

HARITA SEATING SYSTEMS LIMITED

Regd. Office: "Jayalakshmi Estates", No. 29, Haddows Road, Chennai – 600 006.

Website: www.haritaseating.com ; e-mail: corpsec@scl.co.in

Tel: 044-2827 2233 Fax: 044 - 2825 7121 CIN: L27209TN1996PLC035293

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear member(s)

NOTICE is hereby given pursuant to Section 110 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the Rules) under the Companies Act, 2013 (the Act 2013), for seeking the consent of the members, by way of special resolutions, through postal ballot for exercising the powers by the board of directors (the board) for:

- (i) borrowing monies upto a limit of Rs.100 Cr, in terms of Sections 180(1)(c) and 180(2) of the Act 2013 ; and
- (ii) creating a mortgage and/or charge in respect of all or any of the Company's movable / immovable properties and fixed assets comprising land, buildings, plant and machinery, both present and future, including a floating charge over the whole or any part of the undertaking of the Company for the purpose of securing such borrowings by the Company in the ordinary course of business, in terms of Section 180(1)(a) of the Act 2013.

Accordingly, the draft special resolutions, together with Explanatory Statement in terms of Section 102 of the Act 2013 for these proposals are being sent to the members, along with Postal Ballot Form, so as to enable members for sending their assent or dissent in writing by postal ballot means.

The Company is pleased to provide the facility for voting through 'electronic means' to enable members for casting their votes by selecting appropriate options for these special resolutions, in accordance with the provisions of the Rules and Clause 35B of the Listing Agreement.

The Company, for this purpose, has engaged National Securities Depository Limited (NSDL), an agency authorized by the Ministry of Corporate Affairs (MCA), for facilitating the members to communicate their assent or dissent through "electronic means" in respect of the aforesaid resolutions. The detailed procedures for voting through "electronic means" are given below in the Explanatory Statement attached herewith.

The board has appointed Mr K Sriram, practising company secretary, Chennai, as Scrutinizer, at its meeting held on 6th August 2014, for conducting the voting by "post" and through "electronic means" in a fair and transparent manner. Members are, therefore, requested to carefully read the instructions printed for voting by "post" or through "electronic means", namely by –

- (i) returning the postal ballot form duly completed, as per the instructions contained in the postal ballot form, in the attached self addressed postage pre paid envelope, so as to reach the scrutinizer not later than 6.00 p.m. on 19th September 2014; or
- (ii) casting their votes electronically from 21st August 2014 (9.00 a.m) to 19th September 2014 (6.00 p.m) by following the procedures as explained in the Explanatory Statement.

The Scrutinizer will submit his report on the results of voting by means of "post" and through 'electronic means' to the Chairman of the Company, after completion of the scrutiny of postal ballot forms and voting by 'electronic means'.

The results will be announced by Mr H Lakshmanan, chairman or in his absence, any one of the directors of the Company, at the registered office of the Company at No. 29, Haddows Road, Chennai 600 006, Tamilnadu, India, on 22nd September 2014.

The date of declaration of the results as aforesaid will be taken to be the date of passing of the said special resolutions by the members of the Company.

Members requiring any clarification may contact Mr V N Venkatanathan, special officer or Ms N Iswarya Lakshmi, company secretary at the registered office of the Company at the address given above or through e-mail viz., vnv@scl.co.in or ni.iswarya@scl.co.in.

SPECIAL BUSINESS

DRAFT SPECIAL RESOLUTIONS

Item No. 1

APPROVING THE BORROWING LIMITS UPTO RS. 100 CRORES IN TERMS OF SECTION 180(1)(c) AND 180(2) OF THE COMPANIES ACT, 2013.

