

## Minda Industries

### Outpacing industry on product & customer consolidation

Minda Industries Ltd (MIL) is a diversified auto ancillary supplier, manufacturing products such as switches, horns, lights, fuel caps, and cylinder valves. It is the market leader in the switch segment with a market share of 67%, and also the horn segment where it has a market share of 47%.

### New product introductions and increased sourcing from clients to enable company outpace the automotive industry

MIL has historically outpaced the automotive industry growth by consistently introducing new high value products which enhance the kit value per vehicle. The company has forged alliances with global technology players and has also taken the acquisition route to introduce high value products. Given its focus on innovation and its varied product range, the company has gained access to new platforms of clients, thus enabling it to gain market share. Over the next two years, MIL aims to introduce alloy wheels in JV with Kosei, launch electronic horns, and manufacture batteries with Panasonic as its technology partner, in the domestic market. This will enable it to further move up the value chain and enhance the content per vehicle to the customers. Also, MIL aims to enhance supplies to its existing clientele such as Hero Motocorp, Honda Motorcycles and Scooters India (HMSI) and Hyundai India by securing supply contracts for their new platforms. We believe MIL is well poised to outgrow the automotive industry and expect it to post a CAGR of 14% in revenue over FY2015-17.

### Subsidiaries' turnaround and better capacity utilization to augment margins

MIL is aiming to enhance its subsidiaries' profitability, which account for about 35% of the consolidated turnover. FY2015 marked a turnaround in its subsidiaries' performance, with them reporting a profit of ₹5cr as against a loss of ₹19cr in FY2014. Going ahead, better capacity utilization coupled with increased sourcing from low cost domestic units will help its key subsidiaries - Clarton Horns and Minda Kyoraku - to post an improvement in margins. Similarly, operating leverage on back of double digit top-line growth would also enhance overall margins. We estimate MIL's margins to improve by 140bp over the next two years.

**Outlook and valuation:** MIL has evolved from being a switch player to an ancillary supplier having a diverse product range viz switches, horns, lightings, fuel caps, and cylinder valves. The company is aiming to further enhance the product range and move up the value chain by introducing new products like alloy wheels and electronic horns. We expect MIL to clock a robust 14% top-line growth over the next two years. Further, operating leverage and improvement in margin of subsidiaries would lead to a CAGR of 25% in earnings over FY2015-17. MIL is a well diversified Tier 1 ancillary player, available at an attractive valuation. **We initiate coverage on the stock with a Buy recommendation and target price of ₹652 (based on 12x FY2017 earnings).**

#### Key financials

Y/E March (₹ cr)	FY2014	FY2015E	FY2016E	FY2017E
<b>Net sales</b>	<b>1,706</b>	<b>2,227</b>	<b>2,500</b>	<b>2,889</b>
% chg	27.3	30.5	12.3	15.5
<b>Net profit (Adj.)</b>	<b>6</b>	<b>56</b>	<b>62</b>	<b>86</b>
% chg	(77.0)	762.9	12.5	38.0
EBITDA margin (%)	4.6	6.9	7.6	8.3
<b>EPS (₹)</b>	<b>4.1</b>	<b>35.0</b>	<b>39.4</b>	<b>54.3</b>
P/E (x)	129.4	15.0	13.3	9.7
P/BV (x)	2.7	2.2	1.9	1.6
RoE (%)	2.1	14.6	14.1	16.3
RoCE (%)	5.7	14.7	15.0	18.4
EV/Sales (x)	0.6	0.5	0.4	0.4
EV/EBITDA (x)	13.9	6.6	5.7	4.3

Source: Company, Angel Research

## BUY

CMP	₹ 525
Target Price	₹ 652

Investment Period	12 Months
-------------------	-----------

#### Stock Info

Sector	Auto Ancillary
Market Cap (₹ cr)	833
Net Debt (₹ cr)	180
Beta	0.9
52 Week High / Low	655 / 283
Avg. Daily Volume	1,176
Face Value (₹)	10
BSE Sensex	28,182
Nifty	8,529
Reuters Code	MINDA.BO
Bloomberg Code	MINDA@IN

#### Shareholding Pattern (%)

Promoters	70.9
MF / Banks / Indian FIs	11.0
FII / NRIs / OCBs	8.6
Indian Public / Others	9.5

Abs. (%)	3m	1yr	3yr
Sensex	1.8	9.6	64.2
Minda	(5.1)	52.2	224.1

#### 3-Year Daily price chart



Source: Company, Angel Research

**Bharat Gianani**

022-39357800 Ext: 6817

bharat.gianani@angelbroking.com

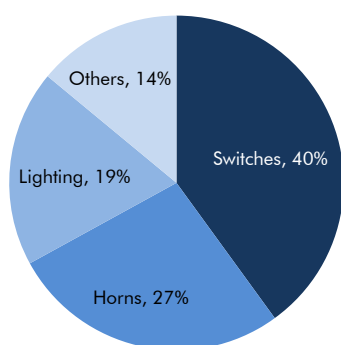
## Investment Arguments

### Diversified product profile with leadership position in switches and horns

Over the years, MIL has successfully evolved from being a switch player to an auto ancillary supplier dealing in multiple products. Today, MIL manufactures a broad array of products viz switches, horns, lighting equipments and a host of other products viz blow moulds, die casts, fuel caps and alternative fuel kits. The company has forged technical agreements with global majors and has also made acquisitions in order to enhance its product offerings.

