despite a sustained pressure on the overall business demand and a slow global recovery, our topline during Q3 FY2017 was resilient, registering an increase of 10.1% on a y-o-y basis. Besides, the quarter marked continuing addition of new blue chip customers globally and received additional orders worth Rs. 180 crore.

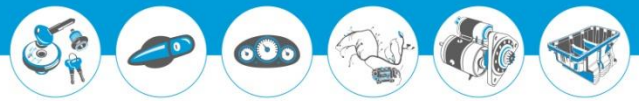
We are optimistic of the various pro-reformative measures of the Government being undertaken and also reflected in the recent fiscal Budget augurs well for the auto component sector as a whole in the long term, and we expect the automobile market to revive over the next two quarters."

Mr. D. C. Sharma
Group CFO

"This quarter has been a mixed bag for the Company. During the quarter, our financial performance was temporarily impacted on account of demonetization, high raw material cost, adverse product mix and delay in price actualization of one of the subsidiaries. We are also in the process of incurring pre-operating expenses towards new greenfield plants at Mexico and Pune and setting up of the technical centre. However, I am pleased to inform you that our credit rating has been upgraded to 'IND A+' for long term bank facilities by Fitch Ratings, reinforcing the credit worthiness of the Company.

We are also closely watching the developments to the full roll out of the GST and continue to be hopeful of its positive implications for the automotive and automotive component industries."

Significant Developments



Recent Corporate Developments

- **New Customer Additions**:
  - Royal Enfield (Lockset)
  - Nissin Brakes (Die Casting)
- **Additional Orders Booked:** Additional domestic orders stood at Rs. 135 crore (including orders worth Rs 52 crores for MCL – Security division) and additional exports orders stood at Rs. 45 crore
  - Received additional nominations for die casting business (compressor housing) for exports to Hungary (order worth approx. Rs. 13 crore)
  - New business orders of electronic immobilizer for overseas OEM through PT Minda Indonesia (order worth Rs. 8 crore). This exports order is expected to grow to approximately Rs. 15 crore in next 1 year
  - New business orders of ~Rs. 40 crore awarded from Bajaj for Lockset, ~Rs. 5.5 crore from Suzuki Motorcycles for Lockset and ~Rs. 5 crore from Ashok Leyland for Wiring Harness
- **Innovations:** During the Q3 FY2017, 3 patents were filed and during 9M FY2017, a total of 18 patents were filed. Total patents filed in FY2016 were 11 patents
  - Out of the 3 patents, 2 Patents filed by the Minda Corporation Ltd – Security Division in 2 wheeler Security Systems and 1 Patent filed by Minda Stoneridge – Sensors Division

Business Updates

Greenfield Plant at Mexico

- Minda KTSN setting up a new plant at Queretaro Industrial Park-II Puerto, Mexico
- Construction in accordance to the project timelines and production is expected to start in FY2018
- Total area of the plant is c. 17320 sqm. and for the initial stage, 7,000 sqm. of built-up area to be utilized for production
- New facility has received order from a leading automotive player for the manufacturing of parts including Glove Box, St. Column, End Cap, Hang on parts and others
- First batch of injection moulding machines with latest technology from Germany has been received and is being commissioned

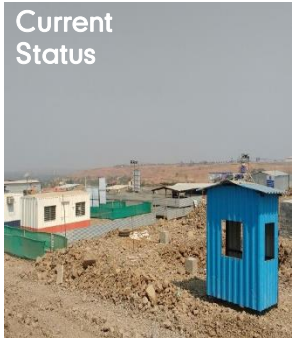
50:50 Joint Venture with SBHAP, China (a BAIC group subsidiary)

- In Aug 2016, Company entered into a 50:50 joint venture with Shandong Beiqi Hai Hua Automobile Parts Co (a BAIC group subsidiary) through its 100% subsidiary Minda KTSN
- Located in Zibo, Shandong Province and JV to be known as 'Minda China Plastic Solutions Ltd'
- JV has acquired land with an overall size of approx. 10,000 sqm.
- Construction is expected to be completed in FY2017-18 and production planned in FY2018-19
- Focus on products including 'Plastic Oil Pans and Cylinder Head' along with other plastic under-bonnet / interior parts
- Target customers includes Commercial Vehicle OEMs such as Daimler, Foton etc having manufacturing plants in China