To consider, and if thought fit, to pass the following resolution as a special resolution through Postal Ballot:

RESOLVED THAT in supersession of the ordinary resolution passed by the members through postal ballot on 18th December 2008, consent of the members of the Company be and is hereby accorded to the board of directors (hereinafter referred to as the "board") under Sections 180(1)(c), 180(2) and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, for borrowing, from time to time, as it

may consider fit, any sum or sums of monies from any entity / person, whether or not the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves that are not set apart for any specific purpose provided that the total amount so borrowed and outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 100 Cr and that the Board be and is hereby empowered and authorized to arrange and fix the terms and conditions of all such moneys to be borrowed, from time to time, as to interest, repayment, security or otherwise as it may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or a duly constituted committee thereof, be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements, in connection with such borrowing as may be required and to do all such other acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

Item No. 2

CREATING A MORTGAGE AND/OR CHARGE IN RESPECT OF ALL OR ANY OF THE COMPANY'S MOVABLE /IMMOVABLE PROPERTIES, IN TERMS OF SECTION 180(1)(a) OF THE COMPANIES ACT, 2013.

To consider, and if thought fit, to pass the following resolution as a special resolution through Postal Ballot:

RESOLVED THAT in supersession of the ordinary resolution passed by the members through postal ballot on 18th December 2008, consent of the members of the Company, be and is hereby accorded to the board of directors (hereinafter referred to as the "board") under Section 180(1)(a) and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, to mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the board may determine, including a floating charge, on all or any of the movable / immovable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in Indian or foreign currency and securities (comprising fully / partly convertible debentures and/or non-convertible debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, together with interest and all other monies payable by the Company in terms of the Loan Agreement(s) / Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and such terms and conditions in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board or committee and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the board or a duly constituted committee thereof be and is hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements, as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to creating mortgages / charges against such borrowings as aforesaid.

/By order of the Board/
For HARITA SEATING SYSTEMS LIMITED

Place: Chennai
Date: 6th August 2014

N Iswarya Lakshmi
Company Secretary

Encl:

- (1) Explanatory Statement in terms of Section 102 of the Act 2013 and the procedures for voting through "electronic means".
- (2) Postal ballot form & self-addressed pre-paid postage envelope

Annexure to the Postal Ballot Notice dated 6th August 2014

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE DATED 6TH AUGUST 2014 IN RESPECT OF THE SPECIAL RESOLUTIONS

The following explanatory statement sets out all the material facts relating to the special business mentioned in the accompanying notice dated 6th August 2014 and shall be taken as forming part of the Notice.

Item Nos: 1 & 2

The members of the Company, through Postal ballot on 18th December 2008, approved, by way of ordinary resolution, a limit for exercising the powers of borrowing, by the board of directors (the board), for the business purpose of the Company, upto a sum not exceeding Rs. 100 Cr at any one time, in terms of Section 293(1)(d) of the Companies Act, 1956 (the Act 1956), notwithstanding that the money to be borrowed together with the monies already borrowed by the Company may exceed the aggregate of its paid up share capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

However, after the applicability of the provisions of new Section 180(1)(c) of the Companies Act, 2013 (the Act 2013) (corresponding to Section 293(1)(d) of the Act 1956), the Company is required to pass a special resolution for the aforesaid purpose.

Ministry of Corporate Affairs (MCA) also clarified, vide its General Circular No.4/2014 dated 25th March 2014 about the need to pass a special resolution within a period of one year from the date of notification of the said Section 180 of the Act 2013, even though the Company has passed an ordinary resolution, as per the requirements of earlier provisions of the Act 1956.

Similarly, the board was also authorized to create mortgages and/or charges in such a manner, as the board may think fit, to secure such borrowings, in terms of Section 293(1)(a) of the Act 1956, as may be insisted upon by the lenders.

However, in term of Section 180(1)(a) of the Act 2013, such powers to create mortgages and/or charges against such borrowings will require a specific approval from members by way of a special resolution through postal ballot, as per the provisions of Section 180(1)(a) read with Section 110 of the Act 2013 and Rules made thereunder.