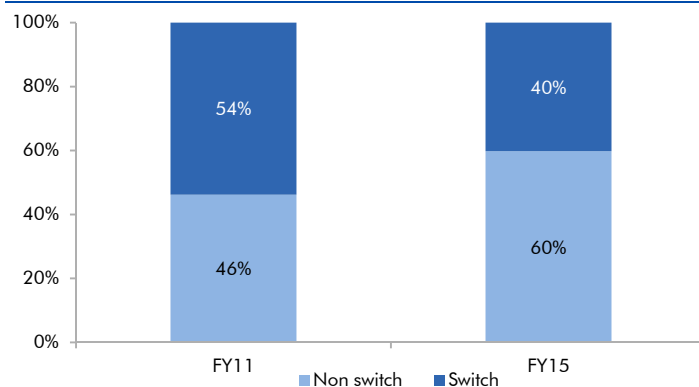
MIL is the market leader in the switch segment, commanding a share of 67%. Further, with the acquisition of Clarton Horns, MIL has emerged as the second largest horn player globally and leader in the domestic market with a share of 47%. MIL's revenue mix is pretty diversified with switch and horn segments contributing 40% and 27%, respectively, to overall revenues. The lighting segment and others segments (comprising of blow moulds, die casts and fuel caps) account for 19% and 14% of revenues, respectively. MIL has successfully leveraged its strong OEM relationship to continuously broaden its product profile, thereby enabling it to improve the kit value per vehicle. Further, MIL has manufacturing presence in all the major automotive hubs across Northern, Western and Southern regions of the country, which facilitates close proximity to the customers.

