

## MIL Board approves merger of Harita Seating Systems with MIL



**Gurugram, 14<sup>th</sup> February'2019** – The Board of Minda Industries Ltd.(MIL), flagship company of UNO MINDA, a leading Tier 1 automotive systems manufacturer has approved proposed merger of Harita Seating Systems Ltd. (HSSL) with MIL.

The merger has potential to create significant shareholder value backed by superior business profile and performance. The transaction encompasses merger of HSSL into MIL; and its 51% holding in Harita Fehrer Limited (HFRL) which is a joint venture with Fehrer Automotive GmbH, one of the leaders in automotive seating business in Germany, Europe. HSSL along with its subsidiary has 12 manufacturing plants at strategic locations across India.

HSSL is engaged in manufacturing, product development and sales of safe, ergonomic and reliable driver seats and bus passenger seats. HSSL is a tier 1 seat supplier across various automotive segments. Their key customers include TVS, Royal Enfield, TAFE, Daimler, John Deere and TATA's among others. HSSL recorded a consolidated turnover of Rs. 905 Cr, EBITDA of Rs. 87 Cr and PAT (after Minority Interest) of Rs. 38 Cr for the financial year 2017-18.

Boards of both the Companies have approved the following exchange ratios based on the recommendations of the Joint Independent valuers as below:

- 152 fully paid equity share (s) of INR 2/- (Rupees two) each of MIL for every 100 fully paid up equity share (s) of INR 10/- (Rupees ten) each held in HSSL; OR
- 4 fully paid up Non-Convertible Redeemable Preference Share(s) of INR 100 each at a premium of INR 21.25 per Non-Convertible Redeemable Preference Share of MIL for every fully paid equity share(s) of INR 10/- (Rupees ten) held in HSSL

The management believes that this merger would create value for all stakeholders as highlighted below

- **Product Synergies:-** MIL will diversify its product offering and help leverage the deep R&D capabilities to ensure a robust pipeline of new product launches & **improve realisation** per vehicle (Kit Value) across all segments. Improve revenue mix In CV Segment
- **Customer Synergies:-** It will help leverage the long standing and entrenched customer/OEMs relationships of group providing access to new/ complementary customers.
- **Technology:** Work with Technology Partner (Fehrer, Germany) to develop and grow PV and other segments
- **Sales Channel Synergies:** Leverage upon strong aftermarket distribution channel of UNOMINDA to augment growth further
- **Value Accretive:** The Transaction is EPS accretive to Shareholders of MIL

On this occasion **Mr. Nirmal K Minda, Chairman & Managing Director** said “This merger is an important milestone for UNO MINDA. This is the largest M&A transaction that UNO MINDA has undertaken. HSSL is a quality focused, system driven organization and we are sure we will be able to take the business to the next level and create Value for shareholders of both the companies.”

On this occasion **Mr H. Lakshmanan, Chairman, HSSL** said “We are extremely delighted to join hands with UNO MINDA group, a leading Tier -1 automotive system manufacturer and I am sure business will achieve greater heights. I am confident, our amalgamation, will offer immense opportunity to broaden our portfolio and invest in products that we believe are most relevant to customers.”





**About Minda Industries Limited:**

Minda Industries Limited (MIL) is a flagship Company of UNO MINDA Group. UNO MINDA, a technology leader in Auto Components Industry is a leading supplier of proprietary automotive solutions to OEMs as Tier-1. It manufactures automobile components for Original Equipment Manufacturers (OEMs). It is an INR 70 billion Group as in FY18 and is rapidly expanding with increased market share in all its product lines.

The Group is a global player in the automotive sector with overseas manufacturing facilities in Indonesia, Vietnam, Spain, Mexico, Morocco, Germany & Colombia as well as Design Offices in Taiwan, Japan & Spain. It has 58 manufacturing plants globally and has JVs/Technical Agreements with world renowned manufactures from Japan, Italy, Taiwan and India. Its endeavor is to deliver high technology and quality products to its valued customers globally.

<https://unominda.com/>

**About Harita Seating Systems Limited:**

Harita Seating Systems Limited (HSSL), established in 1996 is listed on the National Stock Exchange (NSE).HSSL provides complete seating solutions for driver and cabin seating for commercial vehicles, tractors and construction equipment, as well as passenger seats for buses across all segments and has established itself as the leader in these segments in India.

The business and operations of HSSL are led by a competent professional management team reporting to the Board of Directors of the Company. The Company has 51:49 joint venture with Fehrer. viz., Harita Fehrer (HFRL), which is a complete foaming solution provider for automotive seats and manufactures and sells two and three wheeler seats to OEMs.

<http://www.haritaseating.com/>

| <b><i>For further information/ Queries</i></b>  |   |
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