

Harita Seating Systems Limited

Regd. Off: Jayalakshmi Estates, No.29 (Old No.8), Haddows Road, Chennai – 600 006, India.

Tel : +91 (44) 28272233, Fax: +91 (44) 28257121

CIN: L27209TN1996PLC035293 E-Mail: corpsec@scl.co.in

14th February 2019

The Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C - 1, Block - G
Bandra Kurla Complex, Bandra
Mumbai - 400 051
Symbol: HARITASEAT

Sub: Intimation of the outcome of the meeting of the Board of Directors of Harita Seating Systems Limited ("Company") held on 14th February, 2019 and disclosures under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

Ref: Composite Scheme of Arrangement

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform you that the Board of Directors of the Company in its meeting held on 14th February 2019 considered and approved the draft Composite Scheme of Arrangement of Harita Limited ("Transferor Company 1") and Harita Venu Private Limited ("Transferor Company 2") and Harita Cheema Private Limited ("Transferor Company 3") and Harita Financial Services Limited ("Transferor Company 4") and Harita Seating Systems Limited ("Transferor Company 5" or "the Company") and Minda Industries Limited ("Transferee Company") and their respective shareholders ("Scheme").

The said Scheme under Sections 230 to 232 of the Companies Act, 2013, *inter alia*, provides for the following:

- (i) Amalgamation of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4 with the Transferee Company; and
- (ii) Amalgamation of the Company with the Transferee Company.

In consideration for amalgamation of the Company with the Transferee Company, the shareholders of the Company (at the option exercised by the shareholder) shall receive Equity Shares or Non-Convertible Redeemable Preference Shares (NCRPS) of the Transferee Company as consideration for the proposed Scheme. The equity shares of the Transferee Company are currently listed on BSE Limited and National Stock Exchange of India Limited (NSE).

The Scheme is subject to necessary statutory and regulatory approvals under applicable laws and the respective shareholders of each of the party to the Scheme.

The draft Scheme as approved by the Board would be available on the website of the Company at www.hartiseating.com post submitting the same to NSE.

Works : Belagondapalli, Thally Road, Hosur – 635 114.India.
Ph: + 91 4357 233445 Fax: + 91 4347 233460
Website : www.haritaseating.com

HARITA SEATING SYSTEMS LIMITED
CHENNAI – 600 006

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The Trading Window for dealing in securities for Directors and Designated Employees shall remain closed till February 18, 2019.

We give below information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 1.2 of Para A of Annexure - I of the SEBI Circular No. CIR /CFD/CMD/4/2015 dated September 9, 2015.

We are also enclosing a Press Release in this regard.

We request you to take the above information on record.

Thanking You,

Yours faithfully,
For Harita Seating Systems Limited



N Iswarya Lakshmi
Company Secretary

Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 1.2 of Para A of Annexure I of the SEBI Circular No. CIR /CFD/CMD/4/2015 dated September 9, 2015

S.No	Particulars	Details
1.	Name of the entity (ies) forming part of the amalgamation/merger, details in brief such as size, turnover etc.	<p>A. Harita Limited having Total Assets of INR 17.50 crores, Net Worth of INR 17.09 crores and turnover of INR 1.04 Cr as on 31st December 2018;</p> <p>B. Harita Venu Private Limited having Total Assets of INR 31.32 crores, Net Worth of INR 11.35 crores and turnover of INR 1.92 Cr as on 31st December 2018;</p> <p>C. Harita Cheema Private Limited having Total Assets of INR 13.83 crores, Net Worth of INR 2.80 crores and turnover of INR 0.57 Cr as on 31st December 2018;</p> <p>D. Harita Financial Services Limited having Total Assets of INR 16.48 crores, Net Worth of INR 16.47 crores and turnover of INR 6.83 Cr as on 31st December 2018;</p> <p>E. Harita Seating Systems Limited (Standalone) having Total Assets of INR 273.82 crores, Net Worth of INR 123.45 crores and turnover of INR 266.73 Cr as on 30th September 2018. The turnover for the nine months period ended 31st December 2018 is INR 405.71 crores. The Company is listed on National Stock Exchange of India Limited.</p> <p><i>(The above companies are hereinafter referred to as Transferor Companies)</i></p> <p>F. Minda Industries Limited (Standalone), having Total Assets of INR 1849.37 crores, Net Worth of INR 1040.50 crores and turnover of INR 1077.40 Cr as on 30th September, 2018. The turnover for the nine months ended 31st December 2018 is INR 1565.98 crores. Minda Industries Limited is listed on BSE Limited and National Stock Exchange of India Limited. <i>(hereinafter referred to as Transferee Company)</i></p>

S.No	Particulars	Details
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"?	Since the Transferor Companies and Transferee Company are not related parties, the amalgamation would not fall within related party transactions.
3.	Area of business of the entities	<p>The Transferor Company viz., Harita Seating Systems Limited is the leading manufacturer of automotive seating systems in India. The Company specializes in manufacture & supply of safe, ergonomic and reliable driver seats and bus passenger seats. The seats are used in the automotive segments of Commercial vehicles, Tractors, Off-road vehicles and Buses.</p> <p>The other four Transferor Companies viz., Harita Limited, Harita Venu Private Limited, Harita Cheema Private Limited and Harita Financial Services Limited are engaged in the business of making investments.</p> <p>The Transferee Company viz., Minda Industries Limited is engaged in the business of auto components and is a leading tier 1 supplier of proprietary automotive solutions to original equipment manufacturers</p>
4.	Rationale for amalgamation/ merger	<ol style="list-style-type: none"> 1. Both the Company and Transferee Company are engaged in auto component business; 2. The Company is a manufacturer of automotive products viz., seating systems catering to the needs of vehicle manufacturers. It has good capabilities in managerial, engineering and financial areas; 3. The proposed amalgamation of the Company with the Transferee Company in accordance with this Scheme would enable companies to realise benefits of greater synergies between their businesses and ability to leverage financial, managerial, technical, distribution and marketing resources of each other towards maximising stakeholder value; 4. Synergy of operations will result in

