35TH ANNUAL REPORT

2019-20

MINDA FINANCE LIMITED

CIN: L67120DL1985PLC021349

REGD. OFFICE: B-64/1, WAZIRPUR INDUSTRIAL AREA,

DELHI-110052

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MINDA FINANCE LIMITED

(CIN: L67120DL1985PLC021349)

Company Information:

Board of Directors

Mr. Nirmal Kr. Minda
Non-executive Director
(DIN: 00014942)

Mr. Anand Kumar Minda
Non-executive Director
(DIN: 00007964)

Mr. Pramod Kumar Garg
Whole-time Director
(DIN: 00008042)

Ms. Shashi Kala Saini
Independent Director
(DIN: 08607321)

Ms. Seema Gupta
Independent Director
(DIN: 06944070)

Bankers:

Punjab National Bank
C-3/9, Prashant Vihar
Delhi-110085

Reference Information

Chief Financial Officer
Mr. Shashi Shankar Malviya

Company Secretary:
Mr. Lalit Khubchandani

Registered Office Address:
B-64/1, Wazirpur Industrial Area,
Delhi-110052

Corporate Office Address:
B-64/1, Wazirpur Industrial Area,
Delhi-110052

Statutory Auditors:
M/s. AHPN & Associates
Chartered Accountants

Registrar and Share Transfer Agent:

Link Intime India Pvt. Ltd.
Noble Heights, 1st floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi - 110058
Tel : 011 - 4141 0592/93/94
Telefax : 011 - 4141 0591
Email: delhi@linkintime.co.in
Contact Person: Mr. Bharat Bhushan

MINDA FINANCE LIMITED
(CIN: L67120DL1985PLC021349)
Regd. Office: B-64/1, Wazirpur Industrial Area, Delhi- 110052
Tel: 011-4937 3931 **E-mail**: lalitk@mindagroup.com
Website: www.mindafinance.co.in

BOARDS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 35th Annual Report on the business and operations of your Company together with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The Financial performance of your Company for the year ended March 31, 2020 is summarized below:

(Rs. in Lakhs, except per equity share data)

Particulars	Standalone		Consolidated	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Total Income	**90.16**	150.46	**453.96**	322.87
Total expenses	**100.94**	89.19	**243.97**	485.09
Profit before Tax	**(27.10)**	61.27	**193.67**	(162.22)
Less: Tax Expense	**--**	16.33	**0.98**	22.29
Share of net profit in associates and joint ventures	**--**	--	**(321.37)**	(76.11)
Profit after tax	**(27.10)**	44.94	**192.69**	(184.51)
Earnings per share (EPS)				
Basic (in Rs.)	**(1.35)**	2.25	**(6.43)**	(13.03)
Diluted (in Rs.)	**(1.35)**	2.25	**(6.43)**	(13.03)

IND AS IMPLEMENTATION

The Company has adopted Ind AS w.e.f. 1 April 2019 with a transition date of 1 April 2018. Accordingly, results for the year ended 31 March 2020 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Previous period figures have been restated as per Ind AS to make them comparable.

REVIEW OF OPERATIONS

STANDALONE:

During the financial year 2019-20, the total income on standalone basis was Rs. 90.16 Lacs as compared to total income of Rs. 150.46 Lacs during the previous financial year. The net profit for the year under review was Rs. (27.10) Lacs as compared to net profit of Rs. 44.94 Lacs in the previous financial year.

CONSOLIDATED:

During the financial year 2019-20, the total income on consolidated basis was Rs. 453.96 Lacs as compared to Rs. 322.87 Lacs for the previous year and the Company has had a net profit of Rs. 192.69 Lacs during the year as compared to net loss of Rs. 184.51 Lacs in the previous year.

COVID-19

The WHO declared COVID-19 outbreak as a pandemic which continues to spread across the country. On March 23, 2020, the Government of India also declared this pandemic a health emergency and ordered temporary closure of all non-essential business, imposed restrictions on movement of goods/ materials travel etc. While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, it has impacted the business operations.

Disruption to businesses worldwide and economic slowdown has its eventual impact on the Company. The Company did initial assessment of likely adverse impact on economic environment in general and financial risk on account of COVID-19. Based on current indicators of future economic conditions, the Company expects to recover as the demand comes from the customers.

Well-being and safety of the Employees is of utmost priority. We are carefully monitoring the rapidly evolving Covid-19 pandemic and will continue to proactively respond based on the evolving situation. The Company is undertaking all the necessary measures to ensure compliance with the terms and conditions put in place by concerned authorities. The Company will work towards an orderly return to production once conditions permit.

DIVIDEND

Your Board of Directors have not recommended any dividend for the financial year under review.

TRANSFER TO RESERVES

The Company has not proposed any amount to be transferred to the General Reserve.

CHANGE IN NATURE OF BUSINESS

There was no any change in the nature of business of the company during the year.

SHARE CAPITAL

As on March 31, 2020, the authorized share capital of the Company stands at Rs. 60 crore divided into 20 Lacs equity shares of Rs. 10/- each and 14.50 Lacs

3% Non-cumulative Redeemable Preference Shares of Rs. 10/- each and the paid-up equity capital of the Company stands at Rs. 2 crores and the paid up Preference Share Capital of the Company at Rs. 23.70 crores. During the year under review, the Company has not issued any shares with differential voting rights neither granted stock options nor sweat equity.

