

## Ashok Minda Group ties up with US firm

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Minda Instruments Ltd (MIL), a Pune based group company of all-India Rs 300 crores Ashok Minda Group, today announced its joint venture with Stoneridge Inc, a leading manufacturer of Electronics instruments. As a part of this agreement the \$607 mn Stoneridge Inc, USA (NYSE: SRI) will pick up 49% stake in MIL over a period of three years. With this development, MIL will now have exclusive manufacturing and marketing rights for India and 17 Asian countries, namely- Malaysia, Indonesia, Phillipines, Singapore, Thailand, Vietnam, Pakistan, Bangladesh, Brunei, Burma, Cambodia, Laos, Mauritius, Maldives, Nepal, Sri Lanka.

The JV agreement, share subscription, and SRI investment into the rechristened Minda Stoneridge Instruments Limited was completed this week. Consequently the Board has been reconstituted with the induction of Mr. Edward F. Mosel and Mr. Mark Tervolon as SRI nominees and Mr. Ashok Minda, Mr. Deepak Singhal and Mr. Naresh Modi as Directors.

The Innovatively structured deal was negotiated and closed by Mr. Deepak Singhal, COO-Group Corporate.

The current electronic instruments cluster market in India is worth Rs. 500 crores and is growing at a rate of 10-12%, p.a. The market is expected to grow substantially in India, not only because of the robust growth of the overall economy, and the strong trend to electronics, but also as a result of new government-mandated emissions standards that go into effect in 2005, requiring conversion to electronically controlled engines.

MIL has been registering stunning growth of around 80% for the last 3 years. The Joint Venture is expected to achieve a turnover of US\$20 million within 3 years from domestic instruments business. In Addition, the Joint Venture has ambitious plans for exports (Buy-Back) to SRI. At a later date, other product lines of SRI including sensors, actuators etc will also be introduced into the Joint Venture.

Announcing the development, Ashok Minda, said, "The joint venture highlights our commitment to introduce world class technology and new products for our valued customers. The tie up will enable us to increase our competencies, gain access into unchartered territories in the Indian market, at the same time helping us expand our reach to the other Asian markets. Stoneridge Electronics will also gain by leveraging our huge infrastructure, low cost manufacturing base, highly skilled engineering and design capabilities, cost benefits and extensive domestic distribution network. It's a win-win situation for both the partners. "

Post this Joint Venture, MIL's manufacturing facility at Pune will cater to both the domestic as well as international market requirements. Minda's existing plant in Pune will be expanded to produce electronic instrumentation equipment. The plant currently manufactures mechanical instrumentation equipment. Production of electronics instruments is scheduled to begin within 18 months.

Speaking on the occasion, Edward F Mosel, Chief Operating Officer, Stoneridge, Inc. said, "This joint venture sends a clear message that Stoneridge Electronics remains committed to pursuing opportunities that will advance the expansion of our international business in a market with exceptional growth potential. It also allows us to leverage our relationship with Minda Instruments Limited by utilizing its technological edge and skilled workers to manufacture our range of products for local as well as Asian markets. "