**Exhibit 1: Segmentwise breakup (Consolidated)**



Source: Company, Angel Research

**Exhibit 2: Categorywise breakup**

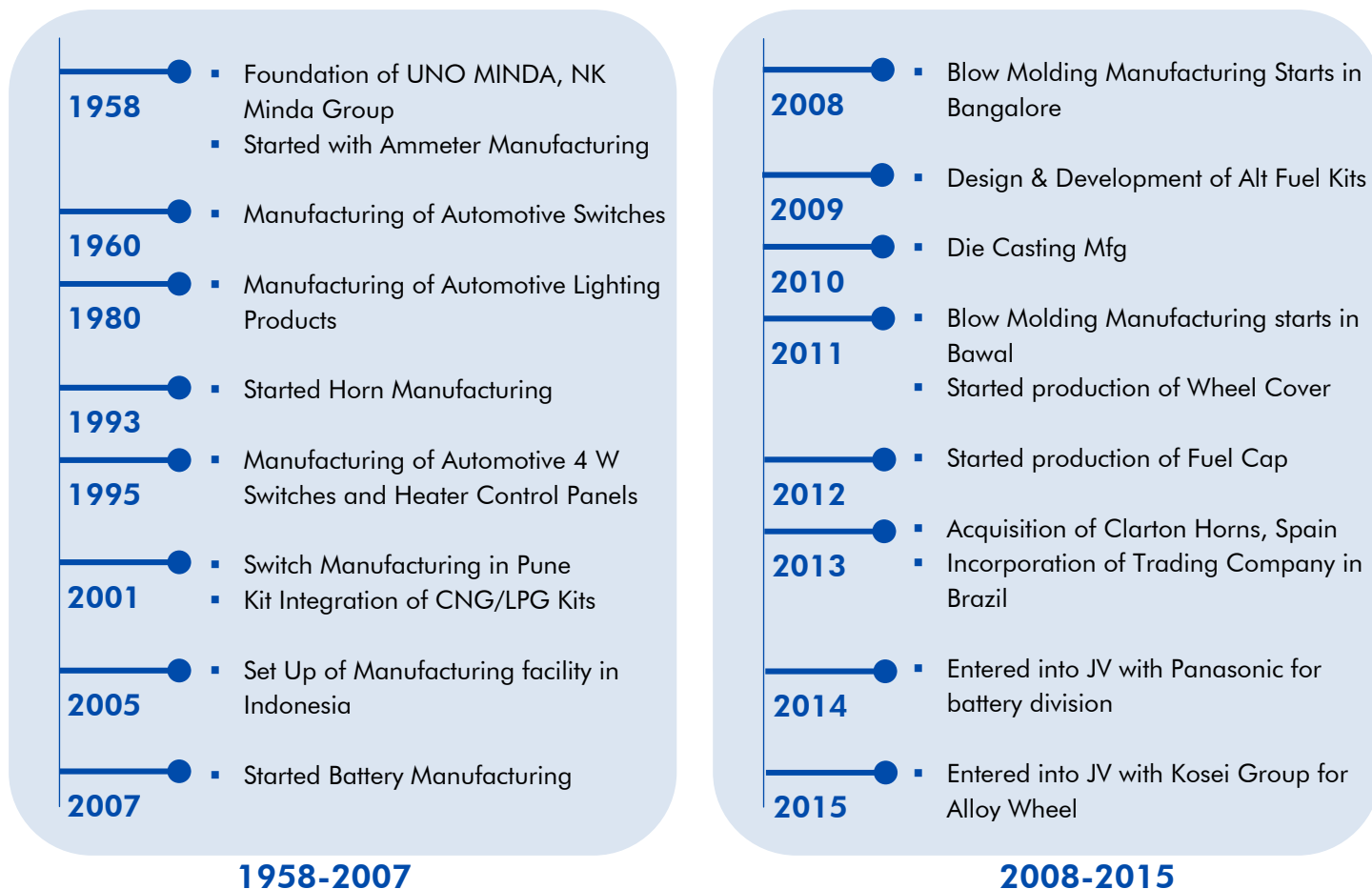


Source: Company, Angel Research

**Exhibit 3: Manufacturing footprint**

Zone	Location	2W client	4W client
Northern	Haridwar, Pantnagar, Manesar, Sonapat, Bawal	Hero Motocorp, Honda Motorcycles & Scooters India, Yamaha India	Maruti Suzuki, M&M, Tata Motors, Honda India, Eicher, Swaraj Mazda, Escorts, Swaraj Mazda
Western	Pune, Aurangabad	Bajaj Auto	Volkswagen India, Tata Motors, M&M, General Motors, Fiat
Southern	Bangalore, Hosur, Chennai	TVS Motors, Royal Enfield	Nissan, Renault, Hyundai India, Ford, Tata Motors, Toyota, Tata Motors, Ashok Leyland

Source: Company, Angel Research

**Exhibit 4: MIL milestones**


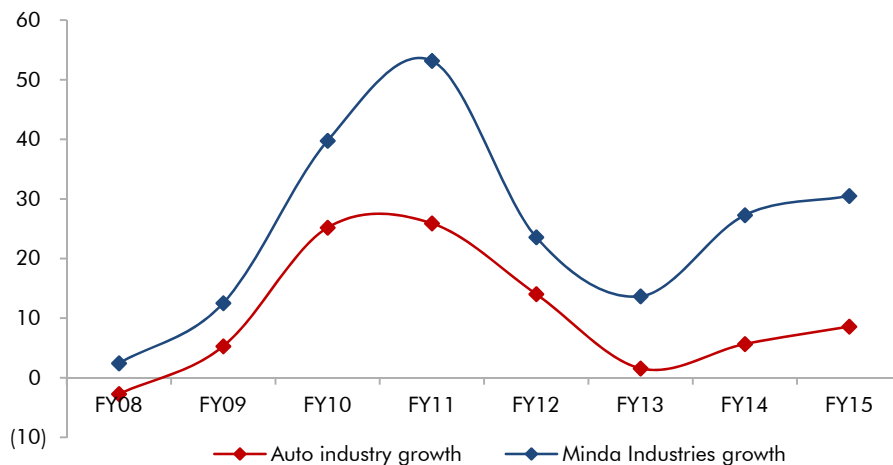
Source: Company, Angel Research

### New product introductions help company to outpace industry

New product introductions have enabled MIL to consistently outgrow the automotive industry. During FY2007-FY2015, the automotive industry has grown at a CAGR of 10% while MIL's revenues have grown at a CAGR of 25% over the same period. MIL has focused on moving up the value chain and has evolved from being a switch supplier. Over the last few years, it has introduced high value and high margin products such as head lamps, tail lamps and brake lights within the lighting division. With the acquisition of Clarton Horns, MIL has acquired the business of high value electronic horning systems (Clarton Horns supplies to luxury car makers - Mercedes, BMW, Porsche, Bentley). Also, MIL introduced fuel caps and cylinder valves in its product portfolio, which further enrich its profile. Technology and innovation are at the forefront of the company's strategy. MIL currently has 95 patented products which has led to it emerging as a leading diversified ancillary player. MIL has successfully leveraged its strong OEM relationship to supply new products and enhance the kit per vehicle. In order to maintain the outperformance, MIL would be venturing into manufacturing alloy wheels in joint venture with Kosei; it has already secured orders from Maruti and M&M. The production is expected to commence in 2HFY2017 and is expected to boost the top-line. Further, MIL has also entered into a technological agreement

with Panasonic, Japan for manufacture of automotive batteries. Batteries would be sold to the existing clients and the production is likely to commence in 2QFY2016.

**Exhibit 5: MIL has historically outpaced automotive industry**



Source: Company, Angel Research

**Exhibit 6: New products planned**

Product	Technology Partner	Prospective clientele
Alloy wheels	Kosei, Japan	All 4W customers. Has already received confirmed orders from Maruti Suzuki and M&M
Electronic Horns	Acquired post Clartron acquisition	All 4W customers. Has already commenced supplies to Hyundai India
Battery	Panasonic, Japan	All 2W and 4W customers

Source: Company, Angel Research

### Increased supplies to customers and new customer acquisitions drive growth

MIL has been successful in penetrating new platforms of its customers. Product innovation coupled with broader product offerings has enabled MIL to increase its share of supplies. OEM players are looking for vendor consolidation which bodes well for suppliers like MIL who are constantly adding new high value products to their portfolios. Further, MIL also follows the acquisition route in order to gain access to new customers.

Post the split of Hero Honda, MIL has increased supplies to both Hero Motocorp as well as Honda Motorcycles and Scooters India. Hero as well as HMSI currently contribute about 4% of MIL's standalone revenues as compared to less than 1% in FY2010. Further, post the acquisition of Clarton Horns, MIL has now gained access to new premium OEMs such as Mercedes, BMW, Porsche and Bentley. MIL has also commenced horn supplies to Hyundai India post the Clarton Horns acquisition. Also the proposed merger of Indonesia based PT Minda Asean Automotive and Vietnam based SAM Global PTE would enable MIL to tap new platforms of premium Japanese two-wheeler customers namely Yamaha, Suzuki and Kawasaki.

