



**“Minda Industries Limited Q1 FY 2018 Earnings  
Conference Call”**

**August 31, 2017**

**Moderator:** Good Day, Ladies and Gentlemen and A Very Warm Welcome to Minda Industries Limited Q1 FY 2018 Earnings Conference Call.

This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involved risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference please signal an operator by pressing “\*” then “0” on your Touchtone Phone. Please note that conference is being recorded.

I now hand the conference over to Mr. Sudhir Jain -- Group CFO for Minda Industries Limited. Thank you and over to you, sir!

**Sudhir Jain:** Yes, Sudhir Jain here. Good afternoon and Warm Welcome to all the participants. On the call today, I am joined by my colleague, Tripurari, Rana and SGA our IR consultants.

I hope you have had a look at our Financial Results for Q1 and Presentation that is uploaded on the Stock Exchange as well as the Company Website.

I will speak briefly on the industry and then give an update on our performance of the Company for the period Q1. Following which we would be happy to answer your queries.

About the industry, Auto industry, financial performance of the Indian Auto industry has been muted this quarter as margins were impacted by major pre-GST discounts and offers across the nation. However, due to these discounts, the industry saw a robust growth in volumes both in Two-Wheeler as well as Passenger Vehicle segments. Commercial Vehicle demand was subdued post BS-IV implementation. However, this has begun to recover.

The monsoon continuing at the current pace and the lower interest rate along with the upcoming festival season should see demand recovery continuing. Taking into these sectors, OEMs are ramping up the production capacities to meet the increasing demand.

On one hand, domestic OEMs are ramping up their capacities. And on the other hand, international OEMs are keen to make India their global sourcing production hub. These two sectors put together will benefit Auto Component industry as a whole.

Implementation of BS Regulations should help the Auto industry to graduate to next level, which in turn will help the companies like us to replicate the industry growth or even outperform the industry. Also, onset of the Electric Vehicles and the structural technological changes in the Automobile sector like Automation offers huge opportunities for the industry as a whole.

Now, coming to the performance of the Company, at a consolidated level during Q1 of financial year 2018, Company has registered revenue of Rs. 945 crores, with a growth of 25% year-on-year from Rs. 755 crores in Q1 of the preceding year. This was primarily driven by ongoing consolidation activities, improvement in our other high margin businesses.

EBITDA was at Rs. 101 crores, growing by 39% year-on-year from Rs. 73 crores in the preceding year. EBITDA margin was at 10.7% in Q1 an expansion of 106 basis points from 9.6% in the Q1 of the preceding year.

PBT before share of joint ventures for Q1 was at Rs. 67 crores growing by 97% year-on-year from Rs. 34 crores in Q1 of preceding year.

Total comprehensive income for MIL grew by 71% from Rs. 28 crores to Rs. 48 crores in the quarter under reference.

In anticipation of GST, our Aftermarket business was considerably impacted. However, we have already begun seeing a recovery in the Aftermarket due to consolidation of the unorganized players.

Now, coming to the product lines specifically, first, Switching System. Switching Systems contributed roughly 32% to the total consolidated turnover. Overall, EBITDA margin for Switch is 10.5% during this quarter.

Lighting Systems, Lighting Division contributed 28% to our total turnover. The growth was led by contribution from the Rinder business and an overall improvement in the sales volume. The management continues to focus on adding high value, high added products to the mix.

Acoustic division contributed 17% in Q1 at consolidated level to the revenues.

Update on our consolidation exercise. During the quarter, the following investments were made: Rs. 13.5 crores in SAM Global; Rs. 15.58 crores in PT Minda ASEAN Automotive; Rs. 2 crores in Minda TG Rubbers; Rs. 0.5 crores in Minda TTE DAPS which is a 50-50 JV with TTE; Rs. 5 crores in Minda Onkyo 50-50 joint venture with Onkyo, Japan; Rs. 7.7 crores in Minda Katolec it is a 51-49 joint venture with Katolec, Japan.

In MJ Casting, we acquired additional 2% equity and now Minda Casting is 100% subsidiary of MIL from July 2017.

MITL to become 60% subsidiary with coming quarters, it is a joint venture company between Minda Group and Torica, Japan is focusing on trading of Engineering Plastics Resins, metals and components off road Vehicles

This is all from our side as of now. And now, I would request and invite questions from the participants.

- Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the Question-and-Answer Session. We will take the first question from the line of Ashutosh Tiwari from Equirus Securities. Please go ahead.
- Ashutosh Tiwari:** Sir, firstly, if I look at standalone numbers, the growth is a bit on the softer side, around 5% growth. So, any reasons behind that?
- Sudhir Jain:** Firstly, Minda Industries Limited standalone there are matured products like Switches, Horns, etc., and so benefit of additional capacity utilization, etc., is very limited. However, we are growing in line with the industry growth in this. Secondly, Two-Wheeler Battery which was part of Minda Industries Limited last year has been hived off during this quarter to a 100% subsidiary. You will recollect the Four-Wheeler Battery division we set-up in the new company and to the same very company we have transferred Two-Wheeler Battery effective this quarter. So, to that extent in any case the numbers reported in Q1 are lower than that of preceding year.
- Ashutosh Tiwari:** And how much would have been sales of that last year, that Battery division last year same quarter?
- Sudhir Jain:** Rs. 11 crores.
- Ashutosh Tiwari:** Rs. 11 crores, okay. And is there any fall happening in Handle Bar Assembly trading also, is that also impacting sales?
- Sudhir Jain:** This quarter has been similar to what it was in the quarter in previous, Q4 and Q1 are similar.
- Ashutosh Tiwari:** Okay. And you also ensure that this MI Torica sales of Rs. 198 crores last year, what was the EBITDA margin and PAT number for last year?
- Sudhir Jain:** PAT will be around Rs. 2 crores and EBITDA margin will be 2.5% - 3%.
- Tripurari Kumar:** But the return on capital employed in this case is to the tune of 22% - 23%. Essentially it is a trading company, this company was started with Torica, Japan, with a view to source a basic raw material particularly Resin and do the consolidated buying through this company for the group. And to have some benefit in consolidated purchases. So, return as a percentage of sales would be less but return on the capital employed would be decent in the order of 22% - 23%.
- Sudhir Jain:** Ashutosh, you will also appreciate the fact that majority of the sales of the company is to our group company. So, in a way the sales will be eliminated to the extent of 60% while the margin will be entirely captured at the consol level.
- Ashutosh Tiwari:** Yes, I got it. Secondly, what is update of this Allow Wheels plant in Gujarat because I think that already Bawal is running at around full level now?
- Sudhir Jain:** So, the civil construction at the Gujarat Plant is near completion, plant and machinery orders have been placed and our target is to set-up the plant by March 2018.

- Ashutosh Tiwari:** Okay. And how is the order book over there? I mean, have we got good amount of orders for that...
- Sudhir Jain:** No, all production is already booked with Suzuki, Gujarat as well as Mahindra.
- Ashutosh Tiwari:** So, almost full 1.2 lakh Wheels per month is booked.
- Tripurari Kumar:** No, in the first phase we are going up to 60,000 and once the 60,000 is done then we will do the next stage ramp up
- Sudhir Jain:** 60,000 is booked and today we are investing only for 60,000.
- Moderator:** We will take the next question from the line of Vikrant Gupta from Antique Finance. Please go ahead.
- Basudev:** Yes. Thanks, sir. Basudev here. Sir, couple of questions. First, one, I went through your Presentation in the slide for Allow Wheels I can only see full year revenue of Allow Wheels, there was no separate mention of the quarter and in overall revenue break-up I think Allow Wheels is within the other. So, if you can specify the quantum of this quarter?
- Sudhir Jain:** In Allow Wheels, once this component becomes large enough, we will make it a separate division. But just to give clarity on the numbers, this quarter we have done Rs. 85 crores of top-line.
- Basudev:** And EBITDA margins?
- Sudhir Jain:** It will be close to 18% - 19%.
- Basudev:** That is it. Second thing, sir, like one quarter is over and somebody asked also about standalone level growth which got impacted because of OEMs till now. So, at this present juncture, what kind of organic growth you are seeing for the business other than this?
- Tripurari Kumar:** Okay, Basudev, just to add, we have grown by 6% despite the fact that the Battery has been hived off. Now, may be Battery could have added another 1.5%, that number was continuing to be there. So, like I said, yes, this is not a very good number to be delighted about but we are working towards ensuring that on Switches side our margins and contribution also increase.
- Sudhir Jain:** But I think let us appreciate also now the capacity expansion and investment is going in the products other than the products being manufactured in Minda Industries Limited. So, as a result, main growth is coming from the companies which are subsidiaries or associate companies of Minda Industries, the growth in Minda Industries Limited is in line with the growth and the Auto sector. The point is well taken and we are also aware of these and now we are focusing on the products which are part of Minda Industries Limited which is Switches, Lamps, Horns, etc.