Business Updates

Greenfield expansion for Die Casting Plant at Pune

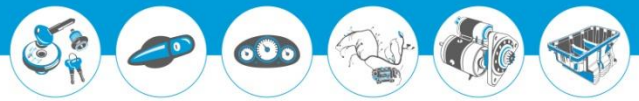
- Setting up 3rd die casting plant in Chakan, Pune with an initial investment of Rs. 75 crore over two years, to enhance production capacity
- Existing production capacity is 4,600 MT p.a. and FY2019-20 target capacity is 9,600 MT p.a.
- Levelling of land completed, civil work started and structural work order awarded
- **Planned Facility:**
  - Exclusively for Aluminium Gravity and Low Pressure Die Casting with machining
  - Separate machine shop will focus on precision parts – Compressor Housing
  - Well-equipped test lab with facilities including X-Ray, Metallurgy and Mechanical test equipment
- The project is expected to be completed by Q2 FY2018



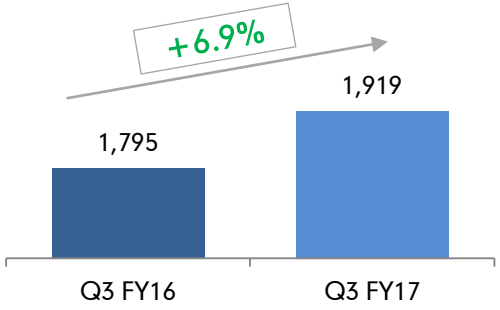
Spark Minda Technical Centre (SMIT), Pune

- Establishing EMC testing, HIL testing, proto shop & reliability engineering to increase the quality and efficiency of the R&D
- Will enable MCL to expand in automotive systems areas other than legacy products
- To help build up the products for the automotive mechatronics engineering use
- EMC facility is operational; 2nd Tier 1 to have EMC/EMI in India
- Around 35 engineers on board as on date; 2 patents filed so far
- Infrastructure and building is operational; team moved to the new facility in Oct 2016
- SMIT is expected to be fully operational in Q4 FY2016-17

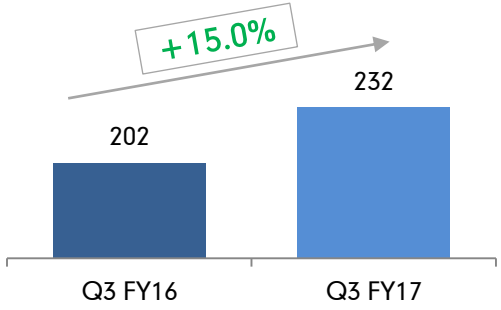
Standalone Financial Performance



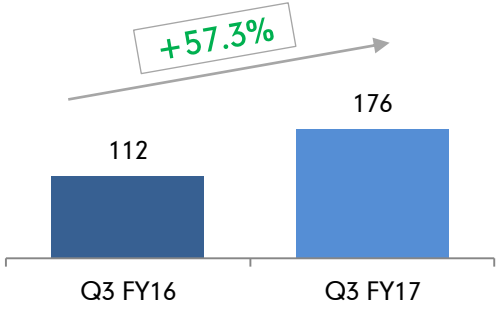
Revenue



EBITDA



Net Profit



- Total Revenue increased by 6.9% y-o-y to Rs. 1,919 million. This growth was primarily driven by Die Casting and After Market
- EBITDA increased by 15.0% y-o-y to Rs. 232 million. Margin expanded by 85 bps to 12.1%. Finance cost increased significantly on account of increase in debt for additional investments in Minda Autoelektrik and MCL Die Casting plant
- Depreciation increased by 3.9% y-o-y to Rs. 481 million
- Net Profit increased by 57.3% to Rs. 176 million. Margin expanded by 294 bps to 9.2%

All figures in Rs. mn

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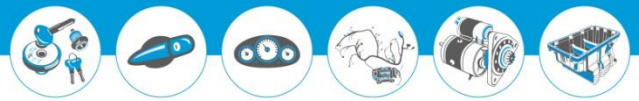
Consolidated Financial Performance



