

MINDA CORPORATION LIMITED
 CIN: L74899DL1985PLC020401
 REGD. OFFICE : A-15, Ashok Vihar, Phase 1, Delhi- 110052
 investor@mindacorporation.com (Website: www.sparkminda.com)

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(Rs in Lakhs)

Particulars	Quarter ended			Year Ended	
	31 March 2020	31 December 2019	31 March 2019*	31 March 2020	31 March 2019*
	AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
1. Income					
(a) Revenue from operations	51,235	52,640	60,560	213,051	237,084
(b) Other income	1,424	1,518	494	4,791	4,100
Total income	52,659	54,158	61,054	217,842	241,184
2. Expenses					
a) Cost of materials consumed (including packing material)	31,280	30,040	35,677	123,771	145,602
b) Purchases of stock-in-trade	1,970	1,555	2,129	7,011	5,681
c) Changes in inventories of finished good, work-in-progress and stock in trade	(2,737)	(368)	(727)	(1,953)	(4,254)
d) Employee benefits expense	9,039	8,076	8,447	33,526	34,080
e) Finance costs	1,102	830	1,103	3,893	3,440
f) Depreciation and amortization expense	2,116	2,073	1,679	8,230	6,149
g) Other expenses	7,396	6,452	7,219	26,784	28,106
Total expenses	50,166	48,658	55,527	201,262	218,804
3. Profit from operations before exceptional item and taxes	2,493	5,500	5,527	16,580	22,380
4. Exceptional item (refer note 11 and 8)	(36,655)	-	-	(36,655)	427
5. (Loss) / Profit before taxes	(34,162)	5,500	5,527	(20,075)	22,807
6. (a) Tax expense (refer note 9)	873	1,309	1,622	3,961	6,948
(b) Taxes adjustment related to earlier years	66	-	(199)	66	(199)
7. (Loss) / Profit for the period after taxes (A)	(35,101)	4,191	4,104	(24,102)	16,058
8. Other comprehensive income for the period (B)					
Item that will not be reclassified to profit and loss					
-Remeasurement of defined benefit liabilities (net of tax)	73	(3)	(76)	(137)	(70)
9. Total comprehensive income for the period (A+B)	(35,028)	4,188	4,028	(24,239)	15,988
10. Paid-up equity share capital	4,544	4,544	4,544	4,544	4,544
(Face value Rs. 2 per share)					
11. Total Reserves				82,102	109,181
12. Earning per share (in Rs.) - (not annualised for quarter)					
a) Basic	(15.45)	1.84	1.81	(10.61)	7.15
b) Diluted	(15.45)	1.84	1.81	(10.61)	7.15

*also refer note 7

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AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020

(Rs. in Lakhs)

Particulars	As at	
	31 March 2020	31 March 2019 #
	AUDITED	AUDITED
ASSETS		
Non-current assets		
Property, plant and equipment	50,080	40,950
Capital work-in-progress	2,750	1,460
Goodwill	2,040	2,040
Other Intangible assets	1,090	1,522
Financial assets		
i. Investments	14,989	35,254
ii. Loans	2,147	2,026
iii. Other financial assets	873	2,211
Income-tax assets	266	484
Other non-current assets	1,202	391
Total non-current assets	75,437	86,338
Current assets		
Inventories	32,261	25,331
Financial assets		
i. Trade receivables	32,697	44,779
ii. Cash and cash equivalents	1,848	625
iii. Other bank balances	37,630	31,565
iv. Loans	73	2,378
v. Other financial assets	454	2,798
Other current assets	6,228	4,419
Total current assets	111,191	111,895
Total assets	186,628	198,233
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	4,544	4,544
Other equity	82,102	109,181
Total equity	86,646	113,725
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
i. Borrowings	11,497	9,111
ii. Lease liability	3,758	-
iii. Other financial liabilities	-	119
Deferred tax liabilities (net)	477	1,631
Provisions	2,250	1,501
Other non-current liabilities	337	300
Total non-current liabilities	18,319	12,662
Current liabilities		
Financial liabilities		
i. Borrowings	16,649	24,622
ii. Lease liability	1,683	-
iii. Trade payables		
(a) Total outstanding dues of micro and small enterprise	10,119	616
(b) Total outstanding dues of creditors other than micro and small enterprise	32,061	33,125
iv. Other financial liabilities	18,595	8,850
Other current liabilities	1,782	3,168
Provisions	489	905
Current tax liabilities	285	560
Total current liabilities	81,663	71,846
Total liabilities	99,982	84,508
Total equity and liabilities	186,628	198,233

