

## PRESS RELEASE

# Minda Corporation protects Shareholder Value: German subsidiary files for insolvency

Move to strengthen financial position of the Group and increase focus on Profitable & Growing Businesses by re-allocating Capital

**Gurugram, NCR, 9<sup>th</sup> June, 2020:** Minda Corporation Limited's Board of Directors held a meeting on 9<sup>th</sup> June 2020 to review the request for further financial support to its German subsidiary Minda KTSN Plastic Solutions GmbH & Co. KG (MKTSN). After extensive deliberations and considerations on the current and future cash flow requirements of MKTSN clubbed with COVID 19 Pandemic impact, the Board of Directors decided not to undertake further financial exposure in MKTSN and advised that the capital be allocated for growth and profitable business opportunities.

Thereafter, Minda KTSN Plastic Solutions GmbH & Co. KG (MKTSN) has today filed for insolvency in Germany.

MKTSN, a manufacturer of kinematic and non-kinematic plastic components for the automotive industry was acquired by Minda Corporation in 2007. It has since infused more than Euro 35 million in MKTSN. The company is headquartered in Germany and has production sites in Pirna (Germany) and through its subsidiaries in Poland, Czech Republic and Mexico.

**Mr. Ashok Minda, Chairman and Group CEO of Minda Corporation said** "We expect a positive outcome for all our stakeholders in the long run despite the insolvency filing. We are focusing on channelizing our precious capital towards tremendous business opportunities of profitable growth, with the view of enhancing EBITDA Margin and ROCE. This move, is expected to enhance Minda Corp's EBITDA by 2% and ROCE by 5%."

**He further added,** "Importantly, over the years, the Group in India has gained expertise in plastic technology to build kinematic and non-kinematic plastic parts and set up business in India for light weighting and value added interior kinematics parts which is expected to grow to around 200 Cr in 5 years with a double digit profitability."

"Minda Corporation is Future Ready and well positioned to address the technological shift due to change in customer requirements, new trends and government regulation. We are investing in R&D and new technologies such as light weighting, electronics and EV related products."

**Mr. R Laxman, Group CFO at Minda Corporation added** "MKTSN has been operating in challenging and competitive market in Europe. We truly left no stone unturned to improve the fortunes of MKTSN over the years however the onset of Covid-19 has rendered all our and MKTSN's efforts in vain. The subsequent reallocating of resources is expected to add to shareholder value in the long run."

**About Minda Corporation Ltd** (BSE: 538962; NSE: MINDACORP)

For over six decades, the Company has a major presence in Automotive Industry and is one of the leading manufacturers of automotive components for the OEMs. The US \$645 million Group caters to the leading Passenger Vehicle, Commercial Vehicle, Motorcycle & Scooter, Off-road Vehicle & Tier-1 manufacturers through its four verticals i.e. Mechatronics, Information & Connected Systems, Plastics & Interiors, and Aftermarket. The Aftermarket segment in India has a strong distributorship of about 500 dealers.

For assimilating the latest technologies, Minda Corporation has a dedicated R&D facility and collaborations with the pioneers and leaders of the automobile industry. This has provided Minda Corporation with the cutting-edge in product design and technology to meet strict international quality standards.

For more information, please refer to below links:

[www.sparkminda.com](http://www.sparkminda.com)

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