**Basudev:** And two things, like, one your tax rate this quarter suddenly was on the higher side compared to average of 25% - 26% last year. So, is this the new normal or it is just one-off case?

**Tripurari Kumar:** Yes, I think it is a new normal and the sense two - three things have happened. Firstly, certain products which were not making good profits and there were carry forward accumulated losses particularly in new projects like Minda Kosei, Roki Minda, Minda TG, etc., so those brought forward losses have either exhausted or are near exhaustion that is one reason. Second is that, we are availing weighted average deduction for R&D, research and development which has been reduced to 150% weighted against 200% in the preceding years. Thirdly, our factories which were in Pantnagar which use to enjoy tax holiday and those sunset clauses are now coming to an end. So, in few cases, 7 or 8, this period has expired, in some maybe it is another one or two are pending. But these are the three main reasons. But having said that, the main reason is the R&D deduction which used to be 200% has been reduced to 150%.

**Basudev:** So, one should take 32 odd percentage as a sustainable number ahead?

**Sudhir Jain:** Still we are targeting to maintain a tax rate to PBT in the range of 26% - 27% at a consol level, because Minda Industries should be around 22% to 24%. So, I think 27.5% is a conservative estimate as a percentage to PBT.

**Basudev:** And sir, last question, last time you said through render you are going to supply to Hero Motor for lighting. So, how that is progressing? Because from a zero base supply to the largest Two Wheeler manufacturer in India, so it can give you big opportunity. So, is it specific models you are now planning ahead and how that is progressing?

**Sudhir Jain:** From this quarter onwards those models will be live, so we will disclose the name of the models once they are on the road.

**Tripurari Kumar:** But yes, you are right, we start supplying to Hero Motor from Rinder.

**Moderator:** Thank you. We will take the next question from the line of Ashok Lodha from Max Future. Please go ahead.

**Ashok Lodha:** The result when we see it from a year-on-year basis looks good. Quarter-on-quarter there is a pressure on the margin, could you cite the reason behind this? Is this because of GST?

**Sudhir Jain:** On which one? On the standalone or consol basis?

**Ashok Lodha:** Consol basis?

**Sudhir Jain:** On consol basis if you look on the Indian GAAP perspective and if I compare it to the previous quarter year-on-year, we have increased by around 100 bps which is around 10.7% to be precise, so there is a growth in margin and we see that it may not be as good as Q4 of the previous financial year but then Q1 if you have been tracking the industry, it is Q1 and Q2 are slightly

lower margin and lower on the profitability and 55% to 60% of the overall profit is usually in the second-half of the financial year in most of the cases and applies in our case in particular.

**Ashok Lodha:** So, how is the situation now? How is the pick-up after the GST now these present quarter going on?

**Sudhir Jain:** They are in line with our budget. So, we are positively inclined to see good set of numbers.

**Tripurari Kumar:** But I think, as far as GST impact we have recovered already and GST actually impacted the Aftermarket sale much more than the OEM sale. OEM production is as per their plan, the only thing was that Aftermarket sales got affected during the month of June, July and partly in August also. But off late the orders have revived and we hope that from September, October, things would be normal even in the Aftermarket.

**Ashok Lodha:** Okay. Just one last question, what growth can we expect in coming years 2018 - 2019, any guidance if you can give?

**Sudhir Jain:** Last 6 - 7 years top-line we are growing at the rate of 25% CAGR year-on-year. So, we hope to and we are targeting to maintain this kind of growth in the near future.

**Ashok Lodha:** Okay. And can you throw some light on the new JV which we have done, any update on that?

**Sudhir Jain:** Yes, sure. Recently, this year we entered into 3 JVs, one with TT Electronics of Taiwan; second was Katolec, Japan; third was Onkyo, Japan. So, in all the 3 implementation is on, everything is as per our original plan; factories are also under construction and as per the original schedule, we should commence the production in all the three cases. Everything is as per plan there is no delay.

**Moderator:** Thank you. We will take the next question from the line of Mukesh Saraf from Spark Capital. Please go ahead.

