

Stock Idea Note – Minda Corporation Ltd.

Company Overview

Minda Corporation Limited (MCL), the flagship of the Spark Minda Group, is a diversified auto component supplier with a system-solution approach, catering to leading OEMs across two-wheelers, passenger vehicles, commercial vehicles, and EV platforms. The company operates 32 plants, with 30 located in India and 2 overseas across six countries. Its business model is anchored in providing technology-led, value-added components such as smart keys, digital clusters, wiring harnesses, power electronics, and EV drivelines, enabling it to capture rising kit value per vehicle and premiumization trends. In FY25, MCL delivered a strong financial performance, with consolidated revenue of Rs. 50,562 million (+9% YoY), EBITDA of Rs. 5,748 million (11.4% margin), and PAT of Rs. 2,554 million (+12% YoY). The company's revenue was primarily driven by the Indian market (88%), with the remaining coming from Europe & North America (7%) and Southeast Asia (5%). A key highlight was the Rs. 13,720 million acquisition of a 49% stake in Flash Electronics, which enhanced MCL's presence in high-growth powertrain and EV electronics (Flash revenue Rs. 15,371 million). The company's revenue mix for FY25 was diversified across its end-markets, with 2&3W accounting for ~47%, commercial vehicles ~28%, passenger vehicles ~14%, and aftermarket/others ~11%. This broad customer base is further supported by a balanced product portfolio, with wiring harnesses contributing 28%, vehicle access systems 24%, and die-casting, instrument clusters, and emerging electronics and sensors each accounting for 16% of total revenue.

Investment Rationale

Strategic expansion into EV powertrain and electronics enhances growth visibility

The acquisition of a 49% equity stake in Flash Electronics (Rs. 13,720 million) marks a pivotal milestone in Minda Corporation's transition towards next-generation mobility solutions. Flash Electronics brings established capabilities in EV drivelines, power electronics, and vehicle electronics, areas that are expected to see rapid adoption as OEMs accelerate EV launches. The partnership creates immediate access to an expanded product portfolio and strengthens Minda's positioning as a comprehensive system-solution provider across both internal combustion engine (ICE) and EV platforms. The acquisition also offers significant synergies through cross-platform collaboration in areas such as wiring harnesses, connectors, and die-cast parts, while broadening customer access. Flash's strong presence in Europe and other global markets enhances Minda's international footprint and complements its domestic scale. Alongside this, the licensing agreement with Sanco in FY25 adds Electrical Distribution Systems solutions tailored for EVs, unlocking additional near-term market potential. These strategic moves reinforce Minda's ambition to outpace industry growth by aligning its portfolio with premium and EV-focused components, thereby expanding addressable market size, improving technological depth, and enhancing revenue visibility.

Improving earnings quality through margin expansion and premium product mix

MCL's earning profile is expected to strengthen moving forward, underpinned by cost optimisation, localisation and premiumisation of its product portfolio. In FY25, the company reported an EBITDA margin of 11.4% (+31 bps YoY) and PAT growth of 12% YoY, supported by improved operating leverage and a higher share of value-added products such as smart keys, digital clusters, and premium access systems. Ongoing localisation initiatives, including backward integration in wiring harness connectors, are reducing import dependence and expanding margins sustainably. Additionally, product expansion into premium and technology-driven categories like flush door handles, keyless

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to	< -5%

Sector Outlook

Neutral

Stock

CMP (INR)	508
Target Price (INR)	594
NSE Symbol	MINDACORP
BSE Code	538962
Bloomberg	MDA IN
Reuters	MINC.BO

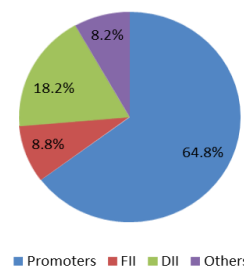
Key Data

Nifty	24,837
52WeekH/L(INR)	652/445
O/s Shares (Mn)	239
Market Cap (INR bn)	121
Face Value (INR)	2

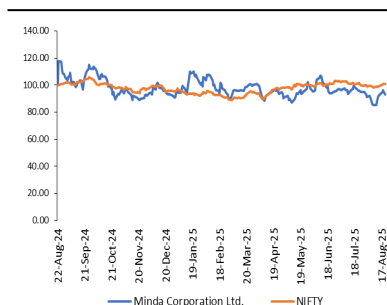
Average volume

3 months	3,42,950
6 months	3,12,800
1 year	6,14,780

Share Holding Pattern (%)



Relative Price Chart



Stock Idea Note – Minda Corporation Ltd.

solutions, advanced clusters, and EV-specific components provides both revenue growth and higher profitability potential. With R&D spend of ~4.3% of revenue and a robust innovation pipeline (30 patents filed in FY25), Minda is positioned to upgrade its product mix towards higher-margin offerings consistently.

Valuation and Outlook

Minda Corporation (MCL) is a leading diversified auto component supplier with established market positions in locksets and wiring harnesses and a growing share in premium electronics and connected mobility solutions. The acquisition of Flash Electronics strengthens its EV capabilities while offering margin-accretive synergies and export opportunities. Near-term leverage from the acquisition is expected to normalise as the company executes its deleveraging plans (promoter warrant and internal accruals). MCL's earnings visibility is underpinned by its large and growing order pipeline, increasing kit value per vehicle, and structural margin drivers from localisation, premiumisation, and operational synergies. The company's strong domestic orientation warrant protection from tariff-led global slowdowns, while its significant two-wheeler exposure allows participation in faster-growing industry segments. Beyond the domestic market, exports are set to become a meaningful contributor over the medium term, aided by global partnerships and technological licensing agreements. Overall, MCL offers a combination of above-industry growth, improving profitability, and strengthening technology capabilities. **Valuing the company at 44x FY26e earnings, we arrive at a target price of Rs. 594, implying a 17% potential upside over a 12-month horizon.**

Key Financials						
YE March (INR. Cr)	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	29,759	43,001	46,511	50,562	56,629	63,991
Revenue Growth (Y-o-Y)	-	44.5%	8.2%	8.7%	12.0%	13.0%
EBIT	2,945	4,615	5,144	5,747	6,909	8,383
EBIT Growth (Y-o-Y)	-	56.7%	11.5%	11.7%	20.2%	21.3%
Net Profit	1,919	2,845	2,272	2,554	3,228	4,095
Net Profit Growth (Y-o-Y)	-	48.3%	(20.1%)	12.4%	26.4%	26.9%
Diluted EPS	8.0	11.9	9.5	10.7	13.5	17.1
Diluted EPS Growth (Y-o-Y)	-	48.4%	(20.2%)	12.5%	26.5%	26.9%
Key Ratios						
EBIT margin (%)	9.9%	10.7%	11.1%	11.4%	12.2%	13.1%
NPM (%)	6.4%	6.6%	4.9%	5.1%	5.7%	6.4%
RoE (%)	14.4%	17.9%	11.5%	11.6%	13.0%	14.4%
RoCE (%)	16.0%	20.0%	20.4%	15.1%	18.3%	21.6%
Valuation Ratios						
P/E (x)	63.4x	42.7x	53.5x	47.6x	37.6x	29.6x
EV/EBITDA	37.0x	25.2x	21.8x	19.7x	15.5x	12.2x
P/BV (x)	9.1x	7.6x	6.1x	5.5x	4.9x	4.3x
Market Cap. / Sales (x)	4.1x	2.8x	2.6x	2.4x	2.1x	1.9x

Source: Bloomberg, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees 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. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor 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 report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Week Gone**Corporate Office:**

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392