

STRICTLY CONFIDENTIAL

February 14, 2019

The Board of Directors,
Harita Seating Systems Limited,
'Jayalakshmi Estates', No.29,
Haddows Road, Chennai 600 006

Ladies / Gentlemen:

We refer to the engagement letter dated February 04, 2019 ("**Engagement Letter**") whereby Harita Seating Systems Limited ("**Transferor Company**" or "**HSSL**" or "**Company**") has engaged JM Financial Limited ("**JM Financial**"), *inter alia*, to provide a fairness opinion to HSSL on the Share Exchange Ratio (defined herein) recommended by the Valuers (defined herein) through report dated February 14, 2019 ("**Share Exchange Ratio Report**") issued jointly by Bansi S. Mehta & Co. ("**BSM**" or "**Valuer**") and SSPA & Co. ("**SSPA**" or "**Valuer**") (BSM and SSPA are collectively referred as "**Valuers**") for the proposed amalgamation of HSSL with Minda Industries Limited ("**MIL**" or "**Transferee Company**") as a going concern ("**Proposed Amalgamation**") as a part of a Composite Scheme of Amalgamation (as defined below) under the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder.

Background

Established in 1996, HSSL is listed on the National Stock Exchange of India Limited ("**NSE**"). HSSL provides seating solutions for driver and cabin seating for commercial vehicles, tractors and construction equipment, as well as passenger seats for buses across segments. HSSL has a 51:49 joint venture in Harita Fehrer Limited (HFRL), which is also in the business of manufacturing two and three wheeler seats and also a foaming solution provider for automotive seats.

Established in 1992, MIL is listed on the BSE Limited ("**BSE**") and NSE. It is the flagship company of the UNO MINDA Group, a conglomerate comprising of several companies which manufacture diverse auto components for Indian and International original equipment manufacturers. MIL along with its subsidiaries/Joint Ventures/ and Associates offers a range of products across various verticals of auto components, such as switching systems, acoustic systems and alloy wheels, among other.

Brief Background of the Composite Scheme of Amalgamation

Under the proposed scheme of amalgamation (the "**Composite Scheme of Amalgamation**"), Harita Financial Services Limited ("**HFSL**"), Harita Limited ("**HAL**"), Harita Venu Private Limited ("**HVPL**") and Harita Cheema Private Limited ("**HCPL**") (HFSL, HAL, HVPL and HCPL are classified as promoters of HSSL) shall be amalgamated with MIL. Immediately upon implementation of the same and as part of the same Composite Scheme of Amalgamation, HSSL shall amalgamate with MIL.



JM Financial Limited

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The proposal envisages, *inter alia*, the amalgamation of HSSL into MIL, whereby the shareholders of HSSL shall have an option to opt for equity shares or non-convertible redeemable preference shares of MIL based on the following ratio (“Share Exchange Ratio”):

152 (One Hundred Fifty Two) equity shares of MIL of the face value INR 2/- each fully paid up will be issued for every 100 (One Hundred) equity shares of HSSL of the face value INR 10/- each fully paid up,

OR

4 (Four) 0.01% non-convertible redeemable preference shares of MIL of the face value INR 100 each fully paid up at an issue price of INR 121.25 for every 1 (One) equity share of HSSL of the face value INR 10/- each fully paid up

In consideration of the Proposed Amalgamation, such shareholders who are non-resident shall compulsorily be issued and allotted equity shares of MIL as per the Share Exchange Ratio as stated above. Further, the terms of the non-convertible redeemable preference shares shall be as per the Composite Scheme of Amalgamation.

The Company, in terms of the Engagement Letter, has requested us to examine the Share Exchange Ratio Report issued by the Valuers and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio (“**Fairness Opinion**”) pursuant to the provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Share Exchange Ratio Report issued by the Valuers;
2. Draft of the proposed Composite Scheme of Amalgamation;
3. Audited financial statements of HSSL and MIL for the period ended March 31, 2018 and unaudited financial statements for the period ended December 31, 2018, September 30, 2018, December 31, 2017 and September 30, 2017;
4. Other relevant information and necessary explanations and information from the representatives of the Company.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an “as is” basis, and, have not verified the accuracy and/or the