**Mukesh Saraf:** I had a couple of questions. In fact, my first question is on the further acquisitions forming a part of Phase-II of the restructuring; importantly Minda Rika, Minda Fujitsu Ten, TG Minda and TR Minda. Are these acquisitions expected to comply to the earlier stated timelines and will there be a change in the earlier guided acquisition cost for Phase-II or will the earlier guided costs remain? And my second question is on the Lighting CAPEX at Chennai and the CAPEX at Mexico. Could you give us an update on these as well?

**Sudhir Jain:** Thank you, Mukesh and answer to the first is that acquisition of shares in these group companies MRPL, and TG Minda and MF Ten we are going as per the plan and before March 2018 we target to achieve it. In case of MRPL, we wanted it in the second quarter but let us see if not in this quarter next quarter definitely we should do it. So, this is as per plan and acquisition cost, price, etc., is as per plan and as originally shared, so there is no change either in the plan or in the evaluation part. Coming to the Lighting CAPEX, Chennai, the project has already been approved and some construction work is required is going on and here we would be spending

about Rs. 55 crores for Chennai. Already we have begun supplying, this plant is being set-up mainly cater to Renault–Nissan, already we are supplying Head Lamp and Tail Lamp from our Pune to Renault. So, this involves a lot of transportation cost and premium freight. So, now volumes are enough to justify and we are moving these components plus some other components would be added in Chennai plant. With regards to the Pune plant, spare capacity has already been booked and we have get orders from the OEMs located in and around Pune, hence took the decision. Coming to Mexico, Mexico Phase-I is operational, Phase-II is going as per plan and so everything is as per plan there is neither cost overrun or any delay in execution.

**Moderator:** Thank you. The next question is from the line of Arpit Kapoor from IDFC Mutual Fund. Please go ahead.

**Arpit Kapoor:** Sir, just on the previous question that was asked on three new JVs with Onkyo, TTE and Katolec. So, what kind of revenue potential are we looking at let us say 2 years or 3 years down the line, so what is the kind of opportunity that we intend to address and what can be the potential revenues, 3 years to 5 years down the line?

**Tripurari Kumar:** Yes, sure. So, going to TTE, we expect this company to start its SOP by end of 2018 financial year and by March 2018 and the turnover by 2021, we expect the TTE business to be as big as around Rs. 250 crores in top-line.

**Arpit Kapoor:** Okay. And how are the margins look like in this business?

**Tripurari Kumar:** It should be good on the ROCE side, we expect this to be north of 30 by third year of operation. And on the EMS side the timelines or SOP are similar and by 2021 we should see a top-line of around close to Rs. 95 crores to Rs. 100 crores and ROCE number should be in the range of 18% to 20%. Talking about the Onkyo Speakers, this should be around Rs. 200 crores business and we should be doing ROCE north of 30.

**Arpit Kapoor:** Right, okay. And on the Lighting part, are we doing anything in Gujarat given the fact that Maruti is setting up the new plant and we are setting up another facility for the Alloy Wheels. So, are we doing anything for the Lighting business as well?

**Sudhir Jain:** As of now Lighting we are not taking in Phase-I, so we have not included Lighting to that, maybe we will take it in Phase-II once all existing products, other products for which projects have already approved, we take set up there.

**Arpit Kapoor:** Okay. And just repeat of the previous questions again, so why was the margins on a Y-o-Y basis went down almost by 200 bps and part of it was again due to higher other expenses, so is there any one-off there or any seasonality or what was the reason behind the margin dip in the standalone business on a Y-o-Y basis?

**Sudhir Jain:** In standalone business, yes, there is some decrease. Partly it is because in the first quarter of the last year there was some one-off entry for the profit. Secondly, one more reason was that, actually in Minda Industries standalone during this quarter sales have grown just by 5% - 5.5%

where most of the cost goes up salaries, wages, etc., in the first quarter. So, this growth was not enough to absorb this increase in costs. We are aware of the situation, we are working on that and we are focusing on certain specific costs, how to control them.

