

MINDA CORPORATION LIMITED

CIN: L74899DL1985PLC020401

REGD. OFFICE : A-15, Ashok Vihar, Phase I, Delhi- 110052

investor@mindacorporation.com (Website: www.sparkminda.com)

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

(Rs in lakhs)

Particulars	Quarter ended			Half year ended		Year Ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
<b>1. Income</b>						
(a) Revenue from operations	65,610	17,796	55,853	83,406	114,260	222,256
(b) Other income	745	887	834	1,632	1,547	4,260
<b>Total income</b>	<b>66,355</b>	<b>18,683</b>	<b>56,687</b>	<b>85,038</b>	<b>115,807</b>	<b>226,516</b>
<b>2. Expenses</b>						
a) Cost of materials consumed (including packing material)	37,429	9,011	30,482	46,440	65,011	128,385
b) Purchases of stock-in-trade	2,662	1,197	1,772	3,859	3,750	7,527
c) Changes in inventories of finished good, work-in-progress and stock in trade	1,562	865	2,049	2,427	1,170	(2,073)
d) Employee benefits expense	9,654	5,381	8,285	15,035	17,482	35,663
e) Finance costs	1,095	766	911	1,861	1,961	3,893
f) Depreciation and amortization expense	2,479	2,031	2,133	4,510	4,262	8,662
g) Other expenses	7,648	3,374	6,554	11,022	13,468	28,211
<b>Total expenses</b>	<b>62,529</b>	<b>22,625</b>	<b>52,186</b>	<b>85,154</b>	<b>107,104</b>	<b>210,268</b>
<b>3. Profit / (Loss) from continuing operations before share of profit of joint ventures/ associate and taxes</b>	<b>3,826</b>	<b>(3,942)</b>	<b>4,501</b>	<b>(116)</b>	<b>8,703</b>	<b>16,248</b>
4. Share of (Loss) / profit of joint ventures/associate (net of taxes)	(165)	(583)	288	(748)	571	1,245
<b>5. Profit / (Loss) before taxes from continuing operations</b>	<b>3,661</b>	<b>(4,525)</b>	<b>4,789</b>	<b>(864)</b>	<b>9,274</b>	<b>17,493</b>
6. (a) Tax expense	1,021	(891)	475	130	1,865	3,871
(b) Tax adjustments related to earlier years	58	-	-	58	-	66
<b>7. Profit / (Loss) for the period after taxes from continuing operations (A)</b>	<b>2,582</b>	<b>(3,634)</b>	<b>4,314</b>	<b>(1,052)</b>	<b>7,409</b>	<b>13,556</b>
<b>8. Profit / (Loss) from discontinued operations before exceptional item and taxes (refer note-7)</b>	<b>-</b>	<b>94</b>	<b>(576)</b>	<b>94</b>	<b>(1,774)</b>	<b>(3,605)</b>
<b>9. Exceptional item (refer note 6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,329)</b>
<b>10. Profit / (Loss) before taxes from discontinued operations (refer note 7)</b>	<b>-</b>	<b>94</b>	<b>(576)</b>	<b>94</b>	<b>(1,774)</b>	<b>(32,934)</b>
<b>11. Tax expense related to discontinued operations</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>(200)</b>	<b>603</b>
<b>12. Profit / (Loss) for the period after taxes from discontinued operations (B)</b>	<b>-</b>	<b>94</b>	<b>(599)</b>	<b>94</b>	<b>(1,574)</b>	<b>(33,537)</b>
<b>13. Profit / (Loss) for the period after taxes (A+B)</b>	<b>2,582</b>	<b>(3,540)</b>	<b>3,715</b>	<b>(958)</b>	<b>5,835</b>	<b>(19,981)</b>
<b>14. Other comprehensive income for the period (C)</b>						
(a) Item that will not be reclassified to profit and loss						
-Remeasurement of defined benefit liabilities for holding and subsidiaries (net of tax)	(59)	(24)	(190)	(83)	(207)	(124)
-Joint Ventures share of remeasurement of defined benefit liabilities (net of tax)	(6)	10	(62)	4	(58)	(59)
(b) Item that will be reclassified to profit and loss						
-Exchange difference in translating financial statement of continuing foreign operations	(71)	315	185	244	116	(100)
-Exchange difference in translating financial statement of discontinued foreign operations	-	(491)	(97)	(491)	(69)	820
<b>15. Total comprehensive income for the period (A+B+C)</b>	<b>2,446</b>	<b>(3,730)</b>	<b>3,551</b>	<b>(1,284)</b>	<b>5,617</b>	<b>(19,444)</b>
<b>16. Paid-up equity share capital</b> (Face value Rs. 2 per share)	4,532	4,530	4,527	4,532	4,527	4,530
<b>17. Total reserves</b>						92,984
<b>18. Earning per share (in Rs.) from continuing operation (not annualised)</b>						
a) Basic	1.16	(1.63)	1.94	(0.47)	3.33	6.09
b) Diluted	1.14	(1.63)	1.90	(0.47)	3.26	6.09
<b>19. Earning per share (in Rs.) from discontinued operation (not annualised)</b>						
a) Basic	-	0.04	(0.27)	0.04	(0.71)	(15.07)
b) Diluted	-	0.04	(0.27)	0.04	(0.71)	(15.07)
<b>20. Earning per share (in Rs.) from continuing and discontinued operation (not annualised)</b>						
a) Basic	1.16	(1.59)	1.67	(0.43)	2.63	(8.98)
b) Diluted	1.14	(1.59)	1.63	(0.43)	2.57	(8.98)

UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2020

(Rs. in Lakhs)

Particulars	As at	
	30 September 2020	31 March 2020 *
	UNAUDITED	AUDITED
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,507	52,915
Capital work-in-progress	5,340	2,846
Goodwill	2,993	2,993
Other intangible assets	888	1,101
Financial assets		
i. Investments	16,874	17,612
ii. Loans	1,230	1,150
iii. Other financial assets	1,872	16
Deferred tax assets (net)	186	173
Income-tax assets	1,095	273
Other non-current assets	886	1,202
<b>Total non-current assets</b>	<b>83,871</b>	<b>80,281</b>
<b>Current assets</b>		
Property, plant and equipment	-	19,280
Capital work-in-progress	-	8
Inventories	30,224	39,490
Financial assets		
i. Trade receivables	35,470	38,976
ii. Cash and cash equivalents	4,785	9,466
iii. Other bank balances	40,870	37,769
iv. Loans	47	144
v. Other financial assets	831	498
Other current assets	5,726	6,935
<b>Total current assets</b>	<b>117,953</b>	<b>152,566</b>
<b>Total assets</b>	<b>201,824</b>	<b>232,847</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	4,532	4,530
Other equity	90,422	92,984
<b>Total equity</b>	<b>94,954</b>	<b>97,514</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
i. Borrowings	15,346	11,497
ii. Lease liability	3,169	3,758
Deferred tax liabilities (net)	322	477
Provisions	2,344	2,519
Other non-current liabilities	309	337
<b>Total non-current liabilities</b>	<b>21,490</b>	<b>18,588</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	19,440	31,239
ii. Lease liability	1,522	5,060
iii. Trade payables		
(a) Total outstanding dues of micro and small enterprise	8,409	10,119
(b) Total outstanding dues of creditors other than micro and small enterprise	36,201	40,812
iv. Other financial liabilities	15,399	16,544
Other current liabilities	3,150	3,617
Provisions	965	9,026
Current tax liabilities	294	328
<b>Total current liabilities</b>	<b>85,380</b>	<b>116,745</b>
<b>Total liabilities</b>	<b>106,870</b>	<b>135,333</b>
<b>Total equity and liabilities</b>	<b>201,824</b>	<b>232,847</b>

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UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2020

(Rs. in Lakhs)

Particulars	Period ended 30 September 2020	Period ended 30 September 2019
	UNAUDITED	UNAUDITED
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxes		
-Continuing Operations	(864)	9,274
-Discontinued Operations	94	(1,774)
<b>Adjustments for :-</b>		
Depreciation and amortisation expense	4,510	5,789
Share of loss / (profits) of joint ventures and associate (net of taxes)	748	(571)
Credit impaired assets provided for	155	-
Interest expense	1,776	2,438
Loss on sale/discard of fixed assets (net)	92	18
Interest income	(1,298)	(1,467)
Liabilities / provisions no longer required written back	(113)	(106)
Unrealised foreign exchange (profit) / loss (including mark to market on derivative contracts)	(111)	96
Warranty expenses	46	425
Employee stock compensation expense	65	28
<b>Operating cash flow before changes in following assets and liabilities</b>	<b>5,100</b>	<b>14,150</b>
Decrease in trade receivables	359	9,091
Decrease in inventories	3,543	6,015
(Increase) / decrease in loans, other financial assets and other assets	(1,045)	873
Increase/ (decrease) in trade payables	88	(4,212)
Increase in other financial liabilities and other liabilities	3,799	1,780
Decrease in provisions	(23)	(174)
<b>Cash generated from operations</b>	<b>11,821</b>	<b>27,523</b>
Income tax paid	(1,231)	(2,733)
<b>Net cash generated from operating activities (A)</b>	<b>10,590</b>	<b>24,790</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,882)	(7,815)
Sale of property, plant and equipment	57	84
Investment made in bank deposits (held for initial maturity of more than 3 months) (net)	(4,957)	(2,173)
Proceeds from sale of treasury shares	53	-
Interest received	1,032	1,970
<b>Net cash used in investing activities (B)</b>	<b>(9,697)</b>	<b>(7,934)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (repayment) from / of non current borrowings (net)	6,464	(7,506)
Repayment of current borrowings (net)	(7,360)	(2,158)
Interest paid (including interest on lease liability Rs. 247; previous period Rs. 437)	(1,653)	(2,991)
Repayment of lease liability	(1,075)	(1,220)
<b>Net cash used in financing activities (C)</b>	<b>(3,624)</b>	<b>(13,875)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>(2,731)</b>	<b>2,981</b>
Cash and cash equivalents at the beginning of the year	9,466	3,033
Translation adjustment on cash balance	(58)	10
Adjustment: cash and cash equivalents on deconsolidation of Minda KTSN and its subsidiaries (refer note 6)	(1,892)	-
<b>Cash and cash equivalents as at the end of the year</b>	<b>4,785</b>	<b>6,024</b>