VOLUNTARY DE-LISTING OF THE COMPANY

Equity shares of Minda Finance Limited has been listed on BSE Limited ("BSE") since September 01, 2015. Board of Directors of the Company in its meeting held on November 1, 2019 have approved voluntary delisting of the Equity shares of the company in accordance with the provisions of Chapter VII and other applicable provisions of SEBI (Delisting of Equity Shares) Regulations 2009 ("Delisting Regulations"). Shareholders of the company have also approved the voluntary delisting of Equity Shares of the company in accordance with Delisting Regulations by way of postal ballot on January 4, 2020 with requisite majority. The application made on January 18, 2020 for delisting is pending as of date with BSE for their in principal approval.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

There were no material changes and commitments occurred between the end of the financial year as on March 31, 2020 and the date of this report which affects financial position of the Company.

DEATISL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2020, the Company had one subsidiary company and two associate companies in terms of the provisions of the Act. Further, as required under the Listing Regulations and Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiary and associates in Form AOC-1 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at www.mindafinance.co.in.

Further, there was no company which had become or ceased to be the subsidiary, joint venture or associate company of the Company during the financial year under review.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiary and associates, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, forms part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There are Five (5) Directors on the Board of your company, consisting of one (1) Whole-time Director, two (2) Non–Executive Directors and two (2) Independent Directors as on 31st March, 2020.

A. During the year under review, the following changes were taken place in the Directors and KMPs of the Company:

- Mr. Mohan Chander Joshi, an Independent Director resigned as a member of the Board effective from 11 November 2019, due to his other business commitments. The Board places on record its appreciation for his valuable contribution and guidance.

- The Board of Directors of your Company at its meeting held on 11 November, 2019 based on the recommendation of Nomination and Remuneration Committee, and subject to approval of the members at the 35th AGM, appointed Ms. Shashi Kala Saini (DIN: 08607321) as an additional Director in the capacity of Independent Director, not liable to retire by rotation, for a term of 3 (Three) years w.e.f. 11 November, 2019 to 10 November, 2022. The notice convening the meeting sets out the details of her appointment.

- As on March 31, 2020, Mr. Pramod Kumar Garg, Whole-time Director; Mr. Shashi Shankar Malviya, Chief Financial Officer and Mr. Lalit Khubchandani, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

B. Directors retiring by rotation

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with Articles of Association of your Company, Mr. Anand Kumar Minda (DIN: 00007964), Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends to the members for re-appointment of Mr. Anand Kumar Minda.

C. Statement on declaration given by Independent Directors:

In compliance with Section 149(7) of the Act read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Independent Directors of the Company have submitted the declaration(s) that each of them meet the criteria of independence as provided in Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

Further, None of the Directors of the Company is disqualified under Section 164 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, the Board of Directors met 8 (Eight) times on 28 May, 2019, 10 August, 2019, 19 September, 2019, 23 September, 2019, 01 November, 2019, 11 November, 2019, 10 February, 2020 and 16 March, 2020. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Company has constituted committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

AUDIT COMMITTEE:

In terms of the provisions of Section 177 of the Companies Act, 2013, the Company has duly constituted the Audit Committee comprises of following 3 (Three) Directors with independent Directors forming a majority:

Sl. No.	Name of the members	Designation
1.	Ms. Seema Gupta	Chairperson
2.	Mr. Anand Kumar Minda	Member
3.	Mr. Mohan Chander Joshi (Up to 11 November, 2019)	Member
4.	Ms. Shashi Kala Saini (w.e.f. 11 November, 2019)	Member

During the year, there was no change in the composition of Audit Committee of the Board. Further, in compliance with Section 177(8) of the Companies Act, 2013, it is informed that during the year, the Board has accepted all the recommendations of the Audit Committee.

NOMINATION & REMUNERATION POLICY/ COMMITTEE:

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management.

In terms of the provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted the "Nomination and Remuneration Committee" consisting of 3 (Three) Directors with independent Directors forming a majority. The Company Secretary acts as a Secretary of the Committee.

The aforesaid policies of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (4) of Section 178 of the Companies Act, 2013, are available on the Company's website **www.mindafinance.co.in**. There has been no change in the said policies during the year under review.

STAKEHOLDER RELATIOSHIP COMMITTEE:

In terms of the provisions of Section 178 of the Companies Act, 2013, the Company has duly constituted the Stakeholders Relationship Committee comprises of 3 (Three) Directors with independent Directors forming a majority.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(3)(c) read with Section 134(5), the Directors state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further in terms of Para 9 of Secretarial Standard – 1, issued by the Institute of Company Secretaries of India and approved by Ministry of Corporate Affairs, the Directors had devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies.

EXTRACT OF ANNUAL RETURN

In terms of Section 92(3) read with Section 134 (3)(a) of the of the Companies Act, 2013, the extract of the Annual Return in Form MGT- 9 is annexed herewith as **Annexure-I** form part of this Report. The same is available on the website of the Company at **www.mindafinance.co.in**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, read with Rule 11(2) of Companies (Meetings of Board and its Powers) Rules, 2014, the loans made, guarantees given or securities provided or acquisition of securities by a Non-Banking Financial Company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Since your Company is a Non-Banking Financial Company registered with the Reserve Bank of India, it is exempted under the said section from giving disclosure regarding the Loans or guarantees given or securities provided.

Following investments were made by the Company during the FY 2019-20:

- Additional 8,702 equity shares (face value of Rs. 2 each) of Minda Industries Limited for a total consideration of Rs. 20,09,969/- representing 0.01% shareholding, thereby increasing the Company's shareholding to 1.43%.

- Additional 4,12,000 equity shares (face value of Rs. 10 each) of Minda Nabtesco Automotive Private Limited for a total consideration of Rs. 41,20,000/- by way of Right Issue offer.

DEPOSITS

During the financial year 2018-19, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as the end of the year under review.