

Ref. No. Z-IV/R-39/D-2/174 & 207
Date : 27 May, 2020

National Stock Exchange of India Ltd. Listing Deptt., Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
NSE Scrip: MINDAIND	BSE Scrip: 532539

Dear Sir / Madam

Sub: Intimation of Impact of COVID-19 Pandemic on Company

Pursuant to Regulation 30 of LODR and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

1. Impact of the COVID-19 pandemic, schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

Impact of the CoVID-19 pandemic on the business:

In light of heightened concern on spread of COVID-19 pandemic, Governments in India and overseas announced Lockdown to contain the spread of disease. Accordingly, production was suspended at most of the locations. While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, it has significantly impacted the business operations at Minda Industries Limited and its subsidiaries (hereinafter referred to as the "Company" or "Minda Industries"). Consequently, revenues and profitability have been adversely affected. Further, there have been no changes in the controls and processes.

Further, ICRA in April 2020 has reaffirmed rating for long-term facilities to [ICRA]AA (with Negative implication) and short-term facility as [ICRA]A1+, signifying high degree of safety regarding timely servicing of financial obligations.

Operations in India:

The production was suspended since lockdown announced in March, 2020 and the certain plants saw partial resumption in last week of April, 2020 and certain plants in May 2020. These facilities are currently operating at partial capacity and production will be enhanced in

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a phased manner, based on government directives and customer demand. The Company has now received approvals to start production at all manufacturing plants located in India with limited staff and capacity. All the facilities are now operational with capacity utilization in range of 10%-20%, plants are being efficiently run to optimize cost. India accounts for more than 82% of overall turnover. We anticipate progressive pick-up in demand.

The Company has developed a “**Safe Work Guide**” in line with directives issued by MHA and WHO. All the facilities have been properly sanitized so that our people are safe and secure at the workplace. All safety protocols of temperature sensing, wearing of safety gears, social distancing, facility and vehicle sanitizing, etc are being adhered to very stringently.

The Company is undertaking all the necessary measures to ensure compliance with the terms and conditions put in place by concerned authorities. However, certain OEMs and their Authorized Dealer Showrooms have just resumed operations, major cities are still in red zone and under lockdowns, resulting in slow business pick up. We expect that the demand will pick up once the lockdown restrictions are further relaxed.

Our Aftermarket, R&D centers and sales offices continue to operate with minimal attendance as a precautionary measure.

International operations:

Business operations of the company has also been impacted in international markets based on the spread of the pandemic. Production has been significantly reduced across facilities in Spain, Mexico, Vietnam and Indonesia; due to government-imposed lockdown and restrictions. Our design and engineering centers in Germany, Spain and Japan have partially resumed operations wherein part of employees continue to work from home, to ensure minimum contact and social distancing.

Our Overseas business which accounts for ~18% of turnover has all of its facilities operational with capacity utilization in the range of 15%-20%, which is fluctuating based on customer demand.

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Supply Chain & Vendor Management:

Company has been closely working with all the Vendors to resume & align production schedules and de-bottleneck supply chain concerns. The Company will continue to partner its vendors in endeavor to propel business forward amidst lockdown. More than 90% of vendors are ready for production, based on end user demand. Company has provided guidelines and Training to vendor partners, thereby helping them to implement COVID guidelines.

The reverse migration of the migrant workforce poses challenges in in the mid-term. We are working with our service vendors to ensure deployment of workforce as and when the demand situation picks up.

Employees:

Safety of our employees and their well-being has always been paramount to us. During the CoVID-19 pandemic the Company has taken several measures to ensure their well-being. Most of our staff have been working from home. Employees have been provided with appropriate infrastructure to facilitate work from home. Digital medium of communication has been used extensively and the organization as a whole has evolved to work under the new normal. The organization had utilized this time productively by providing extensive online professional Training and Development programs, which has been well received.

An exclusive app, “**MINDA CARE**”, has been developed for employees to ensure that there is timely communication in the time of crisis. The app also enables employees to file self-declaration on personal health status on a regular basis. Guidelines on safe work guide has also been shared with all employees. A group level Dashboard has been developed to monitor the situation and take actions, based on the requirement.

In addition, all it has been mandatory for all employees to download the **Aarogya setu** app launched by the Government of India. Majority of employees continue to work from home.

Commitment to Government/Society efforts in tackling COVID 19 pandemic:

The Company in its efforts to aid the community at large, has donated Rs. 75 lakhs towards Haryana CM relief Fund.

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Samarth Jyoti, our CSR wing, has been working with several NGO's for providing free ration kits, Meals, Masks and Sanitizers. The food program (Ration Kits & Meals) has touched 88,845 people.

Financial, profitability and liquidity position:

The Company is currently in comfortable liquidity position to meet its financial and other commitments. Company will continue to monitor the liquidity situation and if required, take appropriate steps to augment it further.

Due to the suspension of operations there has been significant reduction in revenues and which in turn has adversely impacted profitability. In order to mitigate some of the impact, Company has taken various initiatives to manage its costs across the organization and also took actions to conserve cash which is critical in times of crisis. This will ensure that company is able to appropriately address any challenge thrown up by the continuously evolving situation. The Company is confident of realizing/recovering its assets.

While company has postponed and or deferred most of its sustaining capex while ensuring the safety and sustainability of the business, it has continued with the growth capex so as to ensure the medium to long term growth is not impacted negatively.

2.Estimation of the future impact of COVID-19 on its operations:

Business landscape is fast changing and continuously evolving. The circumstances are extremely dynamic, hence is it not in a position to ascertain, the future impact on its operations. However, the company is reasonably certain that it will be able to adapt quickly to the changing business landscape.

3. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

The Company believes it is comfortable in meeting its obligations and existing contracts/arrangements. At present, we do not anticipate that any contract/agreements will have significant/ material impact on the business in case of non-fulfilment of obligations by any party.

This is for your information and records.

Thanking you,

Yours faithfully,

For MINDA INDUSTRIES LTD.

Tarun Srivastava
Company Secretary & Compliance Officer