#### Exhibit 7: Customer contribution

Customers	% of stdl rev FY11	% of stdl rev FY15
Honda Motorcycles & Scooters India	less than 1%	10%
Hero Motocorp	less than 1%	4%
M&M	2%	4%
Royal Enfield	less than 1%	4%

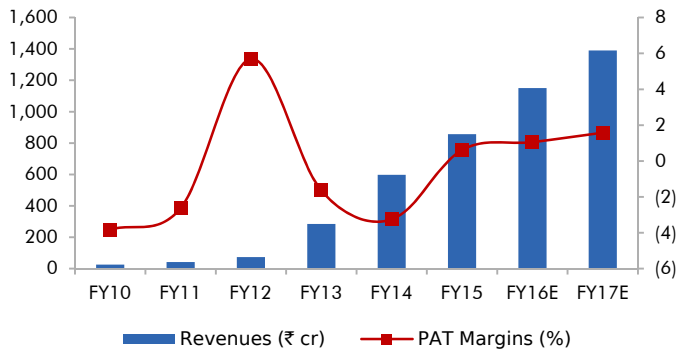
Source: Company, Angel Research

### Subsidiaries' margin improvement coupled with better capacity utilization to improve margins

MIL's subsidiaries witnessed a marked improvement in their profitability in FY2015. After posting cumulative losses of ₹19.6cr in FY2014, the subsidiaries contributed ₹5cr to profits in FY2015. The subsidiaries contribute by about 35% to the consolidated revenues of MIL. The company's Spain based subsidiary turned around in FY2015, reporting a PBT of ₹1.8cr as compared to a loss of ₹11.4cr in the previous year. Similarly other subsidiaries, MJ Casting (die casting manufacturer) and Minda Kyoraku (makes blow mould products) reported reduced losses during the year.

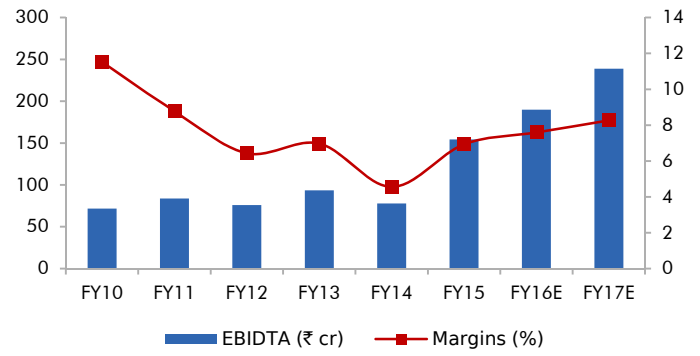
MIL is focusing on further improvement in margins of its subsidiaries. MIL subsidiary Clarton aims to source parts from the Indian plants. Low cost domestic manufacturing would reduce the costs for Clarton Horns, resulting in margin improvement. Also, its other subsidiaries Minda Kyoraku and MJ Casting, are estimated to turnaround in FY2016 on account of operating leverage and cost control initiatives. Improving capacity utilization in new facilities at Hosur (for switch segment) and Manesar (for lighting segment) would further enhance the profitability of MIL. On back of better capacity utilization due to recovery in the automotive segment, and operating leverage, MIL is targeting double-digit margin over the next two to three years as against current margins of 7%. We estimate MIL's margins to improve from 6.9% in FY2015 to 8.3% in FY2017.

**Exhibit 8: Subsidiaries financial performance**



Source: Company, Angel Research

**Exhibit 9: EBIDTA Margin trend**

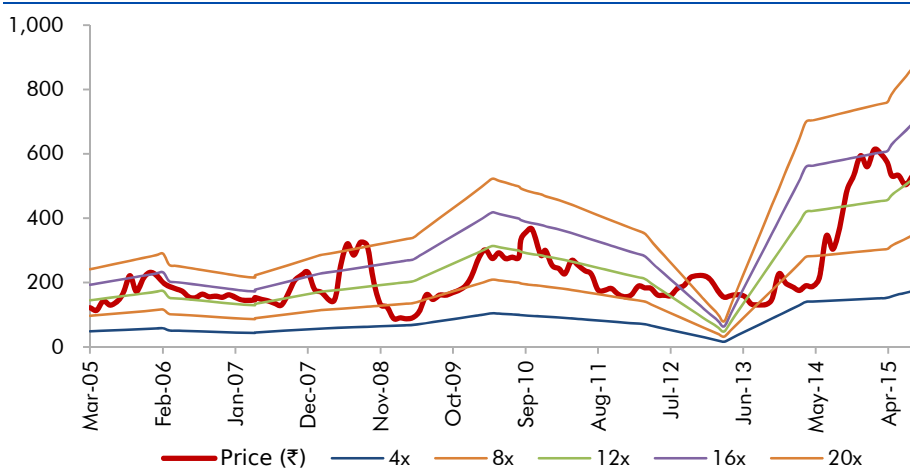


Source: Company, Angel Research

## Outlook and Valuation

MIL has evolved from being a switch player to an ancillary supplier having a diverse product range viz switches, horns, lightings, fuel caps, and cylinder valves. The company is aiming to further enhance the product range and move up the value chain by introducing new products like alloy wheels and electronic horns. We expect MIL to clock a robust 14% top-line growth over the next two years. Further, operating leverage and improvement in margin of subsidiaries would lead to a CAGR of 25% in earnings over FY2015-17. MIL is a well diversified Tier 1 ancillary player, available at an attractive valuation. **We initiate coverage on the stock with a Buy recommendation and target price of ₹652 (based on 12x FY2017 earnings).**