- Moderator:** Thank you. The next question is from Ronak Sarda from Axis Capital. Please go ahead.
- Ronak Sarda:** Sir, question again on the second phase of consolidation, you said it would be completed before FY 2018 end, is that correct?
- Sudhir Jain:** Yes, we are targeting to complete it on or before March 2018.
- Ronak Sarda:** And which companies would be involved majorly?
- Sudhir Jain:** Acquisition obviously Minda Rika, Fujitsu Ten Minda, TG Minda, Tokai Rika Minda. With reference to TG Minda, Tokai Rika Minda though we are targeting and we intend to complete but just let me inform you in these two companies Minda Group holds less than 10% equity 90% or more than slightly higher than 90% is held by the JV partners. So, though we intend to do it but it will not have any impact on annual consolidated results.
- Ronak Sarda:** Correct. So, it would be majorly Minda Rika and Minda Fujitsu Ten.
- Sudhir Jain:** So, it would be majorly Minda Rika and FTen Minda.
- Ronak Sarda:** And sir, the cost of acquisition would be still within our budgeted CAPEX for next 18 months?
- Sudhir Jain:** It should be within our budgeted CAPEX and we are not deviating from that so far and I do not think we will deviate or the board will be required to deviate in this case also.
- Ronak Sarda:** Right. Sir, so my question following up on net sales, let us say next 2 years to 3 years we will have the JVs ramping-up most of the consolidation phase. So, sir, who would be our top 3 customers, right now Bajaj is one of the largest customer on a consol basis. In 3 years what will be share of Bajaj, Hero, Honda, Two-Wheeler and Maruti any rough estimate. How the share of these companies would move?
- Sudhir Jain:** Our top most customers would be of course, Maruti Suzuki, HMSI and Bajaj.
- Ronak Sarda:** Right. And these 3 constitute how much roughly in totality?
- Sudhir Jain:** They would be more than 40% of the turnover.
- Ronak Sarda:** More than 40%. And Maruti would be the largest, right?
- Sudhir Jain:** Maruti should be the largest.

- Ronak Sardar:** Right, sir. And sir, specifically on Alloy Wheels, in order to check, is the profitability a bit too high because of any other reason like Anti-Dumping Duty on these Alloy Wheels or it is purely operational benefits and this can continue even with the Gujarat plant ramping up?
- Sudhir Jain:** It should continue with the ramping up of the Gujarat plant. But it is a combination of two factors, first of course the Anti-Dumping Duty as well as that better capacity utilization, this is one plant where the demand was already there, the capacity was already booked, and we could ramp-up capacity utilization in a very-very short period within first year of set-up of the plant. So, naturally then the return improves. So, Bawal it has happened and same thing we expect in Gujarat.
- Ronak Sardar:** Right. And sir, on the Anti-Dumping when do we have the Anti-Dumping benefit any color you can give on that? And is it on China or does it involve any other country as well?
- Sudhir Jain:** No, import from 3 countries Anti-Dumping Duty is there and still this notification is there for another 1.5 years and there is provision for renewal of the same, we are aware of the legal issues involved and all those things and before expiry of the date 6 months in advance we will take up with the appropriate authorities for extension.
- Moderator:** Thank you. We will take the next question from the line of Mahesh BP, Individual Investor. Please go ahead.
- Mahesh BP:** I am not sure, if this question has been asked already. There is group company which is in JV for manufacturing Air Bags, can you know who holds the stake in this company is it Minda Industries Limited or is it the parent?
- Sudhir Jain:** You mentioned which company? EA-Pads?
- Mahesh BP:** The joint venture for manufacturing Air Bags Toyoda Gosei Minda India Private Limited?
- Sudhir Jain:** Okay. You are referring to TG Minda.
- Mahesh BP:** Yes.
- Sudhir Jain:** TG Minda makes Air Bags and body ceiling parts. In this at present there is 8% equity of Minda Group not of Minda Industries Limited. So, one of our group companies owns 8% equity into this company. As per the JV agreement, we have an option to increase it to 44%. In two stages, first stage is up to 26% and then to 44%. Actually, this company was set-up by Toyoda Gosei and later on we entered in this company. The plants are at Neemrana, Bawal and would be set up in Gujarat. Since Air Bags was not compulsory and is not compulsory, capacity utilization is low, so we decided to take the equity in phases as soon the Air Bags will become compulsory in India which is likely to happen anytime. So, at that point of time we will exercise our option to equity and this is also one company which we have to bring under Minda Industries Limited.
- Mahesh BP:** So, will you bring this into Minda Industries before March 2018?

