

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 CONSOLIDATED 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
<b>1. Income</b>					
(a) Revenue from operations	69,793	67,144	77,139	281,308	309,197
(b) Other income	1,227	1,504	683	4,427	3,550
<b>Total income</b>	<b>71,020</b>	<b>68,648</b>	<b>77,822</b>	<b>285,735</b>	<b>312,747</b>
<b>2. Expenses</b>					
a) Cost of materials consumed (including packing material)	38,064	36,362	46,049	153,768	183,031
b) Purchases of stock-in-trade	2,119	1,658	2,388	7,527	6,168
c) Changes in inventories of finished good, work-in-progress and stock in trade	2,222	987	(2,770)	8,613	1,122
d) Employee benefits expense	13,109	12,193	12,737	50,267	50,921
e) Finance costs	1,377	1,099	1,309	4,989	4,904
f) Depreciation and amortization expense	3,015	2,984	2,412	11,788	8,828
g) Other expenses	10,428	8,337	10,521	36,140	38,720
<b>Total expenses</b>	<b>70,334</b>	<b>63,620</b>	<b>72,646</b>	<b>273,092</b>	<b>293,694</b>
<b>3. Profit from operations before share of profit of joint ventures/ associate and taxes</b>	<b>686</b>	<b>5,028</b>	<b>5,176</b>	<b>12,643</b>	<b>19,053</b>
4.(a) Share of profit of joint ventures/associate (net of taxes)	199	475	633	1,245	2,798
<b>5. Profit from operations before exceptional item and taxes</b>	<b>885</b>	<b>5,503</b>	<b>5,809</b>	<b>13,888</b>	<b>21,851</b>
6. Exceptional item (refer note 12 and 8)	(29,329)	-	-	(29,329)	1,752
<b>7. (Loss) / Profit before taxes</b>	<b>(28,444)</b>	<b>5,503</b>	<b>5,809</b>	<b>(15,441)</b>	<b>23,603</b>
8. (a) Tax expense (refer note 10)	1,467	1,342	1,811	4,474	6,875
(b) Tax adjustments related to earlier years	66	-	(194)	66	(194)
<b>9. (Loss) / Profit for the period after taxes (A)</b>	<b>(29,977)</b>	<b>4,161</b>	<b>4,192</b>	<b>(19,981)</b>	<b>16,922</b>
<b>10. Other comprehensive income for the period (B)</b>					
<b>(a) Item that will not be reclassified to profit and loss</b>					
-Remeasurement of defined benefit liabilities for holding and subsidiaries (net of tax)	86	(3)	(72)	(124)	(70)
-Joint Ventures share of remeasurement of defined benefit liabilities (net of tax)	(43)	41	18	(59)	18
<b>(b) Item that will be reclassified to profit and loss</b>					
-Exchange difference in translating financial statement of foreign operations	179	494	(323)	720	(934)
<b>11. Total comprehensive income for the period (A+B)</b>	<b>(29,755)</b>	<b>4,693</b>	<b>3,815</b>	<b>(19,444)</b>	<b>15,936</b>
<b>12. Paid-up equity share capital</b> (Face value Rs. 2 per share)	4,530	4,529	4,525	4,530	4,525
<b>13. Total reserves</b>				<b>92,984</b>	<b>114,978</b>
<b>14. Earning per share (in Rs.) - (not annualised for quarter)</b>					
a) Basic	(13.47)	1.87	1.89	(8.98)	7.69
b) Diluted	(13.47)	1.83	1.84	(8.98)	7.52
*refer note 7					

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**AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2020**

(Rs. in Lakhs)

Particulars	As at	
	31 March 2020*	31 March 2019 #
	AUDITED	AUDITED
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,915	61,167
Capital work-in-progress	2,846	2,102
Goodwill	2,993	10,104
Other intangible assets	1,101	1,878
Financial assets		
i. Investments	17,612	16,495
ii. Loans	1,150	1,206
iii. Other financial assets	16	5,228
Deferred tax assets (net)	173	979
Income-tax assets	273	666
Other non-current assets	1,202	401
<b>Total non-current assets</b>	<b>80,281</b>	<b>100,226</b>
<b>Current assets</b>		
Property, plant and equipment	19,280	-
Capital work-in-progress	8	-
Inventories	39,490	44,637
Financial assets		
i. Trade receivables	38,976	54,642
ii. Cash and cash equivalents	9,466	3,033
iii. Other bank balances	37,769	32,266
iv. Loans	144	222
v. Other financial assets	498	2,810
Other current assets	6,935	7,322
<b>Total current assets</b>	<b>152,566</b>	<b>144,932</b>
<b>Total assets</b>	<b>232,847</b>	<b>245,158</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	4,530	4,525
Other equity	92,984	114,978
<b>Total equity</b>	<b>97,514</b>	<b>119,503</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
i. Borrowings	11,497	14,561
ii. Lease liability	3,758	-
iii. Other financial liabilities	-	119
Deferred tax liabilities (net)	477	1,824
Provisions	2,519	1,746
Other non-current liabilities	337	305
<b>Total non-current liabilities</b>	<b>18,588</b>	<b>18,555</b>
<b>Current liabilities</b>		
Financial liabilities		
i. Borrowings	31,239	38,728
ii. Lease liability	5,060	-
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	40,812	40,407
iv. Other financial liabilities	16,544	19,443
Other current liabilities	3,617	5,409
Provisions	9,026	1,697
Current tax liabilities	328	800
<b>Total current liabilities</b>	<b>116,745</b>	<b>107,100</b>
<b>Total liabilities</b>	<b>135,333</b>	<b>125,655</b>
<b>Total equity and liabilities</b>	<b>232,847</b>	<b>245,158</b>

