

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: harita@haritaseating.com

10th August 2020

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. 1/C, "G" Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

Scrip code: HARITASEAT

Dear Sir,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to SEBI Circular vide its reference no. SEBI /HO / CFD/ CMD1/ CIR/P/2020/84 dated 20th May, 2020 under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we furnish below the details of impact of nation-wide lockdown caused due to Covid-19 pandemic on the Company's operations:

Particulars	Response from the Company – Harita Seating Systems Limited
Impact of Covid - 19 on business of the Company Ability to maintain operations including the factories /units/ office spaces functioning and closed down;	• Consequent to the lockdown announced across India effective March 25, 2020, the Company decided to halt all its manufacturing operations in compliance with the directions of the Government. • The Company has worked closely with its customers, suppliers and other service providers to extend all required support to them in the face of this unprecedented situation. • The Company has ensured safety and wellbeing of its employees and advocated work from home policy, wherever possible. • The Company has specifically trained all employees to adhere to the preventive measures and they were supported for work and transition to the new normal and the new workplace arrangements.

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Particulars	Response from the Company – Harita Seating Systems Limited
Impact of Covid - 19 on business of the Company Ability to maintain operations including the factories /units/ office spaces functioning and closed down;	• During the period of lockdown, the Company also organized various programmes for improving the skills and competency of the employees. Cumulatively 1300 man-hours of training has been achieved through focussed training programs. • Close to 200 customer meetings and also 1600 internal meetings were held through electronic means to maintain business continuity. • The Company imposed restrictions on permissible work force in the units in view of social distancing norms. • The shutdown and slow recovery of production at customers has adversely impacted the business. • The Company has formed Covid Response Teams (CRT) at two levels – one central team at the Head Office, and one plant team at each of the plants. These CRTs handle the situation and undertake all measures to mitigate risks, implement post-Covid SOPs and ensure business continuity. • These teams meet daily to review the implementation to take corrective and preventive measures. • In addition, each location where the Company operates has a Covid Marshal who goes around the premises daily on a full-time basis to ensure the adherence to the SOPs and rules on social distancing and hygiene practices. Defaulters are counselled to ensure safety of the all employees on the premises and operations.

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Schedule, if any, for restarting the operations; Steps taken to ensure smooth functioning of operations	• The Company resumed its operations across all its factories in a phased manner, after obtaining requisite Government approvals. The first plant to open was Pantnagar, by 26th April and all plants were open by 6th May. • Prior to restart, the Company took exhaustive safety measures to safeguard the health of the employees across all its facilities. A complete disinfection of facilities was done. Extensive changes to the employee spacing on the assembly lines, seating in the canteen, offices and transport facilities as well as training for all employees on the new normal was undertaken. • A comprehensive “Safe Work Guide” in line with directives issued by MHA and WHO was developed and deployed for employees to ensure complete adherence to necessary safety guidelines to help avoid spread of the virus - social distancing and highest standards of hygiene. • Detailed checklist to ensure this with audit from the plant-head were ensured, and based on the adequacy as reported in these reports, the Central team provided the go-ahead for restart of the plant. • Work from Home option also continued for certain category of employees, in adherence to respective state government guidelines. To facilitate this, desktop computers and work-stations have also been shifted to employees’ residences to facilitate Work From Home.

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Particulars	Response from the Company – Harita Seating Systems Limited
Estimation of the future impact of CoVID-19 on its operations	• Covid-19 pandemic has significantly affected market sentiments and customer demand in the segments of commercial vehicles and buses, where the demand drop is expected to be very significant. Tractor segment demand is robust, owing to the good monsoon and good rabi harvest. Even here, the daily demand from the OEMs remained uneven since the availability of labour is still an issue. • Company has been closely working with all the Vendors to resume & align production schedules and de-bottleneck supply chain concerns. • The Company has also provided guidelines and Training to vendor partners, thereby helping them to implement Covid-19 guidelines. • The reverse migration of the migrant workforce has posed challenges for smooth restart of operations at the Company's vendors • While the Company has initiated significant actions in place towards waste elimination and cost reduction, it is difficult to assess the future impact of Covid -19 as normalcy is yet to return.

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Particulars	Response from the Company – Harita Seating Systems Limited
Details of impact of CoVID-19 on listed entity's – capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services;	• Due to the significantly reduced demand as well as suspension of operations there has been a significant reduction in revenues with significant adverse impact on profits for the first quarter. This is expected to continue into the subsequent quarters as well. • In order to mitigate some of the impact, the Company has initiated steps to reduce its costs and also to conserve cash. The Company's current liquidity position is adequate to meet its financial and other commitments. The Company will, if required, take appropriate steps to augment it further. • The Company has also postponed and or deferred much of its capital expenditure while ensuring that growth is not affected.
Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business	With export customers specifically, the Company worked closely to align and prioritise production to prevent any line stoppages as well as to minimize expedited despatches. The Company is well positioned to fulfil its obligations with respect to all the existing contracts and agreements. We do not foresee any material impact arising from non-fulfilment of obligation by any party in existing contracts or agreements.
Impact on the Company's assets	As regards Inventories and Trade Receivable, the company has faced a significant problem of ageing. However, no write-offs to carrying amounts of these assets are expected. This apart, there is no impact on the Property, Plant and Equipment, Investments and Other Current Assets on account of Covid-19.

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Particulars	Response from the Company – Harita Seating Systems Limited
Impact on contractual obligations	With export customers specifically, the Company worked closely to align and prioritise production to prevent any line stoppages as well as to minimize expedited despatches. There has been no breach of any contractual obligations by the Company or by the counterparties under their contracts with the Company.
Impact on Internal Financial Controls	Internal Audit as well as statutory audit has been done with access to the records online and access to facilities through virtual-gemba. No impact of this pandemic on the Internal Financial Controls of the Company.

Thanking you,

Yours faithfully,

For HARITA SEATING SYSTEMS LIMITED



N Iswarya Lakshmi
Company Secretary