### Exhibit 10: One-year forward P/E band



Source: Company, Angel Research

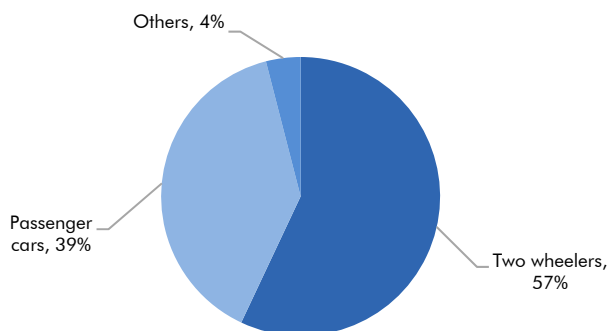
## Company Background

Minda Industries Ltd (MIL) is the flagship company of the Uno Minda Group. Uno Minda is a leading Tier 1 supplier of Proprietary Automotive Solutions to OEMs having 37 manufacturing plants spread across India, Indonesia, Vietnam & Spain. Further it has design centers in Taiwan and Japan, and sales offices in USA, Europe and Vietnam. The Uno Minda Group has a diversified product portfolio which includes switches, handle bar assemblies, electronics & sensors, automotive lamps, automotive horns, alternate fuel systems and CNG-LPG kits, automotive batteries, blow molding components, seat belts, alloy wheels, wheel covers, air filtration systems, die casting components, src, cylinders, fuel caps, body sealing, car infotainment systems, air brakes, clutch actuation systems and automatic gear shifters. Innovation is the key thrust area for the group and it currently holds 95 registered patents and 127 design registrations.

MIL has a well diversified portfolio with 40% of the revenues accruing from the switch division. The horn segment is the second largest contributor accounting for 27% of the revenues. The lighting segment constitutes about 19% of the revenues while the other segment (consisting of fuel caps, CNG kits and batteries) forms about 14% of the top-line.

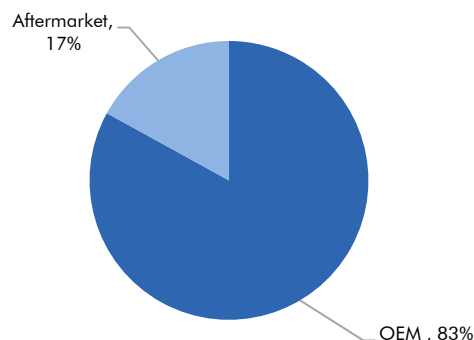
The two-wheeler segment contributes the bulk of the revenues (approximately 57%) for MIL. Passenger car is the next big segment constituting 39% of the top-line. MIL's supplies are largely OEM driven, which form 83% of sales, while the rest is contributed by the replacement segment.

**Exhibit 11: Segmentwise breakup**



Source: Company, Angel Research

**Exhibit 12: Categorywise breakup**



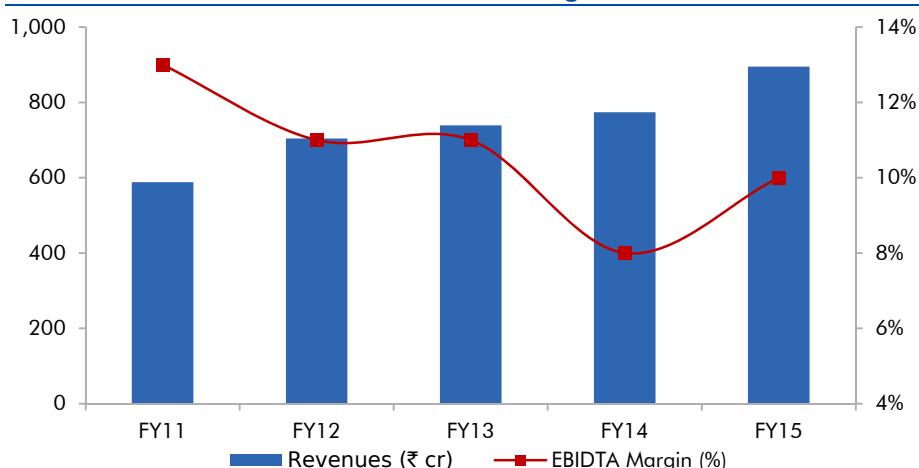
Source: Company, Angel Research

## Business segment information

### Switch segment

Switch is the oldest and the largest segment for MIL. MIL is the market leader in switches commanding a market share of 67%. The segment reported a CAGR of 11% over FY2011-FY2015. Switches are supplied to two-wheeler customers. Within the switch segment, Bajaj Auto is the largest client contributing about 46% of revenues. HMSI, TVS Motor and Hero Motocorp contribute 11%, 10% and 6% of revenues, respectively.