Also refer note-7

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AUDITED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Rs in Lakhs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019 #
	AUDITED	AUDITED
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/ Profit before taxes	(20,075)	22,807
Adjustments for :-		
Exceptional item	36,655	(427)
Depreciation and amortisation expense	8,230	6,149
Bad debts and provision for doubtful trade receivables	77	80
Interest expense	3,529	3,081
Loss on sale/discard of fixed assets (net)	151	94
Warranty expenses	100	141
Unrealised foreign exchange (loss)/profit (including mark to market on derivative contracts)	(40)	127
Interest income	(3,518)	(2,750)
Dividend income	(352)	(792)
Liabilities / provisions no longer required written back	(340)	(231)
Financial assistance fees	(94)	(111)
Employee stock compensation expense	29	171
Operating cash flow before changes in following assets and liabilities	24,352	28,339
Decrease/ (Increase) in trade receivables	12,617	(2,803)
Increase in inventories	(6,940)	(5,919)
(Increase)/ Decrease in loans, other financial assets and other assets	(3,020)	1,005
(Decrease) / Increase in other financial liabilities and other liabilities	(985)	483
Increase/ (Decrease) in provisions	61	(141)
Increase in trade payables	8,343	4,005
Cash generated from operations	34,428	24,969
Income tax paid	(4,867)	(5,845)
Net cash generated from operating activities (A)	29,561	19,124
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,515)	(10,845)
Sale of property, plant and equipment	226	1,155
Dividend received	352	792
Investment in subsidiaries	(1,972)	(6,020)
Disposal of interest in Joint Venture	-	2,400
Loan given to subsidiary company (net)	(1,519)	-
Investment made in bank deposits	(4,672)	(31,505)
Interest received	5,205	780
Net cash used in investing activities (B)	(14,895)	(43,243)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of dividend (inclusive of dividend distribution tax)	(2,032)	(1,830)
Fund raised through Qualified Institutional Placement (QIP)	-	30,565
Repayment of current borrowings (net)	(7,973)	(147)
Proceeds from /(Repayment) of non current borrowings (net)	1,522	(1,702)
Interest paid	(2,925)	(3,050)
Repayment of lease liability	(2,035)	-
Net cash (used in)/ generated from financing activities (C)	(13,443)	23,836
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	1,223	(283)
Cash and cash equivalents at the beginning of the year	625	908
Cash and cash equivalents as at the end of the year	1,848	625

Also refer note-7

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NOTES TO AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

1) The above Statement of Audited Standalone Financial Results for the quarter and year ended 31 March 2020, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 15 July 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) Effective 1 April 2019, the Company adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition, adoption of the new standard resulted in recognition of Right-of-use (ROU) of Rs. 5,391 Lakhs and a lease liability of Rs. 6,661 Lakhs. The cumulative effect of applying the standard resulted in Rs. 827 Lakhs being debited to retained earnings, net of taxes. The effect of this adoption is not material on the profit for the period and earnings per share.

3) 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 Company'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.

4) The Board of Directors of the Company declared an interim dividend of Rs 0.35 per equity share (face value of Rs. 2 per share) aggregating to Rs 959 Lakhs (including taxes) for the year 2019-20 in its meeting held on 06 February 2020. Further, the Board of Directors has not proposed any final dividend for the financial year 2019-20.

5) During the quarter ended 30 June 2018, the Company has raised funds amounting to Rs. 30,595 Lakhs (net of expenses of Rs. 474 Lakhs) by way of Qualified Institutional Placement (QIP) of equity shares. The Company has issued 17,910,645 shares at a price of Rs. 173.47 per share whereby equity share capital has increased by Rs. 358 Lakhs and securities premium is increased by Rs. 30,237 Lakhs (net of expenses).