The board, therefore, decided to seek the consent of the members, by way of a special resolution in terms of the new requirements under the Act 2013, for exercising its powers for creating such mortgages and/or charges against such borrowings.

Therefore, the special resolution as set out in Item No.2 of the accompanying Postal Ballot Notice is of an enabling nature for the above purpose.

In terms of Section 110 of the Act 2013 read with the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement, the Company, therefore, provides the facility of voting –

- (i) by post through Postal Ballot Form so as to enable the members for sending their assent or dissent in writing, on or before 19th September 2014; or
- (ii) through 'electronic means' to enable members for casting their votes by selecting appropriate options for these special resolutions from 21st August 2014 (9.00 a.m) to 19th September 2014 (6.00 p.m).

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in these special resolutions.

The board, therefore, recommends the passing of the resolutions by the members of the Company, as set out in Item Nos.1 & 2 of the Postal Ballot Notice, by casting their vote(s) through the postal ballot form or by electronic means.

By order of the Board/
For HARITA SEATING SYSTEMS LIMITED

Place: Chennai
Date: 6th August 2014

N Iswarya Lakshmi
Company Secretary

NOTES:

1. The Company is pleased to provide members a facility to exercise their right to vote on the postal ballot resolutions by 'electronic means' and the special business may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL), in compliance with the provisions of Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement.
2. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on 8th August 2014.
3. Members are requested to read the instructions printed on the reverse of the Postal Ballot Form and return the Form duly completed in the attached self addressed and pre-paid postage envelope so as to reach the Scrutinizer on or before 19th September 2014, at the following address:

Mr. K. Sriram
Scrutinizer
C/o. Sundaram-Clayton Limited
Share Transfer Agents
Unit : Harita Seating Systems Limited
'Jayalakshmi Estates', 1st Floor
No. 29, Haddows Road,
Chennai - 600 006.
4. The instructions for Members for e-voting are as under:
 - (a) In case of Members receiving e-mail from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:

- (i) Open e-mail and then open PDF file viz., "Harita Seating Systems Limited e-Voting.pdf" with their Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL in the address bar: www.eVoting.nSDL.com
- (iii) Click on shareholder – Login
- (iv) Enter User ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- (vi) Home page of e-Voting opens. Go to "eVoting" icon and select "Active Evoting Cycles".
- (vii) Select "EVEN" of Harita Seating Systems Limited.
- (viii) Now Members are ready for e-Voting as Cast Vote page opens.
- (ix) Cast the vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once the Member has voted on the resolutions, such Member will not be allowed to modify their vote subsequently.
- (xii) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail: sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in and raman@scl.co.in.
- (xiii) Members who have cast their vote through Postal Ballot Form shall not be entitled to vote electronically.

(b) In case of Members receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of item No. 4(a) above to cast vote.

(c) In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the Downloads Section of www.evoting.nSDL.com or contact NSDL at the following Telephone No: 022-24994600.

(d) If Members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.

(e) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

5. Members, who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of MCA have been sent Postal Ballot Notice by e-mail and who wish to vote through Ballot Form can obtain the Ballot Form from Share Transfer Agent, Sundaram-Clayton Limited at "Jayalakshmi Estates", 1st Floor, No.29, Haddows Road, Chennai – 600 006 or from the Company at its Registered Office and fill in the details and send the same to the Scrutinizer by Post at the address given at Sl. No. 3 above.

6. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman of the Company. The results of the postal ballots / e-voting will be declared by Mr H Lakshmanan, Chairman or any one of the directors of the Company, on 22nd September 2014 at the Registered Office of the Company. The results shall also be announced to the Stock Exchanges where shares of the Company are listed and on the Company's website www.haritaseating.com. The special resolutions, will be taken as passed effectively on the date of declaration of the results, explained as above.

7. In case of any queries, Members may contact the Company at investorscomplaintssta@gmail.com or sclshares@gmail.com.

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