**Exhibit 13: Switch division revenue and margin trend**



Source: Company, Angel Research

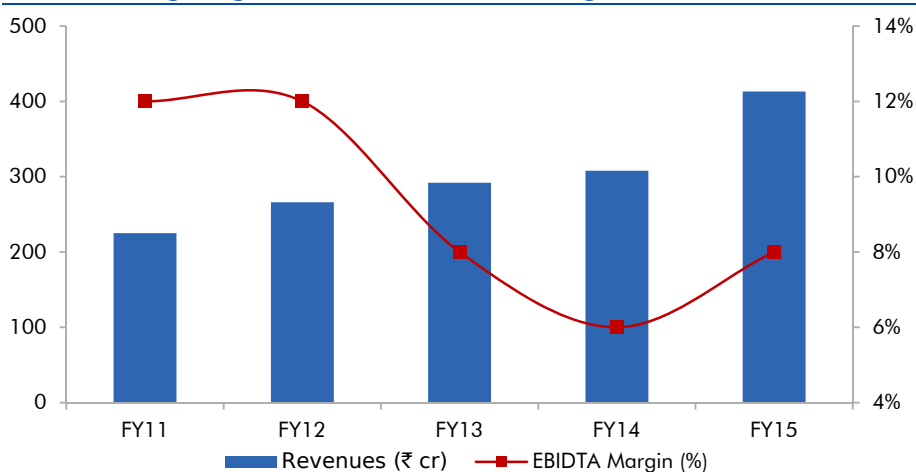
### Lighting segment

Lighting division forms 19% of MIL's top-line. The segment reported a CAGR of 16% over FY2011-FY2015. The 4W segment is the biggest customer for lighting (contributes 85% of revenues). Within the lighting division, Maruti Suzuki is the



largest client contributing about 37% of sales. M&M and Volkswagen India form about 12% and 9% of sales, respectively. HMSI and Royal Enfield form 6% and 5% of sales, respectively.

**Exhibit 14: Lighting division revenue and margin trend**

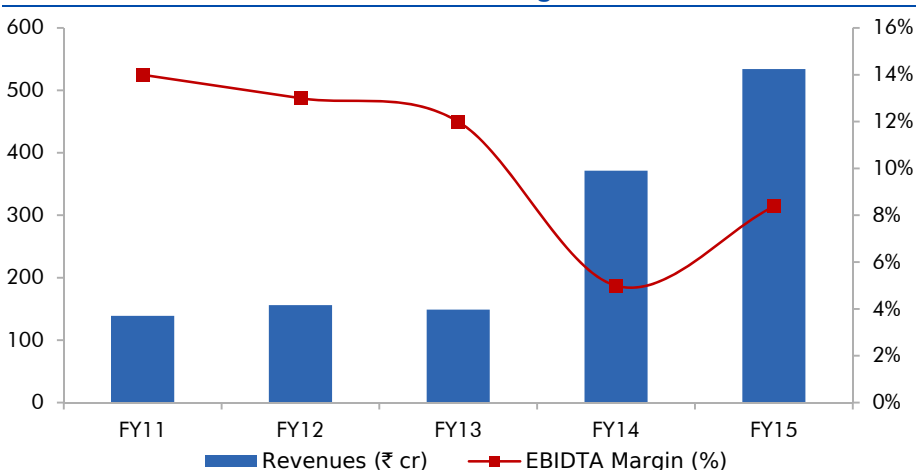


Source: Company, Angel Research

### Horns segment

The division currently contributes about 27% of the revenues of MIL. MIL is the largest Indian horn manufacturing company with a 47% market share. Horn segment revenues have leapfrogged post the acquisition of Clarton Horns, Spain. Top-line has grown from ₹140cr in FY2011 to about ₹534cr in FY2015. 4W customers contribute bulk of the revenues (83%) of the division.

**Exhibit 15: Horn division revenue and margin trend**

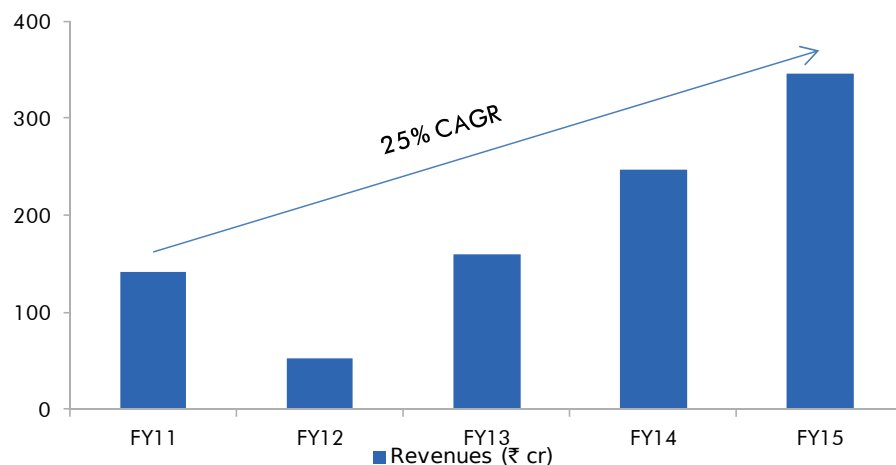


Source: Company, Angel Research

### Others

Other products of MIL include fuel caps, blow moulds, die casting, CNG/LPG kits and automotive batteries. The division has clocked robust CAGR of 25% over the last four years. 4W and 2W players contribute equally to the division's revenues.