S.No	Particulars	Details
		<p>incremental benefits through sustained availability and better procurement terms of components, pooling of resources in manufacturing, engineering, manpower and other infrastructure, thus leading to better utilisation and avoidance of duplication;</p> <p>5. The Transferee Company desires to expand its business in automotive components and this arrangement would lead to improved customer connect and enhanced market share across product segments relating to auto sector;</p> <p>6. The amalgamation will help the Transferee Company in creation of platform for a new business vertical and to act as a gateway for growth and will ensure better operation management and expansion of business operations;</p> <p>7. By this amalgamation and through enhanced base of product offerings, the Transferee Company would serve as One-stop solution for that range to the original equipment manufacturers (OEMs);</p> <p>8. Providing opportunity to the shareholders of the Company to be part of a larger component manufacturer with wide range of products and broad customer base.</p> <p>9. Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale including enhanced access to marketing networks/customers;</p> <p>10. Opportunities for employees of the Company to grow in a wider field of business; and</p> <p>11. The Scheme shall not in any manner be prejudicial to the interests of the concerned shareholders, creditors, lenders and all other stakeholders.</p>

S.No	Particulars	Details
5.	In case of cash consideration amount or otherwise share exchange ratio	<p>Share exchange ratio to the shareholders of the Company -</p> <ul style="list-style-type: none"> • 152 (One Hundred and Fifty Two) fully paid equity shares of INR 2/- (Rupees two) each of Transferee Company for every 100 (One Hundred) fully paid up equity share(s) of INR 10/- (Rupees ten) each held in the Company by the Eligible Members; OR • 4 (Four) fully paid up 0.01% Non-Convertible Redeemable Preference Shares of INR 100 (Rupees hundred) each at price of INR 121.25/- per Non-Convertible Redeemable Preference Share of Transferee Company with a yield of 7.5% per annum on the issued price, for every 1 (One) fully paid equity share of INR 10/- (Rupees ten) held in the Company by the Eligible Members.
6.	Brief details of change in shareholding pattern (if any) of listed entity.	Post the Scheme becoming effective, all the Transferor Companies including the Company shall be dissolved without being wound up. Accordingly, post scheme shareholding pattern of the Company shall not be applicable.

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Press Release

Merger of Harita Seating Systems with Minda Industries

Chennai, 14th February, 2019: The Board of Directors of Harita Seating Systems Limited (HSSL) and Minda Industries Limited (MIL) at their respective meetings held today, approved the merger of HSSL with MIL through a Composite Scheme of Arrangement (the Scheme).

Mr H Lakshmanan, Chairman of HSSL said : “The merger of HSSL with MIL will generate additional value for our shareholders by providing access to diversified product mix so as to deliver significant near and long term growth. Thus, the decision today to join forces with the Minda Group, positions the business better than most to share in this huge growth opportunity, especially, as these are truly very interesting times. I am confident, the merger, will offer immense opportunity to broaden the portfolios and invest in products that are most relevant to customers. It will help to leverage the collective heritage, innovation, track record, combined products and capabilities to meet and exceed the automotive sector and the customers' evolving needs. MIL, will be the right partner to widen the customer base, bolster R&D capabilities and overall ensure future growth of the business. We are confident that the merger with MIL will thus, be ideal in supporting collective growth aspirations and making the business truly future ready. Thus the merger will help to closely collaborate with the customers, partners and all other stakeholders of the MIL Group to ensure a win-win situation for all.

The Boards of both the Companies have approved the following exchange ratios based on the recommendations of the joint valuation report by independent valuers as mentioned below:

- 152 (One Hundred and Fifty Two) fully paid equity shares of INR 2/- (Rupees two) each of MIL for every 100 (One Hundred) fully paid up equity share(s) of INR 10/- (Rupees ten) each held in HSSL; OR
- 4 (Four) fully paid up 0.01% Non-Convertible Redeemable Preference Shares of INR 100 (Rupees hundred) each at an issue price of INR 121.25/- per Non-Convertible Redeemable Preference Share of MIL with a yield of 7.5% per annum on the issued price, for every 1 (One) fully paid equity share of INR 10/- (Rupees ten) held in HSSL.

Valuers and Advisors:

Joint Independent Valuers	: Bansi S Mehta & Co and SSPA & Co
Independent Fairness Opinion (HSSL)	: J M Financial Limited
Independent Fairness Opinion (MIL)	: Keynote Corporate Services Limited
Legal Advisors to the transaction	: Khaitan & Co

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Disclaimer

The information in this release has been included in good faith and is meant for general purposes only. Such information is based on management's perception of business, market condition and overall growth potential. It should not be relied upon for any specific purposes and no representation or warranty is given as regards to its accuracy or completeness.

Certain statements in this Press Release may not be based on historical information or facts and may qualify to be "forward looking statements" within the meaning of applicable laws and regulations, including, but not limited to, those relating to general business plans and strategy of the Company, its future outlook & growth prospects, future developments in its business, its competitive and regulatory environment and management's current views and assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied.

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