

May 22, 2019

Minda Industries Limited – Update on Material Event

Summary of rated instruments

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Long-term Fund-based	98.50	[ICRA]AA(Stable)
Term Loans	91.10	[ICRA]AA(Stable)
Short-term Non-fund based	37.00	[ICRA]A1+
Unallocated	23.40	[ICRA]AA(Stable)
Commercial Paper	30.00	[ICRA]A1+
Total	280.00	

Material Event

Minda Industries Limited (MIL) announced to the stock exchange on May 16, 2019 that its board of directors have approved the proposal to amalgamate four of its wholly owned subsidiaries, MJ Casting Limited (MJCL; rated [ICRA]A-(Stable)/A2+), Minda Rinder Pvt. Ltd. (Rinder; rated [ICRA]A-(Stable)/A2+), Minda Distribution Systems Limited and Minda Auto Components Limited with itself.

Impact of the Material Event

The amalgamation scheme is aimed at simplifying the group structure and strengthening MIL's standalone profile. ICRA expects synergies to accrue among the business segments post completion of the amalgamation process. As the entities proposed to be amalgamated are wholly-owned subsidiaries, there would be no cash outflow involved in the process. Accordingly, the amalgamation exercise is credit neutral from MIL's perspective as ICRA's ratings outstanding are based on a consolidated view of the company along with its various subsidiaries and joint ventures. The ratings remain unchanged at [ICRA] AA(Stable)/ A1+ for MIL and at [ICRA]A-(Stable)/A2+ for MJCL and Rinder, respectively.

The previous detailed rating rationale for Minda Industries Limited is available on the following link: [Click here](#)

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