**Exhibit 16: Other segment growth trend**



Source: Company, Angel Research

**Exhibit 17: Divisionwise break-up**

Segment	% of consol rev	Key clientele
Switch	40%	Bajaj Auto, HMSI, TVS Motors
Lighting	19%	Maruti Suzuki, M&M, Volkswagen India
Horns	27%	Bajaj Auto, FIAMM, HMSI
Others	14%	

Source: Company, Angel Research

**Exhibit 18: Clientwise break-up**

OEM mix	% of cons rev FY11	% of cons rev FY15
Bajaj Auto	35%	20%
Maruti Suzuki	12%	6%
TVS Motors	7%	5%
M&M	2%	2%
HMSI	less than 1%	6%
Royal Enfield	less than 1%	2%
Hero Motocorp	less than 1%	2%

Source: Company, Angel Research

**Profit & Loss Statement**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015	FY2016E	FY2017E
<b>Total operating income</b>	<b>1,179</b>	<b>1,340</b>	<b>1,706</b>	<b>2,227</b>	<b>2,500</b>	<b>2,889</b>
% chg	23.6	13.7	27.3	30.5	12.3	15.5
<b>Total Expenditure</b>	<b>1,103</b>	<b>1,247</b>	<b>1,628</b>	<b>2,072</b>	<b>2,311</b>	<b>2,650</b>
Net Raw Materials	813	941	1,171	1,478	1,648	1,903
Personnel	134	144	225	288	322	366
Other	156	162	232	307	341	381
<b>EBITDA</b>	<b>76</b>	<b>93</b>	<b>78</b>	<b>154</b>	<b>190</b>	<b>239</b>
% chg	(9.4)	23.2	(16.7)	98.3	23.0	25.8
(% of Net Sales)	6.4	7.0	4.6	6.9	7.6	8.3
Depreciation & Amort.	40	46	59	83	97	104
<b>EBIT</b>	<b>52</b>	<b>58</b>	<b>36</b>	<b>94</b>	<b>115</b>	<b>157</b>
% chg	(18.9)	11.8	(38.8)	163.3	22.6	36.9
(% of Net Sales)	4.4	4.3	2.1	4.2	4.6	5.4
Interest & other Charges	20	19	24	25	31	29
Other Income	16	11	17	23	22	23
<b>PBT (recurring)</b>	<b>32</b>	<b>39</b>	<b>11</b>	<b>69</b>	<b>84</b>	<b>128</b>
% chg	(32.5)	21.3	(70.8)	501.5	22.6	52.1
Extraordinary Exp./ (Inc.)	(8)	0	1	16	-	-
<b>PBT (reported)</b>	<b>25</b>	<b>39</b>	<b>13</b>	<b>85</b>	<b>84</b>	<b>128</b>
Tax	0	11	8	19	20	38
(% of PBT)	1.3	28.0	58.7	22.9	24.0	30.0
<b>Minority interest</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>(0)</b>	<b>4</b>	<b>7</b>
Associate cos share	4	(1)	1	2	3	4
Pref dividend	0	0	0	0	0	0
<b>PAT (reported)</b>	<b>28</b>	<b>28</b>	<b>7</b>	<b>68</b>	<b>62</b>	<b>86</b>
<b>ADJ. PAT</b>	<b>36</b>	<b>28</b>	<b>6</b>	<b>56</b>	<b>62</b>	<b>86</b>
% chg	5.9	(21.7)	(77.0)	762.9	12.5	38.0
(% of Net Sales)	3.0	2.1	0.4	2.5	2.5	3.0
<b>Basic EPS (₹)</b>	<b>22.5</b>	<b>17.6</b>	<b>4.1</b>	<b>35.0</b>	<b>39.4</b>	<b>54.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>22.5</b>	<b>17.6</b>	<b>4.1</b>	<b>35.0</b>	<b>39.4</b>	<b>54.3</b>
% chg	5.9	(21.7)	(77.0)	762.9	12.5	38.0

**Balance sheet statement**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	19	19	19	19	19	19
Reserves & Surplus	267	289	292	360	422	508
<b>Shareholders Funds</b>	<b>286</b>	<b>309</b>	<b>311</b>	<b>379</b>	<b>442</b>	<b>528</b>
Total Loans	160	170	278	210	262	250
Deferred Tax Liability	1	-	-	-	-	-
Other long term liab.	1	7	2	2	3	3
Long term provisions	16	18	24	31	35	40
<b>Total Liabilities</b>	<b>474</b>	<b>516</b>	<b>629</b>	<b>639</b>	<b>765</b>	<b>856</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	518	606	1,073	1,165	1,390	1,470
Less: Acc. Dep.	243	288	673	756	854	958
<b>Net Block</b>	<b>275</b>	<b>319</b>	<b>401</b>	<b>409</b>	<b>536</b>	<b>512</b>
Capital WIP	5	42	22	20	20	20
<b>Investments</b>	<b>23</b>	<b>22</b>	<b>47</b>	<b>29</b>	<b>27</b>	<b>35</b>
Loans and adv.	22	22	21	29	33	38
Current Assets	391	395	481	592	639	813
Cash	67	39	28	30	8	56
Other	324	356	453	562	631	757
Current liabilities	242	290	352	451	503	577
<b>Net Current Assets</b>	<b>149</b>	<b>105</b>	<b>129</b>	<b>141</b>	<b>136</b>	<b>236</b>
<b>Total Assets</b>	<b>474</b>	<b>516</b>	<b>629</b>	<b>639</b>	<b>765</b>	<b>856</b>

