



भारतीय प्रतिभूति  
और विनियम बोर्ड  
Securities and Exchange  
Board of India

**Pradeep Ramakrishnan**  
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SEBI/CFD/CMD1/PR/OW/ 4713 /1/2020  
February 05, 2020

**Shri. Tarun Srivastava**  
Company Secretary and Compliance Officer  
**Minda Industries Limited**  
Village Nawada Fatehpur  
P.O. Sikander Badda, Manesar  
Distt. Gurgaon, Haryana 122 004

Dear Sir,

**Sub: Request for informal guidance by way of "Interpretive Letter" under SEBI (Informal Guidance) Scheme, 2003**

1. This has reference to your letter dated December 24, 2019 requesting for an informal guidance on the captioned subject.
2. In your letter under reference, you have *inter-alia* represented as under:
  - i. Minda Industries Limited is a public company, incorporated under the provisions of Companies Act, 1956 and its shares are listed on National Stock Exchange and Bombay Stock exchange.
  - ii. Minda Industries Limited has filed two independent composite schemes of amalgamation as follows:
    - a. Scheme 1: Amalgamation with Harita Limited, Harita Venue Private Limited, Harita Cheema Private Limited, Harita Financial Services Limited and Harita Seating Systems Limited (collectively known as "Harita Seating"). The appointed date of the amalgamation is April 01, 2019 or such other date as may be fixed by NCLT.

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- b. Scheme 2: Amalgamation with its 4 wholly owned subsidiaries i.e. M J Casting Limited, Minda Distribution and Services Limited, Minda Auto Components Limited and Minda Rinder Pvt. Ltd. (collectively referred as "Transferor Companies"). The appointed date of the amalgamation is April 01, 2019.
- iii. MCA vide its General Circular 09/2019 has clarified that the appointed date as stated in the scheme of amalgamation will be considered as the acquisition date for accounting as per Ind AS irrespective of the date of receiving the requisite regulatory approvals.
3. In view of the above, you have sought guidance from SEBI by way of interpretive letter on the following:
- i. With respect to Scheme 1, you have sought the following clarifications for preparation of the standalone financial results of Minda Industries Limited for Quarter 4 of FY 2019-2020 (Q4 2020) under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR"), in case the approval of NCLT is received in Q4 2020:
- a. Standalone financial results of Minda Industries Limited would already be prepared, declared and published for the period covering April 2019 to December 2019. Since the effect of the amalgamation is required to be given with effect from April 01, 2019, will the results of Harita Seating for the period covering April 2019 till December 2019 be included in the standalone results of Minda Industries Ltd. for Q4 2020?  
Or
- b. Will only Q4 2020 results of Harita Seating be included in the Q4 results of Minda Industries Limited?
- c. Is there a need to restate the comparative numbers of Quarter 3 of FY 2019-20 (Q3 2020) while preparing the standalone financial results for Q4 2020 of Minda Industries Limited, after including the results of Harita Seating for Q3 2020?
- d. While preparing the quarterly standalone financial results for FY 2020-21, do the standalone financial results of Minda Industries Ltd. for the comparative quarters of FY 2019-20 need to be restated i.e. for financial results of Q1, Q2, Q3 of FY 2020 – 21, is there a need to restate the standalone financial results

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of Q1, Q2, Q3 of FY 2019 – 20 which were prepared and published without the inclusion of financial results of Harita Seating?

- ii. With respect to Scheme 2, you have sought following clarifications for preparation of the standalone financial results of Minda Industries Ltd. for Quarter 4 of FY 2019-2020 (Q4 2020) under Regulation 33 of LODR, in case the approval of NCLT is received in Q4 2020:
- a. Standalone financial results of Minda Industries Limited would already be prepared, declared and published till Q3 2020. While preparing the standalone financial results for Q4 2020 of Minda Industries Limited, will the effect of results of 4 wholly owned subsidiaries results till Q3 2020 be included in the standalone results of Minda Industries Limited for Q4 2020?  
Or
  - b. Will only the Q4 2020 results of 4 wholly owned subsidiaries results be included in the Q4 2020 results of Minda Industries Limited?
  - c. Is there a need to restate the comparative standalone financial results of Q3 2020 and Q3 2018 – 19 (Q3 2019) of Minda Industries Limited after including the results of Minda Industries Limited after including the results of Q3 2020 and Q3 2019 of 4 wholly owned subsidiaries?
  - d. While preparing quarterly standalone financial results for FY 2020-21, do the standalone financial results of Minda Industries Ltd. for the comparative quarters of FY 2019-20 need to be restated i.e. for financial results of Q1, Q2, Q3 of FY 2020 – 21, is there a need to restate the standalone financial results of Q1, Q2, Q3 of FY 2019 – 20 which were prepared and published without the inclusion of financial results of four subsidiaries stated above?
4. We have considered the submissions made by you in your letter under reference and without necessarily agreeing with your analysis, our views in respect of the guidance sought by you are as under:
- i. With regard to financial results, listed entities are required to comply with the regulatory requirements as laid down in Regulation 33 of LODR.
  - ii. The Ind AS 1 (Presentation of Financial Results) *inter-alia* provides that:

*15. Financial statements shall present a true and fair view of the financial position, financial performance and cash flows of an entity. Presentation of true and fair view*

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*requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Framework. The application of Ind ASs, with additional disclosure when necessary, is presumed to result in financial statements that present a true and fair view.*

16. An entity whose financial statements comply with Ind ASs shall make an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Ind ASs unless they comply with all the requirements of Ind ASs.

- iii. Section 129 of the Companies Act, 2013 in reference to financial statements states that the financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133.
- iv. Regulation 48 of LODR provides that listed entities are required to comply with all the applicable and notified Accounting Standards. SEBI vide Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and CIR/CFD/FAC/62/2016 dated July 05, 2016 has prescribed the formats for publishing of Financial Results.
- v. Regulation 4 (1) (b) of LODR states that:  
  
*"The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders...."*
- vi. In view of the above, you are required to comply with the aforesaid principles and regulatory obligations in preparation and furnishing of quarterly standalone results of the company. In addition to the same, in case of business combination of common control entities, you are required to follow Appendix C para 9(iii) of Ind AS 103 which provides that:

*The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.*

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5. Vide your aforesaid letter, you have requested for confidentiality in respect of your application. Accordingly, it has been decided that the interpretive letter issued to you in this matter will not be made public for a period of 90 days from the date of issuance of this letter.
6. The above position is based on the information furnished in your letter under reference. Different facts or conditions may lead to a different result. Further, this letter does not express a decision of the Board on the question referred.
7. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to LODR as referred above and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,

**Pradeep Ramakrishnan**