

Harita Seating Systems Limited

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01/04/B/12

4th September 2015

The Manager
Listing department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051.

Scrip code: HARITASEAT

Dear Sir,

Sub: Proceedings of the nineteenth annual general meeting.

As per the listing agreement, we enclose a copy of the proceedings of the nineteenth annual general meeting of the Company held on 6th August 2015 at Kasturi Srinivasan Hall (Mini Hall), 'The Music Academy', New No.168, (Old No.306), T.T.K Road, Royapettah, Chennai 600 014 for your information and records.

Thanking you,

Yours faithfully,
For HARITA SEATING SYSTEMS LIMITED



Authorised Signatory

Harita Seating Systems Limited

PROCEEDINGS OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF HARITA SEATING SYSTEMS LIMITED HELD ON THURSDAY, THE 6TH AUGUST 2015, AT 10.00 A.M. AT KASTURI SRINIVASAN HALL (MINI HALL), 'THE MUSIC ACADEMY', NEW NO. 168 (OLD NO. 306), T.T.K. ROAD, ROYAPETTAH, CHENNAI 600 014

Present

Directors

Mr H Lakshmanan, chairman

(Chairman of the Audit Committee & Stakeholders Relationship Committee)

Mr S I Jaffar Ali, director

Mr Martin Grammer, director

Ms Sujatha Balaji, director

Statutory Auditors

Mr M Balasubramaniam, Partner

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai

Secretarial Auditors

Ms B Chandra, practising company secretary, Chennai

Scrutinizer appointed by the Board

Mr K Sriram, practising company secretary, Chennai

In attendance

Mr A G Giridharan, President and CEO

Mr A Baskar, CFO

Members

1077 members in person and 5 members through proxy

Mr H Lakshmanan, chairman occupied the chair.

Chairman called the meeting to order, as the requisite quorum was present.

Chairman then informed the members that the Register of Directors' and Key Managerial Personnel and their shareholdings, in terms of Section 170 read with Section 171 of the Companies Act, 2013, (the Act 2013) and Register of Contracts in terms of Section 189 of the Act 2013 were kept open for inspection during the annual general meeting and made accessible during the continuance of the said meeting.

Chairman, with the consent of the members present, took the Notice dated 19th May 2015 convening the 19th annual general meeting of the Company as read (Notice of AGM) and also the "statutory auditors' report" and "secretarial audit report", which were free from any qualification / observation or other remarks as read, in terms of Section 145 of the Act 2013.

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Chairman introduced the directors on the dais to the members of the Company. He informed that Mr C N Prasad, director, expressed his inability to be present at the meeting due to unavoidable circumstances. However, he stated that Mr C N Prasad authorized Mr S I Jaffar Ali, director, to represent Chairman of the Nomination and Remuneration Committee.

Chairman then delivered his speech to the members, relating to industry review, performance of the Company for 2014-15, performance of the subsidiary viz., Harita Fehrer Limited during 2014-15, payment of dividend, new product development, new initiatives undertaken by the Company and outlook for the year 2015-16.

After concluding his speech, Chairman briefly mentioned the resolutions placed before the members and explained about the opportunity given to the shareholders for ensuring wider participation and voting on all the resolutions placed before them in this annual general meeting through 'Remote e-Voting' as mandated under both the statutes viz., the Companies Act 2013 and Listing Agreement.

Chairman also explained that the Company provided the E-voting facility through the "National Securities Depository Limited (NSDL)" and in view of this, 'voting by shows of hands' has been dispensed with.

Chairman informed that, as per the requirements under statutes, the 'E-Voting' period was kept open from 3rd August 2015 (9.00 a.m.) to 5th August 2015 (5.00 p.m.).

He then invited the members to seek clarifications / queries, if any, on the agenda items of Notice of AGM placed before them for consideration and approval.

At the outset, shareholders, while appreciating the good performance of the Company for the year 2014-2015, raised queries / made suggestions pertaining to (i) lower dividend pay-out; (ii) disputed tax liability as stated in the Auditors' report (iii) settlement of disputed liabilities with tax authorities and for payment of tax under protest; and (iv) issue of bonus shares.

Then, some of the members present at the meeting made the following specific observations, queries, suggestions and comments -

- Declaration of higher dividend pay-out ratio of at least 30% per year commiserating with inflationary trend and providing the details of pay-out ratio in the financial highlights of the annual report;
- Passing on the dividend earned from the subsidiary company;
- Declaration of bonus shares;
- Classification of current and non-current assets / liabilities;
- Details for other expenses in foreign currencies; and



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- Status on the transfer of unclaimed shares to suspense account.

Some of the shareholders appreciated the chairman, members of the board and officials of the Company for their contributions to the growth of the Company over the years.

Chairman, after providing the opportunity to each of such shareholders for seeking any clarification on all the items on the agenda placed before them, replied as follows.

- Dividend pay-out ratio for the past three years and that the pay-out was increased for 2014-15 and the details of pay-out ratio would be provided in the financial highlights in forthcoming years;
- Disputed liabilities relates to contested / contingent liability under Income Tax issue on transfer of assets to the subsidiary company and the Company was confident about the issue to be decided in its favour. Hence, there was no need to pay any tax now to avoid penalty;
- Increase in foreign exchanges expenditure was due to engaging of consultants for R&D related work to improve the quality of products because of their efforts, all developments are happening;
- Import / export of raw materials – all the raw materials were made out of petroleum products and there was no scope at present to get in India itself;
- Disclosure about current and non-current assets & liabilities in the balance sheet was strictly in accordance with the format prescribed under the statute; and
- Appropriate disclosures were made in the Annual Report about the details relating to transfer of unclaimed shares to suspense account for information of members.