**Cash flow statement**

Y/E March (₹ cr)	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
Profit before tax	25	39	13	85	84	128
Depreciation	91	44	385	83	97	104
Change in Working Capital	(29)	16	(35)	(10)	(17)	(52)
Others	(1)	4	(3)	6	2	4
Direct taxes paid	(0)	(11)	(8)	(19)	(20)	(38)
<b>Cash Flow from Operations</b>	<b>84</b>	<b>92</b>	<b>353</b>	<b>145</b>	<b>146</b>	<b>146</b>
(Inc.)/ Dec. in Fixed Assets	(113)	(125)	(447)	(90)	(225)	(80)
(Inc.)/ Dec. in Investments	(4)	1	(26)	18	2	(8)
(Inc.)/ Dec. in Loans & Adv	(8)	(1)	2	(8)	(4)	(5)
<b>Cash Flow from Investing</b>	<b>(125)</b>	<b>(125)</b>	<b>(471)</b>	<b>(80)</b>	<b>(227)</b>	<b>(93)</b>
Issue of Equity	(37)	0	0	0	0	0
Inc./(Dec.) in loans	10	10	108	(68)	52	(12)
Dividend Paid (Incl. Tax)	(7)	(6)	(6)	(6)	(6)	(6)
Others	119	1	4	10	12	13
<b>Cash Flow from Financing</b>	<b>85</b>	<b>5</b>	<b>107</b>	<b>(63)</b>	<b>58</b>	<b>(5)</b>
<b>Inc./(Dec.) in Cash</b>	<b>44</b>	<b>(28)</b>	<b>(11)</b>	<b>2</b>	<b>(22)</b>	<b>48</b>
<b>Opening Cash balances</b>	<b>23</b>	<b>67</b>	<b>39</b>	<b>28</b>	<b>30</b>	<b>8</b>
<b>Closing Cash balances</b>	<b>67</b>	<b>39</b>	<b>28</b>	<b>30</b>	<b>8</b>	<b>56</b>

**Key ratios**

Y/E March	FY2012	FY2013	FY2014	FY2015E	FY2016E	FY2017E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	23.3	29.8	129.4	15.0	13.3	9.7
P/CEPS	11.0	11.2	12.7	6.0	5.2	4.4
P/BV	2.9	2.7	2.7	2.2	1.9	1.6
Dividend yield (%)	0.6	0.6	0.6	0.7	0.7	0.8
EV/Sales	0.8	0.7	0.6	0.5	0.4	0.4
EV/EBITDA	12.2	10.3	13.9	6.6	5.7	4.3
EV / Total Assets	2.0	1.9	1.7	1.6	1.4	1.2
<b>Per Share Data (₹)</b>						
EPS (Basic)	22.5	17.6	4.1	35.0	39.4	54.3
EPS (fully diluted)	22.5	17.6	4.1	35.0	39.4	54.3
Cash EPS	47.8	46.8	41.3	87.6	100.7	120.1
DPS	3.0	3.0	3.0	3.5	3.5	4.0
Book Value	180.4	194.6	196.2	239.0	278.4	332.7
<b>Dupont Analysis</b>						
EBIT margin	4.4	4.3	2.1	4.2	4.6	5.4
Tax retention ratio	1.0	0.7	0.4	0.8	0.8	0.7
Asset turnover (x)	2.9	2.8	2.8	3.7	3.3	3.6
ROIC (Post-tax)	12.6	8.8	2.4	11.9	11.5	13.8
Cost of Debt (Post Tax)	12.2	8.1	3.6	9.2	8.9	8.2
Leverage (x)	0.3	0.4	0.8	0.5	0.6	0.4
Operating ROE	12.7	9.1	1.5	13.2	13.1	15.8
<b>Returns (%)</b>						
ROCE (Pre-tax)	11.0	11.3	5.7	14.7	15.0	18.4
Angel ROIC (Pre-tax)	12.8	12.2	5.9	15.4	15.2	19.7
ROE	12.5	9.1	2.1	14.6	14.1	16.3
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	2.3	2.2	1.6	1.9	1.8	2.0
Inventory / Sales (days)	25.0	24.4	26.7	26.0	26.0	26.0
Receivables (days)	60.7	59.2	55.8	52.0	52.0	55.0
Payables (days)	75.0	78.9	75.3	74.0	73.5	72.9
WC cycle (ex-cash) (days)	25.4	18.1	21.6	18.2	18.7	22.7
<b>Solvency ratios (x)</b>						
Net debt to equity	0.3	0.4	0.8	0.5	0.6	0.4
Net debt to EBITDA	1.2	1.4	3.2	1.2	1.3	0.8
Interest Coverage (EBIT / Int.)	2.6	3.1	1.5	3.7	3.7	5.4

Research Team Tel: 022 - 39357800

 E-mail: [research@angelbroking.com](mailto:research@angelbroking.com)

 Website: [www.angelbroking.com](http://www.angelbroking.com)

## DISCLAIMER

Angel Broking Private Limited (hereinafter referred to as "Angel") is a registered Member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX Stock Exchange Limited. It is also registered as a Depository Participant with CDSL and Portfolio Manager with SEBI. It also has registration with AMFI as a Mutual Fund Distributor. Angel Broking Private Limited is a registered entity with SEBI for Research Analyst in terms of SEBI (Research Analyst) Regulations, 2014 vide registration number INH000000164. Angel or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities Market. Angel or its associates including its relatives/analyst do not hold any financial interest/beneficial ownership of more than 1% in the company covered by Analyst. Angel or its associates/analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Analyst during the past twelve months. Angel/analyst has not served as an officer, director or employee of company covered by Analyst and has not been engaged in market making activity of the company covered by Analyst.

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Pvt. Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Pvt. Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Pvt. Limited endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Neither Angel Broking Pvt. Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

**Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Pvt. Limited and its affiliates may have investment positions in the stocks recommended in this report.**

Disclosure of Interest Statement	Minda Industries
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

*Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors*

<b>Ratings (Based on expected returns over 12 months investment period):</b>	Buy (> 15%)	Accumulate (5% to 15%) Reduce (-5% to -15%)	Neutral (-5 to 5%) Sell (< -15)
--	-------------	--	------------------------------------