\* Also refer note-12

# Also refer note-7

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AUDITED CONSOLIDATED 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
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/ Profit before taxes	(15,441)	23,603
<b>Adjustments for :-</b>		
Exceptional item	29,329	(1,752)
Depreciation and amortisation expense	11,788	8,828
Share of profits of joint ventures and associate (net of taxes)	(1,245)	(2,798)
Bad debts and provision for doubtful trade receivables	758	419
Interest expense	4,625	4,545
Loss on sale/discard of fixed assets (net)	151	96
Interest income	(2,984)	(1,922)
Liabilities / provisions no longer required written back	(340)	(727)
Unrealised foreign exchange (loss) / profit (including mark to market on derivative contracts)	(607)	137
Warranty expenses	1,084	591
Employee stock compensation expense	30	185
<b>Operating cash flow before changes in following assets and liabilities</b>	<b>27,148</b>	<b>31,205</b>
Decrease in trade receivables	11,870	1,791
Decrease in inventories	3,224	13
Decrease / (Increase) in loans, other financial assets and other assets	80	(2,591)
Increase/ (decrease) in trade payables	9,154	(3,129)
Decrease in other financial liabilities and other liabilities	(661)	(219)
Decrease in provisions	(593)	(80)
<b>Cash generated from operations</b>	<b>50,222</b>	<b>26,990</b>
Income tax paid	(5,186)	(6,057)
<b>Net cash generated from operating activities (A)</b>	<b>45,036</b>	<b>20,933</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(14,837)	(12,007)
Sale of property, plant and equipment	226	194
Disposal of interest in Joint Venture	-	2,399
Investment made in bank deposits( held for initial maturity of more than 3 months) (net)	(4,126)	(31,577)
Proceeds from sale of treasury shares	307	-
Interest received	4,720	812
<b>Net cash (used ) in investing activities (B)</b>	<b>(13,710)</b>	<b>(40,179)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Fund raised through Qualified Institutional Placement (QIP)	-	30,565
Payment of dividend (inclusive of dividend distribution tax)	(1,993)	(1,753)
Repayment of non current borrowings (net)	(8,138)	(12,176)
(Repayment)/ proceeds of / from current borrowings (net)	(7,527)	7,711
Interest paid	(4,042)	(4,016)
Repayment of lease liability	(3,200)	-
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(24,900)</b>	<b>20,331</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>6,426</b>	<b>1,085</b>
Cash and cash equivalents at the beginning of the year	3,033	1,927
Translation adjustment on cash balance acquired during the year	7	21
<b>Cash and cash equivalents as at the end of the year</b>	<b>9,466</b>	<b>3,033</b>

# Also refer note-7

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

1) The above Statement of Audited Consolidated 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 Group 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. 9,282 Lakhs and a lease liability of Rs. 10,301 Lakhs. The cumulative effect of applying the standard resulted in Rs. 974 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 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.

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 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	(Rs. in Lakhs)				
	Quarter ended			Year Ended	
	31 March 2020	31 December 2019	31 March 2019*	31 March 2020	31 March 2019*
	AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
Total income	52,659	54,158	61,054	217,842	241,184
(Loss) / Profit before taxes	(34,162)	5,500	5,527	(20,075)	22,807
(Loss) / Profit for the period after taxes	(35,101)	4,191	4,104	(24,102)	16,058

\*refer note 7

10) 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.

11) 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 Group. The Group 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 Group 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 Group 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 Group would closely monitor such developments in future economic conditions and consider their impact on financial statement of the relevant periods.

12) The Board of Directors of the Company, subsequent to the year-end, in their meeting dated 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.

Pursuant to above, the Group has recorded impairment charge of Rs. 29,329 lakhs which has been presented as exceptional items in the Statement of audited consolidated financial results in respect of goodwill relating to MKTSN and reduction in carrying value of property, plant and equipment and other assets of MKTSN.

13) 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