(Rs. Million)	Q3		*y-o-y*	Nine Months Ended		*y-o-y*
	FY2017	FY2016	*Growth (%)*	FY2017	FY2016	*Growth (%)*
Total Revenue	7,230	6,565	*10.1%*	22,007	18,008	*22.2%*
EBITDA	416	658	*(36.7)%*	1,833	1,700	*7.8%*
Margin (%)	*5.8%*	*10.0%*		*8.3%*	*9.4%*	
Net Profit	201	316	*(36.3)%*	770	809	*(4.8)%*
Margin (%)	*2.8%*	*4.8%*		*3.5%*	*4.5%*	
Basic EPS (Rs)	0.96	1.51	*(36.3)%*	3.68	3.86	*(4.7)%*

Note: EBITDA has been normalized on account of profit / loss of minority interest

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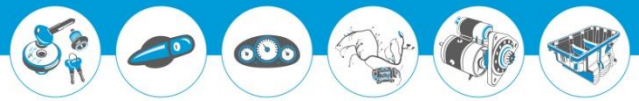
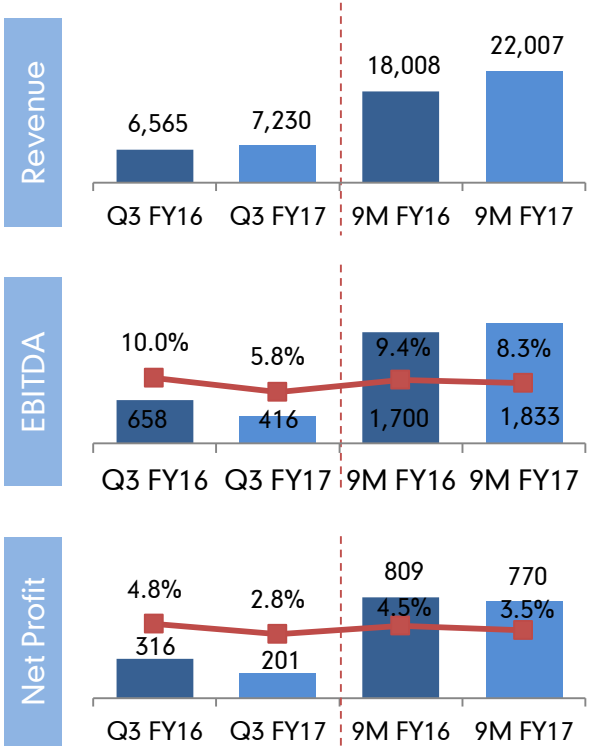
Consolidated Financial Performance





Commentary – Q3 FY2017 vs. Q3 FY2016

- Total revenue for the quarter increased by 10.1% y-o-y to Rs. 7,230 million. In Q3 FY2017, the overall automobile sector was down by (4.0)% on a y-o-y basis
- The revenue growth was negatively impacted by demonetization, adverse product mix and delay in price actualisation in one of the subsidiaries
- The increase in topline was primarily driven by the growth in 'Safety Security & Restraint Systems' (18.1%) and in 'Interior Systems' (14.2%)

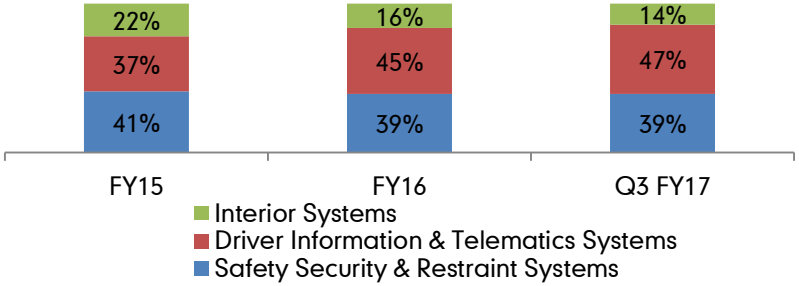
- EBITDA for the quarter was Rs. 416 million; EBITDA margins stood at 5.8%
- EBITDA margins were significantly impacted by high raw material cost and increase in other expenses. Despite the overall impact of demonetisation on sales, no counter reduction in the staff wages was made. Adverse product mix and delay in price actualization in one of the subsidiaries impacted the overall margins. Some of the raw material costs and Other expenses are one time in nature and expected to be improved in the coming quarters
- Other expenses for the quarter increased by 20.0% on account of additional expenses incurred on expansion projects such as the Mexico plant and Spark Minda Technical Centre (Pune)