**Notes:**

Cash flow attributable to the operating, investing and financing activities of discontinued operations is presented below:

Particulars	Period ended 30 September 2020	Period ended 30 September 2019
	UNAUDITED	UNAUDITED
Net cash (used in ) / generated from operating activities	(1,365)	5,478
Net cash used in investing activities	(9)	(1,307)
Net cash used in financing activities	(1,666)	(3,461)

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020**

1) The above Statement of Unaudited Consolidated Financial Results for the quarter and half year ended 30 September 2020, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 05 November 2020. The same along with the report of the Statutory auditors has been filed with the Stock Exchanges and is also available on the Company's website at www.sparkminda.com.

2) As per Ind-AS 108, Operating segments have been defined based on the regular review by the Company's Chief Operating Decision Maker to assess the performance of each segment and to make decision about allocation of resources. The Group's business activities fall within single primary operating segment, viz, manufacturing of Automobile Components and Parts thereof. Accordingly, disclosures under Ind AS 108, Operating Segments are not required to be made.

3) The proceeds of Rs. 30,595 Lakhs from Qualified Institutional Placement (QIP) of equity shares raised during the quarter ended 30 June 2018, for the objects of working capital requirement, repayment of outstanding loan, investment in subsidiaries and joint ventures, to fund growth and expansion and towards corporate general purpose, remains unutilised as at 30 September 2020 and invested in interest bearing fixed deposits.

4) The Standalone results of the Company are available on Company's website www.sparkminda.com .The key standalone financial information of the Company is given below:-

Particulars	Quarter ended			Half year ended		Year Ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Total income	64,311	17,813	53,941	82,124	111,024	217,842
Profit / (Loss) before taxes	3,704	(3,775)	4,401	(71)	8,585	(20,075)
Profit / (Loss) for the period after taxes	2,691	(2,872)	3,981	(181)	6,806	(24,102)

5) On account of the spread of COVID-19, the Government of India had imposed a complete nation-wide lockdown on 25 March 2020 leading to shut down of the Company's manufacturing facilities and logistics operations. Since then the government of India has progressively relaxed lockdown conditions and has allowed most of the industries and businesses to resume operations in a phased manner. During the previous quarter, the Company had resumed its manufacturing facilities. Management believes that the impact of pandemic seems to be temporary in nature and is not likely to have an impact on the recoverability of the carrying value of its assets as at 30 September 2020. The management is continuously and closely monitoring the developments and possible effects that may result from the current pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation. As the situation is still continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these financial results.

6) The Board of Directors of the Company, in their meeting held dated 09 June 2020 decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN), pursuant to which MKTSN filed for insolvency. Accordingly, MKTSN prepared its financial statements for the year ended 31 March 2020 on the assumption that the fundamental accounting assumption of going concern is no longer appropriate.

Pursuant to above, the Group recorded impairment charge of Rs. 29,329 lakhs which was presented as exceptional items in the Statement of audited consolidated financial results for the quarter and year ended 31 March 2020, in respect of goodwill relating to MKTSN and reduction in carrying value of property, plant and equipment and other assets of MKTSN.

7) In terms of Ind AS 105 - "Non current assets held for sale and discontinued operations", operations of MKTSN has been classified as "Discontinued Operations" w.e.f. 09 June 2020, particulars of discontinued operations disclosed in the results are as follows:

Particulars	Quarter ended			Half year ended		Year Ended
	30 September 2020	30 June 2020	30 September 2019	30 September 2020	30 September 2019	31 March 2020
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Total Income	-	4,097	17,731	4,097	30,259	59,219
Total expenses	-	4,003	18,307	4,003	32,033	62,824
Exceptional item	-	-	-	-	-	(29,329)
<b>Profit/(Loss) before taxes from discontinued operations</b>	-	<b>94</b>	<b>(576)</b>	<b>94</b>	<b>(1,774)</b>	<b>(32,934)</b>
Tax expense related to discontinued operations	-	-	23	-	(200)	603
<b>Profit/(Loss) for the period after taxes from discontinued operations</b>	-	<b>94</b>	<b>(599)</b>	<b>94</b>	<b>(1,574)</b>	<b>(33,537)</b>

Pursuant to requirements of Ind AS 105, the amounts in the consolidated financial results have been presented for continuing operations, as if the operations had been discontinued from the start of the previous year, as applicable, unless otherwise stated.

8) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For and on behalf of the Board of Directors of  
Minda Corporation Limited



Ashok Minda  
Chairman & Group CEO

Place: Gurugram  
Date: 05 November 2020