6) 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 31 March 2020 and invested in interest bearing fixed deposits.

7) (a) Pursuant to the Scheme of Amalgamation ('Scheme') under the provisions of Section 230 to 232 of the Companies Act, 2013, for amalgamation of its wholly owned subsidiaries i.e. Minda SAI Limited, Minda Automotive Solutions Limited, Minda Management Services Limited, Minda Autoelektrik Limited and Minda Telematics and Electric Mobility Solutions Private Limited (formerly EI Labs India Private Limited) (together referred to as "transferor companies"), into Minda Corporation Limited ("Transferee Company") as approved by the Hon'ble National Company Law Tribunal vide its order dated 19 July 2019, all the assets, liabilities, reserves and surplus of the transferor companies have been transferred to and vested in the Company without any consideration. The Company has received the certified copy of the order and has filed the order copy with ROC, Delhi on 01 September 2019.

(b) The amalgamation had been accounted under the 'pooling of interest' method in accordance with Appendix C of Ind AS 103 'Business Combinations' and the comparative financial results of the Company were re-presented to record the merger.

8) The Board of Directors of the Company vide their meeting held on 20 November 2018 approved the Share Purchase Agreement ('SPA') for sale of 20,860,000 fully paid up equity shares in Minda Furukawa Electric Private Limited ('MFEPL') to its JV partners, namely Furukawa Electric Co., Ltd. and Furukawa Automotive Systems Inc. ('together referred to as FEC entities') and also approved the draft of restated JV agreement between Minda Corporation Limited and FEC entities. In accordance with said SPA, the Company has sold said equity shares on 28 December 2018 which has resulted in reduction in its investment from 51% to 30%. Further, as per the said SPA, MFEPL has issued 19,000,000 equity shares of Rs. 10 each for cash at par on 7 January 2019, thereby diluting the equity share holding of Company to 25%.

9) The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Liability basis the rate prescribed in the said section. The full impact of this change amounting to Rs. 723 Lakhs has been recognized in the Statement of Profit and Loss during the quarter ended 30 September 2019.

10) In March 2020, the World Health Organisation declared the COVID-19 to be a pandemic. Consequent to this, Government of India declared a nationwide lockdown on 25 March 2020, which has impacted the business activities of the Company. The Company has assessed the impact that may result from this pandemic on its liquidity position, carrying amount of receivables, inventories, tangible and intangible assets, investment and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has considered internal and external information available till the date of approval of these financial result and has assessed its situation.

In that context and based on the current estimates the Company believes that COVID-19 is not unlikely to have any material impact on financial statements, liquidity or ability to service its debt or other obligations. However the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on financial statement of the relevant periods.

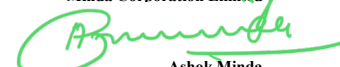
11) The Board of Directors of the Company, subsequent to the year-end, in their meeting held on 09 June 2020 have decided to withdraw the financial support to its material wholly owned subsidiary Minda KTSN Plastic Solutions GmbH Co. & KG, Germany (MKTSN), pursuant to which MKTSN has filed for insolvency.

Accordingly, MKTSN has 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. Accordingly, management has assessed the recoverability of investment, loans and other receivables given to MKTSN based on the financial statements of MKTSN and has recorded impairment loss of Rs. 27,952 lakhs in respect of its investments, loans and other receivables from MKTSN. Further, the management has also provided for Rs. 8,703 lakhs pursuant to guarantee given by the Company to banks in respect of loans taken by MKTSN. The total charge of Rs. 36,655 lakhs has been presented as exceptional items in the Statement of Audited Standalone Financial Results.

12) The figures for the last quarter ended 31 March 2020 and 31 March 2019 are balancing figures between the audited figures in respect of full financial year and published year to date figures upto third quarter of the relevant financial years. The figures upto the end of third quarter had only been reviewed and not subject to audit.

For and on behalf of the Board of Directors of

Minda Corporation Limited



Ashok Minda
Chairman & Group CEO

Place: Gurugram
Date: 15 July 2020