- Net profit stood at Rs. 201 million, a decrease of (36.3)% on a y-o-y basis. Margins stood at 2.8%
- Interest expense decreased by (6.7)% due to reduced borrowing cost and prudent working capital management
- Net Debt stood at Rs. 5,448 million, an increase of 19.8% y-o-y on account of additional investments in Minda Autoelektrik, expansion plans at Minda KTSN (Mexico), MCL Die Casting plant, and for the Spark Minda Technical Center (Pune)

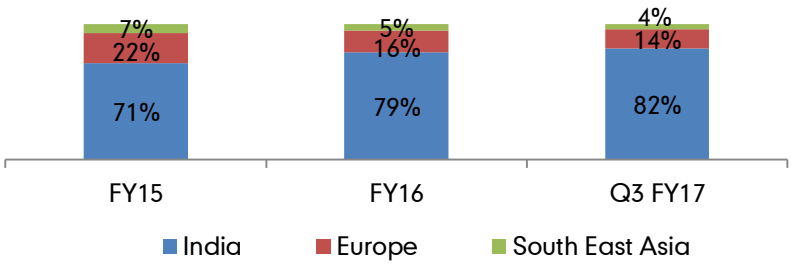
All figures in Rs. mn Note: EBITDA has been normalized on account of profit / loss of minority interest

Financial Metrics

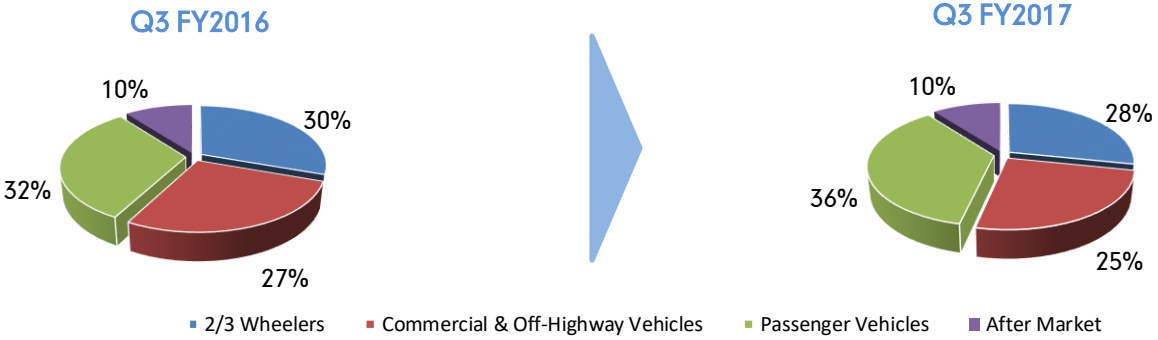
Revenue Breakdown by Product Category



Revenue Breakdown by Geography



Revenue Breakdown by End User Market



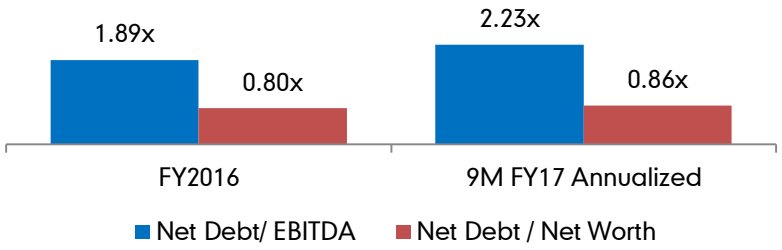
All figures based on consolidated financial statements for Minda Corporation

Capital Structure

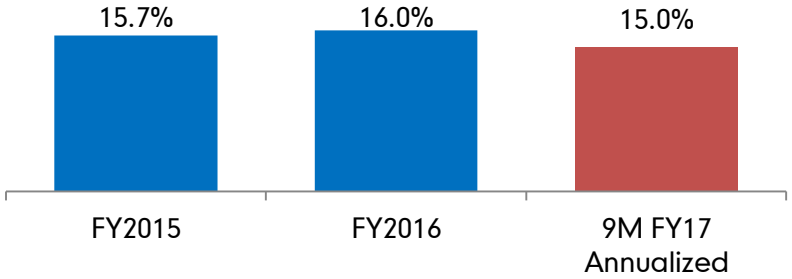
Particulars (Rs. million)	31 Dec 16	30 Sept 16
Short Term Borrowings	4,085	4,254
Long Term Borrowings	1,900	1,652
Total Debt	**5,985**	**5,906**
Less: Cash & Cash Equivalents	537	575
Net Debt	**5,448**	**5,331**
Net Worth	**6,349**	**6,222**
Net Debt / Net Worth	**0.86x**	**0.86x**