- Sudhir Jain:** Yes. As per our target, yes. As I said, earlier Tokai Rika Minda and TG Minda are two companies in which our equity is below 10% and as our scheme of things we should bring it also under Minda Industries before 31st March though it will not affect the accounts or consolidated results, being less than 10% equity.
- Mahesh BP:** May I know what is the current revenue of this company?
- Sudhir Jain:** The current revenue of this company would be about Rs. 400 crores.
- Moderator:** Thank you. We will take the next question from the line of Jigar Shah from Maybank. Please go ahead.
- Jigar Shah:** My question is starting with the profitability in the first quarter, is there anything one-off in your expenses?
- Tripurari Kumar:** Actually Jigar, if you look at the other expenses standalone, you will see that there is jump of around Rs. 10 crores and that is a development that we are doing for K2D project for Honda trying to become a global supplier of Honda. So, this has been built in this quarter and final development and supplies will begin from PTMA in Indonesia. However, on account of intercompany sales, the sales have got knocked off. But these expenses that we have paid for tooling are a part of the overall expense, so that is slightly higher in this quarter.
- Jigar Shah:** Okay. So, this is for which product?
- Tripurari Kumar:** This is for Lighting.
- Jigar Shah:** This if for Lighting product, okay, fine. Okay. So, is the quantum about Rs. 10 crores?
- Tripurari Kumar:** No, this is around Rs. 4.5 crores.
- Jigar Shah:** Okay. So, that is straight away, one-off which will have a commensurate income against that in the following quarters, right?
- Tripurari Kumar:** Yes, in the coming quarters.
- Jigar Shah:** Secondly, the program which you have given on the consolidation some is already done and some is to be done over the course of the year. Can you give an idea, what would be the incremental revenue and profitability purely from addition of those? And whether there was anything from that consolidation in the first quarter?
- Tripurari Kumar:** In the first quarter, there is no increment on the top-line but as you would have read our release, it says that in the first quarter ASEAN business which is our PTMA, Indonesia–Vietnam business they have become a 100% subsidiary. So, from that perspective full PAT is getting added, there is no more minority interest being taken away. PAT of around Rs. 2.5 crores is there.

- Jigar Shah:** Okay. And for the full year if everything goes as per plan, what would be the increment to revenue and to profit?
- Sudhir Jain:** I think in this year the impact would be very less because already we are in the month of September and we are targeting to do it either 31st January or 1st April. Ready number is not available because we have not yet computed.
- Tripurari Kumar:** Because if you assume 50% I mean half year consolidation which is also not too certain then we can look at around Rs. 350 crores to Rs. 400 crores incremental top-line, this is considering that Minda Rika will be done for 6 months. Minda Rika is a Rs. 600 crores company in terms of turnover. So, if the consolidation happens for one quarter then accordingly you should increase the number by Rs. 150 crores.
- Jigar Shah:** Okay. And Minda Rika what kind of profitability is there?
- Tripurari Kumar:** Similar to our group consol profit numbers, around 10.5% to 11%.
- Jigar Shah:** Okay, fair enough. And last thing is the total CAPEX for the current financial year, across the group?
- Tripurari Kumar:** We have working which we have done for 18 months that should be around Rs. 650 crores of which Kosei Minda itself will be around Rs. 330 crores and a little less than around Rs. 170 will be for group consolidation expenses and remaining for the other projects which we have announced.
- Moderator:** Thank you. We will follow-up question from the line of Mahesh BP, Individual Investor. Please go ahead.
- Mahesh BP:** I have a follow-up question related to TG Minda. There was a news article somewhere in the month of May that TG Minda will invest Rs. 73 crores for a new plant in Gujarat. So, after this new investment of Rs. 73 crores the stake held by Minda Group, it is still below 10%?
- Sudhir Jain:** No, firstly, you are right. There was Press Release and TG Minda is investing and is setting up in Gujarat. Now, initially we will invest 8% equal to our share in TG Minda and this is an independent exercise when to take 8% to 26% and 44%. So, after project it would be 8% but parallelly we are evaluating separately at what point of time to increase equity to 26% and 44%.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Sudhir Jain for closing comments.
- Sudhir Jain:** I would like to thank each one of you for joining the call. I hope, we have been able to respond to your queries adequately. For any further information, please do be in touch with SGA our Investment Relations Advisor. Thank you very much.



*Minda Industries Limited  
August 30, 2017*

**Moderator:** Thank you. Ladies and gentlemen, on behalf of Minda Industries Limited, that concludes this Conference Call for today. Thank you for joining us. You may now disconnect your lines.