

## **Minda Silca Joint Venture**

December 14, 2006

Minda the leading Auto component major of India has entered into a Joint Venture with Silca, the world's largest manufacturer of keys, to produce and market Keys and Key Duplicating Machines for the Indian and overseas market. The JV Company has been christened as MINDA SILCA ENGINEERING LTD.

The Minda Group, headed by Mr. Ashok Minda, is the leading manufacturer of Auto components with a diversified product portfolio comprising of Security systems, Wiring harness, Instrument clusters, Die casting products, Polymers, Surface Finishing etc., catering to all vehicle segments in India and abroad. The Group currently has 17 plants in India, 1 in Indonesia, and is on an aggressive expansion mode with new projects and overseas acquisitions. The present turnover of the group is more than Rs. 550 crores, and has been growing at the rate of 40% CAGR for the last 3 years.

Silca, a part of over € 1 billion Kaba Group is the world leader in high-end state-of-the-art key systems & machines, including key coding machines, transponder / electronic keys etc. The Kaba Group is a global player in the security industry employing more than 10,000 people across more than 60 countries.

Silca with its headquarters in Italy has a strong presence in Europe, South America & Asia. Silca on an average manufactures 5 million keys daily & introduces about 2 new key systems everyday. The company makes 65,000 different varieties of keys for varied applications ranging from airplane to mailbox keys, and 25,000 key cutting machines every year.

Minda already has a well-established modern key manufacturing facility at Noida, accredited with international quality and environment certifications, producing around 2 million keys every month. Silca is taking 50% stake in the company. The company's Board has been re-constituted by the induction of 3 Silca nominees, Mr. Rudolf Weber, Mr. Roberto Gaspari, and Mr. Bernard Spring. The Minda Directors are Mr. Ashok Minda, Mr. Deepak Singhal, and Mr. Pramode Parasramka, who will be the Managing Director of the JV.

The JV Company would manufacture and distribute keys and key duplicating machines (mechanical & electronic) for both OEM and the Replacement market in India and the ASEAN region.

The joining of hands between Minda and Silca will bring to the Indian market Silca's latest technology in key manufacturing and Minda's management and in-depth understanding of the Indian market.

The Indian Key replacement market is currently dominated by unorganised segments and this JV marks the entry of an established player into this market segment.

The future plan of both parties is to redefine the key duplication concept in India and introduce a high-end advance technology to duplicate electronic and mechanical keys. Silca has been a pioneer in developing numerous engineering products with global automotive makers.

The JV Partners have decided to invest Rs. 50 crores approx (US \$ 10.60 Millions) in the new company in phases over the next 3 years. The JV also opens the doors of opportunity for large buy back, taking advantage of the low costs offered by India. It is envisaged that Minda Silca will export key blanks of the value of approx. Rs. 15-20 crores (US \$ 4 Millions).

Mr. Ashok Minda, Chairman, Minda Group said, "Kaba Group headed by Mr. Rudolf Weber are excellent business partners with a very strong productivity, process management capabilities. He also added that this strategic tie-up will provide an excellent platform for expanding into the growing replacement market."

Mr. Rudolf Weber, Chairman, Kaba Group said, "Minda is a very strong player in the Indian market and we expect Minda-Silca to be a major hub for supplies of key blanks for worldwide supplies."

Silca has already decided to shift some production of keys from its existing manufacturing facility to the Indian JV.

Warm Regards

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