Agency	Instrument	Rating
India Ratings & Research (Fitch)	Long-Term Funds	IND A+ / Stable
India Ratings & Research (Fitch)	Short-Term Funds	IND A1+
India Ratings & Research (Fitch)	Commercial paper	IND A1+

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



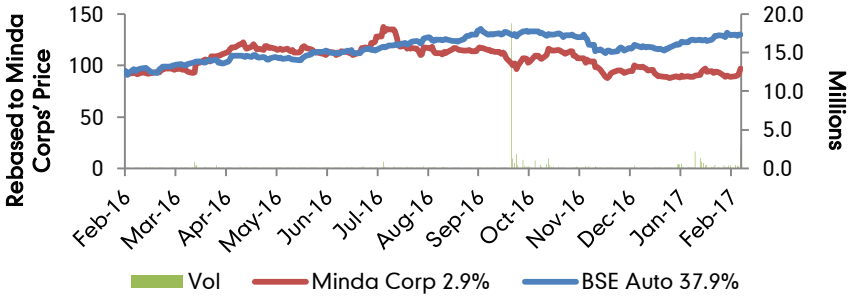
Return on Capital Employed (%)



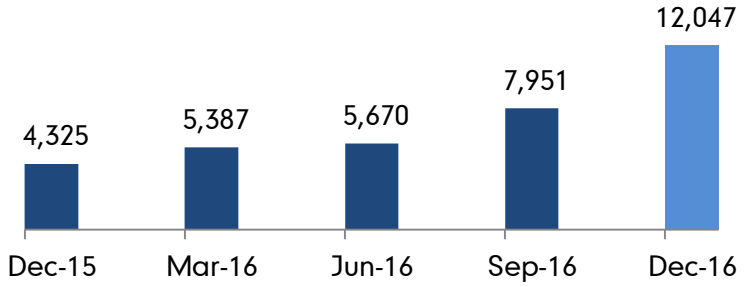
All figures based on consolidated financial statements for Minda Corporation

Capital Market Data

LTM Share Price Performance



No. of Shareholders



Shareholding Pattern

(In %)	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016
Promoters	65.3	65.2	70.2	70.2
Public	32.1	32.2	27.2	27.2
Others	2.6	2.6	2.6	2.6
Total	**100.0**	**100.0**	**100.0**	**100.0**

Market Data (10 Feb 2017)

Market Cap. (Rs. mn)	20,617
Outstanding Shares (mn)	209.3
52 week High/Low	143.6/85.5
Bloomberg / Reuters Ticker	MDA:IN / MINC.NS
Key Institutional Investors	Kotak Private Equity, Birla Sunlife Mutual Fund and UTI Mutual Fund

Media Coverage

Spark Minda in News

Print

Business Standard (Jan 2017)

Manufacturing Today (Dec 2016)

The Machinist Magazine (Dec 2016)

Auto Car Pro Magazine (Nov 2016)

Corporate India Magazine (Nov 2016)

Electronic

Zee Business (Dec 2016)

Zee Business (Jul and Aug 2016)

NDTV Profit (Aug 2016)

Awards and Corporate Social Responsibility

Key Awards

MFE – Technology Innovation of the Year Award organized by Auto Tech Review Dec 2016

MCL SSD – National Award for Supply Chain & Logistics Excellence Dec 2016

MSIL – Award for New Development at Escorts Agri Machinery Partners Meet Dec 2016

MVASPL – Gold Award at Quality Circle Forum of India Dec 2016 Pune

Spark Minda Foundation – Award for Top Community Care in Asia, by MORS Nov 2016 Singapore

Corporate Social Responsibility

Old Age Home Service at Earth Saviour Foundation Jan 2017

Community care CSR program received Asia Corporate Excellence & Sustainability Award Nov 2016

Lockset Assembly Unit as CSR Project at Aurangabad Central Prison Nov 2016

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.

Q3 FY2017 Results Conference Dial-In Numbers: February 15, 2017 (Wednesday) at 11:00 AM IST	
Primary Number	+ 91 22 3938 1028
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

SPARK MINDA
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(CIN: L74899DL1985PLC020401)

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