He then thanked the shareholders, on his behalf and on behalf of the board, for their sincere efforts in going through the annual report and making useful suggestions / comments, besides seeking clarifications.

Chairman then, reiterated that, though the Company had already provided e-Voting facility to the members to vote between 3rd August 2015 to 5th August 2015, it was obligatory on its part to provide similar voting rights to those members, who were personally present in the meeting hall, either in person or through proxies and did not avail the e-Voting facility, to vote in proportion to the shares held by them.

Then, the "ballot forms" were distributed to the shareholders present for casting their votes and the shareholders and the proxies, exercised their votes.

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After ensuring that all the shareholders and proxies, who were present in meeting hall and participated in the Poll, had cast their votes, the Scrutinizer closed the Poll at around 11.00 a.m.

Then, the Scrutinizer took the custody of the Polling boxes for counting the votes and submitting the results to the Chairman.

Chairman then announced that the results of both the e-Voting and Ballot Form along with the Scrutinizers report, would be placed on the website and notice board of the Company and on the website of NSDL within two days from the conclusion of the annual general meeting and would be communicated to the Stock Exchanges, where the Company's shares are listed.

Chairman thanked the shareholders for their active support to the Company and declared the formal closure of 19th Annual General Meeting of the Company.

Results of Poll and E-voting:

After counting & verification of validity of votes polled through ballot forms, the consolidated report of the results of both E-Voting and Poll submitted by the Scrutinizer to the Chairman on all the resolutions placed before the shareholders. The results were then announced on the website and notice board of the Company, NSDL as well as the Stock Exchanges where the Company's shares were listed, as detailed below:

Ordinary business:

Resolution No:19.1 – Adoption of annual accounts for the year ended 31st March 2015:

"RESOLVED THAT the audited balance sheet as at 31st March, 2015, the statement of profit and loss, notes forming part thereof, the cash flow statement for the year ended on that date and the consolidated financial statements, together with the directors' report and the auditors' report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Promoter and Promoter Group	51,54,900	51,54,900	100.00	51,54,900	-	100.00	0.00
Public - Institutional holders	6,75,169	6,74,969	99.97	6,74,969	-	100.00	0.00
Public - Others	19,38,971	4,07,166	21.00	4,07,166	-	100.00	0.00
Total	77,69,040	62,37,035	80.28	62,37,035	-	100.00	0.00

Result: The ordinary resolution was passed as the requisite majority of votes were cast / polled in favour of the resolution.



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Resolution No:19.2 - Re-appointment of Mr Martin Grammer as director, liable to retire by rotation

"RESOLVED THAT Mr Martin Grammer (holding DIN 00061786), director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the Company".

Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Promoter and Promoter Group	51,54,900	51,54,900	100.00	51,54,900	-	100.00	0.00
Public - Institutional holders	6,75,169	6,74,969	99.97	6,74,969		100.00	0.00
Public - Others	19,38,971	4,07,166	21.00	4,07,166		100.00	0.00
Total	77,69,040	62,37,035	80.28	62,37,035	-	100.00	0.00

Result: The ordinary resolution was passed as the requisite majority of votes were cast / polled in favour of the resolution

Resolution No:19.3 - Ratification of appointment of M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, as statutory auditors for the second year in the transitional period of three years:

"RESOLVED THAT the re-appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No. 004207S, allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office, from the conclusion of this annual general meeting till the conclusion of the next annual general meeting for the second year in the transitional period of three consecutive years as recommended by the audit committee and approved by the board of directors of the Company, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 on such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors in addition to reimbursement of service tax, travelling and out of- pocket expenses, be and is hereby ratified."

Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour – on votes polled	% of votes against – on votes polled
Promoter and Promoter Group	51,54,900	51,54,900	100.00	51,54,900	-	100.00	0.00
Public - Institutional holders	6,75,169	6,74,969	99.97	6,74,969		100.00	0.00
Public - Others	19,38,971	4,07,166	21.00	4,07,151	15	100.00	0.00
Total	77,69,040	62,37,035	80.28	62,37,020	15	100.00	0.00

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Result: The ordinary resolution was passed as the requisite majority of votes were cast / polled in favour of the resolution.

Resolution No:19.4 - Appointment of Ms Sujatha Balaji as director, liable to retire by rotation, who was appointed as an additional director to comply with the provisions of 'woman director' under the Companies Act and Listing Agreement:

"RESOLVED THAT Ms Sujatha Balaji (holding DIN 03486129), who was appointed as an additional, non-executive and non-independent director and who holds office upto the date of this annual general meeting, in terms of Section 161 read with Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, be and is hereby appointed as a non-executive and non-independent director of the Company, liable to retire by rotation."

Promoter / Public	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour - on votes polled	% of votes against - on votes polled
Promoter and Promoter Group	51,54,900	51,54,900	100.00	51,54,900	-	100.00	0.00
Public - Institutional holders	6,75,169	6,74,969	99.97	6,74,969	-	100.00	0.00
Public - Others	19,38,971	4,07,166	21.00	4,07,151	15	100.00	0.00
Total	77,69,040	62,37,035	80.28	62,37,020	15	100.00	0.00

Result: The ordinary resolution was passed as the requisite majority of votes were cast / polled in favour of the resolution

All the resolutions, as contained in item Nos.1 to 4 of the Notice convening the 19th Annual General Meeting of the Company stood deemed to be passed on 6th August 2015, being the date of the annual general meeting of the members.

Chairman concluded the meeting with a vote of thanks to the shareholders at 11:00 a.m.

2nd September 2015


Chairman