



Minda Corporation Limited

Chairman's FY2018 AGM Speech



Dear Ladies and Gentlemen,

On behalf of the Board of Directors of the Company, it is a great honor and privilege for me to extend a warm welcome to all of you at this 33rd Annual General Meeting of your Company. Your presence, in this important meeting reflects your strong support and faith in us and this motivates us to achieve newer milestones of success.

The Annual Report for the year 2017-18 and notice for the AGM has already been circulated to you, with your permission, I shall take it as read.

FY2017-18 was a year of reforms for the Indian economy with a number of significant reforms such as GST, recapitalization of the banking sector and the corporate insolvency regulations. All these steps are expected to have a positive impact on the growth on Indian economy. The Indian automotive industry's sales registered a strong growth at 14.2% during FY2018.

During FY2017-18, your company achieved new benchmarks across all key financial metrics and recorded its highest ever net sales, EBITDA as well as net profit. Consolidated net sales for FY2018 stood at Rs. 2,593 Crore representing a strong growth of 25.9%. Consolidated EBITDA margins expanded to 10.5% in FY2018 from 9.2% in FY2017. This margin expansion was a result of better product mix and ongoing cost optimization initiatives.

Dear members, considering the overall financial performance, your Directors have recommended a total dividend of 30% for the year compared to 25% during FY2017, subject to your approval.

We have a well-capitalized consolidated balance sheet with Net Debt of Rs. 704 Crore and Net Worth of Rs. 737 Crore with a Net Debt to Equity ratio of 0.95 times as of March 31, 2018. I am also delighted to report that in May 2018, we had raised Rs. 310 Crore through QIP which reflects investors' confidence in your company's business and outlook. These initiatives have resulted in further upgradation of credit rating by rating agencies. India Ratings and Research has upgraded the long term issuer rating of Minda Corporation to 'IND A+'. CRISIL has upgraded its rating on the long-term bank facilities to 'CRISIL A+/Stable'.

During the year, we commenced the commercial production at our new die-casting facility in Pune. This new plant primarily caters to our exports market. We have also commenced commercial production at the new plastic interior facility in Mexico. Our continued capacity addition of recent years enables us to capitalize on growing demand from the Indian and global automotive industry.

At Minda Corporation, we are committed to enhance our technological competencies through continued investments in R&D and innovations. In FY2017, we had established Spark Minda Technical Centre (SMIT), an advanced engineering centre in Pune. During FY2017-18, we acquired EI-Labs, which will help in enhancing our ability in connected mobility and IoT solutions. We continue working closely with our customers in the field of electric vehicles, identifying opportunities for supplying suitable electronic vehicle related products and solutions.

Going forward your company will continue to focus on new technologies in its legacy products business and technological advanced products in the non-legacy product segment. Customer focus is the core of our future growth strategy where we will drive our energies toward new



customer engagements, unaddressed vehicle segments such as off-road vehicles, and emerging segments such as electric vehicles. I am sure that all these strategic initiatives would take your Company to the next level of growth.

At Minda Corporation, we strongly believe in sharing our growth with the society at large. Our CSR activities are focused across training under privileged people in livelihood promotion, health and sanitation, care for the differently abled, environment sustainability and women empowerment.

Before I conclude, I take this opportunity to thank all the shareholders for the continued trust and support that you have placed in Minda Corporation. This motivates us to continue to excel in our endeavors to create long term, sustainable value for you. I would also like to put on record our sincere appreciation for our employees across the group for their dedicated efforts and contribution throughout the year.

We all look forward to a bright future. Thank you.

With warm regards

Ashok Minda
Chairman and Group CEO

